

Northern Oklahoma College Pcard Policy and Procedures

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The Purchasing Card Policy can also be Found in Section 3.22.20
in the Employee Handbook

Introduction

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- NOC uses a commercial purchasing card (Pcard) to acquire lower dollar goods & services for conducting official College business.
- The Pcard is issued to selected College employees. The cardholder is responsible for and accountable for all charges made with the Pcard.
- Compliance with NOC's Policy and Procedures statements and the Pcard Guidelines is essential for NOC to adhere to State Statutes.

Policy

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- Every employee that uses a Pcard for purchasing is obligated to follow the Pcard Policy, Procedures, and Guidelines.
- Misuse of the Pcard in any manner by a cardholder may result in the following actions:
 - Revocation of the Privilege to use the Pcard
 - Disciplinary Action
 - Termination of Employment
 - Pursuit of Legal Action

Policy Continued

- Liability for payment as well as responsibility and accountability for Pcard purchases resides at the departmental level.
- Designated Approvers for each department are responsible for reviewing & verifying that all cardholder transactions are appropriate & for official College business.
- Failure to perform these duties may result in:
 - Disciplinary Action
 - Termination of Employment
 - Pursuit of Legal Action

Procedures

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- Purchasing/Accounts oversees the implementation and operation of the Pcard program.
- The Pcard Administrator is responsible for managing the Pcard program.
- Pcard guidelines and applicable forms will be available on the NOC portal Employees tab under Finances.
- The Pcard is issued by NOC in coordination with a bank: J.P. Morgan.

Procedures Continued

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- All Pcards issued are the property of NOC
- Employees shall surrender the card in the following circumstances:
 - At the Time of Termination of Employment
 - Upon the Request of the Administration
 - Upon the Request of the Purchasing/Accounts Payable Department

Procedures Continued

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- All Cardholders, Departmental Approvers and anyone with access to the Pcard software is required to complete Pcard Guideline training.
- Instructions for use of the software will be available on the NOC Portal Employees tab under Finances.
- Departments are responsible for turning in required documentation and for ensuring Pcard purchases are made in compliance with College Policy and Procedures statements, Pcard Guidelines and State Statutes.

Procedures Continued

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- Purchasing/Accounts Payable monitor transactions and retain all documentation supporting the purchases that are submitted by Pcard holders.
- All documentation supporting the purchases including original receipts, explanations for purchases, etc. must be provided by the cardholder.
- Compliance reviews will be conducted by Purchasing/Accounts Payable, internal auditors, and state miscellaneous claims audits to determine compliance with NOC Policy and Procedures, Pcard Guidelines and State Statutes.

PURCHASING CARD PROGRAM(PCARD) GUIDELINES

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Pcard Contacts – Admin & Comp

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PCard Administrator & Compliance Accountant: Riley Barrick

Financial Affairs, Vineyard Library - Admin Building
Tonkawa OK 74653

580-628-6235

riley.barrick@noc.edu

Pcard Contacts – Admin & Comp Continued

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- The PCard Administrator is responsible for management of the purchasing card program. This includes assisting departments in determining how to use the PCard to fit its needs, planning and coordinating training, customer service, processing PCard request forms, processing changes in cardholder information, assisting with disputed transactions and transaction review.
- The Compliance Accountant is responsible for desktop and field audits, including planning and scheduling reviews of departmental internal controls and transaction details. Also included are addressing compliance issues with departments and making recommendations for improvements.

Pcard Contacts – Bank

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JP Morgan/Chase

The Purchase Card contract was awarded to JPMorgan. For questions about your PCard or to discuss denied purchases, call Chase at (800) 316–6056.

How to Get a Pcard – Eligibility

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- Eligible employees must complete PCard training and submit the required forms to the Purchasing Department to receive a PCard.
- Cardholder must be a Northern Oklahoma College full-time, permanent employee (.75 FTE and above).
- Exceptions to this policy may apply and will be reviewed on a case-by-case basis.

How to Get a Pcard - Forms

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The required forms and instructions for applying for a PCard can be obtained from the PCard Administrator. Once completed, the forms must be submitted to the Purchasing Department for processing.

1) Application Form for PCard and PaymentNet User Access

- Must be signed by cardholder or user, supervisor and appropriate administrator.
- Administration will establish spending limits for each cardholder.

How to Get a Pcard - Forms Continued

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2) Conflict of Interest Form

- Documents any outside financial interest, which may affect purchasing decisions.
- Cardholders must fill out a new form each year or when an interest becomes reportable and return it to the Purchasing Department.

3) Employee Agreement Form

How to Get a Pcard - Training

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Initial Training

All cardholders and approvers must complete training before a card will be issued and access granted to PaymentNet.

Refresher Training

All cardholders must complete refresher training every two years to retain their PCard. Refresher training will be provided during the Fall Inservice Week occurring in August and Spring Inservice Week occurring in January.

How to Get a Pcard - Issuance

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- The PCard is issued by Northern Oklahoma College in coordination with J.P. Morgan.
- The PCard will include the institution's name, the cardholder's name and a unique individual 16-digit account number.
- All cards will be shipped to the PCard Administrator.

Security - Safeguard

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The cardholder is responsible for safeguarding their assigned PCard and account number at all times. To prevent unauthorized use and limit the potential for fraud, the cardholder should use the following security measures:

- o Keep the PCard and account number in a secure location and safeguard it. . The Purchasing Department can store your PCard in a vault in the Department of Financial Affairs upon request.
- o Do not loan or share the PCard or its number with others, including co-workers. Sharing may result in card revocation.

Security – Safeguard Continued

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- o Do not share your logon credentials for any PCard-related program with any other individual.
- o Immediately, upon discovering a PCard is stolen, the cardholder must notify J.P. Morgan at 800-316-6056. Phone support is available 24 hours per day.
- o Outside the U.S., visit https://accessportal.jpmorgan.com/jpmcp-cm/content/jpm-cp/jpma/public/en_us/contact-us.html for country specific phone numbers.

Security – Safeguard Continued

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o Once J.P. Morgan is Called:

- The bank will block the use of the card, and a replacement card will be issued
- If fraudulent charges have appeared on the card, the cardholder will be asked to sign an affidavit confirming which transactions are fraudulent so a credit can be issued for those charges.
- The department budget is responsible for all transactions made until the bank is notified.

Security – Spending Controls

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Controls, including merchant category restrictions and credit limits, have been applied to all PCard accounts.

Merchant Activity Type Limits

A Merchant Category Code (MCC) is a four-digit number assigned by the credit card industry to every business that applies to accept credit cards.

The code corresponds to the type of business or service the company offers.

NOC prohibits the use of Pcards for certain types of goods and services; therefore, the Finance Department has defined groups of unallowable MCC codes and will restrict PCard use at those merchants.

Security – Spending Controls Continued

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Card Spending Limits

Administration

Responsible for establishing spending limits for each cardholder and will be in-line with the cardholder's duties and expected spending.

Employees

Monthly Cycle Limit shall not exceed \$5,000.

Single Transaction Limit shall not exceed \$2,000.

Security – Limiting Fraud

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Leave of Absence / Card Suspension

- If a cardholder will be away for an extended time (30 days or greater), the department will be responsible for contacting the PCard Administrator.
- The card will be placed in suspension to protect against loss and fraudulent charges. Upon return, the department should contact the PCard Administrator, and the card will be restored to previous limits.

Security – Limiting Fraud Continued

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Card Spending Limit Recertification

Card limits should be consistent with the spending need of the cardholder. Having excessive available credit increases the amount of potential loss should the card be compromised.

- Cardholder limits may be reviewed annually to determine whether actual usage is consistent with assigned spending limits.

Security – Limiting Fraud Continued

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Card Spending Limit Recertification Continued

- If usage is consistent with the spending limits, there will be no change to the card limits.
- If usage is not consistent with the spending limits, the PCard Administrator will recommend an adjustment to the card limits or recommend an inactive card be cancelled.

Using the Pcard – Prior to Using

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- Review the lists of prohibited and restricted purchases to ensure the purchase is allowable.
- Be sure the total amount will not exceed the single transaction or cycle limits.

Using the Pcard – Methods

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As with any credit card, the PCard may be used to purchase over the counter, by mail, phone, fax, and through the Internet.

- Verify no sales tax is included for purchases made in Oklahoma. NOC is not exempt from tax in other states. If tax is charged on a transaction, the cardholder is responsible for contacting the vendor and requesting that a credit be issued for the tax amount.

Using the Pcard – Methods Continued

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- The cardholder is ultimately responsible for reimbursing the college for the tax amount if a credit has not been issued by the vendor withing 90 days from the transaction date.
- The NOC Tax Exemption Permit is located on the MyNOC Portal in the Employees tab on the Forms & Policies section in the Miscellaneous group.

Using the Pcard – Methods Continued

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- Some out-of-state, online vendors collect Oklahoma tax. Work with the merchant to make a tax-exempt purchase; otherwise, the PCard must not be used for the transaction.
- Use a reputable merchant and ensure Internet purchases are made from a secure site.

Using the Pcard – Methods Continued

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- Obtain a complete, itemized receipt and any supporting materials. If purchasing through the Internet, it may be necessary to take screenshots of the order or confirmation.
- The use of mobile wallets is not approved for use. Cardholders are prohibited from adding a card to any payment applications on a mobile device such as Apple Pay, Google Pay, Samsung Pay, etc.

Using the Pcard – Delivery Address

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Items purchased with the PCard should always be delivered to a College address

Using the Pcard – Denials

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Card Denied

Cardholder should contact J.P. Morgan at the phone number on the PCard. The bank can provide the reason it was denied.

The bank may request the address or phone number listed on the PCard application or the verification code(birthdate MMY or Mother's Maiden Name).

Cardholder can also check the Authorization Log in the PaymentNet system to determine the reason the transaction was denied.

Using the Pcard – Returns & Credits

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- It is the cardholder's responsibility to work with the merchant to resolve the problem.
- If the merchant is responsible for the problem, you should not pay a restocking fee.
- If the merchant is not responsible, you may have to pay the restocking fee. A PCard may be used to pay this fee provided it does not violate policies.
- Request a credit receipt for returned items if possible.
- Be sure the credit is posted to your card.

Using the Pcard – Disputes

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- Accounts Payable will make timely payment to J.P. Morgan for all credit card purchases without regard to individual discrepancies in transaction billings.
- In the event of an erroneous charge, the cardholder must contact the merchant and attempt to resolve the problem. The communication should be documented in writing and include the date, persons involved, a brief description of the problem, and the outcome.
- If the cardholder is unable to resolve the dispute with the merchant, a dispute may be filed by contacting J.P. Morgan.

Card Management - Canceling

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- PCards are the property of NOC.
- Upon termination, transfer, or retirement, the card must be surrendered to the Purchasing Department, where the card will be destroyed.
- The card must be surrendered upon the request of the cardholder's supervisor, departmental administration or the PCard Administrator

Card Management - Renewal

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Prior to a PCard's expiration date, the bank will issue a replacement card and send it directly to the PCard Administrator.

Card Management - Defects

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- PCards may be replaced when defective or mutilated.
- Contact the PCard Administrator for assistance.
- The damaged card will need to be returned to the Purchasing Department to be destroyed.

Validation - Receipt Requirements

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The cardholder is responsible for obtaining original receipts, packing slips, and other required documentation from the merchant to support each purchase.

Receipts should include:

- Date
- Merchant Name
- Itemized list of purchases
- Itemized pricing
- Total, including shipping and handling

Original packing lists and any other shipping documentation should be sent to Accounts Payable with the official receipt.

Validation – Lost Receipts

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- If a receipt has been lost, the cardholder must contact the merchant and request a duplicate receipt.
- If a purchase was made online, the cardholder may be able to obtain a receipt from an order history or order status tab on the merchant's website.
- Cardholders will be personally responsible for repayment to NOC for any undocumented purchases.
- Repeated loss of receipts may be grounds for disciplinary action or cancellation of the PCard.

Validation – Billing Cycles

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- Billing cycle dates usually run from the first day of the month to the first day of the following month. If the first falls on a weekend or a holiday, the billing cycle ends on the previous business day.
- Transactions made near the end of the billing cycle may not post until the next billing cycle.

Validation – Process

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- The bank receives transactions daily and routes them electronically through the PaymentNet system to the cardholder and approvers.
- Cardholder must provide receipts and other required documentation and submit it to the approver.
- Transactions must be reviewed by all parties within three business days of the initial transaction date

Validation – Account Number

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All account number changes must be completed in PaymentNet no later than seven calendar days after the end of a billing cycle.

Record Retention – Location

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Original PCard records shall be maintained in the Purchasing/Accounts Payable department and will be made available for review at any time.

Supporting records shall include, but are not limited to, receipts, invoices, packing slips, dispute documents, or any pertinent materials in paper or electronic form.

Record Retention – Retention

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PCard records must be retained in the Purchasing/Accounts Payable department for seven years.

After then they may be destroyed, provided all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies and provided no legal actions are pending.

If legal action is pending, records may be destroyed two years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements.

Compliance - Reviews

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The Financial Affairs/Controller offices may conduct on-site compliance reviews of departmental PCard purchases as necessary in order to determine compliance with NOC policies and procedures and PCard guidelines, all required documentation is present, and purchases are appropriate.

Compliance - Violations

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Misuse of the PCard in any manner by a cardholder may result in revocation of the privilege to use the PCard, disciplinary action, termination of employment, and/or the pursuit of any legal action available to the College.

Prohibited & Restricted Goods & Services

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Certain types of purchases are prohibited by the State of Oklahoma and may not be purchased with a PCard. A list of prohibited items can be found on the NOC Portal Employees tab under Finances.

Other Purchases not Permitted under NOC Policies and Procedures, Purchasing Policies, and State Statutes are prohibited.

Travel Expenses

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All PCard guidelines, NOC Travel Policies and Procedures, and the State Travel Reimbursement Act apply to the payment of travel expenses using a PCard.

The slides following this list guidelines specifically pertaining to PCard travel purchases.

Travel Expenses – Airfare & Baggage

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- Travel Requests must be completed and approved prior to purchase.
- PCard may be used to purchase airfare.
- Baggage fees may be charged at the time of the airfare purchase or at the airport.
- Per travel rules, no overweight, extra baggage, upgrade or seat preference charges are permissible.

Travel Expenses – Airfare & Baggage Continued

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Required documentation includes:

- Travel Request.
- Receipt with the vendor's name, date, total cost of ticket, class accommodation, and name of traveler.
- Airfare quote, if required.
- Any other supporting documentation.
- Documentation may be printed and maintained with PCard records or attached to the travel claim.

Travel Expenses – Lodging

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Approval

A Travel Request must be completed and approved prior to purchase.

Prepayment

When a deposit or prepayment is required, the lodging stay may be posted to the PCard in advance, provided the lodging is refundable upon cancellation.

Documentation of the lodging establishment's cancellation policy shall be attached to the lodging receipt.

Traveler will be held responsible for neglecting to properly cancel the lodging in time to receive the refund unless justifiable cause is documented and approved by the Vice President for Financial Affairs. Resultant PCard charges must be reimbursed to the College.

Travel Expenses – Lodging Continued

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Room Rate

The room rate must be supported by either:

- Sponsor's announcement, agenda, brochure, registration form, and/or notice to verify designated lodging site and single occupancy room rate OR
- Printed documentation of the Federal lodging (GSA) rates for city and/or county.
- Traveler will be held responsible for any overages paid in the room rate unless justifiable cause is documented and approved by the Vice President for Financial Affairs. Resultant PCard charges must be reimbursed to the College.

Travel Expenses – Lodging Continued

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Other Taxes, Fees and Charges

- No taxes should be paid on in-state lodging. Includes, but is not limited to sales tax, hotel occupancy tax, entertainment tax, city tax, etc.
- Tribal tax or tribal fee is allowed.
- Tourism Improvement Fees (TID fees) are allowed.
- Incidental room charges are prohibited
- Bell hop fees and tips are prohibited.

Travel Expenses – Lodging Continued

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Required documentation includes:

- Travel Request.
- Itemized receipt.
- Documentation supporting the room rate, i.e., conference brochure or GSA rate.
- Hotel's cancellation policy, if a deposit or prepayment was required.
- Documentation may be printed and maintained with PCard records or attached to the travel claim.

Travel Expenses – Ground Transportation

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All other travel expenses including parking, out-of-state ground transportation, etc. must have an itemized receipt, and the Travel Request must be completed and approved prior to purchase

Tips

Must not be greater than 20%.

Travel Expenses – Ground Transportation Continued

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Ground Transportation (Taxi, shuttle, Uber, etc.)

- Not allowed for in-state travel.
- If any part of the use will be personal, it must not be paid with PCard. See below for examples of personal use.
- Deposits and prepayments are not allowed on the PCard.

Travel Expenses – Ground Transportation Continued

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Car Rental

- Not allowed for in-state travel.
- Deposits and prepayments are not allowed on the PCard.
- Not allowed on the PCard if the trip includes both business and personal travel. See below for additional information on personal travel.

Travel Expenses – Ground Transportation Continued

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Car Rental

- Justification for the car rental is required for every purchase. See below for additional information on justification requirements.
- If driving out of state instead of flying, need airfare quote demonstrating the car rental is less expensive than airfare.
- Rental car fuel is only allowed on the PCard if it's used for an allowable car rental. In other words, if the car rental is prohibited on the PCard, the fuel for that car must not be purchased with the PCard.

Travel Expenses – Ground Transportation Continued

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Car Rental Documentation

- Travel Request
- Car rental receipt
- Written justification for the car rental.
- Note or comment stating how many miles were for business travel and how many were personal.

Travel Expenses – Car Rental Justifications

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A comment must be provided explaining the business or emergency need for a rental car anytime it is used while on official College business.

If the business reason is not sufficient, the traveler or cardholder may be required to reimburse the College for the purchase.

Travel Expenses – Car Rental Justifications Continued

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Some common acceptable reasons for allowing rental car would be:

- The closest airport to the business destination is in another city
- Multiple destinations/cities
- Remote destinations
- Group travel
- Need to haul equipment or business materials
- Inclement weather or flight delays
- Cost savings versus taxi, shuttle, or Uber

Travel Expenses – Personal Travel

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When determining business miles versus personal miles, only miles between the airport, hotel, and conference location can be used.

Business luncheons or dinners could be considered business miles but must be documented in a comment on the receipt.

Other miles could be considered business depending on the nature and purpose of the trip, but these should also be documented.

Travel Expenses – Personal Travel Continued

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Some Examples of Personal Miles:

- Driving to lunch
- Meeting family or friends
- Sightseeing or shopping
- Vacation
- Personal evening activities or entertainment

Travel Expenses – Other Expenses

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Per diem (meals/food) and mileage are not permitted on the PCard. Allowable travel expenses not permitted on the PCard may be submitted on a travel claim.

PaymentNet Policies

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PaymentNet

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PaymentNet is the internet-based platform supplied by the J.P. Morgan. PCard transactions feed into PaymentNet, which enables users to approve, reconcile and oversee spending.

The College has developed a hierarchy of cardholders and approvers in the system; which allows PaymentNet to route purchases through a predefined workflow.

PaymentNet

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In general, once a purchase is made and posts to PaymentNet, the transaction routes to the cardholder and then to the appropriate approvers for review and sign off.

For instructions and other reference material, go to:

<https://www.paymentnet.jpmorgan.com/help/pa/PaymentNet4.html>

PaymentNet – Role Eligibility and Responsibility

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Cardholder

- Cardholder is an authorized purchasing agent for the College.
- Being issued a PCard does not imply prior approval of all purchases. The cardholder must follow applicable NOC Purchasing policies and procedures, departmental procedures, and any departmental pre-approvals.
- Must be a full-time, permanent NOC employee designated by the Vice President or Division/Department Head to execute purchases – exceptions must be approved by the President.

PaymentNet – Role Eligibility and Responsibility

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Cardholder Continued

- Accept responsibility for ensuring unallowable, prohibited, or restricted items are not purchased. Abuse of the PCard will result in revocation of the card and appropriate disciplinary action.
- Ensure appropriate documentation, including the original receipt is received and turned in for each purchase.
- Must not purchase from friends or family, from a company owned by any College employee, or from companies where the cardholder has a financial interest.

PaymentNet – Role Eligibility and Responsibility

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Cardholder Continued

- Must not accept gifts or gratuities from any merchant when offered, or appears to be offered, to influence the cardholder's decision regarding a purchase.
- Must protect the PCard and its number. The cardholder is the only person authorized to make purchases with the card or its 16-digit number. If a department head would like for their Administrative Assistant to have access to a PCard, a separate PCard must be issued to them. Administrative Assistants are not authorized to use other personnel's PCards.

PaymentNet – Role Eligibility and Responsibility

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Cardholder Continued

- Contact the bank and email the PCard Administrator if card is compromised or stolen.
- Department is responsible for notifying the PCard Administrator if there are changes to card information; including but not limited to name, credit limit, default chart/fund, etc.

PaymentNet – Role Eligibility and Responsibility

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Cardholder Continued

- Transaction Processing in PaymentNet
 - Review and sign off on transactions within three business days of the initial transaction date.
 - Verify transactions are legitimate and in compliance with policy and procedures.

PaymentNet – Role Eligibility and Responsibility

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Cardholder Continued

- Transaction Processing in PaymentNet
 - Enter a description and business purpose in the description field. Update the chart/fund and account numbers if required. Cardholder is responsible for selecting their appropriate department budget code when entering the expenses.
 - At the end of each billing cycle, reconcile receipts and supporting documentation with transactions in PaymentNet and forward the materials to Accounts Payable. The receipts and supporting documents are due on the first business day of each month.

PaymentNet – Role Eligibility and Responsibility

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Approvers

- Full-time, permanent NOC employee designated by the Vice President or Division/Department Head.
- Should have knowledge of what an appropriate, reasonable, necessary, and legitimate transaction for the cardholder and department should be.
- Should review cardholder transactions and question any purchase for which the business purpose is unclear and notify administration of any purchase appearing to be questionable.

PaymentNet – Role Eligibility and Responsibility

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Approvers Continued

- Report violations to the cardholder, department administration, and the PCard Administrator. Discussions should be documented, and materials attached to the receipt. Failure to do so may result in disciplinary action up to and including termination of employment.
- Update account number in PaymentNet, if needed.
- Sign off on the cardholder's transactions in PaymentNet.

