



## **NAPA VALLEY COMMUNITY COLLEGE DISTRICT PURCHASING CARD PROCEDURES MANUAL**

### **1.0 PURPOSE**

To establish a methodology for use and to define the limits of use of district issued credit cards provided to certain personnel in order to make purchases of goods and/or services.

### **2.0 ATTACHMENTS**

- 2.1 Purchase Card Employee Agreement
- 2.2 Access Online – Steps for Self-Registration
- 2.3 District Purchase Card Monthly Process
- 2.4 Lost/Missing Receipt Form

### **3.0 GENERAL**

#### **3.1 Abbreviations**

- 3.1.1 CCPS: Credit Card Purchasing System

#### **3.2 Definitions**

- 3.2.1 Vendor: A company from which a Cardholder is purchasing materials and/or equipment or service under the provisions of this procedure.
- 3.2.2 Cardholder: Personnel who have been issued a credit card and who are authorized to make purchases in accordance with these procedures.
- 3.2.3 Approving Budget Center Manager/Area Dean: This individual shall review and approve a Cardholder's monthly Statement of Account
- 3.2.4 District Coordinator: The person responsible for all program details, including all Cardholder inquiries.
- 3.2.5 Statement of Account: This is the monthly listing of all transactions by the Cardholder, issued by the bank directly to the Cardholder.
- 3.2.6 Single Purchase Limit: A dollar amount limitation of purchasing authority delegated to a Cardholder. This dollar limit may vary from Cardholder to Cardholder.
- 3.2.7 Requisitioner: An employee who has a need for materials or services that can only be fulfilled by a Vendor. Under this CCPS procedure, a requisitioner may be a Cardholder.

### **4.0 PROCEDURE**

#### **4.1 Introduction**

- 4.1.1 This program is being established in order to provide a more rapid turnaround of requisitions for low dollar value goods, and to reduce paperwork and handling costs. By using CCPS, you dramatically shorten the payment cycle from what it is under the traditional requisition process. The traditional requisition process includes pricing inquiry, order placement, delivery of goods, invoice and voucher review. Those requisitioners who have been issued a credit card may now

initiate transactions in-person, online, or by telephone, within the limits of this procedure, and receive goods. Payments to vendors are made via the Elan Financial Services settlement system. The Accounts Payable Department will make periodic settlements with the bank in conjunction with the Business and Finance Office's accounts payable procedures.

#### 4.2 Receiving a Credit Card

- 4.2.1 Approving Budget Center Manager/Area Dean may propose personnel to be Cardholders by contacting the District Coordinator.
- 4.2.2 The proposed Cardholder shall be issued a copy of this "*Purchasing Card Procedures Manual*" and shall be required to sign a "*Purchase Card Employee Agreement*" (see Attachment). The agreement indicates that the Cardholder understands the procedure and the responsibilities of a CCPS Cardholder. The "*Purchase Card Request*" indicates all information needed to set the Cardholder up properly in the credit card system.
- 4.2.3 The District Coordinator shall maintain all records of credit card requests, limits, Cardholder transfers, and lost/stolen destroyed card information.

#### 4.3 Authorized Credit Card Use

- 4.3.1 Beginning usage of authorized purchase card. Procedures for set-up, activation and online access are outlined in "*Access Online – Steps for Self-Registration*" (see Attachment). The unique credit card that the Cardholder receives has their name embossed on it and shall **ONLY** be used by the Cardholder. **NO OTHER PERSON IS AUTHORIZED** to use the card. The Cardholder may make transactions on behalf of others in their department. However, the Cardholder is responsible for all use of their card.
- 4.3.2 Use of the Credit Card shall be limited to the following conditions:
  - a) The total value of a transaction shall not exceed a Cardholder's single purchase limit. Payment for a purchase **WILL NOT** be split into multiple transactions to stay within the single purchase limit.
  - b) Each purchase card will be assigned specific purchase limits and restrictions. Cardholders shall adhere to these limits and restrictions.
  - c) The Cardholder is personally responsible for guaranteeing that all charges are for appropriate District expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation or policy of the Board of Trustees.
  - d) All items purchased "over the counter" must be immediately available at time of credit card use. No backordering of merchandise is allowed.
  - e) Velocity checks must be passed (i.e. # and \$ amount of transactions for a company-defined frequency.)
- 4.3.3 The Cardholder shall inform the Vendor that all purchases are subject to sales or use tax, whether it be an out-of-state rate and amount, or the California rate. Budgets will be charged sales tax even when other states consider the item tax exempt.
- 4.3.4 All purchase cards shall be reauthorized annually by the authorizing manager or dean. The Business and Finance Office will issue a list of current Cardholders, the authorizing manager, and the credit limits on each card. If a card is not reauthorized it shall be terminated. All approved Cardholders shall be required to sign a new agreement annually.

#### 4.4 Unauthorized Credit Card Use

- 4.4.1 The credit card **SHALL NOT BE USED** as outlined below and **MAY BE REVOKED** for usage as follows:

- a) Personal purchases or identification.
- b) To circumvent the District's Requisition and Purchase Order procedures.
- c) A single purchase that exceeds the Cardholder's single purchase limit; unless a higher limit has been agreed in writing with the District Coordinator.
- d) Splitting a purchase to circumvent a purchase limit assigned to the card; or another Cardholder's card is used for the same purpose.
- e) Purchase of alcoholic beverages, unless authorized for instructional purposes.
- f) Any substance, material, or service that violates policy, law or regulation pertaining to the District.
- g) Cash advances.
- h) Purchase of gifts, telephone calls, monthly telephone service, or entertainment.
- i) Purchases made from Office Depot. The District's in-house purchase system must be used. This will allow us to receive a significant discount on items purchased.
- j) Card allowed to be used by another individual.
- k) Equipment, i.e., tables, chairs, computers, etc.

4.4.2 A Cardholder who makes unauthorized purchases or carelessly uses the credit card shall be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank in connection with the misuse. The Cardholder will also be subject to disciplinary action up to and including termination of employment.

#### 4.5 Making a Purchase

4.5.1 Procurement procedures permit a purchase of goods or services to be made from a "Vendor of Choice". This implies the possibility of not comparing sources or competition between vendors. However, it is also policy to seek competition and the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a credit card purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Where possible, the Business and Finance Office will establish pricing agreements and identify the preferred suppliers.

4.5.2 Cardholders will utilize the following "checklist" when making a purchase:

- a) Check the "How to Do Business with Napa Valley College" manual provided by the Business and Finance Office, to see if the purchase of the required goods meets the criteria as outlined in the document. If not, solicit a reasonable number of sources. If vendors furnish standing price quotations or catalog prices on a recurring basis, check that the price listed is current.
- b) Once a Vendor is designated and that Vendor confirms that the good or service is available, meets the specification and delivery requirements, etc., take the following steps:
  1. Confirm that the Vendor agrees to accept the purchase card.
  2. Direct the Vendor to include the following information on the shipping label and packing list:
    - Cardholder's name and telephone number;
    - Complete delivery address;
    - The words "Credit Card Purchase";
    - The Vendor's order number.
  3. It is extremely important that all purchases be sent to the Cardholder ordering the merchandise as this will ensure that the documents necessary for the record keeping are readily available to the Cardholder.
  4. If necessary, advise the individual within your area who receives merchandise, of the Vendor's name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.). ALSO, notify the Cardholder when delivery is made.

#### 4.6 Cardholder Record Keeping

- 4.6.1 Whenever a credit card purchase is made, either over-the-counter, online, or by telephone, the Cardholder shall retain the invoice or “customer copy” of the charge receipt. The Cardholder is responsible for making sure that the vendor lists the quantity, fully describes the item(s), and includes sales tax on the charge slip. The documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the Cardholder’s monthly Statement of Account.
- 4.6.2 When the goods have been received, the Cardholder must retain all shipping documentation.

#### 4.7 Review of Monthly Statement of Account

- 4.7.1 As outlined in the “*District Purchase Card Monthly Process*” (See Attachment), at the end of each billing cycle, the Cardholder shall obtain from the Bank their electronic monthly Statement of Account that will list the Cardholder’s transaction for that period. The Statement of Account is available to access online on the **21<sup>st</sup> of each month.**
- 4.7.2 The Cardholder shall check and verify each transaction listed on their monthly Statement of Account against their receipts and/or any shipping documents.

The original documents, (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the monthly Statement of Account **MUST** be listed on the Requisition for Purchase Order and in sequence to the monthly Statement of Account. This data attachment is critical to provide audit substantiation. **IF THIS ROUTINE IS NOT ADHERED TO, THE CREDIT CARD MAY BE REVOKED.** The careful matching of complete support documents to the Requisition for Purchase Order, and then to the monthly Statement of Account is vital to the successful use of this program.

- 4.7.3 The Cardholder shall review the monthly Statement of Account and submit their Requisition for Purchase Order, no later than the **30<sup>th</sup> of the month.** The monthly Statement of Account, receipts, and P.O. # immediately needs to be forwarded to [accounts.payable@napavalley.edu](mailto:accounts.payable@napavalley.edu).
- 4.7.4 If the Cardholder does not have documentation of a transaction listed on the monthly Statement of Account, they shall also complete and forward the “*Lost/Missing Receipt Form*” (see Attachment) to [accounts.payable@napavalley.edu](mailto:accounts.payable@napavalley.edu) for the lack of supporting documentation.
- 4.7.5 The Approving Budget Center Manager/Area Dean shall check the Cardholder’s monthly Statement of Account against the Requisition for Purchase Order submitted and confirm with the Cardholder the following items as a minimum:
- Receipts and shipping documents exist for each purchase.
  - The goods were received or the services were performed.
  - The Cardholder has complied with applicable procedures.
- 4.7.6 If the Cardholder is disputing a charge, they shall complete a dispute form and include it along with the documents being submitted to [accounts.payable@napavalley.edu](mailto:accounts.payable@napavalley.edu).

If an item has been returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly Statement of Account.

If purchased items or credits are not listed on the monthly Statement of Account, the Cardholder shall **RETAIN** the appropriate transaction documentation by the next monthly Statement of Account. If the

purchase or credit does not appear on the monthly Statement of Account within 60 days after the date of purchase, the Cardholder or Approving Budget Center Manager/Area Dean shall notify the District Coordinator.

- 4.7.7 If items purchased by the use of the credit card are found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the Vendor has not replaced or corrected the items by the date the Cardholder receives their monthly Statement of Account, then the purchase of that item will be considered in dispute.

#### 4.8 Monthly Account Summaries

- 4.8.1 Monthly Account Summaries, listing all transactions, shall be available online as issued by the credit card company. These listings will allow the Approving Budget Center Manager/Area Dean to track their Cardholder's activities and act as a checklist for the District Coordinator to anticipate which approved monthly Statement of Accounts are due from which Cardholders.

More than two (2) reminders to a Cardholder that an approved monthly Statement of Account and submission of the Requisition for Purchase Order is delinquent will be grounds for withdrawing the credit card from that user.

#### 4.9 Card Security

- 4.9.1 It is the Cardholder's responsibility to safeguard the credit card and account number to the same degree that a Cardholder safeguards their personal credit information.

The Cardholder must not allow anyone to use their account number. A violation of this trust will result in that Cardholder having their card withdrawn and disciplinary action.

- 4.9.2 If the card is lost or stolen, the Cardholder shall immediately notify the District Coordinator at (707) 256-7181.

- 4.9.3 If a Purchase Card has been lost, stolen, or in the possession of an unauthorized person, the Cardholder shall notify Elan Financial Services immediately and the District Coordinator. A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be destroyed.

#### 4.10 Cardholder Separation

- 4.10.1 Prior to separation from the District, the Cardholder shall surrender the credit card to their Approving Budget Center Manager/Area Dean. Upon its receipt, the Approving Budget Center Manager/Area Dean will review, approve and shall submit to the District Coordinator the month end Statement of Account together with the credit card. The District Coordinator will destroy the card.

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