

**State of Arkansas
SAU Tech**

**Purchasing Card (P-Card)
Program**

**Policies and Guidelines
Manual**

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PCard forms can be located at MyCollege portal at SAU Tech website.

INTRODUCTION

Welcome to the State of Arkansas/SAU Tech Purchasing Card (PCard) Program. The Office of State Procurement (OSP) has developed this program to help SAU Tech better manage low-dollar supply purchases and bring many benefits to you, the State of Arkansas, and our vendors. The PCard will facilitate the acquisition of low dollar goods and services needed for conducting official government business. PCards will be issued to select employees to enhance the effectiveness or economy of operations. Liability for payment, total responsibility and accountability for the PCard transactions resides at the department level. **Personal purchases are forbidden and may result in disciplinary action.**

College Departments, as a condition of participation in the PCard program, shall abide by the terms of the guidelines established by the Office of State Procurement and US Bank. No policy and guideline statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant on a case-by-case basis.

The success of the Arkansas PCard Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this document.

1. WHAT IS THE PCARD?

The State of Arkansas has implemented the Arkansas PCard Program with US Bank VISA to simplify, streamline, and facilitate the purchase and payment process. The PCard is a fast, flexible purchasing tool offering an enhancement to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies with a total maximum per cycle limit that will be determined on an individual basis. The default limit per individual cardholder is \$2,000.00 per billing cycle with a \$1,499.00 per transaction item limit.

The issuance of a PCard to you represents the trust bestowed upon you by the College to protect its assets and integrity. Under your oversight, review and approval, you provide the key point of control to maintain appropriate spending activities to protect your agency funds.

The PCard will be issued in the **individual cardholders name** with the wording “Arkansas”, “For Official Use Only”.

2. THE PCARD PROGRAM BENEFITS

Cardholders - You will be able to obtain various supplies and some services directly from vendors without using a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies. In addition, it expands your purchasing options by utilizing many businesses that would not accept a purchase order but would take a VISA credit card.

SAU Tech - The PCard program provides a cost-efficient, alternative method for purchasing low-dollar goods. Built-in card features make the program easy to manage and lowers processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and warrants.

Vendors – Most vendors who accept VISA will welcome the PCard. When the vendors accept the card for a purchase, they will not send invoices to your agency and should receive payment from VISA within 72 hours.

3. ALLOWABLE and NON-ALLOWABLE CHARGES

Many items may be charged with the SAU Tech PCard. Some examples of allowable items/goods purchased with the Purchasing Card are books, general office supplies, lab supplies, postage, subscriptions, UPS, FedEx, and many more that are not currently on a mandatory State Contract.

In most circumstances, the Cardholder may purchase goods for official business purposes for the SAU Tech, EXCEPT:

- * Any non-allowable transaction to the card that could result in disciplinary action
- * Alcoholic beverages of any kind
- * Cash advances
- * Personal type purchases of any kind, items or services (gift cards or certificates, cards such as get-well, birthday, etc., flowers, etc. food (unless approved))
- * Printing subject to Amendment 54 to the Arkansas Constitution and Arkansas State Procurement Laws
- * Travel expenses or travel related expenses
- * Any IT purchases that require a VPAT (see Information Technology Policy)
- * Printers, ink and toner
- * Monthly recurring charges including internet and phone services
- * Vehicle rentals
- * Any items listed on mandatory agency or state contracts without vendor approval. The item may be purchased using the PCard if the contract allows – check with PCard Coordinator.
- * Professional Services and Consultant Services Contracts or any tax reportable IRS 1099 expenses
- * Split purchase or any other form of incremental purchasing
- * Any purchase that would involve a trade-in

NOTE: It is recommended that equipment or other items, both high and low value, which should be included on the College inventory listing be purchased using the traditional PO method to allow for the proper tracking of the asset shell and number.

If you are not sure of any of these requirements, or have any questions regarding this subject, contact the PCard coordinator before making the purchase.

ALL PURCHASES MUST BE FOR OFFICIAL BUSINESS FOR SAU TECH.

4. PCARD ACTIVATION

Before purchasing with the PCard, it must be activated. It is recommended the activation be done in a secure location to protect the security and integrity of the PCard. If you have problems activating your card, please contact Purchasing Card Coordinator, 870.574.4523.

5. MAKING A PURCHASE

When making a PCard purchase, the Cardholder shall check as many sources as reasonable to assure the best price, quality, service and delivery is in the best interest of SAU Tech. There are several methods of procuring with the PCard.

In Person (Point of Sale) – The Cardholder takes the PCard to the merchant and verifies the merchant accepts the VISA card. The Cardholder shall retain all PCard transaction documentation and provide this to proper agency personnel for backup and comparison to the US Bank transaction information and/or PCard Transaction Log.

Phone Orders – The Cardholder may telephone an order to a supplier. The supplier shall request the Cardholder's Purchasing Card number and expiration date. For security reasons, ensure others do not overhear or view this information. The Cardholder shall ensure the supplier includes a Purchasing Card authorization slip, cash register tape or paid invoice with the delivery of the order. The Cardholder shall retain all transaction documentation for backup.

Internet Orders – Cardholders may use electronic mail to submit an order to a supplier. However, before engaging in an internet purchase, be familiar with the procedures the vendors use to handle PCard transactions. For instance, some sites dictate you be registered in their system before making a purchase. Once the Cardholder has completed the transaction, he/she shall ensure the supplier includes a cash register receipt, paid invoice, other documentation with the purchase information on it, and/or a delivery slip with the order. If the supplier intends to mail the PCard transaction documentation as a separate item, the Cardholder shall ensure this documentation is sent to the SAU Tech's official address. The Cardholder shall retain all transaction documentation. **Remember, internet orders may be subject to Use Tax.**

6. GENERAL POLICIES AND PROCEDURES

- * PCards will only be issued to an individual in the individual's name.
- * Cardholder must be a full time employee of SAU Tech.
- * PCards are not transferable between individuals.
- * A default account number will be assigned to each PCard of SAU Tech.
- * Each account number will belong to one department.
- * The account number will link cardholders to their department.
- * Each department will assign one person as Department Liaison.
- * Department Liaisons will be responsible for the basic administrative procedures of maintain the PCard Transaction Log and all transaction documentation for all transactions.
- * Department Liaison may be a liaison for him/herself but the department head must sign the transaction log for each billing cycle.
- * Department Liaison may be responsible for more than one department account.
- * For all charges, US Bank is paid each billing cycle from agency funds in full.
- * Purchasing Agent will serve as the PCard Coordinator (PCC).
- * Employee's department head and appropriate Vice-Chancellor must approve the employee's agreement to request a card, assign the Department Liaisons, and submit this information to the PCard Coordinator before the process of issuing a card can begin.

- * Upon receipt of the approved agreement the PCard Coordinator will contact the approving departmental head for any other information that may be needed and then submit the application for the PCard.
- * The department head must notify the PCC when any changes in the assigned Department Liaisons occur.
- * Department head's approval delegates transaction authority to the cardholder.
- * Department liaisons will have the capability to, and will be responsible for:
 - Reallocating account number for payment;
 - Logging each cardholder's transactions to the PCard Transaction Log and maintaining the documentation for each transaction; and
 - Identifying transactions subject to use tax and assure that use tax has been or will be charged properly.
- * Departments will be responsible to assure credit card charges are accurate on their Monthly Management Budget Report by comparing the report's transactions to their Transaction Log.
- * **Agencies will have the ultimate responsibility to ensure card charges are accurate and properly accounted for.**

7. PARTIES INVOLVED

Note: All parties involved in the Arkansas PCard Program must maintain segregate duties if possible (approving, purchasing, reviewing, etc.)

Agency – SAU Tech arranges with the state Credit Card Coordinator/Administrator for the issuance of PCards from US Bank to approved employees. SAU Tech agrees to accept liability for the employees' use of the cards and abide by all rules and regulations of the Arkansas PCard Program.

Cardholder – An employee or authorized individual (non-employee) of a SAU Tech to use the PCard to execute purchase transactions on behalf of their department.

Card Issuer – US Bank

Department Head – SAU Tech official who must approve employee's request for a PCard, assign Department Liaisons, designate account number for purchases on the PCard, and submit applications to the PCC. Department head approval delegates transaction authority to the cardholder.

Department Liaison – An employee in each department/college who manages, and coordinates the PCards within their department. This person is responsible for logging, maintaining, and reconciling within their assigned department. The liaison will be responsible for reviewing transactions for individual cardholders to make sure the transactions are classified as an appropriate expense.

Procurement Card Coordinator (PCC) - The central coordinator will be located in the Purchasing Department. This person will coordinate the PCard program, act as an intermediary in correspondence with the card issuer, monitor the program on a daily basis, review functions, and conduct training.

Vendor - The merchant from whom a cardholder is making a purchase.

8. CARDHOLDER RESPONSIBILITIES

The Cardholder is responsible for knowing and applying all of the rules related to the Arkansas PCard Program. The PCard is not to be used for **travel, cash**, and other categories included in the **Blocked Merchant Category Code (MCC)** list. Misuse of the card will subject the Cardholder to disciplinary action in accordance with this policy and US Bank/VISA policies and procedures relating to disciplinary action and/or termination for cause. The “3 strikes and you’re out” principle will apply to all cardholders. This is intended to allow for “honest” type mistakes that can be made by an individual cardholder. If an individual cardholder makes procurement type mistakes his/her card will be revoked upon the discovery of the third mistake. This ruling is pro procurement mistakes only. **FRAUD is the intent to deceive and will not be considered a procurement mistake.** Buying items for personal use, purchase other than SAU Tech official business, etc. will be considered as fraud. **Cardholders must activate their own card upon receiving it.** The Cardholder must:

- * Ensure the PCard is used only for legitimate business purposes.
- * Maintain the PCard in a secure location at all times.
- * Not allow other individuals to use the PCard.
- * Adhere to the purchase limits and restriction of the PCard and ensure the total transaction amount of any single transaction does not exceed \$1,499.00.
- * Obtain all appropriate documentation (sales slips, register receipts, and/or PCards slips)
- * Maintain a Purchasing Card Transaction Log for all transactions including returns and refunds.
- * Sign off on the log, attach all documentation to the log, and then submit it through your normal approval process to the Department Liaison.
- * Receive copy of monthly account statements and reconcile it against the transaction log or assist the Department Liaison.
- * It is recommended that the Cardholder retain a copy of the Log for his/her records.
- * Notify Department Liaison if the account number needs to be changed on a transaction.
- * Attempt to resolve disputes or billing errors directly with the vendor or bank and immediately notify the Department Liaison and the Procurement Card Coordinator if the dispute or billing error is not satisfactorily resolved.
- * Ensure that an appropriate credit for the reported disputed items(s) or billing error appears on a subsequent Cardholder's Statement.
- * **Do not accept cash or a gift card in lieu of a credit to the PCard account. A return must always be a credit back to the PCard account.**
- * **Immediately report a lost or stolen card to US Bank at 1-800-344-5696 (24 hours a day, 365 days a year).**
- * **Notify Department Liaison and/or Credit Card Coordinator of a lost or stolen PCard at the first opportunity during business hours.**
- * Return the Procurement Card to the Department Liaison upon terminating employment with SAU Tech or upon request of the Procurement Card Coordinator or Department Head.
- * If the Cardholder is changing departments within SAU Tech they must contact the Procurement Card Coordinator to coordinate the change.

9. DEPARTMENT LIAISON RESPONSIBILITIES

Each Department Head must designate a Department Liaison. A Department Liaison may also be a liaison for his/her own card. However, if the Department Liaison is also a procurement cardholder, it will be the responsibility of the liaison to have the monthly expenses reviewed and signed by their Department Head. The Department Liaison must attend all required training sessions. Responsibilities include but are not limited to,

- * Collecting vendor receipts and procurement card receipts from each Cardholder, validation of those documents and reconciling to billing statements.
- * Maintain a Purchasing Card Transaction Log for each card within that department.
- * Log each individual transaction as the Cardholder presents the transactions and attach original back up (receipts, sales slips, packing list, etc.) to the Log form for future audit purposes and reconciliation to the monthly billing from US Bank.
- * Retaining copies of all charge slips and receipts for audit by internal and external auditors.
- * Forwarding the Transaction Log with attached documentation to the Procurement Card Coordinator within five (5) calendar days after receipt of monthly electronic billing for each individual card.
- * Approving and/or updating account number on electronic billing distribution of individual Cardholder account within 45 days of the transaction posting date.
- * Identifying and updating transactions, which require the submission of use tax and/or account changes within 45 days of the transaction posting date.
- * If a change in account number or use tax has occurred; these adjustments must be addressed within a 45-day period. The Department Liaison must fill out the "Account Number Change Form and submit to the Accounts Payable for processing.
- * **NOTE:** Because of year-end processing, charges for the month of June may not have the 45 day adjustment period.
- * Attempts to resolve any disputes with vendor and/or US Bank that were not resolved by Cardholder. **Note:** There is a 60-day period for resolution of disputes.
- * Changing the default account number for individual cards as needed.
- * Notifying Procurement Card Coordinator of lost or stolen cards.
- * Requesting Procurement Card Coordinator to cancel a Cardholder's card (e.g. terminated employees, loss of purchasing card privileges) as approved by Department Head.
- * Collecting canceled cards from personnel and forwarding them to the Procurement Card Coordinator.

10. PROCUREMENT CARD COORDINATOR RESPONSIBILITIES

The Purchasing Agent will serve as the Purchasing Card Coordinator (PCC) and will be responsible for the over-all Procurement Card program. Responsibilities include:

- * SAU Tech contact with US Bank.
- * Utilizing various software applications provided by US Bank.
- * Reviewing department Purchasing Card applications for completeness of required information.

- * Submitting completed application to US Bank and receiving Procurement Card from US Bank.
- * Training Cardholders and Department Liaisons before releasing Procurement Cards to the Cardholders.
- * Requiring the Cardholder to sign the Cardholder agreement, this signifies agreement with the terms of the Procurement Card Program.
- * Resolving disputed charges/discrepancies not settled by the Cardholder or Department Liaisons.
- * Initiating change of Procurement Card default account number upon request of department heads.
- * Securing revoked Procurement Cards and submitting the information to US Bank.
- * Reviewing the US Bank's invoice for payment.
- * Reviewing accounting statements as to payments to US Bank and charges to individual departments as they are made.
- * Reviewing usage of Procurement Card data for appropriateness.
- * Performing audit functions and/or coordinating them with the SAU Tech Controller or other College officials.

11. CARDHOLDER LIABILITY

The Purchasing Card is a commercial purchasing VISA card, which will not affect the Cardholder's personal credit. **The Department is liable** for all charges made on the Purchasing Card. This includes transactions made on a lost or stolen card before it is reported lost or stolen. However, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Purchasing Card Cardholder Manual as well as SAU Tech guidelines and procedures relating to the expenditure of SAU Tech funds. Failure to comply with program guidelines may result in revocation of the card, notification of the situation to management, and further disciplinary measures that may include termination of employment. **The ultimate responsibility for use/misuse of the Purchasing Card rests with the cardholder.**

The US Bank/VISA Liability Waiver Program requires the State of Arkansas to initiate termination proceedings as soon as documented evidence of Cardholder fraudulent activity surfaces. The Department Liaison and/or the Procurement Card Coordinator/Administrator shall notify US Bank to cancel the Cardholder's card within two (2) days of the documentation and verification of Cardholder misuse. Furthermore, specific forms, supplied by US Bank/VISA, must be completed and filed with US Bank/VISA by the Department Liaison when fraud has occurred. These forms and instructions are available from the bank (reference VISA Liability Waiver Program).

12. CARDHOLDER ACCOUNT CLOSURE

A cardholder account should be closed if he/she performs any unapproved action or is no longer authorized to perform purchasing duties for SAU Tech. To accomplish this, the Department Liaison will: 1) keep in contact with agency human resources so the Procurement Card Coordinator will be informed of employment termination by cardholders, and 2) **SAU Tech will be required to notify the Credit Card Coordinator of account closures.** The following are the most common reasons for an account closure.

1. Cardholder moves to a new job with the state.
2. Cardholder terminates State employment or affiliation with the state if cardholder is a

non-employee as defined in section 7 of this manual.

3. Use of the Purchasing Card for any of the following reasons:
 - a. Personal or unauthorized purposes. **Note: Use of the card for personal and/or unauthorized purposes could be interpreted as fraud.**
 - b. Any attempt or actual purchase, utilizing the Purchasing Card, of alcoholic beverages or any substance, material, or service, which violates policy, law or regulation pertaining to the State of Arkansas.
 - c. The Cardholder allows the card to be used by another individual.
 - d. The Cardholder splits a purchase to circumvent the limitations of the Arkansas Procurement Laws.
 - e. The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Arkansas Procurement Law.
 - f. The Cardholder fails to provide, when requested, information about any specific purchase. Failure to abide by these rules will subject the employee to disciplinary action in accordance with the State of Arkansas Purchasing Card Program policies and procedures as they relate to misuse of the card.

13. DOCUMENTATION OF EXPENDITURES

The Cardholder must provide valid documentation of each transaction once a month to the Department Liaison by attaching to the transaction log. The Departmental Liaison must review all documentation submitted and determine if valid and complete documentation is on file for every transaction listed on each Cardholder's statement. All documentation for each transaction is to be maintained until authorized for disposal by the Legislative Auditor (as required by Arkansas Code Annotated: §19-14-1108).

1. Valid source documentation may be:
 - a. A detailed receipt and/or transaction slip from the merchant.
 - b. A detailed order form.
 - c. A detailed invoice showing credit card payment.
 - d. A detailed packing slip from the delivery annotated by the Cardholder as ordered by, received by, paid by and signature of the Cardholder.
2. All documentation must include the following minimum information (Cardholder must hand write it if not originally printed on the form):
 - a. Vendor name
 - b. Date of the purchase
 - c. Description and quantity of each item purchased
 - d. Per item cost, if available from the merchant
 - e. Total cost of the transaction
 - f. Cardholder name and card number

14. LOST, MISPLACED OR STOLEN PURCHASING CARDS

Cardholders are required to report any lost or stolen Purchasing Card immediately to their Purchasing Card Coordinator. The Purchasing Card Coordinator then should contact the State PCC. The State PCC will then contact US Bank. If the cardholder cannot contact their Purchasing Card Coordinator for any reason, they should contact US Bank immediately at **1-800-344-5696** (24 hours a day, 365 days a year).

15. TAXES – SALES and USE

As a rule, the purchase of tangible property is taxable. If the merchant charges the proper tax on the Purchasing Card transaction then normally no other action will be required. If no taxes were charged, the agency must prepare a payment of “use” tax to the State of Arkansas. Use Tax is a tax on tangible personal property purchased out-of-state and brought into Arkansas for use, storage, consumption, or distribution. The tax is designed to assure fair competition between Arkansas businesses and out-of-state businesses. It is very important that when entering your transaction on the Purchasing Card Transaction Log you list the state where the purchase originates, if sales tax was paid and if so, the amount that was charged. Very few items are non-taxable. Examples of some non-taxable items are:

- * Membership dues
- * Freight, if billed as a separate item
- * Subscriptions
- * Periodicals
- * Items that are tax exempt by law

Examples of items subject to Use Tax include CD’s, books, furniture, clothing, food, hunting and fishing gear, etc. These are only a few examples. All tangible personal property purchased out of state is subject to the Use Tax. For other questions on sales and use tax, contact the Sales and Use Tax Section’s Taxpayer Services Group at (501) 682-7104.

16. SPENDING CONTROLS

The default maximum credit limit per cardholder is **\$2,000.00 per billing cycle**. The Procurement Card Coordinator at SAU Tech will adjust limits as determined by demonstrated and/or special need. SAU Tech spending parameter for each procurement card issued is normally established at \$1499.00 per individual transaction.

17. REBATES, REFUNDS, REWARDS, ETC.

Any manufacturer rebates received by the Cardholder as results of a Purchasing Card transaction shall be credited to the Purchasing Card and documentation reflecting the transaction shall be attached to the Purchasing Card Transaction Log to support such credit. The Cardholder is not to use any rewards cards to accrue points or coupons from state purchases. Any rebates, coupons, rewards, gifts, points, frequent flyer miles, cash cards, etc. must accrue to the state entity and utilized only for official SAU Tech related business. No personal gain by making purchases with the State Purchasing Card is permitted. Misuse of this section could result in disciplinary action.

18. CARD DECLINES

Should a vendor decline the Purchasing Card; the Cardholder should immediately contact the Procurement Card Coordinator for assistance. If a purchase is attempted outside normal business hours, the cardholder must find an alternate payment method or terminate the purchase and contact the Procurement Card Coordinator during normal business hours.

19. EMERGENCY TRANSACTIONS (ER)

Emergency transactions above OSP spending limits may not be performed with the Purchasing Card due to state procurement regulations for emergency (EM) procurements unless the Purchasing Card section is notified. **Exceptions may be made for natural or man-made disasters on an “as needed” basis.** The proper authority will notify the State Procurement Director if a disaster in the state has been declared. The State Procurement Director and the Procurement Card Coordinator will initiate an Emergency Purchasing Card Program. With the assistance of the proper agencies, the Procurement Card Coordinator will decide which Purchasing Card spending limits will be upgraded and what MCC blocking needs to be revised. The Procurement Card Coordinator will notify US Bank as to its requested action(s). The agencies and the Procurement Card Coordinator will record and maintain all records documenting purchases during the declared disaster.

20. REFUNDS AND CREDITS

Vendors will issue all refunds and credits to the individual Purchasing Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. **Under no circumstances should a Cardholder accept cash or a gift card in lieu of a refund or credit to the Purchasing Card account.**

21. UNRESOLVED DISPUTES AND BILLING ERRORS

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Department Liaison should contact the Procurement Card Coordinator for assistance.

Note: The total amount billed by US Bank will be charged to the individual agency accounts and credits for disputed transactions will be posted to agency accounts when the credit appears on the US Bank billing. In addition, there is a dispute form online at US Bank for the Cardholder to complete. A back up form is available for download at the DFA-OSP website.

22. SECURITY AND STORAGE

Purchasing Cards (Purchasing Card) - Cardholders should always treat the Purchasing Card with at least the same level of care as one does with their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card.

23. VENDOR SET UP

If a frequently used vendor does not accept the VISA card, the agency should recruit the vendor to take the necessary steps to begin acceptance of the card and provide this information to US Bank. Cardholders should contact the Procurement Card Coordinator when encountering vendors who do not accept the card.

24. MERCHANT CATEGORY CODE BLOCKING

Transactions will be blocked at the point-of-sale level (in person, phone, or internet) at the types of vendors on the Blocked Merchant Category Code List. All vendors are assigned a Merchant Category Code (MCC) by their bank. Attempting to buy from merchants that are not included in the specifications will cause your transaction to be denied. Occasionally, a bank may have wrongly assigned a vendor's MCC. If you run into a situation where your transaction is rejected for an appropriate purchase, have your coordinator ask the vendor to check on updating the MCC. To get a MCC unblocked on a card, the cardholder must do the following:

- * Notify the Procurement Card Coordinator of the card decline.
- * Procurement Card Coordinator will request the MCC to be unblocked on the card and the reason it is necessary to use the vendor.
- * OSP personnel will then make a request via email to US Bank for the MCC to be unblocked on the particular card and will notify requesting agency via email once the MCC has been unblocked.

25. PURCHASING CARD SET UP, MAINTENANCE AND CLOSURE

All contact with US Bank for card set up, maintenance and closure, (except for reporting lost or stolen cards), will be handled by the Procurement Card Coordinator (870.574.4523).

Card Set Up:

- * SAU Tech employee completes a Procurement Card agreement and application form and submits them to his/her Department Head for completion and approval.
- * Department Head completes the application by providing the name of the Department Liaisons, default account number to be assigned to the card, recommends the monthly spending limit for the potential cardholder and annotates and provides justification for any additional MCC blocks he/she wishes to remove.
- * Department Head's signature of approval delegates transaction authority to the Cardholder. The application will then be forwarded to the appropriate Vice Chancellor for his/her approval.
- * Fully approved agreement application form will then be sent to the Procurement Card Coordinator.
- * Procurement Card Coordinator reviews agreement and application forms for completeness and submits the application to the US Bank.
- * At this time the Purchasing Card Coordinator will schedule the applicant for the Purchasing Card training session (this training session must be completed before any Purchasing Card can be issued to an application).
- * Upon receipt of the Procurement Card from US Bank, the Procurement Card Coordinator will notify the applicant. The applicant must appear in the Purchasing Card Coordinator's Office to sign a receipt for the Purchasing Card.

Closure:

- * Lost or Stolen Cards - Cardholder must immediately report the lost/stolen card to their Department Liaison. In addition, the Procurement Card Coordinator must also be notified.
- * Terminated Employees – **Agency must notify Procurement Card Coordinator via emails of employee terminations for any reason.** The cardholder account will then be closed on the Access Online website by the State PCC. Procurement Card Coordinator is to secure Purchasing Cards from terminated employees.

26. RECONCILIATION, APPROVAL AND ALLOCATION OF BILLING

Receipt and Payment of US Bank Billing:

- * US Bank will electronically make available SAU Tech's statement the next day after the close of the billing cycle which is usually on the 15th.
- * Procurement Card Coordinator will review bill for any obvious errors in charges or un-posted payments. If none noted, payment in full will be made to US Bank.
- * Procurement Card Coordinator will compare the payment request document against the account and submit the billing to Accounts Payable for payment to be issued to US Bank. The payment posting will be prepared within **6 working days** after the end of the billing cycle and processed so that payment will reach US Bank no later than **10** calendar days after the close of the billing cycle of the previous month.
- * Payment will be transmitted in accordance with US Bank instructions.

Reallocation of Purchasing Card Charges by Agencies:

Default accounting codes will be assigned to each Purchasing Card issued. US Bank will submit monthly an electronic billing statement to SAU Tech and all Purchasing Card transactions will be charged to the default account number unless adjustments are made as follows:

- * Department Liaison change account codes as necessary.
- * Department Liaison will add analytical information for cost sharing, if necessary.
- * Department Liaison will identify transactions requiring payment of use tax.
- * Department Liaison will assemble Cardholders statements, charge slips and receipts and then will be sent to the Procurement Card Coordinator which will retain the documents for audit by internal and external auditors. Receipts for purchases must be maintained until authorized by the Legislative auditor (as required by Arkansas Code Annotated: § 19-4-1108).

The total amount billed by US Bank will be charged to the SAU Tech and credits for disputed transactions will be posted to SAU Tech when credit appears on the US Bank billing.

NOTE: Remember that it can take up to three (3) days for the entire transaction to complete the entire process, therefore, in some cases a Purchasing Card transaction that is posted to the Transaction Log may not appear on the billing. This is known as timing difference between the transactions that the bank processed and the transactions that were recorded on the Transaction Log. If this occurs; line through the posting on the Transaction Log, annotate it with "Not billed on this cycle" and re-enter that data on the log that will be used for the next billing cycle.

27. INTERNAL CONTROLS & COMPLIANCE REVIEWS

SAU Tech's internal control policies and procedures are as follows.

The Cardholder will:

- * Submit vendor receipt/packing slip and charge slip(s) to the Department Liaison. (If order was by telephone/fax, the Cardholder must supply a copy of the order blank or a description of the order to the Department Liaison for logging and filing purposes).
- * Indicate account number for purchases to be charged if different than the account number assigned to the Procurement Card.

The Department Liaison will:

- * Maintain a Purchasing Card Transaction Log for each card within that department for each transaction for each billing cycle.
- * Log each transaction, by card number, as the Cardholder presents the individual transactions and maintains copies of the backup (receipts, sales slips, packing list, etc.) for future audit purposes.
- * Match Cardholder receipts to the monthly electronic billing received from US Bank.
- * Fill out Account Number Change Form when applicable.
- * Enter analytical for cost sharing to grants when applicable.
- * Identify transactions requiring the payment of use tax.
- * Maintain a detailed report of the above and forward the original to the Procurement Card Coordinator within five (5) calendar days after receipt of monthly electronic billing for each individual card.
- * Retain copies of all transaction receipts and vouchers for audit by internal and external auditors. Receipts for purchases paid are to be maintained for five (5) years, seven (7) years if Federal funds are involved.

Procurement Card Coordinator will:

- * Review of total department charges, US Bank billing and some accounting adjustments that may be required. Actual charges to the individual departmental funds will be made electronically as the total billing is processed for payment.
- * Review electronically, all card transactions on a daily/weekly basis. This review/audit will be an overall look for mistakes, errors, illegal and other type transactions.
- * Monitor the reconciliation of the SAU Tech monthly accounting statement for payments to US Bank and charges to individual departments.
- * Make periodic audits of card use and Purchasing Card charges for appropriateness through the use of US Bank's Access On-Line reporting system. Areas to be monitored include, but not limited to, compliance with State of Arkansas Procurement Laws/Regulations, compliance with Procurement Card regulations, compliance with SAU Tech regulations, and sales and/or use tax charges. Non-use of Purchasing Cards by cardholders will also be monitored.

28. END OF FISCAL YEAR PROCEDURES

Goods and services should be expended in the year they are received. When the Purchasing Card is used, the supplier may hold the Purchasing Card transaction posting for several days and it could take 3 days for the actual posting to the US Bank billing, which is the 15th of each month. Either of these events could create an accounting problem at the end of the fiscal year (June 30). To ensure that Purchasing Card expenditures are properly recorded in the year goods and services are received, the Cardholder needs to inform the supplier that June transactions should be posted the same day the actual transaction takes place. To ensure proper recording of expenditures, the Purchasing Card **should not be used** for purchases during the dates of June 10 – June 30 of each year.

31. PURCHASING CARD CONTACTS

SAU Tech Procurement Card Coordinator:

- * Angela Fry
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