NEW RIVER COMMUNITY COLLEGE
Policies and Procedures
GE MasterCard Small Purchases Charge Card Program
(SPCC)

I. INTRODUCTION

The following policies and procedures apply to the use of the GE MasterCard Small Purchases Charge Card Program at New River Community College.

Purchasing charge cards (purchasing cards) offer the opportunity to streamline procedures for procuring and paying for small dollar goods and services. Purchasing cards may be employed to purchase needed goods and services that assist in accomplishing New River Community College’s mission of providing instruction to students. The purchasing card shall be viewed at all times as an efficient means of payment, not a substitute for proper procurement procedures.

Maximum use of the SPCC program in conjunction with other electronic commerce initiatives is a best practice, essential to the statewide effort to reduce the costs associated with paying for goods and services for the Commonwealth.

The Procurement Officer acts as the Program Administrator and the Business Manager serves as the backup Program Administrator. This person is responsible for card issuance, card cancellation, and communicating to the charge card vendor who, within NRCC receives the cards, monthly billings, additional statements and management reports.

II. POLICY

The small purchase transaction limit is $5,000 per charge. The cardholder may not, under any circumstances, authorize any charge in excess of the transaction limit set by the Program Administrator. Violation of this policy will result in revocation of charge privileges for a minimum of six months. Repeat offenses will result in permanent revocation.

New River Community College assumes ultimate liability for the employee’s use of the purchasing card. Purchasing cards must be used for official Commonwealth of Virginia purchases only and all purchases must comply with the same State procurement regulations in effect for any other means of payment. The purchasing card must not be used to circumvent procurement guidelines, particularly those designed to maximize the Commonwealth’s purchasing power through State contracts. Efforts should be made to use State contract vendors who accept the purchasing card, where appropriate, and in order to maximize administrative cost savings. Questions regarding the appropriate use of the purchasing card should be directed to the Program Administrator.
The purchasing card shall not be employed for personal purchases, cash advances and business travel expenses, with the exception of airline and mass transit tickets. Airline ticket purchases, like all other purchases made with the card, may not exceed the card limits. Note: The new airline travel regulations require that passengers who purchase electronic tickets with a charge card must produce the card at check-in.

Web-based purchases, particularly through eVA, are encouraged provided the requirements of the Department of General Services’ (DGS) Electronic Commerce Policy are followed in all cases. This policy is available in Exhibit A and also available online at: http://www.eva.state.va.us/dps/Manuals/docs/ecpolicy.htm

Purchasing cardholders shall be set up in eVA in order to maximize the benefits provided by using the purchasing card on eVA orders. All cardholders are prohibited from faxing card information or sharing card information with anyone to make a purchase. eVA encrypts all purchasing card information. Vendors equipped for electronic transmission will receive the card information in a secure format. eVA enables orders to be prepared “On Behalf of” purchasing cardholders where an employee can place an order to a cardholders purchasing card. However, the cardholder is required to be included in the eVA workflow for approval and notification.

III. PROCEDURES

Card Issuance: Upon receipt of a Purchasing Charge Card Request Form from the President’s staff or Functional Area Manager to the Program Administrator or designee, the Program Administrator reviews the request and completes the required enrollment form. The Program Administrator forwards the enrollment form to the charge card vendor, who is GE MasterCard. Cards are issued with the name of the cardholder and the cardholder’s agency name embossed on the front. Cardholders must receive training and sign an Employee Agreement Form (See Exhibit B) prior to obtaining the purchasing card. After receipt of the purchasing card, the Program Administrator notifies the cardholder of the receipt and schedules training with that individual. Each signed Employee Agreement Form shall be retained in the Purchasing Office and the Program Administrator shall give a copy to the new cardholder.

Training: Prior to issuance of a purchasing charge card, the Program Administrator or designee shall provide training to each cardholder and the cardholder’s supervisor in the proper use of the card. Listed below are examples of the topics to be covered during the training. A more detailed discussion of each area follows the examples.

• Card Security
• General requirements for card usage
• Returns, credits and disputed items
• Monthly purchasing log
• Reconciling the charge card statement
• Payment request form
• Monthly invoice processing
• Use of mandatory supply sources
Card Security: Cardholders are prohibited from loaning their purchasing charge cards or account numbers to other individuals, nor may they share their account number with others. The card, and related account number, must be secured and shall not be posted or left in a place where other individuals may gain access to them. In the event that the cardholder is going to be absent from work for an extended period of time, the applicable supervisor may request an additional card for issuance to another employee through the Program Administrator. If a card is lost or stolen, the cardholder must immediately notify the Program Administrator who will then notify GE MasterCard. If the cardholders’ employment terminates, it is the responsibility of the cardholder’s supervisor to immediately obtain the card and all related materials from the cardholder and return them to the Program Administrator for cancellation.

General Requirements for Card Usage: Under the purchasing charge card program, vendors are paid directly by GE MasterCard. When practical, the cardholder should not both order and receive the items ordered. However, the supervisor’s signature on the monthly Payment Request Form will be deemed as sufficient authorization for item(s) ordered and received. The cardholder shall:

1. Identify eVA registered vendors who accept the purchasing charge card.

2. Go on-line (must comply with DPS’ E-Commerce Policy), or go to the vendor’s place of business and place the order. Call-in orders are only allowed if the purchase is exempt from eVA.

3. If receiving is directed to the Facilities Services area in Godbey Hall, the cardholder should provide the receiving person with a listing of what was ordered if the item(s) was not documented in eVA. The cardholder should ensure that someone verifies the items received to the sales receipt or packing slip, and that the incoming items are inspected for damage prior to removing them from the receiving point. **All documentation pertaining to the purchase, such as packing slip or sales receipt, shall be forwarded to accounts payable along with the cardholder’s applicable Monthly Purchasing Log (see Exhibit C) before the 28th of each month.**

4. When placing an order, inform the vendor that as a State agency, New River Community College is generally exempt from paying state sales tax. The Business Office shall provide all cardholders with copies of the State’s Sales and Use Tax Certificate of Exemption form ST-12, which the cardholders shall furnish to vendors upon their request. The cardholder will inform the vendor not to send an invoice to NRCC for the purchase being made with the charge card. The purchase will be billed on the cardholder’s monthly charge card statement, which represents the only acceptable vendor billing document.

5. Log all pertinent information relating to each purchase on the cardholder’s Monthly Purchasing Log (see Exhibit C).
Returns, Credits and Disputed Items: In most cases, disputes can be resolved directly between the cardholder and the vendor supplying the goods or services. The cardholder shall adhere to the following guidelines when returning an item:

1. If an item needs to be returned for any reason, the cardholder shall send the item back to the vendor in the manner agreed upon.

2. The vendor should issue a credit to the cardholder for items that are returned. The credit will appear on a subsequent charge card statement. If the credit does not appear on a subsequent statement within 60 days following the date of notification of the problem to the vendor, the cardholder shall notify the Program Administrator.

3. Documentation of the return (such as a credit receipt) should be issued by the vendor at the time the merchandise is returned. All documentation pertaining to the return must be kept by the cardholder and attached to the Monthly Purchasing Log.

4. The return shall be entered on the cardholder’s Monthly Purchasing Log.

5. If the cardholder & the vendor supplying the goods or services cannot resolve a problem, the cardholder should contact Program Administrator for assistance.

Monthly Purchasing Log: In order for the spending limits to be monitored and purchasing activity to be reconciled to the monthly charge statements, cardholders shall maintain a Monthly Purchasing Log of their purchases (see Exhibit C for a sample format). A new log shall be established at the beginning of each new monthly billing cycle, which starts on the 16th and runs through the 15th of the following month. The cardholder may customize and/or automate the Monthly Purchasing Log as long as it contains the same information as Exhibit C.

Reconciling the Monthly Charge Card Statement: Within a few days after the close of the monthly billing cycle, the employee should log into GE NetService (https://www.genetservice.com/GE_Commercial/ss_login.jsp) to access the monthly charge card statement for use in verifying that the purchases and returns are accurately listed on the statement. After comparing the statement to the Monthly Purchasing Log, the cardholder is responsible for noting any discrepancies on the log for subsequent resolution with the vendor(s). The reconciliation process shall be completed by the 28th day of each month.

Payment Request: Each cardholder shall allocate the total dollar amount listed on the monthly charge card statement to FRS account codes for which the goods or services were purchased. The Monthly Purchasing Log with appropriate signatures and backup documentation (e.g., receipts, packing slips, sales receipts, etc.) must be given to accounts payable by the 28th day of each month. NOTE: Both the cardholder and his/her supervisor must sign the log sheet. In doing so, both individuals certify that the goods and services were received and were necessary, authorized, business expenses. Also, by signing the form both individuals certify that the charge card statement and the Monthly Purchasing Log have been reconciled and are in agreement, including any and all adjustments.
Monthly Invoice Processing: The total amount shown on the consolidated invoice should agree with the total combined charges listed on all monthly charge card statements submitted to the Business Office by cardholders. Upon receipt of the consolidated invoice from GE MasterCard, accounts payable shall process the payment of invoices with a payment due date of the 5th day of the month following the close of the billing cycle. **Accounts Payable must pay the full amount shown on the invoice by the payment due date and shall not reduce the invoice by any unapplied credits or disputed purchases.** If the cardholder had no purchases for the month, he/she must still submit the statement from GE MasterCard, a signed Monthly Purchasing Log and any backup documentation.

**Mandatory Supply Sources:** Cardholders may not use their cards to purchase goods and services that are available from Correctional Enterprises, Department of Visually Handicapped, VDOT, DPS/Virginia Distribution Center or the DGS Office of Graphic Communications.

If a state contract includes vendors who accept the purchasing charge card, the card may be used to purchase items from those vendors up to the cardholder’s transaction spending limit. Please contact the purchasing department in the Business Office for contract and mandatory supply source information.

The Commonwealth of Virginia is liable for the use of the purchasing card by authorized users, provided that use is within the single per transaction dollar limit not exceeding $5,000. The Commonwealth does not accept liability for the following:

- Unauthorized use of the purchasing cards.
- Account numbers that are fraudulently used.
- Purchases made with stolen or lost cards that are beyond the maximum limit of $50.00 and the maximum length of liability of 24 hours after discovery and reporting of card loss or theft.

The cardholder must not purchase with state funds or accounts beginning with digits 1, 2 or 3, the items listed below:

1. Books, unless these books remain property of the state.
2. baby sitting services
3. non-business related newspaper or magazine subscriptions.
4. personal articles
5. tuxedos or other formal wear
6. non-uniform clothing or repairs to clothing damaged in the workplace.
7. goods or services related to retirement parties or employee going-away parties
8. holiday decorations
9. alcoholic beverages
10. charitable contributions
11. gifts and flowers

This list is not all inclusive and other state funded purchases may be questioned by the Account Payable Technician or Program Administrator.
Exhibit A

Department of General Services’ Electronic Commerce Policy
3.25 Electronic Commerce

DGS/DPS has established an Electronic Mall (e-Mall) to facilitate the ordering of goods and services by agencies and institutions. The goal of the e-Mall is to leverage the Commonwealth’s buying power, and to allow agencies and institutions the ability to place orders using either the Small Purchase Charge Card (SPCC) or an electronic purchase order (Agency or Vendor). The e-Mall is located on the DGS/DPS website, http://dps.dgs.virginia.gov/dps/, it includes, but will not be limited to, state contracts, electronic catalogs, SPCC vendors, mandatory sources, and surplus property. In addition, agencies and institutions are authorized to do on-line buying of goods and services through the Internet. Agencies and institutions are encouraged to develop policies, procedures, and internal controls to manage this process and perform audits/reviews for those employees who have been given the authority to place orders electronically. Some areas to consider when revising or developing internal policies and procedures are: purchase request approval process, how to incorporate terms and conditions, interface with finance and accounting, encumbrance process, receiving reports, and automated system interface. The following DGS/DPS policies and procedures have been developed to assist agencies and institutions when ordering through the e-Mall or on-line buying through the Internet:

a. **e-Mall**

   (1) **SPCC** - Agencies and institutions may purchase goods or services through the e-Mall, up to $5,000 if purchased from state contracts or from another source. Contract terms and conditions govern purchases made from state contracts.

   (2) **Electronic Purchase Orders** - Agencies and institutions may purchase goods or services in unlimited dollar amounts, unless dollar amounts are specified in the contract, when placing an electronic purchase order from state contracts or mandatory sources. For all other purchases, agencies and institutions may purchase up to their delegated procurement authority after complying with all competitive requirements and file documentation per the VPPA and APSPM.

   (3) **Vendor Participation/Registration** - A Memorandum of Understanding (MOU) shall govern vendors participating in the DGS/DPS e-Mall. The purpose of the MOU is to verify the vendor’s acceptance of the Commonwealth’s terms and conditions and validate that controls are in place to accept the SPCC and electronic purchase orders. DGS/DPS will establish and manage the MOU.

b. **On-Line Buying**. Agencies and institutions may purchase goods and services through the Internet by using the SPCC and transmitting the card number or by Electronic Purchase Order up to $5,000.00.
Security Requirements - In order to procure goods or services through the Internet, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. It is the agency’s responsibility to ensure the vendor meets the SSL 2.0 requirement before placing an order and using the SPCC as a method of payment. To ensure the vendor has a SSL, the Address Window must start with https://. This may not occur until the payment information is requested. For information about the vendor’s security certification, check under Help on your browser’s tool bar. Buying through the Internet might subject an agency or institution to the vendor’s terms and conditions if no MOU exists. Agencies are encouraged to establish a MOU with vendors whom they conduct business with on a regular basis. See DGS/DPS website for sample MOUs.
Exhibit B

Employee Agreement Form
Commonwealth of Virginia Corporate Purchasing Card
Employee Agreement

I, _______________________________, acknowledge receipt of a GE MasterCard Corporate Purchasing Card. As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the Card.

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of my agency and will strive to obtain the best value for the agency by using State contracts and other "preferred suppliers" as identified by the Agency’s Purchasing Department.

2. I understand that my agency is liable to GE MasterCard for all authorized charges made on the Card.

3. I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my agency will review the use of this Card and the related management reports and take appropriate action on any discrepancies.

4. I will follow the established procedures for the use of the Card. Failure to do so may result in either revocation of my privileges or other disciplinary actions, including termination of employment.

5. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change that causes my cost center to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.

6. If the Card is lost or stolen, I agree to notify the Program Administrator and GE MasterCard immediately.

7. I understand that in order to properly purchase goods and services, I must use eVA for those purchases that qualify and record the PCO (Purchase Card Order) number on the purchasing log. For those goods and services excluded from eVA by Section 14.9.b of the Agency Procurement and Surplus Property Manual (APSPM) and purchased via the internet, not through eVA, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. To ensure the vendor has a SSL, the address window must start with https://. I will record the vendor’s website address on the purchasing log.

_______________________________________ New River Community College - 275
Employee Signature/Date Agency and Cost Center

_______________________________________
Supervisor's Signature/Date

_______________________________________
Program Administrator's Signature/Date

P.O. Box 1127; 5251 College Drive, Dublin, VA 24084
Agency Address
Exhibit C

Monthly Purchasing Log
**New River Community College**

**SMALL PURCHASE CARD LOG SHEET**

Turn this form into Accounts Payable on the first business day of the month.

I HEREBY CERTIFY THAT ALL PURCHASES DURING THE PERIOD HAVE BEEN LISTED ON THE LOG SHEET BELOW, THAT I HAVE ATTACHED SUPPORTING DOCUMENTATION TO VERIFY PURCHASES, AND THAT THIS LOG HAS BEEN RECONCILED TO THE ATTACHED MONTHLY CHARGE CARD STATEMENT.

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**Grand Total**

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KEEP A COPY FOR YOUR RECORDS.