Purchasing Card Program Guidelines

North Idaho College’s purchasing card (P-Card) program has been established to provide a means for staff to buy items needed for day-to-day operations quickly and conveniently as well as a means to facilitate travel. Specifically the program is intended:

- To ease the purchasing of items of small dollar value
- To avoid the need to issue purchase orders in small dollar amounts
- To purchase from online vendors who do not accept purchase orders
- To make purchases from vendors from whom we may only make purchases once or twice
- To facilitate travel

As a cardholder, you are responsible for the charges on your P-Card and ensuring that all purchases comply with college policy. It is important to:

- Understand what kinds of purchases are authorized on a P-Card
- Reconcile your P-Card account on or before the due date
- Obtain receipts and provide a business purpose for each purchase

The college P-Card is a corporate liability Visa card provided by Bank of America. The College is responsible for the bill payment and you, as a cardholder, are responsible for managing the card and only using it for business purchases in compliance with college policy. P-Cards are issued to employees based on business need. The employee does not have to provide personal or financial information in order to have a P-Card issued to him/her.

P-Cards are not a required tool. The card is made available to employees with a demonstrated need (purchasing and/or travel a minimum of once per fiscal year) upon recommendation of their supervisor, approval by the supervising Vice President and the Office of Finance & Business.

USE OF PCARDS

- The cards are to be used only for official North Idaho College business purposes and only for purchases allowable under the NIC purchasing guidelines.
- Splitting purchases on one or more cards is not permissible in order to bypass limit controls
- The card is not to be used to circumvent existing purchasing guidelines
The cards are not authorized to be used with any vendor whom we have an established vendor relationship (refer to commonly used vendor list on the portal under Budgets and Purchasing).

Use of the P-Card at Costco is only allowed when using the NIC Costco Membership card. This card can be checked out at the Office of Finance & Business.

All processes within the purchasing guidelines are applicable to purchases on the P-Card.

The cardholder has ultimate responsibility for all charges on the card, regardless of who made the charge. The exception would be disputed charges.

Violation of any of the constraints in this document will be cause for the potential removal of the card from the cardholder and may result in disciplinary action.

OBTAINING A PCARD

P-Cards are issued to budget managers by request. Typically, cards are not issued to anyone without budget authority unless the card is for travel use only. Employees who travel at least one time per year on college business can have a card issued in their name for travel. Travel cards will only be activated during the travel period, after the Office of Finance & Business has received an approved travel authorization form.

To request a P-Card, please complete the Purchasing Card Request & Acknowledgement form and email to accounts payable@nic.edu.

ALLOWED PURCHASES ON PCARD

As stated above, the P-Card is to be used to purchase small dollar items, items from vendors with whom we plan to only purchase once or who do not accept purchase orders. Examples of allowable purchases in the card include:

- Office and class supplies
- Online advertising (not to be used to pay an individual)
- Books, subscriptions, work-related membership fees
- Online subscriptions or memberships
- Registration fees for business related conferences and events
- Authorized employee business travel (including airfare, lodging and conference fees)

Meals and Refreshments or Events

Meals and refreshments are subject to the guidelines published in the college purchasing guideline. In order to provide meals or refreshments using a P-Card, the cardholder must:

- Secure approval for the expense from their supervising vice president
- Include an agenda, business purpose, and list of attendees with their affiliation with the college. For open house, public, or large events designed to encourage participation, please provide a list of invited guests/groups along with an estimated list of attendees.
- Meals and refreshment purchases are not considered an acceptable use of college funds for informal or birthday/holiday get-togethers, casual meetings or regularly scheduled meetings for employees.

**UNAUTHORIZED PURCHASES ON PCARD**

Any purchase not approved by your department, above your account limits or not allowed per policy is considered unauthorized. As noted below, there are items prohibited from purchase with college funds and items that require a specific purchasing process and therefore cannot be purchased using the cards:

- Purchase of any inventory or equipment (valued at $2,000 or more)
- Alcoholic beverages
- Cash advances, salaries and wages
- Personal purchases
- Computers, laptops, notebooks, iPad’s and other personal computing devices (must be ordered through IT)
- Cell phones/mobile communication devices
- Fuel for personal vehicles
- Meals or refreshments for employee traveling on business
- Payment to or on behalf of an independent contractor (consulting, honorarium)
- Purchase of any item listed as unallowable on the purchasing guidelines (on the NIC website under Employee Resources, Administrative Services Operational Guidelines, Purchasing)
- Purchases from vendor with whom we have an established relationship that requires specific purchasing processes (Amazon & Office Max)

**TRAVEL**

Use of P-Card for college travel is regulated by the college travel guidelines.

An approved travel authorization must be in place and sent to the Office of Finance & Business before the P-Card will be activated for use. Once the P-Card is activated, the traveler can use the card for the following travel expenses:

- Conference registration
- Lodging (room and tax only). P-Card cannot be used for personal meals, snacks, or incidental expenses
- Airfare from Spokane to business destination and return to Spokane and associated baggage fee. If any portion of the trip includes personal travel, the airfare may not be charged to the P-Card (refer to travel guidelines)
- Rental car if necessary for business (includes fuel, tolls and parking for rental car)
- Ground transportation (airport-to/from home and airport to/from hotel)
- Parking fees related to travel (i.e. payment of parking fees for personal vehicle at airport)

**Meals, snacks and incidental travel expenses:**
These expenses must be paid with personal funds and reimbursement sought via per diem (daily allowance based on destination). For information on per diem reimbursement, refer to the NIC travel guidelines.

**Airfare:**
Travelers are expected to book the lowest cost economy class airfare. First and business class upgrades are not an allowable expense. Coach or economy class upgrades (Southwest “early bird check in” or United “Economy Plus” are allowable if approved by the supervising vice president).

Flight itinerary must correspond to event dates. The dates of the conference or meeting and one travel day before and after is acceptable

If airfare itinerary includes personal travel, use personal funds to purchase the ticket and seek reimbursement from the college for the business portion of the trip. Provide a comparison itinerary (cost of trip without the additional days or flight legs) along with the original receipt for the purchased itinerary with reimbursement request documentation.

**IDAHO STATE SALES TAX EXEMPTION**
Charges to the P-Card are billed directly to North Idaho College, a state supported agency exempt from Idaho sales tax. The North Idaho College purchase cards are imprinted with the words “Idaho Tax Exempt.” It is the cardholder’s responsibility to request sales tax exemption by providing a copy of the college’s form ST-101 (available on the portal).

**RECEIPTS/RECORD KEEPING**
Receipts are a critical component of the P-Card process. Original receipts must be taped to 8 ½ x 11 paper and attached to a printed reconciliation sheet from the Works program and must be sent to the Office of Finance & Business by the 1st of the month following the billing cycle close. Original receipts are stored for five years and are available when required for audit during this time.

Both the college and its external auditor will conduct formal and informal audits of P-Card use. At some point, your department will be audited. Cardholders/departments may keep copies of their P-Card statement and receipts, but all original documentation should be submitted to the Office of Finance & Business.

Our audit firm expects original itemized receipts for each authorized P-Card charge that appears on your monthly statement. Faxed or scanned receipts are acceptable, as long as it is a duplicate of the original receipt and includes all required information (description of purchase, price paid, date, and merchant information). If you do not have a receipt contact the merchant and request one. If you cannot obtain a receipt, provide detail identifying your purchase (e.g., packing slip, packaging, or description from vendor website) and a brief explanation regarding your attempt to obtain a duplicate receipt.
You are required to upload a copy of the original receipt into the Works system and attach it to your transaction. You will still need to send the original to the Office of Finance & Business with your monthly reconciliation. The online receipt will be stored by the bank’s system for 7 years and will be retrievable by you at any time.

- Frequent cases of missing receipts can be grounds for account suspension (temporary or permanent)
- Cardholders may be asked to reimburse the college for purchases without a receipt or other supporting documentation

**RECONCILING PCARD TRANSACTIONS**

Charges need to be reconciled for each billing cycle. The cycle begins on the 26th of the month and ends on the 25th of the following month. If the 25th is a weekend or a holiday, the cycle closes the Friday before.

- Email reminders are sent by the system (sender will show as NIC P-Card program) two days before the end of every cycle to remind cardholders to reconcile their transactions

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*P-Card limits reset at the beginning each cycle (typically the 26th of the month). Limits do not completely reset unless the cardholder has signed off all expenses from the previous cycle. Failure to reconcile transactions will reduce available credit and can be a cause of the card being declined.*

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- By the first of each month, cardholders need to print a Cardholder Statement Report from the system. This statement will provide a listing of the transactions that need to be reconciled and for which receipts need to be submitted
- Transactions cannot be posted to the budget reports until the cardholder (or their proxy) has reconciled them

Submit your P-Card packet (signed Cardholder Statement, receipts, and any other required documentation) to the Office of Finance & Business by the first of the month in order to keep your account in good standing. P-Card transactions are reviewed and reconciled using Works: an online application provided by Bank of America. Each cardholder usually reconciles their own account online (i.e. provides a business purpose and accounting information for each transaction) although some areas may designate a staff member to act as a reconciler to assist or complete the allocation process on behalf of an individual or group of cardholders.

- Works users can allocate and/or sign off as soon as transactions appear in their Works queue: daily, weekly, bi-weekly or monthly. Cardholders are encouraged to reconcile expense weekly
• Comments are mandatory when allocating transactions in the Works system. Please refer to the P-Card Receipts Reconciliation Process packet for detailed instructions.
• Use your Cardholder Transaction Log (or some type of organization tool that works for you) to keep track of P-Card purchases.
• Reconciliation packets are due to the Office of Finance & Business by the 1st of the month for the card cycle that closed on the 25th of the previous month. For example, the cycle that closes on March 25th should be turned in by April 1st. If not received by the 1st, a single reminder will be sent to the Account Holder once the monthly statement has been reviewed. If the report has still not been received by the Office of Business and Finance by the end of the following cycle the Account Holders card will be suspended until brought current.

If you need assistance reconciling expenses in Works, contact your department approver or the college P-Card administrator.

**Your P-Card account may be deactivated if you fail to complete the cardholder sign off process on time (which includes submitting required documentation to the Office of Finance & Business). If you are unable to complete sign-off of expenses, notify the P-Card administrator as soon as possible.**

**CARD EXPIRATION**

Your card will be automatically renewed and you will be notified once your renewal card is available for disbursement. You will be expected to review or attend an in-person training session to be sure you are up-to-date with both policy and procedure.

**ACCOUNT CLOSURE**

Your P-Card must be closed if you separate from the college or if it is determined you no longer require the account. Contact the Office of Finance & Business to request account closure (either cardholder or department can initiate account closure). If you are transferring to another department, your new department should submit a Purchasing Card Request & Acknowledgement form on your behalf and your current card should be closed.

**RETURNS, DAMAGED GOODS, CREDITS**

If goods purchased with P-Card need to be returned, the cardholder should work directly with the supplier. Here are some pointers to make it easier:

• Always retain boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- Many suppliers require you to obtain a "Return Merchandise Authorization" (RMA) number before they will accept a return. If you neglect to get this number when required, the package may be refused and credit will not be issued to your account.
- In some cases there may be a restocking fee (usually a percentage of the purchase price). If the supplier is completely responsible for the error or problem, cardholder is not responsible for payment. However if the supplier is not fully responsible, you can use your P-Card to pay the fee assuming it’s not exceeding your available credit or credit limits.
- Lastly, make sure that the charge for the returned items is credited properly. If this does not happen, refer to the section regarding Disputed Transactions.

**DISPUTED TRANSACTIONS**

If you do not receive the goods or services you paid for, or experience other issues related to your order, contact the vendor for resolution. Document the time, date, and name of the representative you speak to, and ask for date of expected resolution. Include a brief explanation with your P-Card statement detailing action you have taken to correct an issue. The college is still required to pay disputed charges. Disputed charges must be coded in the Works system.

- If you were overcharged, request a credit adjustment and ensure the credit appears on the following month’s statement.
- If the charge is disputed, it should be identified in the Works business purpose field as "Disputed" and allocated to your department. When the credit is received, it should be allocated to the same department.
- If the merchant disagrees that an adjustment is necessary, you may need to file an official dispute with Bank of America.
- A dispute is usually filed online during the statement review period, but may also be filed within 60 days from the posting date on your statement. Please contact the college P-Card administrator for assistance filing a dispute.

**UNAUTHORIZED USE (FRAUD COMMITTED BY PERSONS UNKNOWN)**

If you discover an unauthorized charge on your account, notify the college P-Card administrator (or call Bank of America directly at 1/800-300-3084). Cardholders may contact our card provider directly to report fraud or suspicious activity regarding their account.

If the charge is fraudulent, Bank of America will close your account and order a replacement card with a new account number for you.

- If the charge is reported as fraud to the bank, it should be identified in the Works business purpose field as “Reported as Fraud” and allocated to your department.
- Complete the usual sign off process. The bank will process a credit to the cardholder’s account within a few days, which need to be allocated to the same department.
**CARD SECURITY**

You need to take reasonable steps to safeguard your P-Card so your account is not compromised. Do not allow others to use your P-Card account (card or number), or your Works password. Review your transactions regularly and if you find a transaction you do not recognize, report it to the college P-Card administrator or directly to Bank of America.

- Keep your P-Card secured in a locked drawer (same with your password information)
- If you carry your P-Card in your wallet, store it separately from your personal credit cards
- P-Card and personal accounts should not be stored together online as it can result in accidental personal purchases. Create separate accounts if you must store P-Card account information online
- Safety online – Bank of America does not request or send sensitive information such as account numbers or passwords in an unsecured email, or by directing you to an unsecured website

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*Failure to comply with college policy or procedures may result in cancellation of card privileges, reimbursement to the College or disciplinary action in accordance with college policy*

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**FINAL AUTHORIZATION OF PCARD EXPENSE**

Your department P-Card approver submits approved cardholder statements to the authorizer (Department Head, Director, Dean, V.P., or Business Manager) after online approval has been completed.

- Authorizer must review submitted documentation each month
- Any unresolved non-compliance issue should be discussed with cardholder and in some cases reported to the college P-Card administrator

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Lost or stolen card: Cardholders should immediately report lost, misplaced, or stolen cards directly to Bank of America at 1/800-300-3084