



# PCard Manual

Fairmont State University

Procurement Office  
Room 305 Hardway Hall

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# **1. INTRODUCTION**

## **1.1 General**

This manual contains the policies and procedures associated with Fairmont State University's (FSU) Purchasing Card (PCard) Program.

## **1.2 Statutory Authority**

The State of West Virginia PCard Program was created and implemented in 1996 by West Virginia Code, §12-3-10a, and is governed by Legislative Rule, 155 CSR 7. The State Auditor's Office, PCard Division serves as the Program Administrator for the State PCard Program.

## **1.3 Scope**

This PCard Manual contains the policies and procedures applicable to the State Of West Virginia Purchasing Card Program for Fairmont State University.

## **1.4 Policy**

This PCard Program Manual establishes the minimum standards for the use of the State of West Virginia P-Card.

Fairmont State University authorizes the issuance of PCards to employees whose position requires them to purchase goods and services for University related business. Cards are also issued to employees who travel on behalf of the University. All transactions using the PCard must comply with Fairmont State University Purchasing Policies and Procedures regarding the purchase of goods and services and the Fairmont State University Travel Policies. This document describes the requirements, responsibilities and procedures particular to the use of the PCard.

Misuse and/or non-compliance with these PCard guidelines can damage the PCard Program and the University. As a result, Cardholders must adhere to these PCard guidelines which are designated to assist the cardholders in making appropriate purchases. The consequences for misuse of the PCard and/or non-compliance with these guidelines are explained in this document.

It is the policy of the University that all Deans, Chairs, Directors, Designees, Departmental Card Coordinators (Processors), and Cardholders must be knowledgeable of and follow all PCard Policies and Procedures and applicable Purchasing Policies and Procedures.

For purchasing questions, the Procurement Office may be contacted at 304-367-4845 or 304-367-4711.

## 2. Program Oversight/Roles and Responsibilities

### 2.1 Roles and Responsibilities

The PCard Program requires the collaboration of individuals across the campus to ensure that Fairmont State University is able to serve the campus community while meeting these obligations.

Fairmont State University's operations are generally decentralized; leaving the authority and accountability for University-related purchasing decisions for a department within the department making the purchase.

Responsibilities for the PCard Program are delegated to several roles within the University:

- Chief Financial Officer
- Agency PCard Coordinator(s)
- Dean, Chairs, Director or Designee
- Departmental Card Coordinator (Processor)
- Supervisor
- Cardholder

Keep in mind that these are roles, not job descriptions, so an individual may function in more than one of these capacities.

### 2.2 Chief Financial Officer

The CFO is responsible for the administration and oversight of the PCard Program. The CFO's responsibilities include reviewing, on at least a quarterly basis, the compliance of the PCard Program with our internal controls and accounting procedures and the requirements of the State Purchasing Card policies and procedures. The PCard Coordinator will meet with the CFO quarterly to review, at a minimum, spots checks, PCard reviews, and self-reports. The meeting will be documented and the CFO will sign off.

### 2.3 Agency PCard Coordinator

Fairmont State University's Chief Financial Officer or their designee shall serve as the Agency PCard Coordinator.

The Agency PCard Coordinator's role is to provide leadership and oversight for the PCard Program, establish the policies and procedures which govern the Program, ensure the effectiveness of the Program in meeting established objectives, and seek improvements in operational processes.

Areas of responsibility include, but are not limited to the following:

- Review the compliance of the Program with established University policies, procedures, and the requirements set forth herein.
- Report any instances of misuse, abuse, or fraud to the State Auditor's Office, PCard Division.

- Require any employee who becomes aware of an instance of unlawful use, possible fraud, misappropriation, or mismanagement with the PCard to report such discovery immediately.
- Develop internal controls for the PCard Program.
- Ensuring *wvOASIS* PCard users are properly designated and assigned the applicable hierarchy(ies) on the PRCUHI table.
- Ensuring *wvOASIS* PCard users are assigned the proper system security roles in accordance with their PCard responsibilities.
- Verifying potential cardholder's eligibility to obtain a PCard.
- Ensuring proper completion and submission of a PCC document within *wvOASIS* for all new cardholder applications and/or maintenance requests.
- Ensuring successful completion of initial training requirements including the electronic signature on the cardholder agreement form (within the myApps training site) before submitting requests for new cardholders and monitoring completion of on-going training requirements.
- Determining or verifying credit limits and single transactions limits.
- Overseeing transaction reconciliation including the PRCC's to ensure prompt payment of the master statement.
- Ensuring that cardholders follow all PCard policies and procedures, Purchasing Policies and Procedures and Travel Policies.
- Disseminating updated PCard information to all cardholders and processors.
- Ensuring that PCards are cancelled and destroyed upon termination or separation from employment and that the proper maintenance form is completed within *wvOASIS* to cancel the card.
- Performing biennial reviews of PCard utilization levels and providing reports to the State Auditor's Office PCard Division of the results of such reviews.
- Identifying possible ethics law violations related to inappropriate activity by cardholders and vendors including possession of gifts, bribes, etc.
- Responsible for running the daily interfaces from *wvOASIS* to Banner and to address any errors.

#### **2.4 Deans, Chairs, Directors or Designees**

The Dean, Chairs, Directors, or designee of each College/Division/Department is responsible for ensuring that all employees with PCard responsibilities within their respective area comply with the established internal controls and relevant policies and procedures. The Dean, Chairs, Director or Designees must be knowledgeable of all PCard and Purchasing policies and procedures.

## **2.5 Departmental Card Coordinator (Processor) Responsibilities**

The Processor's role is to ensure the integrity and accuracy of all PCard transactions within their assigned area of responsibility. The Processor is responsible for timely entry (reconciliation) within *wvOASIS*. The Processor must be knowledgeable of all PCard, Procurement Policies and Procedures and Travel Policies.

Processors must take the annual online PCard and Ethics Training and Quizzes designated for PCard Coordinators.

## **2.6 Supervisor Responsibilities**

The supervisor's role is to ensure that each transaction is allowable, has adequate budget and is in compliance with PCard and Purchasing Policies and Procedures. The Supervisor will review, approve and sign all monthly statements for cardholders under their approval; return all documents to the departmental Processor for scanning and records retention.

## **2.7 Cardholder Responsibilities**

The cardholder is responsible for any transaction charged to their PCard. Cardholders must be knowledgeable of all PCard Policies and Procedures, Purchasing Policies and Procedures and Travel Policies.

Areas of responsibility include but are not limited to the following:

- Ensure that all transactions are in compliance with PCard and Purchasing Policies and Procedures.
- Ensure proper completion and submission of applications and cardholder agreements.
- Complete training before a PCard can be issued and biennially thereafter.
- Ensure security of their PCard and card information.
- Not to share the use of their card (card delegation)
- Notify the vendor that Fairmont State University is tax exempt for in- state vendors prior to placing order.
- Submit receipts and other required documentation to their Processor in a timely manner.
- Review and sign their monthly statements to ensure all transactions were for authorized business use; then forward the statement to their Processor.
- Report any misuse, abuse, or fraud to their Processor or the Agency PCard Coordinator.
- Contact the vendor to resolve disputes and complete the required dispute process. See Disputes Section 4.11

- Contact the bank for unauthorized transactions on their PCard, complete the required unauthorized use affidavit. See Unauthorized Purchases Section 4.12.

## **2.8 Internal Controls and Segregation of Duties**

Internal controls are the procedures put in place to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

Each Department is required to follow the internal controls developed by the PCard Program Administration to ensure compliance with PCard policies and procedures.

Compliance with these guidelines is managed through a point system administered by the PCard Administration (see Section 7.5). The point system is designed to encourage overall compliance with the policies and procedures and requirements, while recognizing proportional differences in the severity and frequency of violations by assigning a designated point value for violations.

**Remember! A processor cannot handle all aspects of the PCard process within their area. All Cardholders and Processors charges must be reviewed and signed off by their immediate Supervisor. The Processor cannot review and approve their own charges or their immediate supervisor's charges.**



## 3. PCard Info

### 3.1 Who is Eligible to Receive a Card?

PCards are issued to Fairmont State University employees at the request of the Dean, Chairs, Director, or Supervisor. The CFO has the right to deny any PCard requests.

Before an employee's application for a PCard will be accepted, the employee must have successfully completed the following:

- **Cardholder Training and Quiz**
- **Ethics Training and Quiz**
- **Cardholder Agreement**

### 3.2 Training

All cardholders are required to receive training prior to having access to a PCard. Two separate training sessions and quizzes are required (PCard Policies and Procedures and WV Ethics Training). The current web-based training is accessible under the myApps link at: <https://myapps.wvsao.gov/apps/Default.aspx>

In addition, cardholders are required to attend an in-person Fairmont State University specific training provided by the PCard Coordinator.

**Note: Processors who are also cardholders must only complete the required PCard Coordinator (Processor) training.**

### 3.3 Cardholder Agreements

Upon completion of the online training, cardholders must complete a Cardholder Agreement. This agreement signifies that the applicant acknowledges that he or she has had adequate training, understands the PCard policies and procedures, and accepts responsibility for compliance.

### 3.4 Application Process

After completing the required training and cardholder agreement, an Application Form must be submitted to the Procurement Office. The application must be signed by the cardholder and their Supervisor. The Agency PCard Coordinator will approve and submit the application to the State Auditor's Office, PCard Division. Upon approval of the PCard Division a new card is typically issued within 2 weeks.

### 3.5 Card Activation

After the application has been processed, the PCard will be mailed directly to the Agency PCard Coordinator. Cardholders must sign the back of their PCard.

The cardholder is responsible for card activation. Instructions for activation will be given by the PCard Coordinator.

### 3.6 Keeping the PCard Secure

The PCard must be kept in a secure location that only the cardholder has access to, with physical controls present to ensure the security of both the PCard and the PCard records. In addition, only the last four (4) digits of the card number should be included on any documentation.

**Remember! Listing your entire card number on any documentation, including emails, is prohibited.**

### 3.7 Card Delegation

PCard delegation is prohibited. PCard delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the PCard to have access to the PCard or PCard number to initiate or complete a transaction. PCard delegation increases the risk of fraud and cardholder liability.

PCard delegation includes allowing an individual other than the cardholder to:

- Have physical possession of the PCard to make payments to point of sale vendors.
- Have access to the card number and expiration date to make payments via telephone, internet, or in person.
- Have access to receipts or invoices that display the card number and expiration date.

Processors are responsible for ensuring card delegation does not take place within their area, and must notify the PCard Coordinator of any instances of card delegation.

**Remember! Card delegation is strictly prohibited and will result in the Cardholder receiving the appropriate number of violation points. (See Appendix F for Point Violation System).**

## 4. PCard Usage

### 4.1 Official Business Use Only

The PCard is for official University business only; personal charges are strictly prohibited.

### 4.2 Must Comply with Purchasing Rules

The PCard may be used for the payment of goods and services that are not prohibited by PCard or Purchasing policies. All current Purchasing Policies must be followed regardless of the method of payment. Any questions concerning purchasing rules, policies, or procedures should be referred to the Procurement Office.

### 4.3 Must Comply with Ethics Rules

All purchases made by Fairmont State University employees using a PCard must comply with the WV Ethics Act. You can view the Ethics Act at: <http://www.ethics.wv.gov/Pages/default.aspx>

### 4.4 Restricted Purchases

There are specific items that cannot be purchased using the PCard. See **Appendix A** for list.

### 4.5 Personal Purchases

Cardholders are prohibited from using the PCard to make purchases for personal use. If a Cardholder inadvertently or mistakenly makes a personal purchase using a PCard, the cardholder should attempt to have the transaction immediately reversed, if possible, with the supplier.

If the supplier is unable to reverse the charge, the cardholder must self-report this transaction within five (5) business days by emailing the Agency PCard Coordinator. In addition, reimbursement in the form of a personal check must be sent to the Agency PCard Coordinator. The check will be deposited and the funds applied against the fund and org originally charged. A copy of the deposit ticket will be returned to the cardholder to be used as backup documentation.

All inadvertent personal purchases using a PCard must be self-reported (in the manner indicated above) and repaid by the cardholder with five (5) days of the date the cardholder determines or becomes aware he or she inadvertently made a personal purchase.

Self-reporting a personal purchase with full reimbursement within five (5) business days will result in the Cardholder receiving the appropriate number of violation points.

Unreported personal purchases will result in a higher number of violation points.

### 4.6 Purchases that Require Additional Approvals or Additional Documentation

Certain purchases are permitted on the PCard, but require additional approvals and/or additional documentation. See **Appendix B** for list.

#### 4.7 Ordering Using the PCard

The PCard should only be used to place orders via in person, phone, mail, fax or secured internet site. If using a 3<sup>rd</sup> party check out processor (i.e. PayPal), cardholders must ensure that the transaction is an allowable purchase and complies with all PCard and Purchasing Policies and Procedures.

**Remember! A “secured site” has a closed “lock” at the bottom of the screen.**

For telephone orders or catalog orders, make sure the complete shipping address and instructions are provided to the vendor.

When ordering, request the vendor include an itemized receipt inside the package. Save the credit card receipt and shipping documentation.

The vendor cannot charge your credit card until the merchandise has been shipped.

Shipping and handling charges are to be included in the stated price. The total charge cannot exceed your transaction limit.

#### 4.8 Tax Exempt Status

Fairmont State University is tax exempt and should not pay tax to in-state vendors. Cardholders should remind vendors of the tax-exempt status **before** initiating a transaction. The words “Tax Exempt” and the tax identification number are printed on the State PCard. The cardholder may be required to provide the vendor with a copy of a tax-exempt certificate upon request. Contact the Procurement Office for a tax-exempt certificate.

**Note: US Bank will not process disputes for tax. If a cardholder is charged with tax for an in-state vendor, he/she must contact the vendor to request a credit for the tax charged. If the vendor will not remove the tax, proof should be kept with the transaction documentation (i.e. email, written note).**

#### 4.9 Convenience Fees

Certain vendors may charge a fee for paying via the PCard. This fee can only be a **flat rate charge**. Vendors may not charge a percentage of the purchase as a convenience fee.

#### 4.10 Returns

Any returned goods must be credited to the PCard. Debit cards, gift cards or cash are not an acceptable method of receiving refunds for returned goods. Any deviation from this policy must be reported to the Agency PCard Coordinator. To return an item, please contact the supplier of the item for information on how to process a return. Once the credit has been received, the credit should be applied to the same accounting string as the original charge.

#### 4.11 Disputing Charges

A disputed item may result from failure to receive goods, defective merchandise, incorrect amounts being charged, duplicate charges, or credits not yet received. The first step in the dispute process is for the cardholder to contact the vendor and attempt to resolve the problem. If the vendor is unwilling to

resolve the issue, the dispute process will need to be completed within 60 calendar days of the statement date that contains the disputed item. For detailed instructions on how to dispute a charge see **Appendix C**.

#### **4.12 Unauthorized Purchases**

Transactions that appear fraudulent, meaning the cardholder did not place the order, should be reported to the bank immediately. For detailed instructions on reporting these transactions see **Appendix D**.

#### **4.13 Lost or Stolen Cards**

To limit cardholder liability, cardholders must immediately report lost or stolen PCards to the bank and the Agency PCard Coordinator. To contact the bank, please dial 1-800-344-5696.

#### **4.14 Stringing**

Stringing of payments is prohibited. Stringing is the intentional manipulation of the ordering, billing, or payment process in order to circumvent the transaction and/or bid limit. Stringing includes:

- Splitting an invoice exceeding the transaction and/or bid limit into more than one transaction.
- Colluding with a vendor to split an order into separate invoices.

Cardholders should know their transaction limit. If the purchase exceeds the cardholders' single transaction limit you must submit a Purchasing Requisition Form to the Procurement Office. Employees in the Procurement Office have higher transaction limits and will place the order on their PCard on your behalf.

**Note: Stringing will result in the cardholder receiving the appropriate number of violation points.**

#### **4.15 Employee Recognition Purchases**

The West Virginia Ethics Commission provides specific guidelines for procurement items for employee recognition or retirement. These guidelines can be found at: <http://www.ethics.wv.gov/Pages/forms.aspx>.

#### **4.16 Student Prize Purchases**

Purchases for prizes (raffles and giveaways) require the completion of the **Student Prize Form**. The form can be found in the Institutional Form Repository.

Failure to provide a Student Prize form will result in the cardholder receiving the appropriate number of violation points (see Appendix F for Violation Points).

#### **4.17 Gift Cards**

The PCard may be used for the purchase of gift cards/certificates only with the **prior approval** of the WV State Auditor's Office PCard Division. See **Appendix E** for instructions. The Gift Card Approval Request Form can be found in the Institutional Forms Repository.

#### **4.18 Central Stores**

Office supplies for the office or educational use and household supplies must be purchased through the Central Store (Physical Plant). Order forms are available in the Institutional Forms Repository. Purchases outside of Central Store will result in 10 violation points.

## **5. Card Changes/Cancellations**

### **5.1 PCard Changes (Maintenance)**

Processor and/or cardholder must contact the Agency PCard Coordinator for any account changes – for example: name change, increase or decrease limits, card cancellation etc. The Agency PCard Coordinator is responsible for submitting the appropriate documentation to the State PCard Division for PCard maintenance.

### **5.2 Cancelling a PCard**

All PCards must be cancelled immediately upon termination or separation from employment. The Agency PCard Coordinator is responsible for ensuring that the PCard is destroyed.

## 6. Transaction Documentation & Reconciliation

### 6.1 Cardholder Responsibilities - General

Cardholders are responsible for the review, acknowledgement or dispute of all transactions that appear on their PCard statement. Documentation must be obtained for each transaction placed on the PCard.

### 6.2 Receipt Requirements

An itemized receipt must be provided by the Cardholder to his/her Processor for each transaction placed on the PCard. The receipt must be legible, itemized, and contain the vendor's name and location. A receipt description, which only states "Miscellaneous" or "Merchandise" or only includes a vendor's stock or item number, is not acceptable.

In the event that an acceptable form of receipt is not available, the cardholder must complete the PCard **Missing Receipt Form** and forward it to the Agency PCard Coordinator for approval. This form can be found at:

[http://www.fairmontstate.edu/files/institutionalforms/formrepo/PurchasingCards\\_MissingReceiptForm\\_0.pdf](http://www.fairmontstate.edu/files/institutionalforms/formrepo/PurchasingCards_MissingReceiptForm_0.pdf)

**Note: Use of the Missing Receipt Form will result in the Cardholder receiving the appropriate number of violation points. (See Appendix F).**

### 6.3 Documentation Requirements

Documentation for each transaction includes:

- Itemized receipt signed by the cardholder and dated (goods received date)
- Receiving verification
- Additional documentation required for certain purchases (**if applicable**)
  - Hospitality Form
  - Gift Card Approval
  - Student Prize Form
  - Association Dues Expenditure Schedule Approval
  - IT Approval (PAF Form)

**Remember! Cardholders must submit their documentation to their Processor in a timely manner**

### 6.4 Business Purpose

An appropriate business purpose must be included on each PCard receipt. The business purpose should indicate why the expenses are reasonable, appropriate, and needed for University business, not simply what was purchased. Examples of acceptable business purposed can be found in Appendix H.

### 6.5 Review of Individual Transaction Receipts

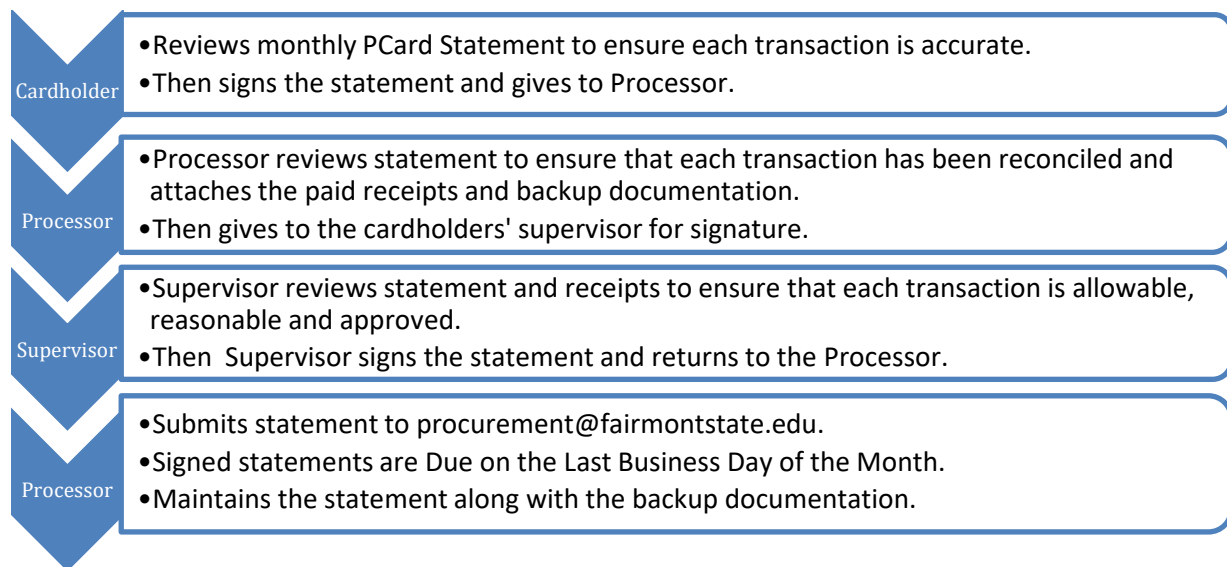
Processors must review the individual transaction receipts to ensure the following:

- ✓ The receipt is itemized and legible
- ✓ The cardholder has signed and dated the documentation
- ✓ The expense is allowable (See section 4.4)
- ✓ Any additional required authorization is provided (See section 4.6)

After reviewing the documentation, the Processor must log into the PCard software (*wvOASIS*) to reconcile the transactions and to ensure that the proper accounting codes have been assigned to each transaction. This reconciliation must be completed by the deadline provided by PCard Administration.

## 6.6 Monthly Statements

Each month, cardholder statements are sent to the cardholders. In order to ensure that each charge is legitimate, accurate, and for official university business, the following process must be followed:



## 6.7 Records Retention

All purchase card receipts and documentation must be scanned into OASIS at the time of Reconciliation.

The required documents to be scanned are:

- Itemized paid receipt
  - Transaction ID must be identified on the document
  - Fund, Org, Account numbers must be identified on the document
  - Contract # if applicable
  - Hospitality documentation (if applicable)
  - Any other applicable documentation

No PCard records may be destroyed without prior approval notification from PCard Administration.

## 7. Transaction Reviews



## **7.1 General**

*West Virginia Code*, §12-3-10b, states: "It is unlawful for any person to use a state PCard, issued in accordance with the provisions of section ten-a of this article, to make any purchase of goods or services in a manner which is contrary to the provisions of section ten-a of this article or the rules promulgated pursuant to that section. Any person who violates the provisions of this section is guilty of a felony and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, or fined no more than five thousand dollars, or both fined and imprisoned."

Failure to comply with PCard policies and procedures, rules, and law associated with the State PCard Program may result in revocation or limitation of PCard privileges, a period of probation, or mandatory PCard training in addition to any other discipline deemed necessary or appropriate.

Instances of unlawful use, possible fraud, misappropriation, or mismanagement with the PCard shall be reported immediately to the CFO or PCard Coordinator. The CFO shall report all aforementioned instances to the Deputy State Auditor/Executive Director of the State Auditor's Office PCard Division within 24 hours of his or her discovery.

The PCard is a privilege, not a right, and action will be taken for fraud, misuse or abuse of the PCard.

## **7.2 Card Misuse and Abuse**

Misuse/Abuse is the improper, unlawful or incorrect use, compromise or misapplication of the PCard. Examples include, but are not limited to:

- Failure to maintain security protecting your PCard and/or card information.
- Paying for items for which the PCard is not authorized.
- Using the PCard to violate Procurement policies and procedures.
- Purchase of authorized goods or services, at terms (e.g. price, quantity) that are excessive.
- Failure to provide required documentation upon request.
- Card Delegation.
- Failure to obtain required authorization prior to purchase.

## **7.3 Fraud**

Fraud is a deception deliberately practiced in order to secure unfair or unlawful gain. Intentional use of the PCard to make purchases for personal use or for another individual is fraudulent and is prohibited.

Individuals using the PCard to knowingly pay for items intended for personal use will be subject to disciplinary action up to and including termination and prosecution under state law, and may be subject to

civil action by the credit card company for personal liability.

#### **7.4 Reviews completed by Procurement**

Procurement performs reviews of all PCard transactions on a regular basis to ensure compliance with all PCard Policies and Procedures. Transaction receipts, reconciliation documentation, and related support documentation must be scanned timely. Failure to provide all required documentation is a violation of PCard policy and may result in the cancellation or restriction of the cardholder's PCard privileges.

Any serious finding or potential criminal violation of PCard policies and procedures must be reported promptly to the Procurement Office. Fairmont State University is required to notify the State Auditor's Office, PCard Division of any violations on the State PCard.

#### **7.5 Failure to Follow PCard Policies and Procedures**

Cardholders failing to properly follow the PCard Policies and Procedures will be subject to action up to and including revocation or limitation of PCard privileges, a period of probation, and/or mandatory PCard training, as well as any corrective disciplinary action that may be taken by the University.

Misuse of the PCard will be handled promptly and uniformly for all cardholders. A point system has been established to assess violations. See **Appendix F** for Card Violation Points Systems.

The number of points assigned to each cardholder will remain on file within the Procurement Office. **Appendix G** (Corrective/Disciplinary Actions) explains the action that will be taken once the cardholder has reached specific point totals. In addition, all PCard violations will be self-reported to the State Auditor's Office, PCard Division.

A cardholder who has accumulated 150 points will have their card suspended. The total points per cardholder includes all points assigned to the cardholder over a rolling three (3) year period.

If card privileges are suspended, Procurement Office, at its sole discretion, may elect to reinstate the privileges after additional training or other corrective measures have been completed, depending on the severity of the violations.

**Remember! The Procurement Office PCard Coordinator reserves the right to suspend a cardholder's PCard privileges at any time if it is deemed to be appropriate, pending the completion of any investigation, or if the severity of the violation warrants such action.**

#### **7.6 Reinstatement of Suspended/Revoked Card**

Cardholders who have accumulated 150 points will have their cards suspended or revoked for a minimum

of six (6) months. After six (6) months, the cardholder will be eligible for card reinstatement. The cardholder will be required to:

- Request card re-instatement in writing (with supervisor's approval)
- Complete the on-line training
- Successfully pass the online tests
- Complete a one-on-one personal training with the Agency PCard Coordinator

After card reinstatement, the cardholder will be on probation for six (6) months. If the cardholder accumulates 50 points during the probationary period their card will be permanently revoked.

# 8 Audits (Compliance Reviews)

## 8.1 Audit (Compliance Review) Process

All transactions will be reviewed by the PCard Agency Coordinators with the assistance of Procurement Staff. During the review process, the following (at a minimum) will be checked:

- Were proper PCard Policies and Procedures followed?
- Were Purchasing Policies and Procedures followed?
- Is the purchase in violation of the Ethics Act?
- Is an itemized paid receipt attached?
- Is the proper back up documentation attached (i.e. hospitality form, gift card approval, etc.)?
- Was the proper account (object) code used?
- Did the Cardholder sign the receipt?
- Tax Exempt?
- Verification of receipt?
- Stringing of orders?

## 8.2 PCard Reviews (Spot Checks)

In addition to the compliance review process, we also perform bi-monthly random reviews (spot checks). The PCard Spot Checks are part of the PCard post audit process to verify that we received what we purchased and to document the location of the items(s) purchased. The reviews (spot checks) may be performed for any equipment or items purchased by the University without regard to the source of funds from which the items were purchased.



Executed on September 23, 2019 by:

[Redacted Signature]

- Christa Kwiatkowski, CFO

[Redacted Signature]

- Monica Cochran, Director of Procurement

**Effective October 16, 2019**

# APPENDIX A – Restricted Items

There are specific items that cannot be purchased using the PCard. They include, but are not limited to the purchases listed below:

Restricted Purchases	
Item	Notes, if any
<b>Alcohol</b>	
<b>Cash</b>	No Cash advances or cash credits
<b>Fuel</b>	No fuel in <b>personal</b> vehicles
<b>Meals &amp; Personal Expenses while in travel status</b>	No meals, no room service, no in-room movies, no conference entertainment. Note: meals are allowable for athletic and academic team travel only.
<b>Personal Items</b>	No flowers or gifts for employees, students, donors or community members (e.g. funeral, birthday, wedding, etc.)

# APPENDIX B – Purchases Requiring Additional Approvals or Additional Documentation

Certain purchases are permitted on the PCard, but require additional approvals and/or additional documentation:

Purchases Requiring Additional Approvals or Additional Documentation		
<u>Purchase</u>	<u>Obtain Pre-Approval From</u>	<u>Notes</u>
<b>Advertising</b>	<ul style="list-style-type: none"> <li>✓ University Relations &amp; Marketing</li> </ul>	<ul style="list-style-type: none"> <li>➤ Advertising (except for legal ads and employment ads) are processed through our University Relations &amp; Marketing (URM)</li> </ul>
<b>Agreements/Contracts</b>	<ul style="list-style-type: none"> <li>✓ Chief Procurement Officer</li> </ul>	<ul style="list-style-type: none"> <li>➤ Purchases that require execution of an agreement or vendor contract must be signed by the CPO</li> </ul>
<b>Association Dues and Professional Memberships</b>	<ul style="list-style-type: none"> <li>✓ Account Payable Supervisor</li> </ul>	<ul style="list-style-type: none"> <li>➤ Must be listed on the State Expenditure Schedule.</li> <li>➤ Copy of approved expenditure schedule will be provided to the cardholder as back up documentation/approval.</li> </ul>
<b>Computer Hardware and Software (including A/V Equipment and TV's)</b>	<ul style="list-style-type: none"> <li>✓ Information Technology</li> </ul>	<ul style="list-style-type: none"> <li>➤ PAF (Purchase Authorization Form) must be completed and sent to the Office of Information Technology for approval and processing. Note: Does not apply to consumables (e.g. jump drives, etc.) or to items costing less than \$200</li> </ul>
<b>Gift Cards</b>	<ul style="list-style-type: none"> <li>✓ Agency PCard Coordinator</li> <li>✓ State PCard Division</li> </ul>	<ul style="list-style-type: none"> <li>➤ Requests must be <b>pre-approved</b> by the Agency PCard Coordinator and the WV State Auditor's Office PCard Division.</li> <li>➤ See section 4.17 and Appendix E.</li> </ul>
<b>Hospitality</b>	<ul style="list-style-type: none"> <li>✓ Function Representative</li> <li>✓ CFO</li> <li>✓ ELT level approval (if for employee recognition or employee training)</li> <li>✓ Campus Food Service (if event is on campus and Food Service is not providing the hospitality)</li> </ul>	<ul style="list-style-type: none"> <li>➤ A hospitality form is required with a detailed justification for all hospitality purchases.</li> <li>➤ Hospitality Form require prior approval from the CFO</li> <li>➤ Hospitality Guidelines are available in the Institutional Forms Repository.</li> </ul>

<p><b>Marketing &amp; Communications Materials</b></p>	<ul style="list-style-type: none"> <li>✓ Marketing &amp; Communications Materials (Signs, flyers, t-shirts, imprinted products, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>➤ URM Approval</li> <li>➤ Approval email from URM (<a href="mailto:approvals@fairmontstate.edu">approvals@fairmontstate.edu</a>) must be attached to the paid receipt.</li> </ul>
<p><b>Prizes</b></p>	<ul style="list-style-type: none"> <li>✓ Event Representative's Signature</li> <li>✓ Recipient's Signature</li> <li>✓ PCard Coordinator Signature</li> </ul>	<ul style="list-style-type: none"> <li>➤ The Student Prize Form must be completed for any student prizes.</li> <li>➤ See Section 4.16</li> </ul>
<p><b>Off Campus Printing</b></p>	<ul style="list-style-type: none"> <li>✓ URM</li> </ul>	<ul style="list-style-type: none"> <li>➤ All off campus printing must be processed through and placed on a URM staff or Procurement Office staff PCard.</li> </ul>

## APPENDIX C – How to Dispute a Transaction on Your PCard

Disputed items may result from:

- failure to receive goods or services
- unauthorized transactions
- defective merchandise
- returned merchandise
- incorrect amounts being charged
- duplicate charges
- credits not received
- canceled transactions
- items not as described and attempted to be return to the merchant.

**Remember!** The first step in disputing a transaction on your PCard is for the cardholder to contact the vendor directly to attempt to resolve the issue.

If the vendor is unwilling to credit the charge or resolve the issue:

1. The cardholder must document in writing that the vendor was contacted and was unwilling to credit the charge.
2. Notify the Agency PCard Coordinator
3. Notify US Bank (contact number on the back of your PCard) to initiate the dispute within 60 days from the statement date.
4. Any supporting documentation required by the bank for the dispute MUST be attached to the transaction in wvOASIS.
5. The Agency PCard Coordinator will also ensure all required dispute documentation is attached to the transaction.
6. The Processor must change the Reconciliation Status field to “Disputed”.
7. If the Processor did not use the “Dispute” status at the time of reconciliation, the Agency Card Coordinator must change the Reconciliation Status field in wvOASIS to “Disputed.” Also, the Dispute Reason Code and Dispute Reason Description should reflect the same dispute reason identified on the dispute form.
8. Upon resolution, the Agency Card Coordinator must change the Reconciliation Status field to “Dispute Resolved” and the Comments field updated to clearly explain the resolution.
9. Upon resolution, the Processor must scan all additional supporting documentation.
10. If a credit transaction is received pursuant to a disputed transaction, the processor should set the reconciliation status to “Dispute Resolved” and the original transaction should be referenced in the Comments field.

If you have any questions, please feel free to contact the Agency PCard Coordinator.



## **APPENDIX D – How to Handle Fraudulent (Unauthorized) Transactions on Your Card**

When a suspicious or fraudulent charge appears on your PCard, you should:

1. Call US Bank immediately at 1-800-344-5696 (contact number on the back of your PCard).
2. Notify your Processor and the Agency PCard Coordinator.
3. Complete the Unauthorized Use Affidavit provided to you by US Bank.
4. Give a copy of the Unauthorized Use Affidavit to your Processor and the Agency Card Coordinator.
5. US Bank will issue you a new PCard.
6. Upon receipt of new card, the Agency Card Coordinator will notify you that your new card has been received. Cardholder must activate the new card upon receipt.

How to Reconcile a Fraudulent Charge in *wvOASIS*:

The processor must reconcile the charge using the Reconciliation Status of “Unauthorized Use” and scan the supporting documentation from US Bank as back up.

When the credit is received, the Reconciliation Status should also be set to “Unauthorized Use.” Any subsequent supporting documentation received from US Bank will serve as your credit receipt and must be scanned as back up documentation. Also, the original transaction number should be referenced on the documentation.

If you have any questions, please feel free to contact the Procurement Office.

## APPENDIX E – How to Purchase Gift Cards with Your PCard

Pursuant to the WV State PCard Policies and Procedures, gift cards cannot be purchased with your PCard unless approved **in advance** by the WV State Auditor’s Office, PCard Division.

To request approval, complete the **Gift Card Request Form** (which is available in the Institutional Forms Repository) and email the completed form to the Agency PCard Coordinator.

**Note! Gift Card Request Forms require the cardholder’s signature as well as Budget Manager/Supervisor’s signature. By signing the form, the Budget Manger is indicating that budget is available and the purchase is appropriate in conjunction with the University and Department core values and function.**

The Agency PCard Coordinator will review the form and if all requirements are met and the expense is deemed appropriate, the form will be sent to the WV State Auditor’s Office, PCard Division for approval.

The WV State Auditor’s Office, PCard Division will return the “Approved” or “Denied” Form to the Agency Card Coordinator and a copy of the form will be provided to the Cardholder.

- If “Approved” the cardholder can proceed with the purchase. The approved **Gift Request Form** must be maintained and scanned with the PCard receipt and Student Prize Form.
- If “Denied” the cardholder must re-evaluate his/her programming and develop another plan for the event.

### Things to Remember:

- All gift card purchases must be pre-approved.
- Failure to obtain pre-approval will result in the cardholder being held personally liable for the purchase and the incident will be self-reported to the State Auditor’s Office, PCard Division and the cardholder will receive the appropriate number of violation points.
- Gift cards cannot be given to employees for employee recognition.
- Student Prize Form is required (form is available in the Institutional Forms Repository).
- Hospitality Form is required (form is available in the Institutional Forms Repository).

## Appendix F – P-Card Violation Points System

<b>P-Card Violations</b>	<b>Points</b>	<b>Section</b>
<b>Use of a Missing Receipt Form</b>	30	6.2
<b>Receipts and Supporting Documentation Not Provided, Submitted on Time or Scanned on Time:</b>		
<b>1<sup>st</sup> Notice</b>	0	6.6
<b>2<sup>nd</sup> Notice</b>	10	6.6
<b>3<sup>rd</sup> Notice</b>	30	6.6
<b>Missing Business Purpose on Receipt</b>	10	6.4
<b>Missing URM Approval on a Purchase</b>	20	Appendix B
<b>Purchases outside of Central Store</b>	10	4.18
<b>Signed Bank Statement(s) Not Scanned on Time</b>	10	6.5
<b>Reconciliation Not Completed on Time:</b>		
<b>1<sup>st</sup> Offense</b>	20	6.5
<b>2<sup>nd</sup> Offense</b>	40	6.5
<b>3<sup>rd</sup> Offense</b>	60	6.5
<b>Authorizations Not Received</b>	30	Appendix B
<b>Card Delegation</b>	150	3.7
<b>Personal Purchases, Self-reported (Accidental)</b>		
<b>1<sup>st</sup> instance</b>	30	4.4, 4.5
<b>after first instance</b>	50	4.4, 4.5
<b>Personal Purchases, Not Self-reported (Accidental)</b>	75	4.4, 4.5
<b>Restricted Item Purchase</b>		
<b>1<sup>st</sup> Offense</b>	50	Appendix A
<b>2<sup>nd</sup> Offense</b>	100	Appendix A
<b>Stringing of Purchases</b>		
<b>1<sup>st</sup> Offense</b>	50	4.14
<b>2<sup>nd</sup> Offense</b>	100	4.14
<b>Automatic and Permanent P-Card Suspension</b>		
<b>Fraudulent Purchases</b>	150	4.4

\*Cardholders who have accumulated 150 points will have their cards suspended or revoked for a minimum of six (6) months. See Section 7.5 and 7.6

# Appendix G – Corrective / Disciplinary Actions

CORRECTIVE / DISCIPLINARY ACTIONS		
Total Points (3 Year Total)	Actions (Taken By Agency PCard Coordinator and HR)	Parties Involved
Up to 50	<ul style="list-style-type: none"> <li>• Corrective Notice by Email</li> </ul>	<ul style="list-style-type: none"> <li>• Cardholder</li> <li>• Supervisor</li> </ul>
51 to 100	<ul style="list-style-type: none"> <li>• Formal Memo</li> <li>• Possible Temporary Card Suspension</li> <li>• Mandatory Retraining</li> <li>• Counseling by PCard Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>• Cardholder</li> <li>• Supervisor</li> <li>• Appropriate VP</li> </ul>
101 to 150	<ul style="list-style-type: none"> <li>• Formal Memo</li> <li>• Possible Temporary Card Suspension</li> <li>• Mandatory Retraining</li> <li>• Counseling by PCard Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>• Cardholder</li> <li>• Supervisor</li> <li>• Appropriate VP</li> <li>• HR</li> </ul>
151	<ul style="list-style-type: none"> <li>• Formal Memo</li> <li>• Card Cancellation</li> </ul>	<ul style="list-style-type: none"> <li>• Cardholder</li> <li>• Supervisor</li> <li>• Appropriate VP</li> <li>• HR</li> </ul>

Note: All PCard Violations will be self-reported to the State Auditor’s Office, PCard Division.

## Appendix H – Business Purpose

The Business Purpose is now required on ALL PCard Receipts. This must be documented somewhere on the receipt.

**Each transaction that is reconciled without a Business Purpose, cardholders will be assigned 10 Violation Points.**

Below are some examples that we will be looking for on PCard Receipts. If you have any questions please do not hesitate to contact the Procurement Office.

<b>Expense</b>	<b>Appropriate Business Purpose</b>	<b>Insufficient Business Purpose</b>
<b>Airline tickets</b>	<ul style="list-style-type: none"> <li>ABC Conference for John Doe on July 1-6, 2019</li> </ul>	United Airline Ticket
<b>Car Rental</b>	<ul style="list-style-type: none"> <li>Enterprise vehicle rental for John Doe's trip to XYZ Conference August 1, 2019</li> </ul>	Enterprise Rental
<b>Computers</b>	<ul style="list-style-type: none"> <li>Computers for John Doe and Jim Smith</li> </ul>	Computer for staff
<b>Food</b>	<ul style="list-style-type: none"> <li>Hospitality for guests attending Commencement on May 12, 2019</li> <li>Foods for student activity – Up all Night, September 18, 2019</li> </ul>	Hospitality or Student Activity
<b>Fuel for Rental</b>	<ul style="list-style-type: none"> <li>Fuel for vehicle rental for XYZ Conference in Pittsburgh, PA August 1, 2019</li> </ul>	Fuel
<b>Laundry Detergent</b>	<ul style="list-style-type: none"> <li>For general custodial use</li> <li>For cleaning of team uniforms</li> <li>For cleaning of towels in the Falcon Center</li> </ul>	For laundry
<b>Pens/Pencils/Folders, etc.</b>	<ul style="list-style-type: none"> <li>General administrative supplies (Office Use)</li> <li>General educational supplies (Classroom use)</li> </ul>	Pens/Pencils/Folders
<b>Printing</b>	<ul style="list-style-type: none"> <li>Printing off flyers for open house</li> <li>Printing of posters for use in presentation</li> <li>Printing of Business Cards for John Doe</li> <li>Printing of Travel Brochures for recruiting</li> </ul>	Printing
<b>Promotional Items</b>	<ul style="list-style-type: none"> <li>Keychains with Fairmont State logo given to potential students/visitors</li> <li>Mugs with logo given to guest speaker (Jane Doe) at the Leadership Conference on May 12, 2019</li> </ul>	Promotional Items
<b>Refrigerator</b>	<ul style="list-style-type: none"> <li>Refrigerator for Biology lab used to preserve specimens</li> </ul>	Refrigerator for lab
<b>Repairs</b>	<ul style="list-style-type: none"> <li>Labor and parts for ice machine repairs in Feaster Center Concession</li> <li>Labor and parts for boiler repairs in Hardway Hall</li> <li>Lawnmower repairs</li> </ul>	Equipment Repair
<b>Test Tubes, Beakers</b>	<ul style="list-style-type: none"> <li>Lab Supplies to be used for research in Dr. Smith's Chemistry Lab</li> </ul>	Lab Supplies
<b>Uniforms</b>	<ul style="list-style-type: none"> <li>Uniforms for football team</li> <li>Safety vests for campus police</li> </ul>	Clothing/Uniforms

## Glossary of Terms

### A

**Agency PCard Coordinator** - The individual designated to administer University PCard Program

**Agreement/Contract** – A legal and binding instrument between the University and a vendor to provide goods or services. Vendor agreements/contracts requires CPO signature.

**Allowable** - Cost must conform to any limitations or exclusions set forth in a contract.

**Auditor's Office** – West Virginia State Auditor's Office.

### C

**Cancelation** – PCard is permanently closed with the bank provider.

**Card Delegation** - The practice of allowing an individual other than the cardholder whose name appears on the front of the PCard to have access to the PCard or PCard number to initiate or complete a transaction.

**Card Limit** - The maximum amount of credit assigned to an individual card. The maximum dollar amount provided for a specific PCard that can be accumulated during one single month/cycle.

**Cardholder** - Individual responsible for and named on a PCard.

**Cardholder Agreement Form** - A form signed by the cardholder that acknowledges that the cardholder has had adequate training, understands the PCard Policies and Procedures, and accepts Responsibility for compliance with all policies and procedures.

**Cardholder Application Form** - A form that initiates the PCard issuance process.

**Chief Financial Officer (CFO)** - The chief financial executive of the University.

**Collusion** - A secret agreement between two or more parties for fraudulent, illegal, or deceitful purposes.

**CPO** – Chief Procurement Officer.

**Cycle** – Billing period provided by the bank. Typically, one month in duration.

### D

**Disputed Item** - Any transaction that results in a disagreement between the vendor and cardholder about a charge, such as incorrect products received, credit needed, incorrect pricing, etc.

**Documentation** – Poof of purchase made with the PCard. The following are examples: itemized invoice, detailed cash register receipts, itemized and totaled packing slips, copies of restaurant orders, etc.

## F

**Fraud** - Any transaction, intentionally made, that was not authorized by the cardholder.

**FSU** - Fairmont State University

## G

**Goods** - Materials, supplies, commodities, equipment, and any other articles or items used by or furnished to a Spending Unit.

## H

**Hospitality** - Food, nonalcoholic beverages, and related expenses for the reception of guests by a Spending Unit for a specific event or function relating to conducting University Business as defined in the Hospitality Guidelines.

## I

**Individual Statement** - A listing of transactions available monthly to the cardholder indicating all activity on an individual card.

## M

**Master Statement** – The master account assigned to each agency for billing purposes.

## O

**Official State Use** - Payments made by a cardholder on behalf of the State as permitted by law and policies and procedures.

## P

**PCard (Purchasing Card)** - A credit card issued in the name of an individual employee of Fairmont State University for official business use.

## R

**Reasonable** - Cost must be able to withstand public scrutiny.

**Receipt** - An itemized document indicating the price per item and the total amount charged in a transaction.

**Reconciliation** – The process of matching individual transaction receipts and monthly cardholder statements to ensure that each transaction is accounted for and accurate. This also includes ensuring the funding information attached to each transaction is accurate.

## S

**Spot Checks (PCard Reviews)** – Unannounced PCard Reviews to verify receipt of equipment.

**Stringing** - The intentional manipulation of the ordering, billing, or payment process in order to circumvent a cardholder's transaction limit.

**Supervisor** – The cardholder's supervisor.

## T

**Transaction** - One swipe of the PCard or one charge against it for a designated purchase.

**Transaction Limit** - The maximum dollar amount available to a cardholder for a single transaction.

**Travel Expenses** - An employee's individual expenses generated while engaged in job related activities away from the employee's regular place of employment.

## U

**Unauthorized Purchase** - A charge that was not completed by the cardholder and appears to be fraudulent.

**Utilization Review** – The process of reviewing the actual usage of each individual PCard to determine if the current card limits are appropriate and/or required.

## V

**Vendor** - The supplier of goods or services.

**Violation** – The act of breaking the PCard and/or Purchasing policies and procedures.