



Augsburg College educates students to be **informed citizens, thoughtful stewards, critical thinkers, and responsible leaders.**

The Augsburg experience is supported by an **engaged community** that is committed to **intentional diversity** in its life and work. An Augsburg education is **defined by excellence** in the liberal arts and professional studies, guided by the **faith and values** of the Lutheran church, and shaped by its **urban and global settings.**

Procurement Card Policy and Procedure

Responsible College Officer: Vice President Finance & Administration, Chief Financial Officer

Policy Owner: Controller

Policy Contact: Manager, Purchasing & Central Services, or Purchasing Specialist

Effective date and latest revision:

Created: 2002 Revised: March 2016 (as highlighted)

Policy

The procurement card system at Augsburg College provides the following benefits:

- Financial control over disbursed purchasing for the institution through credit limits and appropriate approval;
- Detailed monthly summaries with expense mapping to general ledger accounts;
- Administrative flexibility in managing accounts; and
- Payment efficiency through reduction of vendor-direct invoicing.

Augsburg College procurement cards (P-card) can only be used for College business transactions and College purchases less than \$2,500, or the cardholder's monthly limit, whichever is lower. The P-Card should not be used for any personal purchases. Travel expenses (airfare, hotel, rental car) are not subject to the \$2,500 limit, but to the monthly procurement card spending limit. Other purchases of \$2,500 and greater require an on-line purchase requisition and should be paid via a vendor invoice that includes the purchase order.

The individual identified on the P-card is the only user authorized to use that card. Faxing or scanning of P-cards is not allowed. Lack of compliance with this policy may result in the suspension or revocation of the P-card, and/or other consequences as outlined in the Employment Policies section of the Employee Handbook.

Applicability and Scope:

This policy applies to all Augsburg College employees involved in P-card process, including cardholders, reconcilers, and approvers.

1. All P-card holders must be current Augsburg full-time employees.

2. New card requests must be approved by the appropriate budget manager and Vice President.
3. Procurement cards are issued through the Purchasing Office.
4. P-card holders must complete a training session with the Purchasing Specialist prior to activating their P-card.
5. Cardholders must sign a form acknowledging receipt of the P-card and acceptance of the terms and conditions of use as outlined in the P-card policy.

Merchant category codes limit the use of the P-card to appropriate purchase specified monthly expenditure limits. Category codes may contain the following transactional limits: dollar amount and frequency of transaction on a daily, weekly or monthly basis.

Cardholders who do not return monthly statements in a timely manner may have their card suspended. Printed statements/receipts must be submitted to Purchasing within two calendar weeks of the most recent month's review deadline

P-Card issuance:

P-cards are issued to employee based on their position and job responsibilities, and are not issued to all employees.

Employees who do not require a P-Card have these options for purchases:

- Cash advances for a single purchase or for travel;
- Visa (or other) cash cards in lieu of cash;
- Centralized purchasing by departmental administrative staff; and
- Purchase requisition and vendor invoicing.

Definitions:

Approver

Approvers are determined based on delegation of authority guidelines within the cardholder's department. Cardholder cannot approve their own purchases.

Billing Cycle

The College's cycle includes purchase transactions through the 25th of each month.

Capital Equipment

P-cards should not be used for Capital Budget purchases.

Cardholder

An employee issued a Procurement Card for Augsburg College business purchases.

Procurement Card (P-card)

College approved credit card used by employees to pay for authorized purchases.

Procurement Card Administrator

Augsburg College's Purchasing Specialist can be reached at 612-330-1668.

Reconciler

An individual assigned by a department to reconcile department cardholder's statements.

Reconciliation/Statement Review

Monthly review of procurement card transactions to ensure legitimacy, assign appropriate account distribution, add descriptions complete on-line review, and submit printed statement with original receipts to the Purchasing Specialist.

Responsibilities:

Cardholder

- Provide complete information on the procurement card application.
- Activate and maintain the card in a secure manner to prevent fraud and theft.
- Cardholder shall use the P-card for College purchases in all cases instead of personal funds or personal credit card. This is to prevent payment of State sales tax; regulations require sales tax to be charged to purchases with personal funds or charged to personal card, even if stated that the purchase is for a tax-exempt organization. Temporary loss of card privileges for failure to reconcile or turn in documentation on a timely basis does not exempt cardholder from this policy.
- Ensure purchases are allowable according to Augsburg College Purchasing Policy, Augsburg Travel and Employee Expense Reimbursement Policy & Guidelines, and department policies.
- Notify merchants of Tax exempt status. Notice of Exempt Status by the Minnesota Department of Revenue (Certificate ST-17), can be found on the Purchasing web site on "Inside Augsburg" and should be provided to the merchant if requested. If the merchant requires a Minnesota Revenue Certificate of Exemption (Form ST-3), Accounts Payable (daugherta@augsborg.edu, 612-330-1031) should be contacted. Employees will be required to obtain refunds of sales tax paid in error.
- Obtain detailed receipt from merchant. An acceptable restaurant receipt includes detail of items purchased; the receipt that shows only the total, tip and signature is not sufficient.
- Provide a separate signed statement for transactions with missing receipts using the *Procurement Card Unavailable Documentation Form*. The form can be found at [http://web.augsburg.edu/adminaccounts/P-Card No Receipt Form.pdf](http://web.augsburg.edu/adminaccounts/P-Card%20No%20Receipt%20Form.pdf) and should only be used on an exception basis.
- Resolve disputed items (within 45 days of transaction date) or returns in a timely manner. Ensure the credit or resolution has occurred.
- It is the responsibility of the P-card holder to notify Wells Fargo immediately at 1-800-932-0036 if the P-card is lost or stolen. The Procurement Card Administrator must also be notified.
- Supervisors are responsible for the return of P-cards from terminated employees and for

ensuring that a final reconciliation of P-card activity is completed.

Cardholder or Reconciler

- Reconcile monthly statement on-line within three working days following the end of the P-card cycle by entering the appropriate cost center and description/justification for each transaction. Full documentation is required for hospitality expenses and must include business purpose, names and titles of attendees, location of restaurant, date, detail and amount of expense (this is an IRS requirement).
- Submit printed reconciled statement, with all receipts, to Purchasing within two calendar weeks of the last day of the on-line reconciliation period.
- Ensure transactions are consistent with department and College policy and procedures.

Approver

- Review for propriety, accuracy and compliance with department and College policies and procedures. Address question/issues with cardholder.
- Ensure documentation meets department and College policy and procedures.
- Ensure transactions are assigned to the appropriate cost center.
- Approve statements on-line within the three calendar day monthly approval period.

Vice President (or Designee)

- Authorizes College employees for use of the procurement card.

Procurement Card Administrator

- Manage the procurement card program for Augsburg College.
- Act as program liaison between provider bank and College departments.
- Promote procurement card program awareness and appropriate utilization.
- Ensure monitoring and follow through of reconciled statements and ensure supporting documentation meets policy and audit requirements.
- Reconcile and submit monthly payment bank.

Related Policies and/or Procedures

Wells Fargo Commercial Card Program – Procedures Manual

Employee Handbook

Augsburg Travel and Employee Expense Reimbursement Policy & Guidelines

Forms

Procurement Card Request Form

Cardholder User Agreement

Procurement Card Unavailable Documentation Form

Dispute Form (Wells Fargo)

Affidavit of Commercial Card Fraud (Wells Fargo)