1.0 Introduction and Contact Information

1.1 Introduction:

Welcome to the Fairmont State University Purchase Card Program. The purchase card is a payment tool. The purchase card is a VISA product which provides an extremely efficient and effective method of acquiring and paying for goods and services.

1.2 Contact Information:

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2.0 Purchase Card Coordinator

The agency purchase card coordinator will administer the Purchase Card Program within his or her agency. Coordinator responsibilities include, but are not limited to, the following:

- monitoring and overseeing a Spending Unit’s P-Card program to ensure that internal controls are in place to prevent misuse;
- verifying potential cardholders eligibility to obtain a P-Card;
- ensuring proper completion and submission of applications, cardholder agreements, and maintenance forms;
- ensuring successful completion of initial training requirements before submitting requests for new cardholders and monitoring completion of on-going training requirements;
- determining or verifying the following: credit limit, single transaction limit, number of daily transactions, and number of monthly transactions;
- maintaining cardholder agreement forms;
- reconciling master statements or electronic payment files;
- ensuring the prompt payment of the Spending Unit’s master statement/account;
- ensuring that Spending Unit cardholders follow all P-Card policies and procedures;
- disseminating updated P-Card information to Spending Unit cardholders;
- activating P-Cards;
- ensuring that P-Cards are cancelled and destroyed upon termination or separation from employment;
- providing updated contact information to the State Auditor’s Office P-Card Division;
- performing biennial reviews of P-Card utilization levels within his or her Spending Unit and providing reports to the State Auditor’s Office P-Card Division of the results of such reviews;
- identifying possible ethics law violations related to inappropriate activity by cardholders and vendors including the possession of gifts, bribes, etc.;
conducting periodic reviews of transactions to ensure they are appropriate for the Spending Unit and that budgetary permission and/or supervisory authorization are part of the approval process;

ensuring that all Spending Unit personnel assigned to monitor P-Card transactions have access, either electronically or manually to the transactions made by any cardholder under their purview;

addressing and establishing additional controls/policies, in a timely manner, as recommended by external or internal audits and reviews.
3.0 Issuance and Maintenance of Purchase Card

3.1 Application Eligibility:
Cardholder must be an employee of Fairmont State University (FSU) or Pierpont Community & Technical College (PCTC). Cards will not be issued to temporary, contract, students or volunteer employees. Employees requesting a Purchase Card must have their supervisor’s approval. In order to determine to whom purchase cards will be issued should be based upon the purchasing authority of the employee.

3.2 Application Process:
The employee (with supervisor approval) must request a P- Card Application Form from the Procurement Office and complete the web-based on-line training. The potential cardholder must also successfully complete the policies and procedures test and the ethics test. The test certificates must be sent to the Procurement Office along with the signed card application and cardholder agreement forms. The cardholder application and cardholder agreement forms are submitted to the State Auditor Office for processing.

The cardholder, upon receipt of the purchase card, must sign the reverse side of the purchase card and attend a FSU/PCTC specific training session. Once this training is complete, the Agency Coordinator will activate the card. Although the Purchase Card is issued in the cardholder’s name, it is the property of the State of West Virginia and is only to be used for official college business.

Cardholders must understand that improper use of the Purchase Card may result in disciplinary actions, up to and including termination and legal action.

3.3 Maintenance:
A Purchase Card Maintenance Form must be completed to make changes to an individual card. The forms should clearly state the type of maintenance requested such as name changes, credit or transaction limit changes or card cancellation. Maintenance forms must be signed coordinator then submitted to the State Purchase Card Program Administrator by the agency coordinator.

3.4 Card Activation:
Purchase cards will be mailed directly to the Procurement Office.

The Agency Card Coordinator is responsible for card activation.

If the card is sent directly to the cardholder in error, DO NOT call the activation number on the front of the card. Please call the Procurement for activation.

A four-digit PIN number is required for activation.

Agency coordinators will be the only individual with access to the PIN number.
3.5 **Card Delegation:**
Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the purchase card to have access to the card or card number to initiate or complete a transaction. Card delegation is prohibited.

Card Delegation includes allowing an individual other than the cardholder to:

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

Purchase cards are issued in an individual employee’s name. Only that person named on the card is an authorized user.

Card delegation increases cardholder liability.

Cardholder is liable for all activity on his or her card.

3.6 **Card Security:**
The State of West Virginia Purchase Card must be kept secure at all times. The individual cardholder is responsible for every charge on his or her purchase card.

Purchase cards should only be used on secured internet sites. A secure site has a closed lock at the bottom of the screen.

Electronic log sheets must be password protected.

All cardholders must sign the back of their purchase card upon receipt.

3.7 **Card Cancellation:**
Purchase cards must be cancelled immediately upon termination or separation of employment. Upon cancellation of any purchase card, the coordinator is responsible for ensuring that the card is destroyed.

3.8 **Lost or Stolen Cards:**
Immediately report lost or stolen purchase cards to the financial institution and the agency coordinator.

To report a lost or stolen card call: 1-800-248-4553 or 1-800-VISA911.
The cardholder must notify the financial institution within 24 hours to limit cardholder liability.

The agency coordinator must submit a maintenance form to the Purchase Card Program Administrator for all lost or stolen cards.
4.0 Instructions for Use

4.1 General Instructions:
The purchase card is a method of payment. All current purchasing policies must be followed regardless of the method of payment. The purchase card may be used to make payments for goods and designated services that do not exceed the cardholders’ current transaction limit and are not prohibited by Purchase Card Policies & Procedures. The purchase card is for official state use only. Personal charges are prohibited.

4.2 Transaction Limit:
The agency purchase card coordinator will determine the transaction limit for each cardholder.

4.3 Stringing:
Stringing is the intentional manipulation of the ordering, billing or payment process in order to circumvent the transaction limit. Stringing includes:

- Splitting an invoice for more than the individual transaction limit into more than one transaction.
- Collusion with a vendor to split an order into separate invoices.
- Stringing of payments is prohibited.

4.4 Restricted (Prohibited) Purchases:
With certain limited exceptions, the following items ARE NOT to be paid for by the purchase card:

- Advertising (allowable only if approved by the Director of Public Relations)
- Alcoholic Beverages
- Building Leases
- Cash Advances
- Computer Hardware (allowable for IT only)
- Computer Software (allowable for IT only)
- Firearms
- Insurance
- Legal Services
- Tax Reportable Services
- Travel Related Meals (allowable for athletic and academic team travel only)
- Memberships - including Association Dues & Membership Fees (allowable for Procurement Office only)
- Flowers – for personal use (for example, funeral, Secretary’s Day, birthdays, etc.)
- Gift certificates and Gift cards
- Deposits
The purchase card may not be used to receive cash or cash credits.

Fairmont State University is exempt and will not pay consumer sales tax (WV Code §11-5-9) charged by West Virginia Vendors, but will pay taxes imposed by other states for out-of-state purchases.

FSU’s tax exempt number 556000778. This number is reflected on the face of the purchase card.

4.5 **Tax Reportable Services (1099):**
The internal Revenue Service requires the issuance of IRS Form 1099 to certain service-providing vendors. Tax reportable services are prohibited from payment with the purchase card.

Examples of tax reportable services are those business designations such as Individual or Sole Proprietors. Vendors that are corporations, non-profit, or governmental entities are usually not 1099 tax reportable and may be used for business with the purchase card.

For tax reported services (1099 reportable services), contact the Procurement Office to check vendor status. Failure to do so may leave the Spending Unit subject to IRS fines for not reporting.

4.6 **Security:**
The person’s name appearing on the Purchase Card is responsible for all transactions appearing on the statement and is responsible for the card issued in his or her name. Cardholder account numbers are **NOT** to be transmitted via unsecured Internet and/or Intranet sites.

The cardholder is to sign the purchase card as soon as it is received and store in a secure location.

Card delegation is strictly prohibited.

4.7 **Ordering & Receipts:**
An itemized receipt is required for all transactions. The receipt must contain specific information and meet certain conditions.

- An invoice marked “Paid” or showing no balance due, must be provided.
- The receipt must be itemized. “Misc.” or “merchandise” is not acceptable.
- Unit cost, quantity and total must be indicated for each item.
- An indication that the sale was by credit card must be present. A reference on the receipt to VISA, such as “credit card” or “purchase card” is acceptable.
Receipt must be totaled and indicate if sales tax has been charged.

Transactions may be made at the vendor’s locations, by phone, fax or mail. Ordering by Internet may be done from secured sites.

Always remind vendors that FSU/PCTC is tax exempt. If requested, the cardholder is required to provide the vendor with a copy of the College’s tax-exempt certificate. Contact the Procurement Office for tax-exempt forms.

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

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

The vendor cannot charge the account until the merchandise has been shipped.

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

4.8 **Contracts:**
Orders from statewide, open end and agency contracts may be paid with the purchase card. Cardholder must verify that vendor will accept the purchase card and that the correct contract price is charged. The contract number must be referenced when reconciling in STARS.

4.9 **Hospitality:**
Hospitality documentation must remain consistent regardless of the method of payment. A hospitality form is required. You will need to provide a detailed justification for all hospitality and promotional purchases. See attached purchasing guidelines for hospitality.

4.10 **Business-Related Travel:**
The P-Card may be used for approved business expenses while engaged in job-related activities away from the regular place of employment. Travel expenses include, but are not limited to the following:

- Registration fee payments
- Airline ticket payments
- Vehicle rental payment (commercial or state-owned)
- Gasoline for rental vehicles
- Other transportation tickets (rail, bus, etc)
- Hotel folio payments including business related cost such as business internet access

Travel expenses shall not include food expenses or any personal expenses on hotel folios such as room service or movie expenses. Proper documentation must be provided for any billing (i.e., hotel folios) relating to multiple travelers.
The P-Card Policies and Procedures do not supersede the FSU/PCTC Travel Policy. Receipt requirement for business-related travel expenses paid using the P-Card shall remain consistent with the FSU Travel Policy.

4.11 **Athletic and Academic Team-Related Expenses:**
The p-card may be used for expenses generated by a team-related (athletic or academic) activity, including transportation, lodging, meals etc.
5.0 **Disputed Charges:**

The cardholder is responsible for contacting the vendor for any erroneous charges, disputed transactions, duplicated charges, or credits not received as soon as possible. Disputed billing may result from failure to receive goods, fraud, misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, or credits not received.

If the cardholder is unable to resolve disputed items with the vendor, he or she should notify the Procurement Office via email or memo to move forward with the official dispute.

All disputes should be resolved on the subsequent statements.
6.0 Documentation, Reconciliation and Record Retention

6.1 Documentation:
Documentation must be obtained for each transaction placed on the purchase card and must be available upon request by the Purchase Card Program. Documentation will include itemized receipts, individual statements, hospitality and any other documentation required by Purchase Card Policies and Procedures or other purchasing guidelines.

6.2 Receipts:
An itemized receipt must be obtained for each transaction placed on the card. A receipt must contain certain specific information and meet certain conditions:

- Receipts must be itemized and include a description, unit cost, quantity, and total cost for each item. Use of “Miscellaneous” or “Merchandise” is not acceptable.
- Receipts must show no balance due or marked “Paid.”
- Receipts must be totaled.
- The following may serve as a receipt: detailed cash register receipt which states the name of the vendor, an itemized invoice indicating that it was paid by credit card, or an itemized receiving report that indicates price per item and total amount paid.
- A receipt must have an indication that the payment was by credit card. A reference on the receipt such as “credit card” or “purchase card” is acceptable.
- All receipts should be kept in chronological order by date of purchase.

6.3 Receiving Reports:
If the processor is receiving the items, then the date entered in STARS will serve as the receiving report. If someone other than the processor receives the items, then that person must sign off and date the receipt. That date will then be entered into STARS.

6.4 Statements:
Each cardholder will receive an individual statement and the agency card coordinator will receive a master statement detailing all purchase card activity within an agency.

6.5 Reconciliation:
Each cardholder is responsible for reconciling his or her statement every month. The agency coordinator is responsible for reconciling the master statement. Individual and master statements must be examined carefully for billing errors, debits due to erroneous billing or credits to correct a previously disputed item.

See “STAR Entry” section for reconciling procedures.
Upon completion of reconcilement, the cardholder must forward his or her documentation to the Procurement office for review.

6.6 **Record Retention:**
All purchase card documentation must be scanned to the Procurement office within one month after the end of the billing cycle.

The required documents to be scanned are:

1. Bar Code Scan Sheet
2. Itemized paid receipt for each posting.
   - Transaction ID# (S#) must be identified on document(s).
   - Fund, Org and Account number must be identified
   - Contract # (if applicable) must be identified on document(s).
   - Hospitality information (if applicable).
   - Any other applicable documentation
7.0 **Fraudulent or Unauthorized Use of Purchase Card:**

Misuse of a State of West Virginia Purchase Card is a felony. Fraud and misuse penalties are included in the West Virginia Code §12-3-10b, as follows: “It is unlawful for any person to use a State Purchase Card, 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 contrary to the provisions of section ten-a of this article or the rules promulgated pursuant to that section. Any person who violated 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 that five years, or fined no more than five thousand dollars, or both fined and imprisoned.”

Individuals using the purchase card to knowingly pay for items intended for personal use will be subject to disciplinary action up to and including termination and prosecution by the state government, and subject to civil action by the credit card company for personal liability.

Misuse of the purchase card will be handled promptly and uniformly for all cardholders. Any instance of misuse or violation of the Purchase Card Policies and Procedures is documented by the Purchase Card Coordinator and self-reported to the State Auditor’s Office.

Documentation of the claim will be reviewed and if in violation of policies and procedures, the following violation steps “Three Strikes Policy” will apply:
"THREE STRIKES" DEFINED

According to the State P-Card Policies and Procedures all reportable findings must be submitted to the State Auditor’s Office in a self reportable format. To comply with these requirements the following procedures have been adopted:

## SELF REPORTABLE FINDINGS

- PROHIBITED CHARGES
- PERSONAL USE CHARGES

Prohibited and Personal Use charges will require cash reimbursement

### First Offense: “Strike One”

<table>
<thead>
<tr>
<th>Documentation</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self report to State Auditor’s Office</td>
<td>Personal Retraining</td>
</tr>
<tr>
<td>Copy of report to Cardholder</td>
<td>Training verification signature</td>
</tr>
<tr>
<td>Copy of report to Supervisor</td>
<td></td>
</tr>
</tbody>
</table>

### Second Offense: “Strike Two”

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<th>Documentation</th>
<th>Action</th>
</tr>
</thead>
<tbody>
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<td>Self report to State Auditor’s Office</td>
<td>On-Line retraining</td>
</tr>
<tr>
<td>Copy of report to Cardholder</td>
<td>Personal retraining</td>
</tr>
<tr>
<td>Copy of report to Supervisor</td>
<td>Training verification signature</td>
</tr>
<tr>
<td></td>
<td>Warned if a 3rd violation occurs, card may be frozen or revoked.</td>
</tr>
</tbody>
</table>

### Third Offense: “Strike Three”

<table>
<thead>
<tr>
<th>Documentation</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self report to State Auditor’s Office</td>
<td>Meeting with HR Director, VP for Fiscal Affairs and P-Card Coordinator to determine disciplinary action</td>
</tr>
<tr>
<td>Copy of report to Cardholder</td>
<td></td>
</tr>
<tr>
<td>Copy of report to Supervisor</td>
<td></td>
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<tr>
<td>Copy of report to Human Resources</td>
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_disciplinary action may result in the card being frozen or revoked for a determined amount of time, based on severity of offense

*Depending on severity of the audit finding, we reserve the right to proceed directly with “STRIKE THREE”*
7.1 Reinstatement of Revoked P-card

Cardholders with “three strikes” will have their cards frozen or revoked for a minimum of six (6) months depending upon the severity of offense. After six months, the cardholder will be eligible for card reinstatement. The cardholder will be required to:

1. request card reinstatement in writing (with supervisors approval)
2. complete the on-line training
3. successfully pass the on-line tests
4. complete a one-on-one personal retraining with the p-card coordinator

Any future violations after the card is reinstated will result in permanent loss of p-card privileges.
8.0 **Post Audit Process:**

All transactions will be audited by the Procurement Office.

During the audit process, the following (at a minimum) will be checked:

- Proper Procedures are followed
- Stringing of orders
- Proper account codes
- Itemized paid receipts attached
- Proper entry into software (STAR)
- Hospitality information
- Contract information
- Transaction ID# (S#)
- Sales tax
- Cardholder’s signature on receipt

**Equipment Spot Checks:** In addition to checking for the items listed above, we will also perform random equipment Spot Checks. A Spot Check is an unannounced equipment review (somewhat comparable to a surprise cash count for departments having imprest funds).

- Approximately 10 purchases/transactions per month will be selected at random to verify receipt and location of the items purchased – typically equipment
- The spot check will be unannounced. Departmental personnel may be contacted shortly beforehand so as to assure appropriate personnel are on-site. However, departmental personnel will not be given long lead-time prior to the spot check
- Upon arrival at the department(s), each piece of equipment chosen for the spot check is located and the serial number (if applicable) is checked against the receipt or packing slip
- The individual performing the spot check as well as the department personnel will sign off on the “Spot Check - Equipment Location Verification Form”.
- If there is a problem locating or identifying an item, we will work with the department personnel until it is resolved.
- Spot checks may also be conducted on an “as needed” basis when Procurement is informed that questionable activities may have occurred which could jeopardize the
security of equipment. This includes, but is not limited to: alleged theft, misuse, and/or unauthorized disposal of equipment

Once an audit is completed, the processor/cardholder will receive a notice of any discrepancies in their purchase card process and if any action is necessary by the processor/cardholder.
9.0 **Purchase Card Forms**

P-Card Forms are available on-line in the Institutional Forms Repository.
10.0 Definitions

**Agency:** A department or institution of state government for which an appropriation is requested, or to which an appropriation is made by the legislature.

**Agency Contract:** A legal and binding instrument between the state agency and a vendor to provide goods or services that are not on a statewide contract.

**Agency Purchase Card Coordinator(s):** The individual(s) designated by each agency to administer the Purchasing Card Program within the agency.

**Auditor’s Office:** West Virginia State Auditor’s Office.

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

**Cardholder:** Individual responsible for and named on the purchase card.

**Cardholder Account Number:** The individual account number assigned to each State of West Virginia Purchase Card.

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

**Cardholder Application Form:** A form that initiates the card issuance process.

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

**Disputed Item:** Any transaction that was not authorized by the individual cardholder.

**Documentation:** Proof of purchases made with the purchase card. The following are examples: itemized invoices, detailed cash register receipts, itemized and totaled packing slips, copies of restaurant orders, etc.

**Goods:** Materials, supplies, commodities, equipment, and any other articles or items used by or furnished to an agency.

**Hospitality:** Food, nonalcoholic beverages, and related expenses for the reception of guests by a spending agency for a specific event or function relating to conducting state business.
**Individual Statement:** A list of transactions received monthly by the cardholder indicating all activity against an individual card.

**Master Billing Account Number:** The master account assigned to each agency for billing purposes.

**Master Statement:** A list of transactions received monthly by the agency coordinator indicating all activity on each individual card that rolls up to that agency’s master account number.

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

**Purchase Card:** A credit card issued in the name of an individual employee of the State of West Virginia for official state use.

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

**Spot Checks:** Unannounced equipment reviews (somewhat comparable to a surprise cash count for departments having imprest funds).

**Statewide Contract:** A legal and binding instrument between the state and a vendor used by all state agencies to purchase frequently used goods and services.

**Stringing:** The intentional manipulation of the ordering, billing, or payment process in order to circumvent the transaction limit.

**Transaction:** One swipe of the purchase card.

**Transaction Limit:** The maximum amount permitted by law for a single transaction.

**Utilities:** Electric, natural gas, heating oil, television cable, water, sewer, garbage collection and similar services.

**Utilities Card:** A purchase card issued for the sole purpose of paying utility bills.

**Vendor:** The supplier of goods or services to the State of West Virginia.