

FLORIDA GULF COAST UNIVERSITY

Purchasing Card Program

PURCHASING CARD PROGRAM

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Bank of America Cardholder Customer Service

To report a lost or stolen P-Card *after hours*, please call:

1.888.449.2273

See Section 2.5 for more information

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PROGRAM OVERVIEW

Welcome to the Florida Gulf Coast University Purchasing Card Program! This program is designed to provide a more efficient means of making routine purchases and payments. Your new Purchasing Card, or P-Card, will afford you the convenience of purchasing directly from merchants without having to go through the Purchase Order process or reimbursement process. When you use your P-Card, you are streamlining the purchasing process, saving time and reducing paperwork.

Florida Gulf Coast University utilizes the Visa network secured through Bank of America to provide the P-Card Program. In addition, all charges are reviewed, reconciled, and paid through the P-Card module of Banner Finance. P-Card transaction activity is updated daily in Banner.

A P-Card may be presented to any merchant who accepts Visa, and after the purchase is made, your Reconciler will assign the charge to the proper University funding source through the Banner system. You and your Reconciler will need to become familiar with the FOAPAL(s) associated with your P-Card to ensure that your purchases are being paid for with the proper funds. A FOAPAL is the accounting string that is associated with your department's funding source; it is an acronym for "Fund, Organization, Account, Program, Activity, and Location." You and your Reconciler will primarily be concerned with the Fund, Org, and Account aspects of the FOAPAL.

Success of the P-Card Program relies on the cooperation and professionalism of all personnel associated with it. As a Cardholder, you are expected to follow appropriate state laws and guidelines, as well as use good and reasonable judgment when making P-Card purchases. It is important to familiarize yourself with the information contained in this manual before signing the Cardholder Agreement and beginning to make purchases with your P-Card.

PROGRAM CONTROLS & POLICIES

Purchasing Card controls have been put in place to ensure that Cardholders are spending University funds for purposes that are aligned with institutional objectives. Such controls are necessary in order to safeguard University assets, reduce instances of fraud, and ensure compliance with purchasing procedures.

2.1 Standard Spending Limits

Each Purchasing Card has set spending limits; the single transaction limit is set at \$1,000.00 and the cycle spending limit is \$5,000.00. Splitting purchases over \$1000.00 into multiple transactions to bypass the spending limit regulation is considered misuse and is prohibited. There is no daily spending limit.

2.2 Spending Limit Increases

If the need arises for a single transaction limit increase or cycle spending limit increase, the Cardholder must complete a **Temporary Limit Increase Form**. A temporary limit increase will raise the single transaction limit and/or the cycle spending limit for a time period not to exceed three months. All temporary limit increases are subject to approval by the P-Card Administrator, Accounts Payable Manager, and/or the Director of Procurement Services. The form can be found on the Office of the Controller Procedures and Forms webpage, located at <http://www.fgcu.edu/AS/Finance/proceduremanual.html>. Once the form is completed and signed by the Cardholder and their supervisor, it can be sent to the P-Card Administrator via fax, email, or interoffice mail. Please allow up to 48 hours for the increase to be processed. You will be notified by email once your limit increase is in place.

If the need arises to permanently increase the single transaction limit or the cycle spending limit, a **Permanent Limit Increase Form** should be completed. All permanent increase requests require a review of card activity to ensure the increase is warranted, and in addition, all permanent limit increases are subject to approval by the Director of Procurement Services. All approved permanent increases will be reviewed on an annual basis to ensure that the increases in place are still warranted based on P-Card activity.

2.3 Merchant Category Code Restrictions

Businesses are assigned a Merchant Category Code (MCC) based on the nature of the business, and certain MCC codes are blocked from P-Card use. This means that if a Cardholder attempts to use a P-Card at a business that has been assigned a code that is blocked, the P-Card will decline. These blocks are set up to help prevent Cardholders from making unallowable purchases and also to help reduce fraud. While these controls are set to assist with the process, it is up to the Cardholder to ensure proper card usage. Just because you are *able* to make a purchase with your P-Card does not necessarily mean that the purchase is allowable. A discussion of allowable and non-allowable purchases can be found in Section 3 of the manual.

2.4 Security

Keep your card in a secure location and do not leave it or the account number in conspicuous places. Do not fax, mail, or email the complete account number. Exercise sound judgment when purchasing from Internet websites; do your best to make sure you are purchasing from secure sites. *If fraud is ever suspected, contact the P-Card Administrator right away.* Your P-Card is the property of Bank of America and FGCU. Only you, the Cardholder, may use the P-Card

or authorize use of your P-Card by another person. Procurement Services does not recommend use of a P-Card by anyone other than the Cardholder. If you, the Cardholder, allow another employee to use your P-Card, you do so at your own risk and are not protected by the P-Card Program should that individual misuse your card. *You, the primary Cardholder, are responsible for ensuring proper usage of your card.* Under no circumstances are students or non-employees allowed to use a P-Card.

2.5 Lost & Stolen Cards

It is your responsibility to *immediately inform the P-Card Administrator if your P-Card is lost or stolen.* If the loss/theft occurs outside regular business hours and the P-Card Administrator cannot be reached, notify Bank of America directly by calling 888-449-2273. Also send an email notifying the P-Card Administrator. *Do not order a replacement P-Card.* The P-Card Administrator will order a replacement card for you. Immediately inform any merchants who have your P-Card number on file that your card has been lost or stolen.

2.6 Federal Funds

When paying for P-Card purchases with federal funds, you are responsible for meeting the requirements set forth by the federal grantor.

2.7 Audits

As a new Cardholder, your P-Card activity is subject to a 90 day audit by Procurement Services; in most cases activity will be audited on an annual basis after that. The purpose of these audits is to ensure that Cardholders and Reconcilers understand and are properly following P-Card procedures. Issues of non-compliance will be identified and addressed accordingly. Audits may also be conducted by the Florida Gulf Coast University Department of Internal Audit, and/or by the State of Florida. *All P-Card activity is public record and is subject to open records requests and audit at any time.* For more information on audits, please review the Purchasing Card Program Procedure Manual located at <http://www.fgcu.edu/AS/Finance/proceduremanual.html>.

2.8 Departure from FGCU

Discontinue use of your P-Card immediately upon notification of your termination or voluntary departure as a University employee. This will allow sufficient time for receipt submission and reconciliation of outstanding charges. Your P-Card must be deactivated and should be returned to the P-Card Administrator before separation clearance will be issued. In addition, all receipts should be turned in to your Reconciler and any other outstanding P-Card issues (such as audit items not in compliance) should be addressed.

If you transfer to a different department within the University, the P-Card Administrator should be notified so the necessary changes can be initiated. This includes possible card deactivation, changes in Reconciler assignment, changes in Reconciler access, and changes to card controls.

Audits will be conducted as necessary in both instances.

PROCEDURES FOR CARD USE

3.1 Allowable Purchases

Any merchant who accepts Visa should accept your P-Card, and you may make P-Card purchases in person, over the phone, or online. Please note that allowable purchases of \$100 or less should always be made with your P-Card; Purchase Requisitions submitted for \$100 or less may be returned.

Your P-Card should be used only to purchase goods that are necessary in order to perform your job duties. In addition, all purchases should be aligned with University objectives. Below is a listing of some examples of purchases that are generally allowable, but keep in mind that the funding source plays a significant role in determining what purchases are allowable. If you are unsure about whether or not an item is allowable, please check the Expenditure Guidelines Matrix located on the P-Card webpage <http://www.fgcu.edu/AS/Purchasing/guidelines.html>. You may also contact your budget manager, the grant P.I., or the P-Card Administrator for clarification.

Auto parts & supplies

Boat parts & supplies

Books, manuals & reference guides

Computer peripherals

Educational materials & supplies

Hardware supplies

Lab/research supplies

Maintenance supplies

Membership dues & fees (Open Records Statement must be attached)

Office supplies

Registration fees

Safety supplies

Tools

Training materials & supplies

Travel

If you are charging purchases to a grant, you should provide your Reconciler with a list of allowable and non-allowable purchases. You are responsible for all items charged against your grant.

3.2 Non-Allowable Purchases

Possessing a P-Card is a privilege based on trust, and a deliberate attempt to use the P-Card for personal gain is theft. A P-Card is to be used solely for securing goods necessary to perform your job duties. You *cannot* use the P-Card to receive cash advances, cash credits, or purchase non-business or personal items. **Employees who misuse or abuse this privilege are subject to P-Card revocation and/or disciplinary action, including termination and prosecution by both Florida Gulf Coast University and Bank of America.** When you sign the Cardholder Agreement, you acknowledge that you understand these penalties for P-Card abuse. Below are some other examples of purchases that should not be made with P-Card. Please reference the Expenditure Guidelines Matrix for a more comprehensive list of non-allowable purchases.

Alcoholic beverages (only exception: wine for HFT)
Break room supplies/equipment
Capital equipment
Cameras
Cash advances
Cash credits
Cellular phones/smartphones & accessories
Charter buses
Computers
Congratulatory and condolence flowers
Construction, remodeling & renovations
Data plans (internet for iPad, etc.)
Desk accessories
Decorative items for use by individuals
Educational courses primarily benefitting employee
Fines, late fees, penalties
Food & catering (dependent on funding type)
Furniture for common areas
Gifts

Greeting cards
iPods and accessories
Licenses
Mobile computing devices (laptops, netbooks, notebooks, tablets) & accessories
Moving expenses
Notary services
Personal or decorative items
Picture frames, awards, & plaques (dependent on funding type)
Promotional items: clothing, hats, mugs, pens, event decorations, etc. (dependent on funding type)
Recurring charges
Rent
Services involving contracts and/or independent contractors
Shirts for job identification
Software applications (subject to IT approval)

3.3 Documentation

For each purchase, an original receipt from the vendor should be given to your Reconciler within five (5) days. Receipts should be attached to an 8 ½ x 11 sheet of paper so they can easily be filed in your P-Card binder. It is good practice for the Cardholder to always keep a copy of the receipt.

If circumstances only allow for an unoriginal receipt to be furnished, it should be signed by the Cardholder as an original.

The following information should be included on each receipt itself:

1. Vendor name
2. Date of purchase
3. List of goods purchased
4. Prices of said goods
5. Total
6. Shipping address (if goods were not purchased in person)

The following information should accompany each receipt (can be written on the receipt or the paper it's affixed to):

7. Fund, Org, and Account codes to be used by your Reconciler (for the benefit of your Reconciler)
8. Description of the purchase if it's not entirely obvious based on the receipt information (for the benefit of your Reconciler who will have to enter a description of the purchase in Banner)
9. Packing slip for items not purchased in person- if no packing slip is available, note the date items were delivered
10. TAR number if the purchase is travel related

If a receipt is missing any of these components and a more complete receipt cannot be obtained from the vendor, then a **Missing or Incomplete Receipt Form** must be completed. If a receipt cannot be obtained at all or a receipt has been lost and cannot be replaced, the same form should be completed and submitted to the reconciler in lieu of a receipt. The form can be found on the Office of the Controller Procedures and Forms webpage.

Additional documentation critical to the P-Card process includes a monthly bank statement. The Bank of America billing cycle begins on the 16th of the current month and ends on the 15th of the following month. If you have activity during the billing cycle, you will receive a bank statement around the 20th. Sign your statement to certify that all charges/credits are legitimate and that all goods have been received and then give it to your Reconciler. If you do not

receive a statement and should have or you have lost your statement, contact the P-Card Administrator to obtain another copy. If no activity takes place during a billing cycle, you and your Reconciler should sign a Statement of No Activity in lieu of a bank statement and file it in your P-Card Activity Binder.

3.4 Returns and Credits

If you return an item for a refund, the credit will appear as a subsequent electronic transaction, and as such, you must submit a receipt for the credit to your Reconciler. All credits should be applied to the same FOAPAL as the original debit. If the merchant completes the refund in the form of a check, it should be endorsed to FGCU. Refunds in the form of checks and cash should be taken to the cashier's office for deposit and documented in the P-Card binder with a signed **Check Log**.

3.5 Tax Exemption

All purchases made on behalf of FGCU with a State of Florida merchant should be exempt from sales tax. When making a purchase in person, advise the merchant to deduct sales tax right away, as they may need to manually adjust the total before requesting Visa authorization. Merchants may require presentation of the University's tax exemption certificate, even though the number is noted on the front of the P-Card. A laminated, pocket-sized certificate will be provided to you during orientation. A full size **University Tax Exempt Certificate** can be found on the Procurement Services website.

If sales tax is charged, the Cardholder is responsible for obtaining a refund and providing the necessary corresponding documentation (a receipt for the credit) to the Reconciler.

While you as a Cardholder are expected to bring to the merchant's attention the University's tax exempt status, a merchant still has the right to deny an exemption. If the merchant denies the exemption or is unable to honor it for some reason, usually because of pre-set controls within the computer system, you may continue with the purchase, *noting on your receipt that the tax exemption was denied.*

Cardholders must pay applicable state sales and use taxes to merchants outside Florida.

3.6 FEIN

For vendors *not already in the Banner system*, a completed W-9 form should be submitted to the Procurement Services Office Manager. This can be done via fax (239-590-1140) or via email if the document is scanned. Please contact Procurement Services for assistance with obtaining vendor forms.

3.7 Shipping _____ Assigned PC#

When you order an item that is to be shipped, make sure the vendor references your four digit PC number in the shipping address. A PC number is assigned to each Cardholder so your packages can be linked to you and your on campus location. This number is important so that Central Receiving can properly deliver your product. *Do not bypass Central Receiving.* Directing items through Central Receiving protects the University and you against misplaced, lost, or damaged packages. *All goods purchased with a P-Card must be shipped to the University and never to a residential address, unless the Cardholder's primary location is an official off campus location or supervisor approval is obtained and documented via a **Procurement Services Justification Form**.*

Make sure merchants understand that they are not to charge your Visa until the item(s) have been shipped. Back orders cannot be billed in advance of shipping. When your order arrives, make sure the merchandise is correct and intact. If you receive a packing slip, it should be filed with the original receipt.

The University's shipping address should be written as follows:

Florida Gulf Coast University
10501 FGCU Blvd. S.
Ft. Myers, FL 33965
PC#****

The phone number associated with the University billing address is 239-590-1134.

3.8 Merchant Disputes

The dispute process has two possible steps: an informal dispute and a formal dispute. Typically, transaction disputes can be resolved with a merchant via an informal dispute, and that is the first step. Merchants are usually willing to work directly with you to correct the problem. Make sure to document any and all communication you have with the merchant throughout this process. Also, please keep your Reconciler in the loop. If the merchant agrees to issue a credit, follow-up with your Reconciler to make sure it posts in Banner and also check your bank statement at the end of the billing cycle.

If you are unable to informally resolve the problem with the merchant, you may pursue a formal dispute in which Bank of America investigates the circumstances on your behalf. Prior to completing the Bank of America Dispute Form, there must be proof that several attempts have been made to correct the error. If the merchant fails to cooperate, then please contact the P-Card Administrator to obtain the appropriate form.

Please attempt to resolve all disputes as soon as the error has been identified. Some possible reasons for a dispute include: alteration of amount, unauthorized purchase, credit not received, multiple charges for same product, merchandise not received.

3.9 Accidental Personal Purchases

If you accidentally purchase a personal item with your P-Card, you can return non-consumables for credit and properly document the incident. The receipt for the original purchase and the receipt showing the credit should be given to your Reconciler along with a brief explanation of the incident to be filed with the receipts. If the purchase cannot be returned, you must immediately reimburse the University. Do this by preparing a personal check made out to FGCU and complete a Check Log. Bring both to the Cashier's Office and give your Reconciler a copy of the Check Log signed by the cashier to serve as proof of reimbursement. Also provide your Reconciler with the receipt from the original purchase. Repeated instances of misuse such as this may result in the revocation of your card.

TRAVEL

4.1 Travel Authorization Requests

Using a P-Card for traveling is beneficial to you because the University pays for travel expenses up front rather than requiring you to expend personal funds and later request reimbursement. However, any travel expenses placed on a P-Card should first be preapproved by the appropriate authorities by means of a **Travel Authorization Request**, or **TAR**. Any travel expenses, for example a conference registration fee, paid for with a P-Card before an approved TAR is submitted, may have to be reimbursed by you personally if your travel request is denied by the University. Please keep this in mind and complete a TAR well in advance of charging any travel related expenses to your card. Before traveling, be sure to familiarize yourself with FGCU's travel policies, located at <http://www.fgcu.edu/AS/Finance/proceduremanual.html>.

4.2 Allowable P-Card Travel Purchases

- Airfare
- Automobile rental
- Business phone calls & fax charges
- Gasoline for rental vehicle
- Hotel room
- Parking
- Registration fees (conferences, seminars, conventions, etc.)
- Taxicab fares
- Tolls

4.3 Non-Allowable P-Card Travel Purchases

- First class airfare
- Gasoline for personal vehicle
- Gifts
- Meals
- Movies & other entertainment
- Personal phone calls
- Replacement of lost/damaged personal items
- Room service

4.4 Ground Transportation

You may use your P-Card to pay for car rental. However, the University requires the rental of a compact size vehicle (Class B). If the traveler rents a larger car for their own convenience, any extra cost should be borne by the traveler. Proof of reimbursement should be filed in the P-Card Activity Binder for audit purposes. If there is a legitimate reason for rental of a vehicle other than Class B, a Procurement Services Justification Form should be attached.

The University has contract rates with Enterprise/National. See the Procurement Services website for more details on renting vehicles.

The P-Card can also be used to purchase gasoline for both rental vehicles and University-owned vehicles on official University business. P-Cards should only be used at the pump; they might decline inside the station due to MCC restrictions. If the P-Card is used to purchase gasoline, the Cardholder should reference the TAR number and also clearly note that the fuel was for a rental or state vehicle. The purchase of gasoline for a personal vehicle is not an allowable P-Card purchase. Please review the Travel Procedure Manual for information on obtaining reimbursement for usage of a personal vehicle during official University business.

Taxi and shuttle services are allowable P-Card purchases but please remember to get a receipt. A tip of up to 15 percent is allowable. Tolls and parking fees are also allowable P-Card purchases, assuming that the attendant will accept a Visa and provide a receipt.

4.5 Hotels

The P-Card can be used to make hotel reservations. If the hotel you are staying at is not an approved FGCU vendor, please ask for a completed W-9 form from the hotel at the time the reservation is made and forward the form to the Procurement Services Office Manager. In addition, if the hotel is in Florida, make sure they can honor the tax exemption and send them a copy of the certificate if necessary.

The State of Florida allows for a single occupancy rate only, and a P-Card can only be used for individual hotel stays on University/State business.

Many hotels bill the first night in advance. If the hotel you are using requires the traveler to pay for the first night in advance, simply request that the hotel fax to you a copy of the folio for the first night's billing, approve the transaction, and keep it on file. The final folio at checkout should show a credit for the first night's billing.

When checking into the hotel, it is important to tell the hotel desk clerk to separate room and tax transactions from transactions of a personal nature. This process creates what is known as a "dual folio." It keeps the records for personal expenses separate from the records for hotel room expenses. The P-Card can only be used to pay for the hotel room and room taxes. The traveler must provide a personal credit card to establish the second folio for personal expenses (meals, movies, personal phone calls, etc.). Most hotels can accommodate this request and you will receive separate receipts at check out. *Hotel receipts must be broken down by line item detail, and the user of the hotel room should be identified on the receipt, whether it be the Cardholder himself/herself or someone else.*

At check out, review your statements for accuracy, as a hotel desk clerk may have inadvertently posted personal expenses to the P-Card. If this problem cannot be corrected by posting a credit to the P-Card, you are responsible for reimbursing the University for your personal expenses. See section 3.9 for instructions on how to do this.

4.6 Cancellations

In the event that the trip is cancelled for any reason, it is the responsibility of the traveler to cancel all reservations. The traveler may be held personally liable for any transactions or penalties resulting from failure to give proper notice of cancellation.

4.7 International Travel and Conversion Rates

Faculty and staff members sometimes travel outside the United States, thereby necessitating currency conversions. Billing is made in the local currency, but when the charge reaches Bank of America, the bank charges the University's bank account at the conversion rate on the date of charge. The P-Card holder who receives the bank statement should conduct a test of the conversion rate, checking for reasonableness and documenting the findings in the P-Card binder. Please utilize the following website for currency conversions: <http://www.xe.com/travel-expenses-calculator/>. Please note that conversion documentation is required for all instances of currency conversions and is not limited to travel-related purchases.

SUMMARY OF RESPONSIBILITIES

5.1 Cardholder Responsibilities

1. Attend Cardholder orientation and sign the Cardholder Agreement (your supervisor must also sign it) in order to acknowledge that you understand and accept the responsibilities associated with the card.
2. Abide by all P-Card policies and procedures.
3. Ensure that your card is physically secured and your account number remains protected. Immediately report fraud and/or lost/stolen cards to the P-Card Administrator.
4. Exercise good stewardship of the University's resources, including making every reasonable effort to obtain the tax exemption, and make no excessive or unnecessary purchases.
5. Provide the appropriate documentation to your Reconciler in a timely manner.
6. Review your monthly bank statement for accuracy; sign and forward to your Reconciler.
7. Identify questionable charges/errors and contact merchants directly to resolve the problem. If no solution can be reached, notify the P-Card Administrator to file a formal dispute.
8. Discontinue use of your P-Card immediately upon notification of your termination or voluntary departure as a University employee.

5.2 Reconciler Responsibilities

1. Help ensure that Cardholders are appropriately using their P-Cards and report issues of misuse.
2. Reconcile charges in Banner, adhering to established time frames.
3. Maintain an audit-ready binder for each Cardholder for whom you reconcile.
4. Perform monthly reconciliation of the bank statement.