I. INTRODUCTION
The purpose of this policy is to establish policies and procedures governing the use of a Purchasing Card (PCard). The PCard program is intended to provide a simple, efficient, cost effective means of purchasing low dollar, low risk items.

II. POLICY STATEMENT
A. Procurement (purchasing) will be overseen by the Vice President of Finance and Business Affairs. Daily operations have been delegated to the University Purchasing Director (UPD).
B. The Purchasing department delegates small dollar purchasing authority to University departments via use of a Purchasing Card. PCard holders and departments are required to maintain the integrity of the PCard program by understanding and adhering to the policy and procedures governing the use of a PCard. Cardholders who do not comply with the policy and procedures may have their PCard privileges temporarily or permanently revoked by the PCard Administrator. PCard managers and approvers who allow the misuse of a PCard may be subject to disciplinary actions up to and including termination.
C. Cardholders and departments should rely on this policy, the PCard Guidelines found at www.isu.edu/purch, and the procedures required by the bank holding the State of Idaho Purchasing Card contract.
D. Related Laws and Policies:
  • Non-Travel Meals, Refreshments, Entertainment, Gifts, Spousal/Partner Reimbursement ISUPP 2530
  • Idaho Code Section 59-1026
  • Idaho Code Section 67-9225
  • Purchasing Policy 2560 and Procedures 2560-A
  • Purchasing Procedures – https://isu.edu/purchasing/pcard/
  • Idaho Code Section 18-5701

III. AUTHORITY AND RESPONSIBILITIES
A. It shall be the responsibility of the cardholder and department to determine and ensure funds are available and properly budgeted. All purchases must be related to a specific business objective of the University.
B. It is the responsibility of the cardholder and department to make sure the user of
the Purchasing Card understands the University policies regarding what is
authorized and what is not authorized to be purchased. Cardholders and
departments are also responsible to realize what disciplinary action will be taken
if these policies are violated.

IV. PROCEDURES TO IMPLEMENT
A. General Guidelines for PCard Issuance
1. Departments may request PCards for their employees as necessary for
   business. Cardholders must be full time or permanent part time employees of
   Idaho State University. Employee cards are issued with the employee’s name
   on the card.
2. Complete an Individual Cardholder Application form www.isu.edu/purch
   (PCard Guidelines at www.isu.edu/purch) to request a new account. The
   completed application is forwarded to the PCard Administrator. Before
   account activation:
   a. Cardholders are required to take the PCard training in Moodle and
      notify the PCard Administrator upon completion.
   b. Cardholders are required to attend a 15-minute training at the time the
      PCard is picked up. Contact the Purchasing department to set up an
      appointment.
   c. Cardholders are to review and sign an Individual Cardholder User
      Agreement (PCard Guidelines at www.isu.edu/purch) upon card
      issuance.
3. Department Purchasing Cards are also available. Complete a Department
   Card Manager Application (PCard Guidelines at www.isu.edu/purch) to
   request a Department card. Department cards are issued with the department
   name on the card. Department Cards carry more risk because of multiple
   users assigned to one card. If/when the bank does not approve a fraud
   transaction; the department will be responsible for paying the fraud amount.
   The Purchasing Department recommends low transaction limits to minimize
   the loss.
   a. Designate a Department Card Manager. Card Managers are required
      to complete the training explained in #2 above.
   b. The Department Card Manager is responsible for maintaining the card
      check out/in log, reconciling the transactions, seeing that the
      transactions receive all necessary approvals, and retaining receipts and
      other documentation.
   c. The Department Card Manager is to review and sign a Department
      Cardholder User Agreement (PCard Guidelines at www.isu.edu/purch)
      upon card issuance.

B. Limits
1. PCard accounts will have a single transaction, daily and monthly limit.
2. Based on the cardholder’s demonstrated purchasing needs, departments may
   specify limits up to the current university maximum for both single
   transactions and monthly limits.
3. University maximum limits are determined by the Purchasing Department.
4. If warranted, the Purchasing Director may grant an exception to the limit
   maximum on a PCard.
C. Changes to Existing PCard Accounts
1. Changes to PCard accounts such as limit increases and decreases, replacement due to damage or name changes, and account closures should be communicated by completing and forwarding an Account Maintenance form (PCard Guidelines at www.isu.edu/purch) to the PCard Administrator.

D. Cardholder Responsibilities (see also Purchasing Card Guidelines)
1. Cardholders/card managers are responsible for the security of the card and account number.
2. Cardholders/card managers are required to review PCard policy and the Purchasing Card Guidelines, and have an understanding of what constitutes an authorized or unauthorized PCard purchase.
3. Cardholders/card managers are responsible for managing their own PCard account, which includes reviewing and reconciling transactions, getting all necessary approvals, and submitting required documentation in a timely manner.
4. Cardholders/card managers are responsible for using PCards in accordance to ISU Policies and Procedures.
5. Cardholders/card managers must report lost or stolen cards immediately to the bank holding the State of Idaho Purchasing Card contract, their department, and the PCard Administrator.

E. Account Closure
Upon employee separation, transfer, or if a PCard account is deemed no longer necessary, the terminating employee or the department should request closure of a PCard account by completing an Account Maintenance form (PCard Guidelines at www.isu.edu/purch).
1. Cardholders/card managers are responsible for providing all necessary PCard documentation to their department before their departure date.
2. Cardholders/card managers may be held personally liable for unsupported or inappropriate transactions. The amount may be deducted from the cardholders/card manager’s paycheck or recovered through other means.
3. Departments must notify the PCard Administrator if a cardholder/card manager is placed on an extended administrative or medical leave, or if a situation warrants immediate account suspension.

F. Authorized PCard Purchases (see also Purchasing Card Guidelines)
PCards are intended for small dollar purchases of products and supplies needed during the course of business. The following examples are not all inclusive but are given to help the cardholder determine appropriateness:

1. Advertising expense (newspapers, magazines, web, and other media)
2. Automotive parts
3. Books, subscriptions
4. Building, plumbing, electrical material
5. Chartwells Catering Services (with no alcohol)
6. Classroom teaching models, charts, audio and visual aids
7. Computer supplies and repair parts
8. Hardware, tools, repair parts
9. Lab, field, photography, and safety supplies
10. Non-employee and student recruitment expenses for job or recruiting
candidate airfare and lodging
11. Office and Class Supplies
12. Petty cash items
13. Short term equipment rentals
14. Training/Conference registration held at an employee workstation
15. Travel of Non-Employees (not receiving payment for fees)
16. Work-related membership/organizational fees and licenses

G. Unauthorized PCard Purchases (see also PCard Guidelines)
Any purchase not approved by your department in advance, above account limits,
or not allowed by University policy is considered unauthorized. The following
examples are not all inclusive but are given to help the cardholder determine
appropriateness:

1. Alcoholic beverages
2. Capital expenditures $2,000 or more
3. Cash advances, salaries, and wages
4. Cellular phones, monthly contract fees, prepaid phone card
5. Computer software (contact Purchasing)
6. Computers, laptops, photocopiers and printers with hard drives
7. Donations, gifts, prizes, gift cards
8. Employee related travel (refer to the Travel Card)
9. Firearms and ammunition
10. Fuel for personal or rented vehicles
11. Live animals
12. Payment to ISU departments
13. Personal expenses
14. Radioactive materials, controlled substances
15. Scholarships, stipends, tuition and fees

H. Split Purchases
1. Any action taken to bypass the limits set on the PCard is prohibited.
2. Vendors should not be asked to “split” a purchase. Deliberate splitting of
purchases may result in suspension or revocation of a PCard account, and/or
civil penalties.

I. Use of State Contracts
The 2016 State Procurement Act allows Institutions of Higher Education to use
non-contracted vendors (i.e., local vendors) when “…the property to be acquired
may be procured at equal or less expense…” than the contracted vendor.
Documentation of the “equal or less expense” is required for each transaction.
1. When the value of a single, one-time acquisition is less than the card single
transaction limit, the cardholder should include documentation (written quote,
print of web page, etc.) showing a comparison of the contract amount to the
non-contract amount. Be sure to include shipping and other associated costs
when calculating “amount.”
2. This comparative documentation is to be retained with the original receipt by
the cardholder or department.

J. Reconciliation and Approval of PCard Transactions
PCard reconciliation and approval is managed by the cardholder or card manager utilizing the online services provided by the bank holding the State of Idaho Purchasing Card contract.

1. PCard transactions must be accurately reconciled and approved no later than 28 days after the transaction.
2. A Purchasing Card Record Log (PCard Guidelines at www.isu.edu/purch), original receipts, and supporting documentation are to be maintained by the cardholder or department and produced for auditors upon request.
3. Approvers may sign the Purchasing Card Record Log or the receipts to document the approval process.
4. Failure to reconcile PCard transactions, obtain necessary approvals, and/or failure to submit required documentation may result in the suspension or revocation of the PCard.

K. Documentation
Storage and safekeeping of receipts and PCard documentation is the responsibility of the cardholder and department. PCard documentation must be maintained for a minimum of three years plus the current year. If grant funded, documentation must be kept for 3 years after the last grant activity. PCard documentation includes:

1. Printed Purchasing Card Record Log (PCard Guidelines at www.isu.edu/purch) with original receipts.
2. If an individual does not have a receipt, complete a No Receipt Available form (PCard Guidelines at www.isu.edu/purch) and attach it to your Purchasing Card Record Log.
3. Price comparison documentation when deviating from using a State contract (see I above).
4. Any other documentation required by the cardholder’s department supporting the business purpose of the purchase.
5. Signature by approver on Purchasing Card Record Log or receipts.

L. Disputed Charges
The cardholder or card manager must attempt to resolve discrepancies, quality, or service issues directly with the merchant. If the matter cannot be resolved directly with the merchant, contact the University PCard Administrator for assistance.

M. Fraudulent or Unauthorized Transactions
The cardholder or card manager must report any unauthorized or unrecognizable transactions to the bank holding the State of Idaho Purchasing Card contract, and the University PCard Administrator immediately upon discovery.

N. Returns, Damaged Goods, and Credits
The cardholder or card manager must contact the merchant for authorization to return goods purchased with a PCard.

V. CONSEQUENCES FOR MISUSE OF THE PURCHASING CARD
The use of a Purchasing Card is a privilege, not a right. Accordingly, corrective action will be taken for misuse of the card.

A. First Violation
Use of the Purchasing Card will be suspended. Notification will be given to the cardholder or card manager and their immediate supervisor. The cardholder must have a meeting with the Purchasing Card Administrator to provide additional training, and identify specific corrective actions required.

B. Second Violation
Use of the Purchasing Card may be suspended for up to six months. Notification will be given to the cardholder or card manager and their immediate supervisor. Reinstatement may be considered upon receipt of a letter from the cardholder or card manager’s supervisor to the Purchasing Card Administrator, providing a compelling argument as to why the card should be reinstated.

C. Third Violation
Cardholder/card manager’s card will be cancelled and the cardholder/card manager will be prohibited from any further use during their employment at ISU. Notification will be given to the cardholder/card manager and their immediate supervisor.

PRESIDENTIAL CERTIFICATION

____________________________________  Date:  ____________________
Approved by Kevin Satterlee
President, Idaho State University