

PROCUREMENT CARD POLICY

EFFECTIVE DATE: July 1, 2020

LAST REVISION: June 3, 2020

RESPONSIBLE OFFICER: VICE PRESIDENT AND TREASURER

PURPOSE

The purpose of this Procurement Card Policy ("Policy") is to provide structure, limits and accountability in the use of a Procurement Card ("P-Card").

P-Cards provide a convenient, efficient and managed approach for appropriate small-dollar purchasing transactions. A P-Card is offered to the Cardholder to ease the administrative burdens for Allowable Purchases (as defined in this Policy). This Policy lays out appropriate uses of P-Cards and articulates responsibilities of Cardholders, Approvers and Budget Managers. This Policy also provides structure around routine Audits that will be conducted to ensure proper oversight to the program.

Having a P-Card is a privilege, and possession comes with specific requirements and responsibilities set forth in this Policy and the corresponding P-Card Guidelines. This Policy provides substantial consequences, including revocation of P-Card privileges, for violations of Policy requirements and P-Card responsibilities.

SCOPE

For the purpose of this Policy, "the College" refers to The College of New Jersey and its schools, divisions, subsidiaries, and affiliates. All College trustees, officers, faculty, professional staff, students, and any other individuals who may be granted P-Card privileges are subject to this Policy.

IMPLEMENTATION

Implementation of this policy is the responsibility of the Office of the Treasurer.

ADMINISTRATIVE OVERSIGHT

The Vice President and Treasurer is The College of New Jersey's official responsible for the administration of this policy.

DEFINITIONS

Allowable Purchase: A purchase of goods that are needed for a legitimate College business purpose, fall under the P-Card Limits, and are not otherwise restricted by existing College policies for purchase with a P-Card. The P-Card Guidelines include a non-exhaustive list of commonly purchased items that are Allowable Purchases.

Audit: An examination of transaction reports and related documentation by an auditing authority, as more fully described in the P-Card Guidelines.

Budget Manager: A faculty or professional staff member who is responsible for providing oversight of departmental funds. A Budget Manager determines the internal reporting structure and who is an Approver and Cardholder within their department.

Capital Equipment: Any asset that has a value of \$5,000 or greater.

Approver: A faculty or professional staff member designated by a Budget Manager and at a higher level than the Cardholder. A Cardholder cannot function as their own Approver, and temporary employees cannot be the sole or final Approver of P-Card charges.

Prohibited Purchase: A purchase of goods that is not an Allowable Purchase, a purchase of Capital Equipment, or any purchase of services. For the avoidance of doubt, personal expenses are always Prohibited Purchases. The P-Card Guidelines include a non-exhaustive list of Prohibited Purchases.

Procurement Card (P-Card): A College-issued credit card paid by the College for Allowable Purchases.

Procurement Cardholder (Cardholder): A full-time benefits eligible faculty or professional staff member who has been given a P-Card to use for making Allowable Purchases and trained in accordance with this Policy.

Procurement Card Administrator (P-Card Administrator): Designated by the Office of the Treasurer, the individual responsible for administering the College's P-Card program and ensuring adherence to all rules, guidelines and policies by Cardholders, Approvers and Budget Managers. Also serves as a liaison between Cardholders and credit card providers.

Procurement Card Guidelines (P-Card Guidelines): Specific guidelines applicable to P-Cards as may be updated from time to time by the Office of the Treasurer.

Procurement Card Limits (P-Card Limits): Limits on single transactions, transactions per monthly cycle, and total spend per monthly cycle, as set by the Vice President and Treasurer and Budget Managers.

Reconciliation Portal: Online access provided by the credit card provider to view, edit, add materials, and approve transactional information.

Stringing/Splitting: When a single purchase is broken into multiple transactions to intentionally circumvent P-Card Limits.

Transaction Notes: A description of the business purpose of a P-Card transaction.

POLICY

P-Cards may only be used by Cardholders for Allowable Purchases in accordance with this Policy and the P-Card Guidelines. Inappropriate use of the P-Card, including but not limited to personal purchases, will result in disciplinary action up to and including termination of employment, as set forth in this Policy and the P-Card Guidelines.

A. Appropriate Use of P-Cards

Only Allowable Purchases may be charged to the P-Card; Prohibited Purchases to the P-Card are forbidden. It is the responsibility of the Cardholder and Approver to ensure that all purchases made with the P-Card are Allowable Purchases. Exceptions for Prohibited Purchases must have written pre-approval from the Office of the Treasurer. The P-Card Guidelines set forth non-exhaustive lists of Allowable Purchases and Prohibited Purchases.

P-Card Limits and usage will be reviewed on a regular basis to determine current departmental needs. Any findings will be shared with Cardholders and Approvers prior to action being taken.

B. P-Card Limits

The Vice President and Treasurer sets forth College-wide P-Card Limits. Specific P-Card Limits for each Cardholder shall be established by the applicable Approver and Budget Manager based on reasonable and normal requirements and shall be set at the lowest level possible to satisfy those requirements, subject to review by the Office of the Treasurer.

The Office of the Treasurer will periodically review actual P-Card usage and may adjust College P-Card Limits at any time based on actual need.

An exception to P-Card Limits may be granted by the Vice President and Treasurer or their designee if it is determined that the College's interest would be best served. Such exception must be requested and granted in writing, with the requester providing information on the business purpose to be satisfied through the exception.

C. P-Card Reconciliation

All P-Card transactions must be reconciled monthly by the Cardholder through the Reconciliation Portal and accompanied by detailed Transaction Notes with supporting purchase documentation, which together reflect an efficient stewardship of resources, as more particularly described in Section D.6 below. Schedule of reconciliation and Transaction Allocation Reports are outlined in the P-Card Guidelines. All P-Card transactions and accompanying reconciling requirements must also be reviewed and approved by designated Approvers monthly.

Misuse or unauthorized use of the P-Card may result in the loss of card privileges and disciplinary action, up to and including termination of employment. Cardholders are responsible for reimbursing the College for the total amount of the unauthorized purchases. If the Cardholder fails to reimburse the College, the College may deduct the total amount from the Cardholder's salary or from any other payment amounts made to the Cardholder regardless of the Cardholder's employment status. If the College initiates legal proceedings to recover amounts owed by the Cardholder, the Cardholder must pay legal fees and costs incurred by the College in such proceedings.

D. Cardholder Responsibilities and Procedures

Cardholders shall have the following responsibilities and shall abide by the following procedures as a condition to receiving and retaining a P-Card:

1. Acknowledge and agree to abide by the P-Card Policy and P-Card Guidelines.
2. Successfully complete all required P-Card training, including initial training upon receipt of P-Card, and any additional P-Card training required by the Office of the Treasurer.
3. Maintain the security of the P-Card, including:
 - a. Safeguarding the P-Card from theft and loss;
 - b. Not allowing the use of the P-Card by parties other than the Cardholder;
 - c. Immediately notifying the card provider first, and then the P-Card Administrator immediately thereafter, if the P-Card is stolen, lost, or if fraudulent activity is believed to have occurred;

- d. Transferring all outstanding orders/recurring transactions to a replacement P-Card account if a P-Card is lost, stolen or canceled for any reason;
 - e. Following the procedures outlined below in Section D.9 below if transferring departments, leaving the College or going on extended leave;
 - f. Notifying the P-Card Administrator of any updates to name, change in Approver, and/or of desired limit changes by completing and submitting the P-Card Modification Form.
4. Obtain detailed receipts for P-Card purchases. Detailed receipts, at a minimum, must include the date of transaction, supplier's name, time of transaction, and location of the supplier. Refer to the P-Card Guidelines for further information regarding detailed receipts.
- a. For purchases where a receipt is obtained but later lost, Cardholders should first request a duplicate copy from the supplier. If a copy is no longer available, Cardholders must complete and maintain the Missing Receipt Form for any transaction over \$25. Explanations must also be provided in the Transaction Notes if multiple Missing Receipt Forms are provided.
 - b. If service transaction fees charged on the P-Card (card provider, international transaction fees, or travel agency) do not generate a receipt, a Missing Receipt Form is not required if the transaction is reconciled correctly and transaction notes are provided.
5. Ensure that sales tax is not charged in states where the College has sales tax exemption. If unsuccessful, an explanation must be provided in the Transaction Notes in the Reconciliation Portal for any purchase greater than \$25. TCNJ Tax Exemption Certificates are available on the Finance & Business Services website.
- a. For purchases within New Jersey:
 - i. Advise the supplier prior to purchase that the purchase is for the College and is exempt from New Jersey state sales tax;
 - ii. Present the supplier with the College's tax-exempt number
 - iii. Present the supplier with a copy of the New Jersey Exemption Certificate.
 - b. For purchases outside of New Jersey in states where the College has a sales tax exemption, the Cardholder must use applicable Tax Exemption Certificates
 - c. If sales tax is erroneously charged to a Cardholder, the Cardholders is obligated to ask the supplier to remove the tax. If a supplier refuses to accept the College's tax exemption, the Cardholder must reflect the effort made in the Transaction Notes. The Office of the Treasurer reserves the right to reach out to the supplier to verify what efforts were made by the Cardholder to remove the tax.
6. Review P-Card charges monthly and provide a detailed Transaction Note and Cost Center for all P-Card transactions.

- a. Cardholders may designate a proxy to reconcile their P-Card charges on their behalf, provided that the proxy successfully completes P-Card training. Using a proxy does not relinquish the responsibilities of the Cardholder. Any violations of the P-Card Policy are the sole responsibility of the Cardholder regardless of proxy designation. Cardholders must review all Transaction Notes and Cost Centers for P-Card transactions reconciled by their proxy for accuracy.
 - b. P-Card purchases to be paid with grant or research funds must also comply with spending regulations of the grant and be properly reclassified to the appropriate grant budget.
 - c. The Office of the Treasurer may suspend Cardholders if transactions are not consistently reconciled and reviewed per the P-Card reconciliation schedule.
 - d. If a Cardholder does not reconcile their P-Card transactions prior to the applicable deadline, the approver of the p-card must reconcile the charges before the monthly approver deadline. Journal entries will not be done to move p-card charges.
 - e. All Transaction Notes must include the following required information:
 - i. **Who:** Specific names of the individuals or groups who incurred the expense or benefited from the purchase; name of the supplier if not indicated on the receipt (e.g. PayPal receipt).
 - ii. **What/Why:** Explanation of the expense (what was purchased; why was the purchase made on behalf of the College).
 - iii. **Where:** The location of the supplier/event (if not clearly indicated on the receipt).
 - f. At the end of each monthly P-Card cycle, Cardholders must ensure all P-Card transactions are reconciled, provide all transaction documentation (e.g., receipts, forms, and approvals), and have their Approver review and approve the statement.
 - g. Cardholders must adhere to any additional requirements set by the P-Card Administrator.
7. Respond to Audit inquiry requests within two business days of request.
8. Notify the Office of the Treasurer prior to any inter-department transfer, department transfer, termination/departure, or extended leave.
- a. Cardholders must inform the Office of the Treasurer within 48 hours after their acceptance of a new College position, or after notice of departure or extended leave is given to the College.
 - i. If a Cardholder is transferring departments and requires a P-Card in their new position, the department is required to submit a P-Card Modification form.

- ii. If a Cardholder leaves the College for any reason, it is the responsibility of the department to notify the Office of the Treasurer via email with a completed P-Card Modification Form.
 - iii. If the Cardholder is going on FMLA or extended personal leave, their P-Card will be placed on temporary suspension until Cardholder returns to work. If the Cardholder is going on sabbatical, the P-Card may remain active or be placed on temporary suspension at the discretion of the Cardholder's supervisor. If a P-Card remains active while a Cardholder is on sabbatical, the Cardholder and their supervisor remain responsible for any violations of this Policy.
- b. Cardholders who are transferring departments and no longer have P-Card responsibilities, or who are leaving the College, must return their P-Card to the Office of the Treasurer and ensure all receipts, documentation, and Transaction Notes are complete and any outstanding transactions are reconciled.

E. Expense Approver Responsibilities and Procedures

Expense Approvers shall have the following responsibilities and abide by the following procedures:

1. Acknowledge and agree to abide by the P-Card Policy and P-Card Guidelines prior to fulfilling duties of the Expense Approver role.
2. Successfully complete all required P-Card Expense Approver training, including initial training upon assumption of Expense Approver duties and any additional P-Card training required by the Office of the Treasurer.
3. Review P-Card transactions for applicable Cardholders, including receipts and Transaction Notes, and approve the statement before monthly online reconciliation closure. The Expense Approver must verify that each P-Card transaction is an Allowable Purchase and otherwise permissible per this Policy and the P-Card Guidelines, has a complete detailed Transaction Note, is reconciled to the appropriate Cost Center, and has acceptable proof-of-purchase documentation.
4. In the event that a P-Card transaction has not been reviewed by a Cardholder due to the sudden absence of such Cardholder or other mitigating factors, Expense Approvers must still review and reconcile these charges as soon as possible to ensure the P-Card transactions contain the supporting documentation as required in this Policy.
5. Review, verify and make any necessary corrections to all Cost Center codes for all P-Card transactions for applicable Cardholders. When charging against a fund with restrictions, the Expense Approver must ensure that the charges are consistent with sponsor or donor restrictions.
6. Ensure sales tax is not charged to the applicable Cardholders in states where the College is exempt. In instances where sales tax is charged to a Cardholder, Expense Approvers are required to direct the Cardholder to reach out to the supplier to remove the tax or reach out to the supplier directly.

7. Ensure applicable Cardholders are abiding by the P-Card Policy and Guidelines. Expense Approvers must continually be aware of P-Card misuse and use reasonable due-diligence to detect such misuse, including:
 - a. Personal Misuse, including but not limited to, purchases made for the sole purpose and benefit of the employee; use of P-Card by an employee who has been terminated or suspended; and high volume of Missing Receipt Forms in lieu of receipts.
 - b. Administrative Misuse, including but not limited to, lack of adherence to reconciliation guidelines and policies on a monthly basis; Stringing/Splitting; use of P-Card for Prohibited Purchases.
8. Immediately report any activity deemed suspicious, unusual, or in breach of this Policy or P-Card Guidelines to the P-Card Administrator.
9. Respond to Audit inquiry requests within two business days of request.
10. Maintain proof of purchase documentation and Transaction Allocation Reports from all applicable Cardholders to quickly produce at times of Audit.
11. Notify the Office of the Treasurer within 48 hours when applicable Cardholders are transferring within a department or to a new department at College, leaving the College, or going on extended leave. Ensure that Cardholders who are leaving the College or who no longer need their P-Cards return their P-card to the Office of the Treasurer. Expense Approvers must ensure all receipts, documentation and Transaction Notes are complete and any outstanding transactions are reconciled for applicable Cardholders who are leaving the College or who no longer need their P-Cards.

F. Budget Manager Responsibilities and Procedures

Budget Managers shall have the following responsibilities and abide by the following procedures:

1. Acknowledge and agree to abide by the P-Card Policy and P-Card Guidelines prior to fulfilling duties of the Budget Manager role.
2. Successfully complete all required P-Card training and any additional P-Card training required by the Office of the Treasurer.
3. Approve P-Card applications and roles (Cardholder, Expense Approver) for their school or department.
4. Set appropriate P-Card Limits.
5. Ensure applicable Cardholders and Expense Approvers are aware of this Policy and the P-Card Guidelines and timetables, and provide sufficient oversight and review to ensure all Cardholders and Expense Approvers are in compliance with this Policy and the P-Card Guidelines.
6. Notify the Office of the Treasurer within 48 hours of any changes to designated Expense Approvers.

G. P-Card Administrator Responsibilities and Procedures

The P-Card Administrator shall have the following responsibilities and abide by the following procedures:

1. Acknowledge and agree to abide by the P-Card Policy and P-Card Guidelines, and understand P-Card Administrator responsibilities, prior to fulfilling the duties of the role.
2. Work with the Office of General Counsel, Accounts Payable, Procurement Services and any other appropriate College office or department to determine any additional P-Card training and/or policy requirements for Cardholders, Expense Approvers, and Budget Managers.
3. Administer the P-Card program in compliance with this Policy and the P-Card Guidelines.
 - a. Confirm eligibility of new P-Card applicants, responsibilities of Expense Approvers/Budget Managers, set credit limits, process and submit P-Card applications, and distribute P-Cards to Cardholders upon receipt.
 - b. Request cancellation or suspension of P-Cards and ensure all outstanding receipts and transactions are reconciled for employees that have left the College or that are on long-term leave.
 - c. Monitor credit limits and ensure that all change limit requests are appropriate and contain the appropriate approvals.
 - d. Monitor P-Card declines.
 - e. Perform Audits of Cardholders as outlined below in Section H and in the P-Card Guidelines.

H. Audits

The Office of the Treasurer and Office of General Counsel will conduct regular, random Audits of Cardholders as more fully set forth in the P-Card Guidelines. Cardholders and Expense Approvers must respond to Audit inquiries within two business days of the request. If questions, deficiencies, inconsistencies or other concerns arise from an Audit, the following will apply:

1. The Cardholder must address each item, outlining steps that will be taken to assure future compliance; and
2. The Office of the Treasurer will conduct a follow-up reviews of P-card use within six months to assure that corrective measures have been put in place.

Failure to comply with Audits in any way will result in the immediate suspension of all applicable P-Cards until compliance is achieved.

I. Consequences

Violations of this Policy and/or the P-Card Guidelines may result in suspension or cancellation of P-Card privileges, and/or other disciplinary actions, up to and including termination of employment.

All infractions to the P-Card Policy and Guidelines will be reviewed by the Office of the Treasurer to determine appropriate disciplinary action. Possible consequences for each infraction are laid out in the "P-Card Policy Infraction" grid below.

Types of Infractions

- **Reconciliation Infraction:** Failure to reconcile P-Card transactions as outlined under Cardholder Responsibilities in this Policy and reconciliation guidelines set forth in the P-Card Guidelines.
- **Material Infraction:** Any purchase made not in compliance with the P-Card Policy and Guidelines. Personal expenses made on a P-Card must be reimbursed to the College. Failure to do so will result in the loss of card privileges and disciplinary action, up to and including termination of employment. The College may pursue recovering the total amount of the personal expenses from the Cardholder's salary.
- **Approver Infraction:** Approval of purchases which were non-compliant with the P-Card Policy and Guidelines, and such non-compliance was detectable through the use of reasonable due diligence. Infractions are counted as an aggregate across all P-Cards under the Approver.

Accrual of Infractions

For purposes of determining consequences associated with **Reconciliation Infractions** and **Approver Infractions**, except those involving **Material Infractions** (see below), such infractions will accrue over a period of two calendar years. The two-year period will end on December 31 of each even-numbered year (e.g., 12/31/2020, 12/31/2022, etc.). At the expiration of the applicable two-year period, any prior offenses will be removed from the Cardholder's record. Where circumstances warrant, the Office of the Treasurer reserves the right to evaluate offenses across multiple two-year periods (e.g., related infractions spanning both the period ending 12/31/2020 and the new period beginning 1/1/2021) and impose appropriate consequences as set forth below. Additionally, where the Office of the Treasurer determines that a Reconciliation or Approver Infraction is minor, such an infraction may not be counted as an offense for purposes of determining consequences.

Material Infractions will accrue over the life of the P-Cardholder's possession of a P-Card and will not reset. **Approver Infractions** which involve approval of a purchase which constitutes a Material Infraction will accrue over the course of the Approver's employment at the College and will not reset.

P-Card Policy Infractions

	Cardholders		Approvers
	Reconciliation Infraction	Material Infraction	Approval Infraction
1st Offense	Cardholder will receive written notice describing the infraction with direct supervisor on copy.	Cardholder will receive written notice describing the infraction with direct supervisor on copy.	Approver will receive written notice describing the infraction.
2nd Offense	Cardholder's P-Card will be suspended for 30 days after resolution of infraction. Cardholder and direct supervisor will be notified of suspension.	Cardholder's P-Card will be suspended for 30 days after resolution of infraction. The Cardholder must also complete P-Card training in order for their P-Card to be reinstated. Cardholder and direct supervisor will be notified of suspension.	Approver will receive written notice describing the infraction with direct supervisor on copy. Approver will need to complete Approver training.
3rd Offense	Cardholder's P-Card will be terminated after resolution of infraction. Cardholder and direct supervisor will be notified. A new Cardholder will be assigned for the department.	Cardholder's P-Card will be terminated after resolution of infraction. Cardholder and direct supervisor will be notified. A new Cardholder will be assigned for the department.	New Approver will be assigned.

J. Appeal Process

A Cardholder may appeal the cancellation of a P-Card. The appeal must be made in writing to the Vice President and Treasurer, who has sole discretion to reinstate the P-Card. If it is determined that a P-Card will be reinstated, the Cardholder will be required to comply with the P-Card Policy and Guidelines moving forward. Any additional violations by the Cardholder will result in permanent cancellation of all P-Card rights without appeal, and appropriate personnel action will be taken.