

SKIDMORE COLLEGE DEPARTMENT P-CARD POLICY

I. PURPOSE

Skidmore College sponsors a procurement card (Department P-Card) program that allows designated individuals to make specific business-related purchases paid for directly by the College. The Department P-Card is a credit card issued to a department to make direct purchases from vendors.

Skidmore implemented the Department P-Card program to provide a cost effective and convenient method for departments to make business-related purchases directly with a vendor. Skidmore is liable to the financial institution issuing the Department P-Card for the charges and makes payment directly to the financial institution.

II. GENERAL

Department P-Cards are to be used by Skidmore employees for purchases that are normal and ordinary costs incurred in the conduct of official College activities. The Department P-Card should not be used for travel and entertainment type activities.

The Department P-Card is one of the methods offered by the College to make purchases. If a cardholder needs to make frequent purchases from a vendor or any purchase of a significant amount, he or she should consult Purchasing to determine the best method for the purchase. The Purchasing Team can also assist in searching for unusual items or services.

A Skidmore College preferred vendor should always be used as the first option. The preferred vendors are aware of the College tax exempt status and in many cases will have pre-determined methods to resolve issues, handle returns, etc.

Each Department P-Card has a single transaction limit. Breaking down a purchase, to circumvent the Department P-Card limit, into several smaller transactions is not an allowed practice. For purchases over the limit, a Purchase Requisition must be completed and forwarded to Purchasing. It is not necessary to contact Purchasing Services when making a Department P-Card purchase, within your limit, unless you feel that the Purchasing Team can help add value by recommending or helping you find a vendor.

Each card is blocked for use with certain vendors to protect Skidmore from unauthorized use. Most cards are blocked for purchases with restaurants, hotels, and other travel related vendors (T&E). When conducting Skidmore business with a T&E type vendor, the Individual Skidmore Business Visa card should be used. Refer to the Skidmore T&E Policy for additional information. For exceptional circumstances, the Purchasing Team has authorization to temporarily unblock a card. Please contact Purchasing regarding unblocking privileges.

The P-Card Accounting Summary System (PASS) is the Department P-Card reconciliation and cost allocation system. Each business day, PASS is updated with new Department P-Card transactions transmitted to our bank by vendors (generally 2 business days earlier). Unique features incorporated in PASS include but are not limited to: The ability to allocate Department P-Card charges to one or several GL accounts, the ability to post charges to the General Ledger overnight, the ability to specify user defined special information for each charge that will be passed to the GL, and the ability to review archived Department P-Card charges.

III. ROLES AND RESPONSIBILITIES

i. Cardholder

An individual who is assigned a Department P-Card has been authorized to spend Skidmore's funds for business-related expenses.

Personal purchases on Department P-Cards are strictly prohibited. Failure to use the card in compliance with this policy, or failure to provide sufficient documentary evidence can result in the suspension or revocation of the P-Card and possible disciplinary action including, employee termination, as well as the filing of criminal charges.

Your responsibilities as a cardholder include:

1. Read and understand this policy.
2. Purchase only business-related items.
3. Inform vendors that your purchase is exempt from New York State sales tax. If the vendor will not grant a sales tax exemption, contact Financial Services at X5820 or select a vendor that will honor the tax exempt status of the College.
4. Maintain sufficient documentation to support the purchase, including **original receipts and explanation** to support the business purpose of each purchase on your card for a period of the current year and for the six previous years. (See Documentation Section of this policy).
5. The cardholder is responsible for ensuring that any expense paid by Department P-card is not otherwise submitted for reimbursement.
6. If you inadvertently use your Department P-card rather than your personal credit card for a personal purchase, you must notify Financial Services immediately and submit a written explanation of how and why this occurred and provide reimbursement.
7. Department P-Card users are responsible for verifying all Department P-Card charges they have access to review, designating the correct GL account number to charge, and reconciling total charges by Department P-Card with memo statements that are received monthly. For unknown or questionable charges, contact Purchasing immediately.
8. Reconcile all expenses in a timely manner.

ii. Supervisor

Any individual with responsibility for supervising employees with a Department P-Card must:

1. Evaluate the need for a Department P-Card whenever a staff member's job requirements or status changes.
2. Ensure the individual responsible for making Department P-Card purchases is distinct from the person responsible for reviewing those purchases.
3. Understand who in the department / office is using the Department P-Card and ensure that proper documentation is being maintained for all purchases.
4. Collect the Department P-Card and submit a request to Financial Services (ext. 5820) when an account must be closed due to termination or change of status.

iii. Financial Services / Purchasing

1. Manage the process of issuing and terminating Department P-Cards;
2. Review and audit Department P-Card transactions. Based upon these reviews, cards may be suspended or permanently revoked, or other disciplinary action may be taken;
3. Call upon Human Resources and / or the supervisor to work with cardholders toward policy compliance and / or to assist in suspending or revoking a cardholder's Department P-Card privileges or other disciplinary actions.
4. Manage Department P-Card Blocks and Single Transaction Limits placed on each card in an effort to avoid unauthorized use of the card.

IV. DOCUMENTATION

Skidmore requires Department P-Card holders to maintain documentation of all purchases to their Department P-Card. Sufficient documentary evidence is necessary in order to comply with College policies, sound business practices, and the requirements of the IRS.

Documentation must be retained for a period of the current year and for the six previous years. Sufficient documentary evidence includes an **original receipt** and an explanation of business purpose as described below:

- Original receipt is based on what a particular vendor generally provides as proof of purchase, for example: cash register tape, detailed packing slip, copy of an order form, web receipt or email acknowledgement from vendor, etc. Receipts should include description of items purchased, vendor name, date, quantity, unit price, and total cost. If any relevant information is not included on the receipt, the cardholder should write the missing details on it.
- In cases where an original receipt is lost or is never received, the purchaser of the item should first call the vendor to get a duplicate. In the event that no receipt is available the cardholder will provide a written explanation as to why the original receipt is not available, along with details

- Third-party billing companies such as PayPal generally do not include detailed information about items purchased. The cardholder should, in cases such as this, provide a copy of the web page that identifies the items purchased and the web receipt from the third-party billing company.
- An explanation of the business purpose of the items purchased should include specific information about why the purchase occurred. In cases where the item could lend itself to personal use (for example, CDs, videos, books, etc.), the business purpose must be written in terms that would be clear to an external reviewer.

V. PROHIBITED TRANSACTIONS

Department P-Cards may not be used to purchase goods and services for personal use.

Some examples of items **not** allowed to be purchased on the Department P-Card:

- Travel & Entertainment related expenses.
- The expenditure was (or will be) reimbursed from another source.
- Medications for individual offices – e.g. aspirin, cold medicine, cough syrup.
- The purchase of meals for regular staff meetings.
- Purchase of clothing for department members (unless a required uniform) is not permitted.

This list is not intended to be all inclusive, but to provide examples of items not allowed.

Financial Services routinely audits a selection of purchases on P-Cards. However, if during the PASS process, suspicious charges, items indicative of a personal purchase, or items that are not allowed to be purchased are noticed, please contact Bill Fisher in Financial Services (580-5827) to confidentially discuss the purchase. It is important to remember that the Cardholder has accepted the responsibility of accounting for each transaction on behalf of the department and the College.

Any questions on allowability of purchases or other aspects of this policy should be directed to Financial Services at 580-5820.