

GRAYS HARBOR COLLEGE
Administrative Procedure

Subject: PURCHASING CARDS

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Grays Harbor College utilizes the Washington State Department of Enterprise Services purchasing card state contract. Washington purchasing card laws are governed by the Office of Financial Management SAAM 40.30.40 and Washington State Department of Enterprise Services Policy No. FO.03.01. Statewide purchasing card policies, Grays Harbor College Purchasing Card Procedures, and any other applicable laws shall be followed by all employees involved in any part of the Grays Harbor College purchasing card program.

Purchasing cards are issued to individuals authorized by their approving supervisor. Dollar limits are stated in the cardholder's "Purchasing Card User Agreement." The card is to be used only for approved official state business purposes.

•You may not intentionally unbundle or manipulate a purchase to stay below the purchasing card limits.

•You may not make personal purchases with the intent to reimburse Grays Harbor College.

ESTABLISHING A NEW ACCOUNT

- Employee supervisor requests procurement card from Purchasing Office and provides:
 - single transaction limits
 - monthly billing cycle limits
 - authorization controls
- Once information is received, the Purchasing Office creates and forwards "Purchasing Card User Agreement" to employee.
- "Purchasing Card User Agreement" is signed by employee, supervisor, and returned to Purchasing Office or Vice President for Administrative Services for authorization.
- Vice President for Administrative Services approves and returns the "Purchasing Card User Agreement" to the Purchasing Office.
- After Purchasing Office receives "Purchasing Card User Agreement," the card is requested from bank and cardholder is contacted to schedule GHC purchasing card training after card is received.
- After GHC training is completed by the user, purchasing card is provided to employee.

STATE OF WASHINGTON TRAININGS

In addition to GHC training, all purchasing card users are required to take online training provided by the Department of Enterprise Services.

Trainings shall be completed within 90 days of final signature listed on "Purchasing Card User Agreement." Training certificates shall be submitted to the Purchasing Office.

ONLINE ACCOUNT ACTIVATION AND REGISTRATION

All purchasing card users shall activate their cards and create an online US Bank cardholder account.

Online registration allows users to obtain monthly bank statements, view current transactions, card limits, and available credit.

PROHIBITED PURCHASING CARD PURCHASES

- Alcoholic beverages
- Controlled substances
- Donations
- Cash advances
- Fines, late fees, or penalties
- Interest/finance charges
- Lobbying costs
- Consultants, performers, and speaker fees/honorariums
- Purchases for services subject to prevailing wage requirements
- Prepayments unless exempt (See Prepayments/Deposits section.)
- Purchases for personal use
- Unbundling purchases to avoid purchasing card limits
- Equipment, materials, services, and supplies restricted by state rules, policies, procedures or contractual agreements
- Purchases between and within state agencies unless the paying or receiving account is local

PURCHASING CARD PROCESS

- Cardholder creates and submits requisition.
- Cardholder makes purchase(s) after requisition is fully approved.
- Purchasing Office processes a PO from approved requisition.
- Purchasing Office uploads posted transactions to PeopleSoft.
- Cardholder or Program Administrator connects completed PO to transactions.
- Cardholder uploads necessary documentation to all transactions in PeopleSoft.
- If applicable, the cardholder enters chartstring information for all transactions in PeopleSoft.
- Supervisor and/or Program Administrator reviews transactions, modifies if necessary, and approves cardholder transactions.
- Purchasing Office stages transactions for the Business Office to create vouchers.
- Business Office expedites payment to the bank.

PRIOR PURCHASE APPROVALS

All Purchases

Prior to placing an order with the purchasing card, users must obtain prior approvals via the requisition process. Cardholders may place a credit card order with the merchant after requisition is fully approved.

Fixed Asset Purchases

Requests to purchase fixed assets should be made via requisitions. Written approval is required from supervisor if fixed asset orders are placed by purchasing card. Approval must be uploaded to the transactions in PeopleSoft.

Technology Purchases

Prior to the purchase of IT supplies and equipment, card user must obtain written approval from the Associate Vice President of Information Technology. The prior approval requisition will

route to IT if category code and account number is IT related. The purpose for authorization is to ensure equipment and supplies are compatible with our current systems, reflect best price available, and/or the equipment needed is not already available for use. If the requisition is not routed to IT Department then approval must be uploaded to the transaction in PeopleSoft. IT supplies and equipment include anything connected to or relies on a computer to function (monitors, keyboards, software, scanners, etc.).

Furniture Purchases

Prior to the purchase of furniture, card user must obtain written approval from the Assistant Vice President of Campus Operations. The prior approval requisition will route to Campus Operations if category code and account number is furniture related. The purpose for authorization is to ensure quality and consistency. If the requisition is not routed to Campus Operations, then approval must be uploaded to the transaction in PeopleSoft. Furniture includes file cabinets, desks, tables, office partitions, whiteboards, tackboards, chairs, bookshelves, and other shelving.

RECORDS/RECONCILIATION/DOCUMENTATION

- All transactions (including credits) listed on the online monthly bank statement must be reconciled in PeopleSoft.
- Prior written purchase approvals (if applicable) must be uploaded to the transactions in PeopleSoft.
- All transactions for the current monthly bank statement must be assigned budget chartfields in PeopleSoft.
- The amount of each ‘transaction’ listed on the monthly bank statement must match the transaction amount in PeopleSoft and amounts on the supporting documentation.
- The monthly bank statement must be uploaded to one of the transactions in PeopleSoft.
- An order confirmation, invoice, receipt, or packing slip must be uploaded to every transaction in PeopleSoft that includes: the merchant name, transaction date, along with an **itemized** list of items and/or services and costs associated with purchase.
- An invoice, receipt, order confirmation, substitute packing slip, or packing **slip must be signed/initialed and dated (by someone other than the purchasing card user) or email** must be uploaded for every transaction in PeopleSoft. Proof of delivery of items or services received must be provided for every transaction.
- Receipts and/or invoices are required for documentation purposes. If an adequate receipt is not available from merchant, the “Record of Expense” form must be completed and uploaded to the appropriate transaction in PeopleSoft.
- Credits, fraudulent activity, and disputed billings must be identified on purchasing card documentation. A “Dispute Form” must be completed and uploaded to the appropriate disputed transaction in PeopleSoft.
- If unintentional misuse of the purchasing card occurs, the cardholder must reimburse the college. Payment is made with the Cashier and deposited into the chartstring provided by cardholder. A copy of the receipt that includes the chartstring must be uploaded to the appropriate purchasing card transaction in PeopleSoft.
- If purchasing light refreshments, food, or meals for an event, cardholder must upload the approved hospitality request to the transaction(s).

IMPORTANT DATES

Monthly Billing Cycle Date

- The monthly billing cycle runs from the middle of one month to the middle of the next month.
- The final day of a billing cycle usually falls on the 15th of any given month. If the 15th falls on a weekend, the final day of a billing cycle is the next business day. The start of a

new billing cycle begins the next day following the close of the previous billing cycle.

Monthly Reconciliation Due Date

- Reconciliation process is due **no later than the last business day of current month following the billing cycle. This includes purchasing card transaction approvals.**
- Confirmation of items and/or services received (documentation signed/initialed and dated by someone other than purchasing card user) or email must be uploaded to the transactions in PeopleSoft or submitted to the Purchasing Office **no later than three (3) weeks after a billing cycle close day.**

CARDHOLDER RESPONSIBILITIES

- Use purchasing card in accordance with all applicable statutes, rules, policies, and procedures.
- Understand and comply with purchasing card procedures.
- Activate card and register cardholder online account with US Bank.
- Monitor online transaction activity for unauthorized and fraudulent charges on a regular basis.
- Ensure a requisition is created and approved before placing a purchasing card order.
- Obtain all applicable approvals in writing before making purchases.
- Obtain monthly bank statements from online account after billing cycle closes.
- Sign back of purchasing card.
- Keep cards in a safe and secure location.
- Immediately inform the Purchasing Office if purchasing card is lost, stolen, or suspect unauthorized, and fraudulent use of purchasing card.
- Not lend or share purchasing card.
- Acquire supervisor approval in writing to adjust card limits (when necessary).
- Make fair and cost-effective purchasing decisions.
- Verify accuracy of the monthly bank statement, posted transactions in PeopleSoft, and supporting documentation.
- Ensure posted transactions for the current billing cycle are reconciled in PeopleSoft by the due date.
- Work with merchant and/or Purchasing Office to handle disputes for unauthorized charges.
- Verify items ordered are correct for each shipment.
- Resolve delivery problems with vendor.
- Coordinate merchandise returns, credits, and exchanges with merchant.
- Obtain appropriate purchasing documentation from vendors.
- Ensure all orders are received no later than three (3) weeks after the billing cycle close date, unless exempt. (See Prepayments/Deposit section.)
- Cancel purchases if orders are not received within three (3) weeks after the close of the billing cycle in which the purchase was made. (Some purchases may be exempt from this requirement. See Prepayments/Deposit section).
- Complete required State of Washington trainings within 90 days of final signature listed on the "Purchasing Card User Agreement" and submit training certificates to the Purchasing Office.
- Surrender purchasing card to Purchasing Office on request or termination of employment.

APPROVING SUPERVISOR RESPONSIBILITIES

- Comply with all applicable statutes, rules, policies, and procedures.
- Approve or deny requisitions for purchasing card prior approvals.
- Monitor card activity for patterns of misuse and non-compliance, and, when necessary, take appropriate disciplinary measures with card holders.
- Establish authorization controls for each card (i.e., types of purchases, single transaction

- limit, monthly billing cycle limit, etc.).
- Approve new account holders.
 - Review and approve cardholder transactions in PeopleSoft no later than the last business day of the month of the current billing cycle.
 - Provide written notification to the Purchasing Office when user limits need to be temporarily increased and the amount of the limits.

PROGRAM ADMINISTRATOR RESPONSIBILITIES

- Comply with all applicable statutes, rules, policies, and procedures.
- Set up and manage purchasing card program.
- Ensure reconciliation compliance.
- Upload purchasing card transactions to PeopleSoft daily.
- Approve purchasing card transactions when needed.
- Stage purchasing card transactions for payment and notify Accounts Payable.
- Provide GHC purchase card training for each cardholder prior to activation of card and as needed.
- Develop, modify, and implement purchase card procedures and guides.
- Notify purchase card users and approving officials of policy, procedure, and/or law changes.
- Maintain a list of authorized purchase card users and account information.
- Retain “Purchasing Card User Agreement” forms.
- Collect, suspend, and/or cancel purchasing cards upon employee termination, or as necessary.
- Review account(s) and “Purchasing Card User Agreement” forms, at least every 3 years, adjusting if needed.
- Request new accounts from bank and distribute cards to appropriate users.
- Resolve merchant disputes with bank within sixty (60) calendar days.
- Communicate with bank regarding card declines, authorization controls, lost cards, fraud, disputes, and other concerns.
- Adjust purchasing card limits.

BUSINESS OFFICE RESPONSIBILITIES

- Comply with all applicable statutes, rules, policies, and procedures.
- After receiving purchasing card transaction staging notification from the Purchasing Office, ensure timely payment to bank per payment terms to avoid late payment fees, making effort to take advantage of incentives, and applicable rebates.
- Comply with Department of Revenue sales and use tax requirements.

PREPAYMENTS/DEPOSITS

State of Washington law states, “Goods and services generally must be received prior to payment.” Confirmation of items and/or services received (documentation signed/initialed and dated by someone other than purchasing card user) must be uploaded to every transaction in PeopleSoft or due in the Purchasing Office no later than three (3) weeks after the billing cycle close date.

Purchasing card transactions are considered “prepayments” when items and/or services are not received within three (3) weeks after the billing cycle close date.

In order to ensure the receipt of goods and services are appropriately documented and recorded, purchasing card users should utilize a requisition instead of a purchase card if vendors request deposit or prepayment and receipt of the item and/or service is not expected within three (3) weeks after a billing cycle close date.

Grays Harbor College is allowed to make “prepayments” for equipment maintenance services (up to 60 months in advance), subscriptions (up to 36 months in advance), postage, books, periodicals, and travel related expenses.

INTERNAL CONTROL

The Grays Harbor College internal control process aligns with SAAM Chapter 20.

The cardholder must reconcile the posted transactions in PeopleSoft. The supervisor or Program Administrator must approve posted transactions in PeopleSoft.

An invoice, receipt, order confirmation, substitute packing slip, or packing slip signed/initialed and dated (by someone other than user) or email for each transaction is required to confirm items and/or services are received. The confirmation of items received must be uploaded to each transaction in PeopleSoft.

Periodic program and procedure reviews will be conducted to determine if effective controls and appropriate use of purchasing cards are being exercised.

Purchasing card transactions are subject to audit with the terms and conditions of the purchasing card program. Grays Harbor College is required to retain documents for purchases made using purchasing cards according to agency procedures and state retention laws. Records must be available for audit on request.

SALES TAX AND USE TAX

Grays Harbor College is not a tax-exempt entity. State of Washington law requires the college to self-assess use tax when a merchant does not charge sales tax on a taxable transaction. If applicable, use tax will be added to the transaction when sales tax is not included, and will be payable to the Washington State Department of Revenue.

SHIPPING & RECEIVING

Orders must be shipped or delivered to Grays Harbor College. For all items delivered to Central Receiving on main campus, the Receiving Department verifies the items received match those listed on the packing slip. If quantities do not match the order or if a substitute item was delivered, that will be noted on the packing slip. If a packing slip is not available, a substitute packing slip is created by the Receiving Department. A signed/initialed and dated packing slip (or substitute packing slip) is placed in the box and delivered to the campus purchaser.

For orders delivered to Receiving on main campus, please ensure the letters ‘PC’ is in front of your name on the shipping label. This alerts the Receiving Department that the delivery is a purchasing card order and will ensure items are delivered in an efficient manner.

See example below.

PC Sally Baker
Grays Harbor College
1620 Edward P. Smith Drive
Aberdeen, WA 98520

It is the responsibility of the card user to ensure purchased orders match delivered orders. The cardholder is responsible for handling delivery issues and/or returns with merchant. The purchasing card user shall contact the Receiving Department to make return shipping arrangements.

For all items delivered via USPS, packages are not opened by the Receiving Department. Someone, other than purchasing card user, must verify order delivery by email or signing/initialing and dating a packing slip, invoice, order confirmation, or receipt.

If items are picked up from merchant, delivered to another campus location, or directly delivered to user, someone other than purchasing card user must verify order matches delivery by email or signing/initialing and dating a packing slip, invoice, order confirmation, or receipt. This process also applies to services received.

SECURITY

Purchasing cards and account numbers must be safeguarded against loss, theft, and unauthorized use. Cardholders must ensure cards and numbers are kept in a secure and safe location at all times.

Only users that sign a “Purchasing Card User Agreement” are allowed to make purchases with the purchasing card. You may not allow someone to use your card or provide account number to others.

Cardholders going on leave or out for a significant amount of time shall notify the Purchasing Office or shall keep card in a secure and safe location until they return.

Only conduct purchases with familiar or safe merchants.

When conducting purchases on the web make certain a vendor can be trusted and the site is secure. Use caution when providing information and account numbers. After orders are placed online, always log out of accounts.

ETHICS IN PUBLIC SERVICE

RCW 42.52-Ethics in Public Service

(1)(a) A state officer or employee of an agency who seeks to acquire goods or services or who participates in those contractual matters is subject to the requirements in RCW 42.52.150.

(b) A contractor who contracts with an agency to perform services related to the acquisition of goods and services for or on behalf of the state is subject to the requirements in RCW 42.52.150.

(2) No person or entity who seeks or may seek a contract with a state agency may give, loan, transfer, or deliver to any person something of economic value for which receipt of such item would cause a state officer or employee to be in a violation of RCW 42.52.040, 42.52.110, 42.52.120, 42.52.140, or 42.52.150.

NON-COMPLIANCE AND MISUSE

It is the responsibility of purchasing card users and approving supervisors to comply with statewide purchasing card policies, Grays Harbor College Purchasing Card Procedures, and any other applicable laws.

Grays Harbor College reserves the right to temporarily suspend or cancel any card when there is clear evidence of misuse and/or a pattern of non-compliance.

- Examples of non-compliance include but are not limited to not obtaining prior approval,

missing documentation, missing prior approvals, late submissions, and incomplete reconciliation in PeopleSoft.

- Examples of misuse include but are not limited to manipulating purchases to avoid card limits, personal charges, and making prohibited purchases.

Purchasing Card Process for Non-Compliance:

1. **First occurrence:** Purchasing card privileges suspended until compliance is verified by the Purchasing Office. Supervisor notified by email.

2. **Second occurrence:** Purchasing card privileges suspended until compliance is verified by the Purchasing Office. Supervisor notified by email.

3. **Third occurrence:** Purchasing card privileges suspended. Mandatory user training and/or meeting with supervisor and Vice President for Administrative Services. Purchasing card may be reinstated.

Purchasing Card Process for Misuse:

1. Purchasing card privileges suspended until concern is resolved. Supervisor notified by email.

2. Purchasing card privileges may be permanently suspended and not eligible for reinstatement.

**Card users who misuse or conduct unauthorized purchasing card purchases may be subject to termination of employment, prosecution, and penalties to the full extent provided for by law.