

Ozarka College

Procurement Card (P-Card) Program

Policies and Guidelines Manual

November 29, 2006

Policies and guidelines will be changed to meet the needs of the Procurement Card (P-Card) Program. For the most current guidelines, please refer to our WEB site at: <http://ozarka.edu>

INTRODUCTION

Welcome to the State of Arkansas/Ozarka College Procurement Card (P-Card) Program. As an agency of the State of Arkansas, Ozarka College is participating in this program that is designed to help better manage low-dollar supply purchases and bring many benefits to you, the College, and our vendors. The P-Card will facilitate the acquisition of lower dollar goods and services needed for conducting official College business. It is intended that the P-Card be issued to select College full-time employees to enhance the College and departmental effectiveness or economy of operations. Liability for payment, total responsibility and accountability for the P-Card transactions resides at the department level. Personal purchases are strictly forbidden and may result in disciplinary action.

It is accepted that no policy and guideline statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant on a case-by-case basis.

College departments, as a condition of participation in the P-Card program, shall abide by the terms of the guidelines unless written exception is requested and approved by Ozarka College Vice President for Finance.

The success of the Procurement Card Program and its continuing use depends on your participation and cooperation. Please be sure to read and follow the program guidelines as specified within this document.

1. WHAT IS THE PROCUREMENT CARD?

The Procurement Card is a Visa credit card issued by U.S Bank. It is a fast, flexible new purchasing tool which offers an alternative to the existing purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies with a total cost of up to **\$2500.00** or less per *individual item* with a maximum monthly limit that will be determined on an individual basis. **The P-Card is to be used only for official business purchases for Ozarka College.**

The issuance of a P-Card to you represents the trust bestowed upon you by the College to protect its assets and integrity. Under your oversight, review and approval, you provide the key point of control to maintain appropriate spending activities to protect your departmental funds.

The Procurement Card will enable you to purchase non-restricted commodities, by telephone or in person, directly from the vendors. It will eventually eliminate the need for issuing low dollar purchase orders and many blanket purchase orders.

The Procurement Card will be issued in the individual cardholders name with the wording “Ozarka College” and “For Official Use Only” clearly indicated on the card.

The basic P-Card transaction consists of the following steps:

- A purchase order form is completed by the cardholder.
- The appropriate signatures are acquired on the purchase order.
- A purchase order number is assigned.
- Cardholder enters a business and makes a selection of the item(s) needed, charges it on the P-Card, signs a sales/charge slip and takes receipt of the merchandise.
- Merchant submits the transaction to Visa and in-turn they submit it to US Bank for payment (merchant normally will receive their payment within 3 working days of the original transaction).
- US Bank will bill OZARKA COLLEGE on the 15th of each month for all charges made by the various OZARKA COLLEGE departments for the proceeding 30 days.
- Cardholder will receive statement and verify that it is accurate by matching it to the cardholder log that must be maintained.
- The cardholder log and statement will be turned into the p-card Coordinator no later than the 1st day of the following month.
- OZARKA COLLEGE reconciles the receipts/charge slips and purchase order forms along with the P-Card Transaction Log and cuts multiple checks from each department to be sent in to US Bank.

2. THE PROCUREMENT CARD PROGRAM BRINGS MANY BENEFITS TO....

Cardholders - You will be able to obtain various supplies and services directly from our vendors without using a purchase order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.

Ozarka College - The Procurement Card program provides a cost-efficient, alternative method for purchasing low-dollar supplies and services. Built-in card features make the program easy to control and manage and reduce processing costs at all levels by reducing the number of requisitions, purchase orders, invoices and checks. The Procurement Card enables departments to focus on higher yield value added activities.

Vendors - Vendors who accept Visa will welcome the Procurement Card. When they accept the card for business purchases, vendors need not send invoices to Ozarka College, and they will receive payment directly from U.S. Bank within 72 hours.

3. ALLOWABLE and NON-ALLOWABLE CHARGES

There are many possible items and services that can and cannot be charged to the OZARKA COLLEGE Procurement Card. The allowable items/services that can be purchased are vast, some examples are, books, general office and education supplies, lab supplies, postage, subscriptions, UPS, FedEx and many more. The P-Card will be accepted at Hobby Lobby, Wal-Mart and many other merchants. In general, the Cardholder may purchase goods and services that serve as official business purposes for the Ozarka College, **EXCEPT:**

- Alcoholic beverages of any kind
- Cash advances
- Food Purchases
- Meals of any kind
- Personal type purchases of any kind, items or services (gift certificates, cards such as “get-well, birthday, etc., flowers, etc.)
- Printing of any kind (all printing must be bid regardless of cost)
- Travel expenses of any kind
- Vehicle Rentals
- Any items listed on mandatory agency or state contracts (see Purchasing Department Website) including computers!
- Any purchase that would involve a trade-in
- Any other purchases not permitted under OZARKA COLLEGE policy and/or procedures

NOTE: All purchases must be for official business of Ozarka College

4. MAKING A PURCHASE

When making a P-Card transaction the Cardholder shall check as many sources as reasonable to assure the best price, quality, service and delivery is in the best interest of the College. There are many methods of procuring with the P-Card.

Purchasing In Person – The Cardholder takes the P-Card to the supplier and verifies the supplier accepts the Visa card. The Cardholder selects the order, carefully ensuring that the selection is not listed as an exception to the allowable items/services that can be procured with the P-Card and that the total cost does not exceed the control limits set for the Cardholder's P-Card. The Cardholder takes the order to the supplier's cash register and presents the P-Card for payment. The supplier either swipes the P-Card through a card reader or calls for an authorization. The supplier then asks the Cardholder to sign for the charges. The supplier issues the Cardholder a copy of the slip, cash register tape or paid invoice. The Cardholder shall retain all P-Card transaction documentation and provide it to the Department Liaison for logging on the P-Card Transaction Log.

Phone Orders – The Cardholder may telephone an order to a supplier. The supplier shall request the Cardholder's P-Card number and expiration date. For security reasons, ensure others do not overhear or view this information. The Cardholder advises the supplier that the **College is not tax exempt** and shall pay all applicable sales tax. The Cardholder shall ensure the supplier includes a P-Card authorization slip, cash register tape or paid invoice with the delivery of the order. All orders shall be made delivery to the College department's official shipping address thru central receiving. The Cardholder shall ensure all transaction documentation is provided to the Department Liaison for logging to the P-Card Transaction Log.

Internet Orders – The Cardholder may use electronic mail to submit an order to a supplier. The Cardholder shall ensure the supplier includes a P-Card authorization slip, cash register tape, paid invoice and/or delivery slip with the order. If the supplier intends to mail the P-Card transaction documentation as a separate item, the Cardholder shall ensure the documentation is mailed to the College department's official address. The Cardholder shall ensure all transaction documentation is provided to the Department Liaison for logging to the P-Card Transaction Log. Internet orders may be subject to Use Tax.

5. GENERAL POLICIES AND PROCEDURES

- Procurement cards will only be issued to an individual in the individual's name.
- Cardholder must be a full-time employee of Ozarka College.
- Procurement cards will be available only to full-time employees of Ozarka College.
- Procurement cards will not be transferable between individuals.
- A default account and object code will be assigned to each procurement card.

- Each department will assign a department liaison.
- Each account code will belong to one department. However, a department may have more than one account code.
- Cardholders will be linked to their department by their account code.
- Department liaisons will be responsible for the basic accounting procedures and maintenance of the P-Card Transaction Log along with the applicable back-up documentation applicable to all transactions for each cardholder assigned to them by the department head.
- Department liaison may be a liaison for him/herself.
- Department liaison may be responsible for more than one department account.
- Procurement Services will name a Procurement Card Coordinator.
- Employee's department head and appropriate Vice-President must approve the employee agreement request for a card, assign the department liaisons for each individual card user and submit this information to the Procurement Card Coordinator before the process of issuing a card can begin.
- Upon receipt of this approved agreement the Procurement Card Coordinator will contact the approving departmental head to establish the account number to be charged, dollar limits, transaction limits, MCC blocking codes and other required information that must be established before the application for the P-Card can be submitted to US Bank.
- Employee's department head must provide notification to the Procurement Card Coordinator when changes in department liaisons occur.
- Department head approval delegates transaction authority to the cardholder.
- US Bank is to be paid each billing cycle from the departmental funds that are to be encumbered for each card issued.
- Department liaisons will have the capability to, and will be responsible for:
 - reallocating account and object codes for payment
 - logging each cardholder's transactions to the P-Card Transaction Log and maintaining the documentation for each transaction.
 - identifying transactions subject to use tax and assure that use tax has been, or will be, charged properly
 - approving bills
 - reallocating cost share information if required
- Departments will be responsible to assure credit card charges are accurate on their Monthly Management Budget printout report.

6. PARTIES INVOLVED

- **Agency** – Ozarka College who arranges with the card issuer, US Bank for the issuance of procurement cards to approved departments and agrees to accept liability for the employees' use of the cards.

- **Cardholder** – a full-time employee of Ozarka College who is approved by his/her department head to use the procurement card to execute purchase transactions on behalf of their department.
- **Card Issuer** – US Bank services were contracted for/by the State of Arkansas, to issue Visa procurement cards to Ozarka College employees, to bill the College for all purchases made on the cards, and to collect payment from Ozarka College on behalf of the vendors.
- **Department Head** – Ozarka College official who must approve employee's request for a procurement card, assign department liaisons, designate account and object codes for purchases on the purchasing card, and submit applications to the procurement card coordinator. Department head approval delegates transaction authority to the cardholder.
- **Department Liaison** - An employee(s) in each department/college responsible for proper use of the procurement card within their assigned department. Each cardholder will be assigned to department liaison(s) by means of their department and the liaison will be responsible for reviewing transactions of individual cardholders to make sure the transactions are classified as an appropriate expense.
- **Procurement Card Coordinator (PCC)** - the central coordinator will be located in the Business Office. This person will coordinate the procurement card program and acts as an intermediary in correspondence with the card issuer and perform some audit functions.
- **Vendor** - the merchant from whom a cardholder is making a purchase.
- **Department** - this is derived from the College's management/budget reporting structure. It is used to provide a means of security so that department liaisons can manage their cardholders and account codes.

7. CARDHOLDER RESPONSIBILITIES

Cardholders are responsible for knowing and applying all of the rules related to the P-Card program. The Procurement Card may not be used for travel, entertainment, cash and other categories as included in the Blocked Merchant Category Code list included in these policies and procedures. Misuse of the card will subject the Cardholder to disciplinary action in accordance with Ozarka College Policies and Procedures relating to disciplinary action and termination for cause. The Cardholder must:

- Ensure the Procurement Card is used only for legitimate OZARKA COLLEGE business purposes.
- Maintain the Procurement Card in a secure location at all times.
- Not allow other individuals to use the Procurement Card unless a Cardholder Delegation Form has been completed.

- Adhere to the purchase limits and restrictions of the Procurement Card and ensure the total transaction amount of any single transaction does not exceed \$1000.00 per item.
- Adhere to the purchasing rules and regulations of not splitting orders to circumvent the \$5000 limit.
- Obtain all sales slips, register receipts, and/or Procurement Cards slips and provide to the Department Liaison for reconciliation, approval and allocation of transactions.
- Notify Department Liaison if the account and/or object code should be changed on a transaction.
- Attempt to resolve disputes or billing errors directly with the vendor and immediately notify the Departmental Liaison and the Procurement Card Coordinator if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed items(s) or billing error appears on a subsequent Cardholder's Statement.
- **Not accept cash in lieu of a credit to the Procurement Card account.**
- **Immediately report a lost or stolen card to VISA at 1-800-VISA911 (24 hours a day, 365 days a year).**
- Immediately notify Department Liaison and/or Procurement Card Coordinator of a lost or stolen Procurement Card at the first opportunity during business hours.
- Return the Procurement Card to Department Liaison upon terminating employment with Ozarka College or upon request of the Procurement Card Administrator or Department Head.
- If the cardholder is changing departments within Ozarka College they must contact the Procurement Card Coordinator to coordinate the change.

8. DEPARTMENT LIAISON RESPONSIBILITIES

Each Department Head must designate a Department Liaison for each department. A Department Liaison may also be liaison for his/her own card. However, if the department liaison(s) is also a procurement cardholder, it will be the responsibility of the liaison to have the monthly charges incurred on the liaison's procurement card reviewed and signed by their department head or another person within the department. The department liaison must attend all required training sessions and will be notified of these by means of a P-Card Listserv to which they must be subscribed. Responsibilities include:

- Collecting vendor receipts and procurement card receipts from each Cardholder, validation of those documents and reconciling to US Bank billing statements.
- Maintain a P-Card Transaction Log for each card within that department
- Log each transaction as the Cardholder presents the individual transactions and maintains the back up (receipts, sales slips, packing list, etc.) for future audit purposes.
- Retaining all charge slips and receipts for audit by internal and external auditors.
- Approving and/or updating account and/or object codes and cost-sharing information on electronic billing distribution of individual Cardholder account within 45 days of the transaction posting date.

- Identifying and updating transactions, which require the submission of use tax and/or account changes within 45 days of the transaction posting date.
- If a change in account and/or object code, cost share or use tax is to be paid, these need to be addressed within a 45-day period. The department liaison is responsible for written notification to the OZARKA COLLEGE Disbursing/Accounts Payable Department for the creation of a journal entry to correct the necessary charges.
- Note, because of year end processing, charges for the month of June may not have the 45 day period, department liaisons will be notified by means of the P-Card Listserv on how charges for the month of June are to be handled.
- Attempts to resolve any disputes with vendor and/or US Bank not resolved by Cardholder. **Note:** there is a 60-day period for resolution of disputes.
- Changing the default account and/or object code for individual cards as needed.
- Notifying Procurement Card Coordinator of lost or stolen cards.
- Requesting Procurement Card Coordinator to cancel a Cardholder's card e.g. (terminated employees, loss of purchasing card privileges) as approved by Department Head.
- Collecting canceled cards from Cardholders and forwarding to Procurement Card Coordinator.
- Department liaisons are responsible for making sure that they are receiving messages from the P-Card Listserv.

9. PROCUREMENT CARD COORDINATOR RESPONSIBILITIES

The Purchasing Office will assign a P-Card Coordinator to be responsible for the over-all Procurement Card program. Responsibilities include:

- Ozarka College's contact with US Bank.
- Utilizing application from US Bank.
- Reviewing Department approved applications for completeness of required information.
- Submitting completed application to US Bank and receiving Procurement Card from US Bank.
- Training Department Liaisons before releasing Procurement Cards.
- Training Cardholders before releasing Procurement Card.
- Having Cardholder sign Cardholder agreement, signifying agreement with the terms of the Procurement Card program.
- Handling disputed charges/discrepancies not resolved by Cardholder or Department Liaison.
- Initiating change of Procurement Card default account and/or object code upon request of Department Liaison.
- Securing revoked Procurement Cards and submitting information to US Bank.
- Processing upload of bill to accounting for charging individual departments.
- Reviewing the US Bank's invoice, preparing for payment and submitting to the OZARKA COLLEGE Disbursing Department for payment.

- Reconciling accounting statements as to payments to US Bank and charges to individual departments.
- Reviewing usage of Procurement Card data for appropriateness.
- Performing audit functions and/or coordinating them with the OZARKA COLLEGE Internal Auditor.

10. CARDHOLDER ELIGIBILITY

Criteria to receive a Procurement Card is as follows:

- Applicant must be a full-time employee of Ozarka College.
- His/her Department Head and the appropriate Vice President must approve applicant's request for a Procurement Card.
- Employee must attend a training session before he/she may be issued a Procurement Card.
- Each individual Cardholder must sign a Cardholder agreement in the presence of the Procurement Card Coordinator.

11. CARDHOLDER LIABILITY

The Procurement Card is a corporate purchasing Visa charge card, which will not affect the Cardholder's personal credit. Your department is liable for all charges made on the P-Card issued to you. This includes transactions made on a lost or stolen card before it is reported lost or stolen. However, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the Procurement Card Cardholder Manual as well as Ozarka College's Policies and Procedures relating to the expenditure of Ozarka College. Failure to comply with program guidelines may result in revocation of the card, notification of the situation to management, and further disciplinary action that may include termination of employment. **Ultimate responsibility for use/misuse of charges rests with the cardholder.**

12. CARDHOLDER TERMINATION

The Procurement Card Coordinator is required to close an account if a Cardholder:

1. Moves to a new job in which a Procurement Card is not required
2. Terminates Ozarka College employment
3. For any of the following reasons, which will also subject Cardholder to disciplinary action in accordance with Ozarka College Policies and Procedures, relating to disciplinary action and termination for cause.
 - a. The Procurement Card is used for personal or unauthorized purposes.
Note: Use of the card for personal and/or unauthorized purposes could be interpreted as fraud, which could be grounds for employee termination.

- b. The Procurement Card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law or regulation pertaining to Ozarka College.
- c. The Cardholder splits a purchase to circumvent the limitations of the Arkansas Procurement Law.
- d. The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the Arkansas Procurement Law.
- e. The Cardholder fails to provide Department Liaison with required receipts.
- f. The Cardholder fails to provide, when requested, information about any specific purchase.
- g. The Cardholder does not adhere to all of the Procurement Card policies and guidelines.
- h. Failure to provide a receipt will result in employee reimbursing the College for the purchase.

13. DOCUMENTATION OF EXPENDITURES

The Cardholder must provide valid documentation of each transaction to the Departmental Liaison. The Departmental Liaison must review all documentation submitted and determine that valid and complete documentation is on file for every transaction listed on each Cardholder's statement. All documentation for each and every transaction must be maintained for audit purposes and shall be placed in a permanent file for a minimum of five (5) years from the date the current fiscal year the funds were expended.

1. Valid source documentation may be:
 - a. A receipt and/or card transaction slip from the merchant.
 - b. An order form for books, subscriptions, or similar items.
 - c. An invoice showing credit card payment.
 - d. A packing slip from the delivery annotated by the Cardholder as ordered by, received by, paid by and signature of the Cardholder.

2. All documentation must include the following minimum information (Cardholder must hand write it if not originally printed on the form):
 - a. Vendor name.
 - b. Date of the purchase
 - c. Description and quantity of each item purchased.
 - d. Per item cost, if available from the merchant.
 - e. Total cost of the transaction.
 - f. Cardholder name and card number.

4. If documentation is unavailable the Cardholder is to complete a Lost/Unobtainable Procurement Card Receipt form. Completion of this form will

be required for each transaction where the documentation is unavailable whether the Cardholder did not provide the documentation through no fault of his/her own, or through willful or negligent default.

14. LOST, MISPLACED OR STOLEN PROCUREMENT CARDS

Cardholders are required to immediately report any lost or stolen Procurement Card to **Visa at 1-800-VISA911** (24 hours a day, 365 days a year). The Cardholder must also immediately notify his/her Department Liaison and/or the Procurement Card Coordinator about the lost or stolen card at the first opportunity during normal business hours.

15. SPENDING CONTROLS

The Procurement Card is to be used only for the purchase of supplies and services. Ozarka College's spending parameters for each procurement card issued is set at **\$1000.00 per individual single transaction** with a monthly maximum that will be determined on an individual basis. Ozarka College, through the Procurement Services Department, will adjust limits as determined by demonstrated and/or special need.

16. Refunds and Promotional Items

Any refunds received by the Cardholder as results of a P-Card transaction shall be deposited back into the appropriate account and documentation reflecting the transaction shall be attached to the P-Card Transaction Log to support such. Any promotional type items received as the results of a P-Card transaction shall become the property of Ozarka College and shall be utilized by the applicable College department.

17. CARD DECLINES

Should a vendor decline the Procurement Card, the Cardholder should immediately contact the Procurement Card Coordinator for assistance. If purchase is being made outside normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the Procurement Card Coordinator during normal business hours.

18. EMERGENCY TRANSACTIONS

Emergency transactions over \$5,000.00 may not be handled with the Procurement Card due to State/College procurement regulations. For any transaction, which does not meet the spending controls assigned to the card, the Cardholder must contact the Procurement Services Office for assistance.

19. CREDITS

Vendors will issue all credits to the individual Procurement Card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. **Under no circumstances should a Cardholder accept cash in lieu of a credit to the Procurement Card account.**

20. UNRESOLVED DISPUTES AND BILLING ERRORS

The Cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors. If the matter is not resolved with the vendor, the Cardholder/Department Liaison should:

- Contact the Procurement Card Coordinator for assistance.

Note: The total amount billed by US Bank will be charged to the individual department accounts and credits for disputed transactions will be posted to department accounts when the credit appears on the US Bank billing.

21. SECURITY AND STORAGE

- **Procurement Cards** - Cardholders should always treat the Procurement Card with at least the same level of care as one does with their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.
- **Program Documentation** - The Department Liaison assigned to each department will maintain the Cardholder's vendor receipts/packing slips/charge slips. The Procurement Card Coordinator located in Procurement Services will maintain all other documentation concerning the Procurement Card program. This documentation includes, but is not limited to, applications, Cardholder agreements, agency billing statements, reconciliation of accounting statements, documentation, and copies of transmittals and correspondence with US Bank.

22. VENDOR SET UP

The Procurement Services Department will conduct a study of frequently used vendors for purchases under \$1000.00, which qualify for use of the Procurement Card by Cardholders. If a frequently used vendor does not accept the Visa card, Ozarka College will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card and provide this information to US Bank. Cardholders should contact the

Department Liaison or Procurement Card Coordinator when encountering vendors who do not accept the card.

23. MERCHANT CATEGORY CODE BLOCKING

Ozarka College has adopted the State of Arkansas's Blocked Merchant Category Code List without any adjustments. Transactions will be blocked at the point-of-sale level at the types of vendors on the Blocked Merchant Category Code List attached to these procedures.

24. PROCUREMENT CARD SET UP, MAINTENANCE AND CLOSURE

All contact with US Bank for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the Procurement Card Coordinator who is located in Procurement Services (972-2028).

- Card Set Up
 - Ozarka College employee completes a Procurement Card application and submits to his/her Department Head for completion and approval.
 - Department Head completes the application by providing the name of the Department Liaison (only if a new department liaison is necessary) and default account and object code to be assigned to the card.
 - Department Head signature approval delegates transaction authority to the Cardholder.
 - Approved application is to be sent to the Procurement Card Coordinator.
 - Procurement Card Coordinator reviews application for completeness and submits application to US Bank in an approved format.
 - Upon receipt of the Procurement Card from US Bank, the Procurement Card Coordinator will conduct a training session with the Cardholder prior to issuing the card.
 - Cardholder signs Cardholder Agreement signifying agreement with the terms of the Procurement Card program.
- Card Maintenance
 - Procurement Card Coordinator will use all available tools of US Bank software for the maintenance of cards.
- Closure
 - Lost or Stolen Cards - Cardholder must immediately report the lost/stolen card to VISA at 1-800-VISA911. Cardholder must also notify the Procurement Card Coordinator who will follow up with US Bank.
 - Terminated Employees - Department Liaison is to secure Procurement Cards from terminated employees. The Department Liaison will immediately notify the Procurement Card Coordinator by phone of the termination. A request for closing the Cardholder account will be submitted to US Bank by the Procurement Card Coordinator within 2 days

of receiving the notification. All Procurement Cards are to be returned to the Procurement Card Coordinator for disposal.

- Other Card Revokes/Closures - Procurement Card Coordinator will notify US Bank immediately of all revokes and closures.

25. RECONCILIATION, APPROVAL AND ALLOCATION OF BILLING

Receipt and Payment of US Bank Billing

- US Bank will electronically bill Ozarka College within 3-5 days after the close of the billing cycle on the 15th of each month.
- Procurement Card Coordinator will review bill for any obvious errors in charges or un-posted payments. If none noted, payment in full will be made to US Bank.
- Procurement Card Coordinator will prepare payment request document against the pre-encumbered account and submit the billing to Disbursing/Accounts Payable for a payment to be issued to US Bank. The Payment Voucher will be prepared within **7 working days** after receipt of the US Bank bill and processed so that payment will reach US Bank no later than **15** calendar days after the close of the billing cycle of the previous month.
- Payment will be transmitted in accordance with US Bank instructions.

Allocation of Procurement Card Charges to Departments

A default account and object code will be assigned to each Procurement Card issued. US Bank will submit monthly an electronic billing statement to Ozarka College and all Procurement Card transactions will be charged to the account number unless adjustments are made as follows:

- Department Liaisons will change account and/or object codes as necessary.
- Department Liaisons will add analytical information for cost sharing, if necessary.
- Department Liaisons will identify transactions requiring payment of use tax.
- Department Liaisons will assemble and retain Cardholders statements, charge slips and receipts for audit by internal and external auditors. Receipts for purchases made from Federal funds must be maintained for 7 years and all other receipts for 5 years.
- Procurement Card Coordinator will process upload of the department charges to accounting for charging individual departments.
- The total amount billed by US Bank will be charged to the individual department accounts and credits for disputed transactions will be posted to department accounts when credit appears on the US Bank billing.
- Procurement Card Coordinator will reconcile the detailed electronic billing statement to amount paid the US Bank.

26. TAXES

Despite the fact Ozarka College is a State Agency, we are not tax exempt and are fully responsible for all sales and use taxes on all incurred purchases.

As a general rule, the purchase of tangible property is considered taxable. If the merchant charges the proper tax on the P-Card transaction then normally no other action will be required. If no taxes were charged then OZARKA COLLEGE Disbursing Department must prepare a payment of “use” tax to the State of Arkansas. Any questions pertaining to taxes should be directed to OZARKA COLLEGE Disbursing Department at 972-8264.

As a general rule, the purchase of tangible property is considered taxable and very few are non-taxable. Example of some non-taxable items are:

- Membership dues
- Freight, if billed as a separate item
- Subscriptions
- Periodicals

27. END OF FISCAL YEAR PROCEDURE

Goods and services shall be expended in the year they are received. When the P-Card is used, the supplier may hold the P-Card transaction posting for several days and it could take 2-3 days for the actual posting to the US Bank billing which is the 15th of each month. Either of these events could create an accounting problem at the end of the fiscal year (June 30th). To ensure that P-Card expenditures are properly recorded in the year goods and services are received, the Cardholder shall inform the supplier, for any June transactions, that the transaction should be posted the same day as the actual transaction took place.

28. AUDIT

Ozarka College’s internal control policies and procedures are as follows:

Cardholder will:

- Submit vendor receipt/packing slip and charge slip(s) to the Department Liaison. If order was by telephone/fax, the Cardholder must supply a copy of the order blank or a description of order to Department Liaison for logging and filing purposes.
- Indicate department for purchases to be charged if different than the account number assigned to the Procurement Card.

Department Liaison will:

- Maintain a P-Card Transaction Log for each card within that department.
- Log each transaction, by card number, as the Cardholder present the individual transactions and maintains the back up (receipts, sales slips, packing list, etc.) for future audit purposes.
- Match Cardholder receipts to the monthly electronic billing received from US Bank.
- Enter account, object, and/or cost share account code when applicable.
- Enter analytical for cost sharing to grants when applicable.
- Identify transactions requiring the payment of use tax.
- Maintain a detailed report of the above and forward a copy to the Procurement Card Coordinator within seven (7) calendar days after receipt of monthly electronic billing for each individual card.
- Retain all transaction receipts and vouchers for audit by internal and external auditors. Receipts for purchases paid from Federal funds are to be maintained for 7 years. All other receipts to be maintained for 5 years.

Procurement Card Coordinator will:

- Reconcile OZARKA COLLEGE monthly accounting statement for payments to US Bank and charges to individual departments.
- Make periodic audits of card use and p-card charges for appropriateness. Areas to be monitored include, but not limited to, compliance with State of Arkansas Procurement Laws/Regulations, compliance with Procurement Card regulations, compliance with Ozarka College's regulations, and sales and use tax charges. Non-use of card by cardholders will also be monitored.