

PROCUREMENT CARD

USER’S GUIDE

1. **OVERVIEW OF PROCUREMENT CARD PROGRAM**
   1. **Purpose**

This program is designed to improve efficiency in the purchasing of low dollar goods for Highline College use. Some examples of purchases intended for this program include:

* Subscriptions
* Lab Supplies
* Books
* Conference Registrations
* Maintenance and Repair Parts
* Supplies for Drama Productions
* Advertisement for Personnel Recruitment (HR only)
* Supplies for Student club/organization events

**Please note: this card cannot be used for personal purchases under any circumstances.** Highline College is liable for any misuse of the Procurement Cards. Failure to comply with the established rules may result in revocation of the card and cancellation of the account. Users of the Procurement Card are personally responsible for illegal spending. Any fraudulent or other illegal acts may result in appropriate disciplinary action.

The Procurement Card will have a preset single transaction dollar limit, a limit on the number of transactions per day, and a monthly credit limit and will be used only for Highline business transactions.

When you fill out the application for the Procurement Card you will determine a default budget number for all transactions to be billed to monthly. The Procurement Card does not replace the existing purchasing requirements, it is another tool of the Purchasing/Payable process. The College’s normal per transaction limit is $850.00, but can be set lower if desired by the budget approval authority.

* 1. **Benefits**

Use of the Procurement Card will:

* Allow employees to obtain goods and services much faster and easier;
* Sharply reduce paperwork and processing time in the employee’s department;
* Enable employees to be more efficient and focus on the value-added aspects of their job; and
* Provide cost savings through consolidated payment (one monthly payment to US Bank, versus multiple vendor payments).
  1. **The Credit Card Company**

The program the State of Washington has chosen is US Bank. In most situations cardholders will either deal directly with Highline’s Procurement Card Administrator or US Bank.

1. **WHERE TO GET HELP**
   1. **US Bank Customer Service – (800) 344-5696**

* Account Balance inquiries
* Billing Questions
* Disputed Charges

**Lost or Stolen Cards**

Phone: (800) 344-5696

* 1. **Highline College Procurement Card Administrator**

Dianna Thiele

Bldg. 99, Room 264

[dthiele@highline.edu](mailto:dthiele@highline.edu)

Phone: (206) 870-4888

Fax: (206) 870-3753

The Procurement Card Administrator provides support and assistance to cardholders, distributes/processes new card applications processes changes in cardholder information (name, mailing address, increase or decrease in limits, etc.), schedules training, and updates the User’s Guide.

1. **CARDHOLDER POLICIES AND PROCEDURES**
   1. **Keeping Your Card Secure**

Always keep your card in a secure place just as you would your personal credit card; treat it the same as you would cash.

* 1. **Limitations Specific to your Card**

The following limitations are assigned to each Procurement Card:

* **Per transaction limit:** The maximum amount, including shipping, handling, postage, etc., for each purchase – assigned by your budget approval authority.
* **Monthly purchase limit**: The maximum dollar amount for purchases each month - assigned by your budget approval authority.
* **Number of Daily Transactions Limit:** The number of daily transactions is limited at “7”. This prevents a lost/stolen card from being misused and reduces the potential for losses due to fraudulent usage.
* **Number of Monthly Transactions Limit:** Unlimited for all Procurement Cards, in accordance with monthly buy purchase limits.

**Note:** There are also Merchant Category Code (MCC) restrictions on all Procurement Cards which specifically restrict the purchase of vehicle rentals, airline tickets, cash advances and hotels/motels. Employees may apply for a US Bank travel card for such purchases. Please contact Highline’s Travel Coordinator to obtain information regarding the travel card.

* 1. **Limitations on All Cards**

Your Procurement Card **cannot** be used to purchase the following items:

* Alcoholic beverages
* Cash advances
* Computers, computer add-ins and software
* Construction/remodeling
* Consultants and speakers fee/honorariums
* Controlled substances (prescription narcotic drugs, etc.)
* Deposits for rental of meeting facilities, lodging, etc.
* Donations
* Equipment
* Fines, late fees or penalties
* Meals
* Fundraising costs
* Gases, compressed or liquid
* Gifts/Gift Certificates
* Independent contractors
* Interest/Finance charges
* Lobbying costs
* Lodging or housing
* Maintenance agreements
* Performers
* Personal purchases (purchases must be for the use and benefit of the College)
* Purchases involving trade-ins
* Software
* Split transactions – having vendor divide purchases to avoid reaching single purchase limit
* Telephone equipment or installation on campus (regular or cellular)
* Travel (lodging, restaurants, airline tickets that would be purchased via travel card)
* Utility payments
* Vehicle rental – travel related

**Per the Office of Financial Management (OFM), procurement cards cannot be used at any Washington State Agency, which includes community colleges.**

* 1. **Additional Purchasing Guidelines**

1. ***Contracts***: When a State or College contract is available, the contracted supplies should be used. Please contact the Purchasing office to determine which College contracts (if any) are available, or check the Washington State Department of Enterprise Services’ web site at <http://www.des.wa.gov/services/ContractingPurchasing/Pages/default.aspx>
2. ***Using the Internet/World Wide Web***: Many companies offer the option of making purchases via the Web. Procurement Cards may be used to make these types of purchases as long as care is taken in at least these areas:
   1. Make sure the company is a legitimate company (i.e. someone you were doing business with previously that now has a Web page would be a better risk than a company that you “discovered” via the Web, unless this company could be checked out).
   2. If supplying your card number via the Web, be sure it is encrypted in an acceptable manner. If the information is not encrypted, or if you are not comfortable giving your card number over the Web, many companies offer the option of placing the order online, then giving the card number via telephone after the order has been placed (preferably you would call them as anyone could “receive” the order and then call you back for the card number). If you are not sure the site is encrypted, contact Dianna Thiele at x3210.

As with other purchases, the cardholder is ultimately responsible for purchases made with the card and is therefore responsible to determine whether a Web site is the most appropriate method to use to make a given purchase.

Additionally, cardholders must follow any guidelines set within their department for online purchases (i.e. some may not allow it, while others may permit online ordering for “approved” companies only).

* 1. **Automatic Renewal**

A new Procurement Card will be mailed directly to you at the College address on file with the Procurement Card Administrator when the current card expires. Normal term of the card is 24 months. If you do not receive a card before your current card expires call the Procurement Card Administrator at x3210.

* 1. **Making Changes in Cardholder Information**

Information such as address and phone may be changed by submitting the appropriate information to the Procurement Card Administrator. The Procurement Card Administrator will submit any and all changes to US Bank.

* 1. **Termination of Employment**

Your Procurement Card remains the property of US Bank and must be surrendered immediately upon termination of employment, or upon request by an authorized person such as your supervisor or the Procurement Card Administrator. Please surrender card directly to the Procurement Card Administrator. Do NOT mail card through inter campus mail. Once received the Procurement Card Administrator will cancel the card with US Bank.

1. **HOW TO USE THE PROCUREMENT CARD**

**Please note:** the name listed on the Procurement Card is responsible for all transactions charged to their card. If the named cardholder provides their card or card number to another for College business and that person misuses the card, the named cardholder is responsible for reporting the misuse to both their supervisor and the Procurement Card Administrator. The named cardholder must also take applicable corrective action(s) as directed by their supervisor and/or Procurement Card Administrator to rectify any disputes.

* 1. **Purchase in Person with a Procurement Card**

1. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.
2. Determine whether the Procurement Card is the most appropriate tool to use for this purchase (check the list to make sure it’s not a restricted item, and determine whether a State or College contract is available).
3. Be certain the total amount, including shipping, handling, postage, freight, tax, etc., will not exceed your card’s single purchase limit.
4. Determine if the price quoted is the best you can obtain.
5. ***Obtain a receipt*** at the time of purchase***.***
6. To ship items: Remember to give the supplier your name, department name, phone number and complete delivery instructions as follows if you are not picking up the goods:

Have goods shipped directly to:

Highline College

ATTN: ***Your Name, Bldg. number, Room number***

2400 S 240th Street

Des Moines WA 98198

1. Fill out the “Procurement Card Monthly Activity Log” recording the purchase, and place the receipt(s) and Log in a secure place.
2. When receiving the goods always retain all boxes, containers, special packaging, packing slips, etc. until positive you are going to keep the goods. The cardholder is responsible for inspecting the goods upon arrival. Refer to section 4.4 for instructions about returning an item.
   1. **Purchase by Phone, Fax, or E-Mail**

**Phone**

A written record must be kept when placing a telephone order. Fill out the Procurement Card Telephone Order Form (Attachment B). An alternate department form may be used but always retain some written record of the date the order was placed, the company name, description of items purchased, and name of the person who took the order. Store this record in the same manner you store receipts.

**Procedure**

Follow the applicable instructions for making purchases in person, including shipping/delivery. In addition:

1. When you call, state you are calling from Highline College and that you will be making your purchase with a VISA Procurement Card.
2. Record the name of the person taking the order, place the order, and give the supplier your Procurement Card number and expiration date.
3. Give the supplier your name, department name, phone number and complete delivery instructions as indicated in Section 4.1.
4. Request a receipt and/or packing slip be sent with the order. Retain this information with your telephone order form.

**Fax/E-Mail**

Follow the applicable steps in Section 4.1. Retain a copy of the order form and fax/e-mail confirmation, if available, for your records.

* 1. **Other Forms to Complete**

When using the Procurement Card there is no need to submit any other form. If an MSR is submitted for an order placed via the Procurement Card and a duplicate shipment is received, the cardholder is responsible for resolving the issue. In cases where the cardholder is responsible for the error they may be required to personally pay for excess charges caused by duplicate shipments/orders.

* 1. **Returns, Damaged Goods, Credits**

If goods purchased with a Procurement Card need to be returned, the cardholder should work directly with the supplier, excluding orders with Office Depot. Here are some tips:

1. If items are returned directly to the store for credit, the cardholder is responsible for obtaining a credit receipt from the vendor and retaining said receipt with support documentation. Receiving checks to resolve a credit is discouraged, but when it occurs, you must immediately deposit the cash or check with the College Cashier. Credits and refunds are to be coded to the same budget number as the original charge.
2. For shipments to the College, always retain boxes, containers, special packaging, packing slips, etc. until positive you are going to keep the goods. Some items cannot be returned without the original packaging materials. Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
3. Many suppliers require you to obtain a “Return Merchandise Authorization” number (RMA) before they will accept a return. If you neglect to get this number when it is required, the package may be refused and/or no credit issued to your account. Please complete Highline’s Procurement Card Return of Merchandise Form (Attachment C) and attach a copy of the packing slip. Place the item(s) and paperwork in the original packaging and deliver to the Receiving department.
4. In some cases there may be a restocking fee. If the supplier is completely responsible for an error or problem, you should not have to pay a fee. However, if they are not fully responsible you as the cardholder may have to pay the fee. You may use the Procurement Card to pay this fee as long as it does not exceed your limits.
5. If you need help in packaging goods for return, assistance may be available through the Receiving department at x3065.
6. Make sure that the charge for the returned items:
   1. Never appear on your monthly statement, or
   2. Are credited properly.

If a charge does appear on your statement please refer to Section 5: Disputed Transactions for instructions on how to resolve the problem.

* 1. **Sales Tax**

Sales tax must be paid on all purchases unless specifically exempt from sales tax per Washington State Department of Revenue regulations. If a vendor asks, inform them they must charge Washington State Sales Tax on your purchase. For out of state purchases, the cardholder must ask the vendor if they will include Washington Sales Tax on the bill. If the vendor does not include tax, the cardholder must mark the USE TAX column on the Monthly Activity Log. At month end, send a copy of the Monthly Activity Log to Accounts Payable whenever there are transactions marked in the USE TAX column. To assist Accounts Payable, highlight any transactions with the USE TAX column checked. Accounts Payable will make the accounting entries to remit appropriate sales tax to the Department of Revenue. The budget number listed for that transaction will be charged for the use tax.

**Note:** Internal and State Auditors will review the department’s records of Procurement Card transactions. If it is determined use tax was not paid on purchases, all use tax not paid will be paid from the card’s current default budget number plus any penalties that are levied.

Examples of non-taxable purchases: Newspaper subscriptions (magazine subscriptions *are* taxed), conference registrations, memberships, prescription drugs, and unprepared foods. For questions about use tax and non-taxable items, please contact Shirley Bean at x4341.

1. **DISPUTED TRANSACTIONS**
   1. **Dispute of Statement Item**

Items that appear on the monthly Procurement Card statement may be disputed as long as the disputed transaction is reported to US Bank. Call US Bank Customer Service at (800) 344-5696 to place the item in dispute. Subsequently, the cardholder must document such a request in writing within **thirty (30) days** of the first statement on which the disputed charge occurred. To facilitate this, once the cardholder calls to dispute an item a letter is sent by US Bank to the cardholder.

This letter may request the cardholder to provide information on the dispute, sign the letter and return it back to US Bank. US Bank will research the charge and make any necessary adjustments to the account. The disputed item will be noted on the following month’s statement for reconciliation purposes. The disputed item will be reflected in the outstanding balance but will not be part of the total amount due.

When a disputed item has been resolved, a line item credit will be added to the statement plus a note reflecting the status of the credit.

The outstanding balance will be adjusted by the credit amount to reflect the final settlement of the disputed item. If you are not satisfied with this resolution, please contact the Procurement Card Administrator immediately at x3210.

1. **MONTHLY BILLING STATEMENT**
   1. **Monthly Reconciliation Statement**

Each person that has been issued a Procurement Card will receive a Monthly Reconciliation Statement. These statements are zero-balance statements, since zero is the amount due to the bank by the cardholder. The cardholder should verify the accuracy of the monthly billing statement and fill in the portion of the Procurement Card Monthly Activity Log pertaining to the reconciliation. As part of the review process, the cardholder will compare the transactions on the statement with the source documentation (sales slips, credit slips, invoices).

After the cardholder has reviewed and signed the Monthly Activity Log, the Log and all the source documentation needs to be presented to the cardholder’s supervisor for approval and signature. The entire record is kept on file in your department. At a minimum of once a year the Financial Services department will review Monthly Activity Logs. This may happen at a greater frequency as deemed as necessary.

* 1. **College’s Payment Method**

The Accounts Payable department will receive a similar monthly statement. Using the information you provided upon application for the Procurement Card as to the default budget number all transactions should be billed, Accounts Payable will combine all the College’s US Bank statements and pay the bill. If you determine there is a discrepancy on your monthly reconciliation statement, follow the Disputed Transaction guidelines in Section 5.1.

* 1. **Charging Items to a Budget Number Other Than your Default Budget Number**

When items are purchased on the Procurement Card that should not be charged to the default budget number set-up when the card was issued, follow the process indicated below which pertains to your individual case:

If the cardholder or cardholder’s supervisor is responsible for multiple budget numbers within their department, any items purchased and charged against the default budget number can be transferred to the proper department budget number. On a monthly basis, the cardholder shall make a copy of the Procurement Card Monthly Activity Log with proper budget numbers on each transaction line which need to be transferred, then submit the copy to Accounts Payable. The copy should be made after the cardholder’s Supervisor has approved the Activity Log. Charges can only be transferred to budget numbers for which the cardholder’s supervisor has signature authority. All purchases made on Procurement Cards will be coded to sub sub-object “EA00”. If the purchase should not be coded as EA00, note the correct sub sub-object on the activity log and submit as outlined above.

* 1. **Budget Report Distribution**

You currently receive a monthly Budget Status report from Financial Services showing all charges on each of the budgets under your responsibility. The charges on your US Bank Procurement Card will show up on this Budget Status report as “US Bank”.