

P-Card Policy & Internal Controls

I. Introduction

This manual contains the internal controls for the West Virginia (WV) Purchasing Card (P-Card) Program at Shepherd University.

A. Scope

Shepherd University utilizes the State of WV P-Card to provide the most efficient and effective payment method for certain expenditures. The card effectively decreases expenses and cuts program costs by offering increased control and monitoring of payments while reducing the time and paperwork associated with the use of purchase orders. Cardholders agree to comply with Shepherd University Purchasing Policies and P-Card Internal Controls as set forth in this manual, and the WV State Auditors' Office Policies and Procedures.

B. Governing Criteria

Authority to purchase and acquire materials, supplies, equipment, services and printing, entering into lease-purchase agreements and to dispose of surplus, obsolete and unusable materials, supplies and equipment is granted to the council, commission and Governing Boards in WV Code §18B-5-4 through §18B-5-9. As required by law, the Council and Commission have promulgated a procedural rule, Series 30, Purchasing, and a legislative rule, Series 43, Purchasing Efficiencies, to manage higher education purchasing.

In addition to state code and legislative rule, the following documents also establish requirements:

- State Auditor's Office Purchasing Card Division Policies and Procedures Manual,
- WV Higher Education Purchasing Procedures Manual,
- Shepherd University Purchasing Manual.

C. Internal Controls

Internal controls are the procedures put in place to provide reasonable assurances regarding the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

II. Administration of P-Card Program

A. Chief Financial Officer (CFO) Responsibilities

The CFO is responsible for the administration of the P-Card program.

Responsibilities include the following:

1. To review, on at least a quarterly basis the compliance of the P-Card program with State policies and procedures as well as with the University's internal controls and requirements.
2. The CFO will sign off on each monthly Citibank and/or US Bank VISA invoice and review findings and disciplinary action taken reported by the Program Manager. If the CFO is unavailable to approve the monthly statement the University's CPO will review and approve the payment and the CFO will review upon his/her return.
3. The CFO or his/her designee will report any instances of unlawful use, possible fraud, misappropriation or mismanagement with the P-Card to the Deputy State Auditor/Executive Director of the State Auditor's P-Card Division within 24 hours of his/her discovery.

B. Designation of Agency Coordinator

The CFO shall designate the agency P-Card Coordinator (Program Manager). The agency may have multiple coordinators. Each coordinator shall hold a position of knowledge and experience of the responsibilities delegated to him/her by the CFO. Any change in the coordinator position that requires user changes in the wvOasis P-Card module or bank reporting tools, which are administered or set up solely by the P-Card Division staff, must be initiated by submission of the request through the PRCUHI or HIERLVL tables within wvOasis and be approved by the State Auditor's Office P-Card Division.

Upon designation by the CFO, the Coordinator must receive training, education and certification designed and approved by the State Auditor's Office P-Card Division within 30 days of assuming the duties of the position.

Except in the instance where there are five (5) or fewer cardholders, no cardholder shall be his/her own coordinator unless the agency receives a written waiver from the State Auditor's Office P-Card Division. The CFO will approve the Coordinator's monthly statement reconciliation.

C. Program Manager and Coordinator Responsibilities

1. The Program Manager has oversight responsibility of the entire program and works with the CFO and CPO in developing and implementing policies and procedures. The Program Manager is also responsible for the daily operation of the program which includes, but is not limited to: card issuance, card maintenance, ensuring timely card reconciliation and cardholder training.

2. The Program Manager and all Coordinators are required to complete training/education annually and to obtain certification confirming that training. Training shall include P-Card policies, purchasing policies, ethics training, and/or emergency P-Card or travel training as appropriate.

3. Other responsibilities of the Program Manager include the following:

| Program Manager Responsibility | Action Taken by Program Manager |
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| Monitoring and overseeing the program to ensure that internal controls are in place to prevent misuse | Reviewing assigned cardholder transactions on monthly basis, meeting weekly or as needed with Coordinators to discuss any findings that are not in compliance with internal controls, conducting post-audits on a monthly basis. |
| Verifying potential cardholders' eligibility to obtain a P-Card | Review and process all requests from supervisors for a P-Card to be assigned to an employee. Verify employment with Payroll office. Analyze needs of P-Card based on position within the University. |
| Ensuring proper completion of initial training requirements before submitting requests for new cardholders and monitoring completion of on-going training requirements | Set up all new P-Card applicants' training in MyApps, review training results prior to completing PRCC, run training reports for expired and soon-to-be expired training weekly |
| Determining or verifying the following: credit limit, single transaction limit, number of daily transactions, and number of monthly transactions | Set all new P-Card applicants with standard \$2500.00 transaction and \$5000.00 credit limit unless a spending analysis of department's spending dictates higher or lower limits. Consults with the supervisor or budget manager on purchasing needs. Conduct periodic spending analysis of all cardholders to determine if credit and transaction limits are still valid for current spending habits. |
| Ensuring prompt payment of the master statement/account | Monitors P-Card reconciliation daily. Runs Non-Reconciled Receipt Report weekly and disseminates information to Coordinators to send to cardholders notifying them of any transactions needing reconciled by the deadlines. Regularly communicating with Coordinators on transactions that need to be reviewed and marked paid on the PRCUU table. Also checks daily for rejected PRCC documents and makes appropriate corrections needed to complete the document. |
| Disseminating updated P-Card information to cardholders | Cardholders are sent updates and reminders via email as needed. |

| Program Manager Responsibility | Action Taken By Program Manager |
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| Ensuring that P-Cards are cancelled and destroyed upon termination or separation from employment | Human Resource Office notifies the CPO of upcoming termination/separation of employment. CPO then communicates this information to Program Manager who ensures a PCC is created to cancel account and card is destroyed. |
| Providing updated contact information to the State Auditor's Office P-Card Division | Approves all PCC documents created by Coordinators for any P-Card related changes. Completes as needed PCC documents for any P-Card related changes and has CPO approve. Communicates via email to P-Card Operations at the WWSAO of any other contact information. |
| Conducting monthly post-audit reviews of transactions to ensure they are appropriate expenditures and that budgetary permission and/or supervisory authorization are part of the approval process | For each paid monthly statement, a post audit is conducted of a random selection of 90 transactions from at least, but not limited to 30 cardholders. Review for proper documentation, correct funding information, appropriate expenditure, and approval from supervisor for purchases has been obtained by signature on monthly statement. Any findings, questions or concerns are sent to the assigned Coordinator for follow up. All follow up must be completed by a due date to be determined by Program Manager. Transactions are updated with correct information or moved to correct funding. Program Manager then signs off on Post Audit Worksheet and then files with the University's signed and approved Citibank and/or US Bank statement and supporting documentation. |
| Ensure that all personnel assigned to monitor P-Card transactions have access, either electronically or manually to the transactions made by any cardholder under their purview | Coordinators are assigned the following roles in wvOasis: PRCUU_RW, PRCUU_PY, PRCUT_VW, PRCUT_AD, PRCUI_VW Cardholders are assigned the following roles in wvOasis: PCDHDR, PRCUU_RV, PRCUT_VW, PRCUU_VW_ATT |
| Addressing and establishing additional controls/policies, in a timely manner, as recommended by external or internal audits and reviews | Recommendations from external or internal audits and reviews are discussed with CPO and CFO and processes and/or internal controls are put in place as needed. |
| Ensure that all P-Card documentation including, but not limited to receipts, receiving reports, logs, monthly statements, and payment records are maintained electronically on a secure University server. | Quarterly reviews conducted by visiting cardholder's office location and ensuring proper retainage of P-Card files. |
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3. Responsibilities of the Program Manager and all Coordinators include but are not limited to:

| Coordinator Responsibility | Action Taken |
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| Maintaining cardholder agreement forms | WVSAO cardholder agreement forms are maintained electronically within the WVSAO mApps system. Shepherd University cardholder agreement forms are given to all new cardholders upon receipt of training on activation and card usage by their assigned Coordinator. Cardholder agreement forms are kept in file with all other cardholder information. |
| Reconciling master statements or electronic payment files | Coordinators monitor P-Card reconciliation weekly. Inform assigned cardholders via email of any transaction needing reconciled. |
| Ensuring cardholders follow all P-Card policies and procedures | Coordinators perform audits on all P-Card transactions once marked reconciled by the cardholders. |
| Identifying possible ethics law violations related to inappropriate activity by cardholders and vendors including the possession of gifts, bribes, etc.; | Same as above |
| Maintain documentation in a centralized location concerning the resolution of each disputed transaction submitted. | Files are maintained on each cardholder. Any dispute forms are placed in the cardholder file for proper retention. |

4. All Coordinators (with the exception of the Program Manager) have P-Cards to process payments for good/services for the Procurement Services department or for other University expenses that are outside of the transaction or credit limits of other cardholders. Coordinators are responsible for following all rules set within this policy in relation to any purchase placed on their individual P-Card.
5. All Coordinators and the Program Manager are responsible for performing audits on all P-Card transactions once marked reconciled by the cardholders.
 - a. Coordinator’s review includes but is not limited to verifying if the transaction meets the following:

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| <p><u>Itemization</u> – All P-Card receipts must clearly indicate the goods or services that were purchased. A receipt that contains only “Miscellaneous”, “Merchandise” or only includes a vendor stock or item number is not acceptable. At times, items listed on a receipt may not clearly indicate what was purchased. In these instances, further clarification by the cardholder will be required. This clarification should be obtained in written form to be attached as supporting documentation to the receipt. For items purchased that may be used for personal use or in the instances where the business justification of the purchase may be questionable, it is best to first consult the Program Manager and/or CPO. Upon review of the documentation, it may be necessary to receive written documentation on the business justification of the purchase.</p> |
| <p><u>Gift Card Purchases</u> – Require prior authorization from the Auditor’s office. This form must be attached with the receipt documentation</p> |
| <p><u>Business Purpose</u> – A business purpose must be included in the comment box in the General Information section of the PRCUU in Oasis and/or on the receipt/paid invoice.</p> |
| <p><u>Signatures</u> – All P-Card receipts must have the signature of the cardholder as verification that the purchase was made and that all items on the purchase have been received. This can be a digitalized electronic signature.</p> |
| <p><u>Bill To & Ship To Address</u> – All P-Card receipts must be billed and shipped to Shepherd University and its respective locations.</p> |
| <p><u>Vendor Information</u> – P-Card receipts must clearly indicate name of the vendor that the items were purchased from. If the vendor name on the receipt does not match what appears in wvOasis, it is important to investigate if further documentation or clarification is necessary.</p> |
| <p><u>Prices/Total</u> – Receipts must legibly contain the price of the items/services purchased as well as clearly indicate the purchase total including all shipping/freight costs. The total on the receipt must match what was actually charged to the cardholder. If the receipt does not match what is charged to the cardholder, it will be necessary to notify the cardholder to obtain a new receipt.</p> |
| <p><u>Taxes</u> – All purchases made on the P-Card are exempt from WV Sales Tax. This exemption does not include taxes on alcohol or beverage/syrup taxes. Taxes are billed according to where the item was shipped to. If there is a receipt that includes tax, please contact the cardholder and inform them they will need to get the tax refunded.</p> |
| <p><u>Account Codes</u> – Verify that the Account Code listed in the accounting string on the receipt is correct by comparing the items/services paid for to the definition in New Account Codes book.</p> |
| <p><u>Fixed Assets</u> – Cardholders should not purchase any single item with a cost of \$1,000 or more as the items may need to be capitalized. If a receipt has been charged to a fixed asset account and has not gone through the procurement process, please notify the A/P Manager and/or Executive Director.</p> |
| <p><u>Membership/Accreditation Purchases</u> – All purchases coded to 7GH134 must be paid by Procurement. Institutional Memberships and Association Dues are restricted. They must be processed through the Office of Procurement Services. Individual cardholders MAY NOT place these charges on their P-Cards. Individual Memberships and Association Dues are not allowable with the exception of the circumstances identified below. All exceptions require verifying documentation submitted with invoice/application. Individual cardholders MAY NOT place these charges on their P-Cards; they must be processed through the Office of Procurement Services.</p> <ul style="list-style-type: none"> • Required in order to attend a training class/conference • Fee and registration are lower in cost than registering as a non-member • Required certification to legally perform duties • Cost of Institutional membership does not justify expense when one individual membership provides the necessary benefits |
| <p><u>Travel Purchases</u> – Receipts that are in reference to travel expenses (7GH127 & 7GH128) should have a copy of a travel document attached. This could be a summary or settlement. Team travel needs team roster and team schedule. Prepaid travel expenses should include a copy of the signed Travel Authorization document.</p> |
| <p><u>Hospitality</u> – Receipts for purchases on the P-Card for hospitality (7GH148) must be accompanied by a Hospitality Form. All Hospitality Forms must include a list of attendees, including first and last names. Hospitality that includes meal/beverage for employees must meet the guidelines outlined for Employee Meals in Section IV.I.</p> |

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| <p>Student Activities – All P-Card receipts that are coded to the Student Activities account (7GH168) must be attached to or accompanied by a Student Activities Form complete with the name and date of event. In addition, a list of attendees and/or advertisement for the event should accompany the receipt. See Section IV.D.2 & IV.H.</p> |
| <p>Stringing – If several purchases have been made on the same transaction day to the same vendor a review of the total amount of these purchases need to be conducted to ensure that stringing has not occurred.</p> |
| <p>Delegation – If the receipt documentation gives reference that one person has placed the other while another has paid for the order; (such as the order has a “Bill To” of someone other than the cardholder or the email confirmation went to someone other than the cardholder) a review and clarification must be received to ensure that delegation has not occurred.</p> |
| <p>Receiving – Proper documentation of receipt of goods must be indicated in Oasis. This includes successful completion of the receipt date and receiver fields on the PRCUU table, note of items received on the itemized invoice or itemized packing slip complete with receipt date, or receiving report document.</p> |

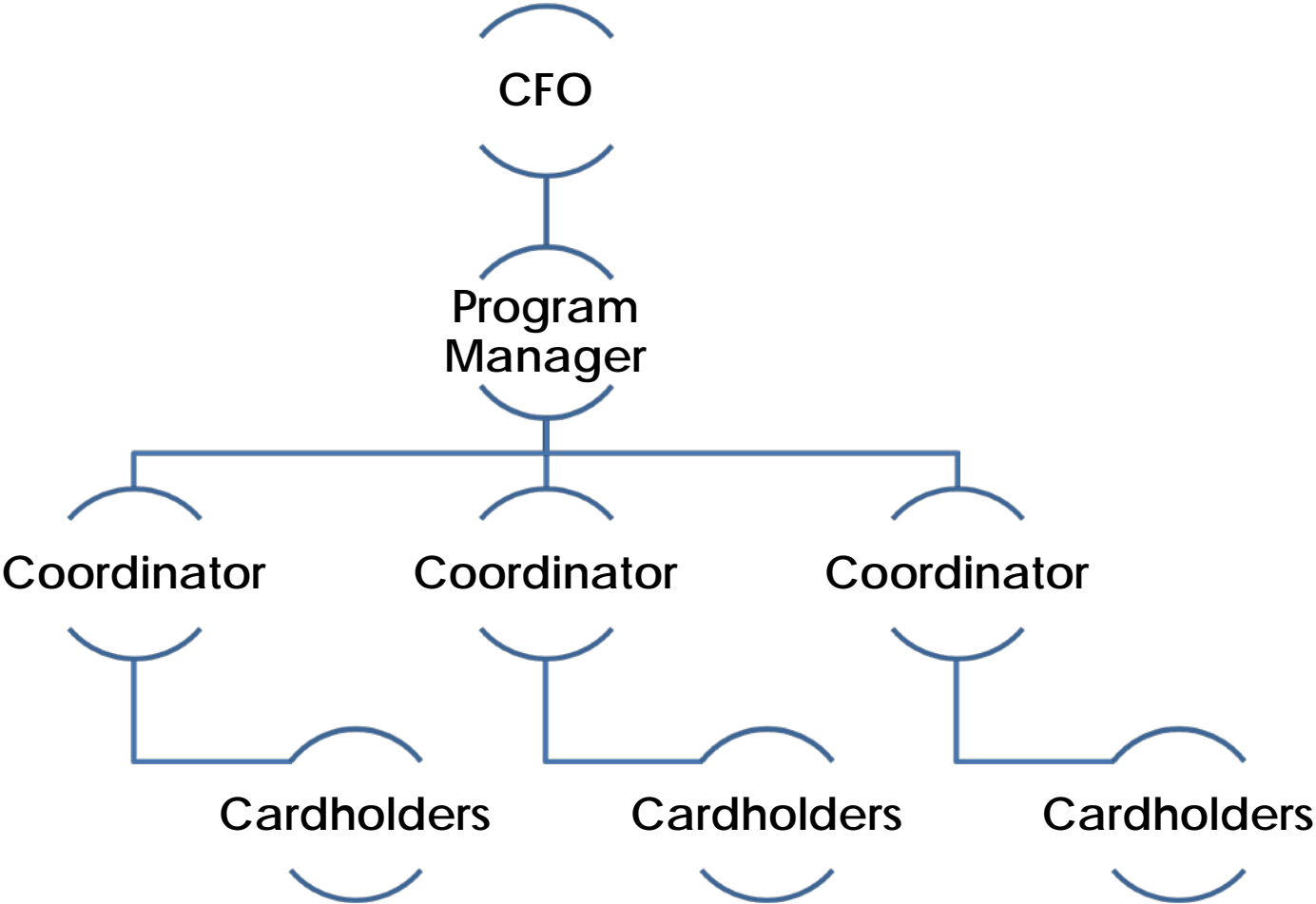
6. Upon identifying any of the following: lack of or insufficient receipt or supporting documentation, incorrect funding information, non-compliance of any of the guidelines mentioned above or within this policy, or any misuse and/or abuse of the P-Card while conducting audits of transactions; coordinators immediately make note of the issue on the current month’s Audit Findings Worksheet. Coordinators are responsible for informing the cardholder via email of any changes, clarification or additional information that may be needed and to ensure follow up is conducted on all requests until all outstanding items are met.
7. Any transaction that requires additional information or follow-up is marked “Reviewed” in WVoasis by the Coordinator until all outstanding items are met. If the outstanding items are not met by the State’s cutoff date for payment, the Coordinator is responsible for changing the Reconciliation Status from “Reconciled” to “Admin Not Reconciled” and mark the transaction “Paid”. The Coordinator must then follow up and once all items are met, change the Reconciliation Status of the transaction on the PRCUT table from “Admin Not Reconciled” to Reconciled. They must also update the Audit Review Worksheet with the date the issue was resolved.
8. Any non-allowable purchases, fraudulent purchases or misuse of the P-Card are reported to the Program Manager who will then handle as outlined in Section VIII of this policy.

D. Segregation of Duties

As required by P-Card policies and procedures, controls are in place to have the coordinator’s transactions reviewed by a knowledgeable individual. The Program Manager reviews all of the coordinator’s transactions in wvOasis. The CPO and

the Program Manager review each of the coordinator's statements every month and sign off on the statement for approval.

E. P-Card Organizational Chart



III. Responsibilities of Supervisor/Budgetary Managers

A. The Supervisor or Budgetary manager is responsible for ensuring that the cardholders under his/her supervision do not overspend the budget and that purchases are in accordance with the University’s purchasing and P-Card policies and procedures along with WV State Purchasing Card Policy and Procedures and are approved for departmental and University business only. Supervisors or Budgetary Managers will review the cardholder’s statement, itemized receipts, required supporting documentation, and sign the statement as verification/approval for the items that have been purchased as well as documentation that all purchases were made in line with policies and procedures.

B. Direct supervisors who do not currently have a P-Card but sign off and approve P-Card transactions of their direct supports are required to take and maintain the WWSAO P-Card training certification. Supervisor and Budget Managers may also be required to attend any in-house training provided. This will provide supervisors with the knowledge of general P-Card policies and procedures which will ensure that the transactions they are approving are in compliance with policies, procedures and guidelines of the WWSAO, WVHEPC and Shepherd University.

IV. Responsibilities of Cardholders

A. General Instructions

1. The P-Card is the preferred method of payment for certain designated transactions or dollar amounts. All applicable laws, rules and regulations, P-Card Policies and Procedures, Purchasing Policies and Procedures and other governing instruments must be followed, regardless of the method of payment.
2. Any questions concerning purchasing rules, policies, or procedures should be referred to the Program Manager, CPO or CFO.
3. The P-Card may be used to make payments for goods, services, and travel that are not prohibited by P-Card Policies & Procedures and/or Purchasing Policies and Procedures. **Personal charges are prohibited.**
4. Any returned goods must be credited to the P-Card. Debit cards, gift cards or cash are not an acceptable method of receiving refunds for returned goods. Any deviation from this policy will be reported to the State Auditor’s Office P-Card Division by the Program Manager.

B. P-Card Security

1. The P-Card must be kept secure. The individual cardholder is accountable for every charge made by or authorized by the cardholder that appears on his or her card.

2. P-Cards should only be used on secured internet sites. A secured site has a closed "lock" on the screen.
3. All cardholders are required to sign the back of their card upon receipt.

C. Tax Exempt Status

1. The State of West Virginia is tax exempt and should not pay in-state tax to vendors.
 - a) Cardholders should remind vendors that the State of WV is tax exempt before initiating a transaction.
 - b) The words "Tax Exempt" and Shepherd's tax identification number are printed on the P-Card.
 - c) If the vendor requires a Shepherd University tax exemption certificate, these can be issued directly to the vendor by Procurement Services upon request by the cardholder.
 - d) For all online or corporate accounts, cardholders are responsible for contacting customer service and/or the sales rep to set up their Shepherd business account with that vendor as tax exempt.
 - e) If a vendor charges WV Sales Tax to a cardholder's P-Card, cardholders are responsible for requesting a refund from the vendor.
 - f) If the cardholder is experiencing difficulty in receiving a refund from a vendor, the cardholder is responsible for keeping his/her assigned Accounts Payable/P-Card Coordinator informed of the issue.
 - g) If after several attempts, the cardholder proves unsuccessful receiving a refund, the cardholder is responsible for contacting his/her assigned Accounts Payable Coordinator with contact information, all previous correspondence and transaction information in order for their Coordinator to attempt resolution.
 - h) It is the cardholder's responsibility to have any West Virginia Sales tax charged to their P-Card refunded back to Shepherd University within one month of being charged.
 - i) West Virginia Sales Tax is a non-allowable expense on the P-Card. If a vendor is unable to or fails to refund the sales tax collected, it is the responsibility of the cardholder to refund Shepherd University with private funds.
 - j) Any West Virginia Sales tax that is not refunded or reimbursed to Shepherd University within one month of being charged, the cardholder will be subject to disciplinary action as outlined in Section VIII of this policy.

2. Pursuant to the contract with Citibank and/or US Bank, cardholders may not dispute sales tax or shipping and handling charges. It is the cardholder's responsibility to ensure charge accuracy and to address sales tax or shipping charges directly with the vendor.

D. Documentation

All documentation is to be submitted through the wvOasis Reconciliation Process by the 8th of each month. Should the 8th of the month fall on a weekend, the reconciliation and paperwork are due by the preceding Friday. Deadlines are subject to change at the discretion of Procurement Services in order to meet any deadlines set by the WVSAO – P-Card Division. If a deadline will be changed, this information will be disseminated to all cardholders in a timely fashion.

1. Receipts/Invoices

- a) An itemized receipt/invoice must be obtained for each transaction placed on the card. The purchaser is required to obtain a legible, itemized receipt or listing detailing the goods/services purchased, the vendor name, and the date of purchase.
- b) The receipt/invoice must be signed by the cardholder with a manual or digital/electronic signature
- c) Receipt documentation may be hard copy or electronic and shall be retained by the cardholder on a Shepherd University network drive.
- d) A receipt description which only states "Miscellaneous", "Merchandise" or only includes a vendor's stock or item number is not acceptable.
- e) Documentation marked "Sales Proposal", "Quote" or "Estimate" is not an acceptable form of receipt documentation.
- f) In the event that a cardholder misplaces a receipt, he or she must contact the vendor to retain a replacement receipt. The replacement receipt must satisfy all the requirements of a receipt as listed above. In the event that an acceptable form of receipt is not available, the cardholder shall first contact his/her assigned Accounts Payable/P-Card Coordinator who after review of the situation, will instruct the cardholder to create an itemized list utilizing the Invoice Exception Form which satisfies the requirements set forth in this subsection. The purchaser's and supervisor's signature shall be affixed to the form; inclusive of the date the goods were received, along with whatever receipt is available. This is acceptable in limited, extenuating circumstances only.

- g) Cardholders are required to keep copies of all receipts for their records.

2. Student Activity Forms

- a) Goods/services purchased on the P-Card in relation to a University student-focused and/or sponsored event must have the Student Activity Form completed and attached as supporting documentation along with a copy of a flyer and/or advertisement of the event. A list of attendees must also accompany the documentation if the activity is reserved for a certain student/group or organization and not open to the entire student population. A copy of the agenda or a summary of the activity's objectives may be requested to support any team activity.

3. Travel Authorization Summary/Settlement Forms

- a) Approved business expenses generated while engaged in job-related travel will require a travel summary and/or travel settlement as supporting documentation.
- b) In the case where travel related expenses are prepaid, a copy of the signed travel authorization must be included with the receipt documentation. Prepaid travel receipts must include name of traveler and all travel information. A copy of the agenda or meeting invitation to justify business purpose for travel should be attached. Once travel has been completed, the travel summary and/or settlement must be sent to Procurement Services to attach to all travel transaction(s) in Oasis.
- c) For all athletic, student and academic team travel related purchases a copy of the team roster, schedule or flyer for event must be included as supporting documentation

4. Hospitality Forms

- a) Food purchased for hospitality must have a hospitality form completed and attached. Hospitality includes food, beverage (**alcoholic beverages prohibited**) and supplies therein to host guests of the University or to provide an allowable employee meal.
- b) For hospitality related expenses for employee meetings and/or training a copy of the agenda (to include meeting start and end times), meeting minutes, and/or a detailed summary of what was

discussed during the training to include the training/meeting objectives. (See section IV.I – Employee Meals.)

5. Statements

- a) Cardholders will receive an individual statement detailing all P-Card activity. Cardholders are required to reconcile their receipts to the statement.
- b) Statements are to be signed by the cardholder and the cardholder's supervisor and forwarded to Procurement Services after cardholder reconciliation is complete. Cardholders should retain a copy of the statement signed by both parties for their records.
- c) Cardholder statements with all required signatures are due to Procurement Services by the 8th of every month. Should the 8th of the month fall on a weekend, the reconciliation and paperwork are due by the preceding Friday. Deadlines are subject to change at the discretion of Procurement Services in order to meet any deadlines set by the WVSAO – P-Card Division. If a deadline will be changed, this information will be disseminated to all cardholders in a timely fashion.

E. Transaction Reconciliation in wvOasis

1. To ensure Shepherd University's compliance with WV State Purchasing Card Policy & Procedures all cardholders are required to complete an electronic reconciliation through wvOasis and submit their required paperwork by the 20th of each month. Should the 20th of the month fall on a weekend, the reconciliation and paperwork are due by the preceding Friday. Deadlines are subject to change at the discretion of Procurement Services in order to meet any deadlines set by the WVSAO-P-Card Division. If a deadline will be changed, this information will be disseminated to all cardholders in a timely fashion.

- a) Once the statements are available in Citibank and/or US Bank, cardholders receive an email reminder of the reconciliation's due date. It is the cardholder's responsibility to communicate any issues he/she may be having retrieving the statement.

2. Cardholders should be maintaining their electronic reconciliation on a weekly basis, at minimum, to allow easier compliance of the required timeframe and more accurate budget reporting.

3. Cardholders will be emailed weekly by his/her assigned Coordinator if transactions with a transaction date of 5 or more days have not been reconciled. It is the cardholder's responsibility to communicate to his/her

assigned Coordinator any issues he/she may be having reconciling a transaction.

4. Reconciliation in wvOasis includes the following:

- a) Cardholders and/or their processors attaching the necessary documentation to the transaction in PDF format on the PRCUU table.
- b) Cardholders and/or their processors must input and/or verify that the correct budgetary information has been completed on the PRCUU table as every cardholder has an established default funding.
- c) Cardholders and/or their processors must insert a business purpose as well as description of item in the comment box in the General Information section of Oasis and/or on the receipt/paid invoice.
- d) Cardholders and/or their processors must mark the transaction "Reconciled" once all information has been attached and data inputted.
- e) Cardholders and/or their processors must correct any system errors that may occur within the reconciliation process to ensure complete reconciliation.

F. Business-Related Travel Purchases

1. Approved business expenses generated while engaged in job-related activities away from the regular place of employment may be placed on the P-Card.

2. These expenses include, but are not limited to the following:

- Registration fee payments,
- Airline ticket payments,
- Vehicle rental payments,
- Gasoline for rental vehicles,
- Other transportation tickets,
- Hotel folio payments including business related costs such as business phone charges and business internet access.

3. Prohibited travel expenses purchased with P-Card include the following:

- Food expenses,
- Personal expenses on hotel folios such as phone charges, movies, room service,
- Gasoline/Fuel for personal vehicles
- Travel insurance,
- Personal travel expenses including early bird check in fees and seat upgrade fees.

G. Team/Student Travel

1. Approved Athletic, Student and Academic team travel related expenses can be purchased on the P-Card.

- a) These purchases include but are not limited to the following:
- Food expenses for students and staff accompanying students in a chaperone capacity,
 - Registration fees,
 - Ticket purchases for entry,
 - Vehicle rental payments,
 - Lodging expenses.

H. Team/Student Activities

1. Purchases in relation to structured and planned team activities may be placed on the P-Card. These activities must have a clear objective and must be accompanied by a Student Activities Form. (See section IV.D.2.)

I. Employee Meals

1. According to the WV Ethics Commission, State funds should only be used for employee meals when it is of primary benefit to the agency and held on the University's premises. (See Advisory Opinion A.O. 2012-27) At Shepherd this includes:

- a) A training environment that extends through the lunch period. This would include any mandatory staff/faculty training with the documented objective of professional development of the individual(s) in relation to his/her duties at Shepherd University.
- b) A working meeting that extends through the lunch period. This would include a business meeting in which it would be more convenient to serve lunch than break for lunch or the meeting is scheduled during the lunch period for operational convenience of the University.
- c) A meal for an employee who is traveling or attending a meal in a chaperone capacity for student/team events.
- d) An event that includes hospitality that is hosted by the university and is open to the public.
- e) An employee hosting a guest of the University to include but not limited to; candidates for employment, guest speakers, and other guests and community members with a justified business relationship with Shepherd.

J. Usage Restrictions

1. Except where otherwise exempted by statute, rule, or waiver from the State Auditor's Office P-Card Division, the P-Card may not be used to obtain cash, cash credits, or cash advances.

2. Upon prior approval from the State Auditor's Office P-Card Division, the P-Card may be used for the purchase of gift cards, where authorized by applicable law, rules and regulations, or other governing instrument.
3. Fixed assets may only be purchased by Procurement. A fixed asset is any single item greater than \$1000.00 and has a useful life greater than one year.
4. Institutional membership and association dues must be processed through the Procurement Services Office. Individual cardholders may not place these charges on his/her P-Card.
5. Individual memberships and association dues are not allowable with the following circumstances identified below. All exceptions require verifying documentation submitted with invoice/application. Individual cardholders may not place these charges on his/her P-Card. They must submit these to the Procurement Services Office for processing.
 - a) Required to attend training/conference,
 - b) Fee and registration are lower in cost than registering as a non-member,
 - c) Required certification to legally perform duties,
 - d) Cost of institutional membership does not justify expense when one individual membership provides the necessary benefits.
6. Budgeted funds must be available before a transaction is initiated.

K. Ordering

1. Payments may be made with the P-Card by phone, fax, mail, secured internet site, or in person.
2. Payments may be made through PayPal or other 3rd Party Payment processors such as Amazon Marketplace.
3. When paying by phone, fax, mail, or internet, the vendor should be provided with a complete shipping address. Shipping and Handling charges must be included in the stated price and the total charge may not exceed the cardholder's assigned transaction limit.
4. When placing the order, the vendor should be instructed to provide an itemized invoice or receipt. The vendor may not charge the account until the merchandise has been shipped.

L. Prohibited Activities

1. P-Card delegation is prohibited. P-Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or P-Card number to

initiate or complete a transaction. P-Card delegation includes allowing an individual other than the cardholder to:

- a) Have physical possession of the P-Card to make payments to point of sale vendors
- b) Have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;
- c) Have access to receipts or invoices that display the P-Card number and expiration date.

2. Stringing is prohibited. Stringing is defined as manipulating ordering, billing, or payment processes in order to circumvent established purchasing regulations, cardholder transaction limits or cardholder credit limits.

M. Ethics & Vendors

1. Employees of Shepherd University may not accept bribes, gratuities, or kickbacks from vendors.
2. Gifts from vendors may only be accepted if they are of a nominal value, they are unsolicited, and they are shared or distributed fairly throughout the organization.

- a) Any gift received from a vendor including those received as part of a promotional item with a purchase must be reported to Procurement Services. Procurement Services will instruct the cardholder on how to include documentation of its business use to include in the cardholder's file and/or with the related P-Card transaction.
- b) Gifts may also be donated to charities. Procurement Services will handle the distribution to the charitable organization.
- c) Any gift in excess of the amount noted in the State's Ethics Act, (WV Code 6B-1-1, et seq) "The Ethics Act," should be returned to the vendor if possible and reported to Procurement Services who will then inform WVS AO.

N. Receiving Reports

1. State Auditor's Legislative Rule 155 CSR, §155-1-5 requires "receiving reports" be filed with the State Auditor's Office for all commodities purchased for the State.
2. P-Card "Receiving Reports" include:

- a) Successful completion of the transaction's Receipt Date and Receiver fields on the PRCUU table by the cardholder or the authorized receiver.
- b) Itemized receipts which are signed by the receiver and state in writing the date the goods or services were received,
- c) Itemized packing slips which are signed by the receiver and state in writing the date the goods or services were received and are attached to the transaction on the PRCUU during the reconciliation process,
- d) A Receiving Report document complete with the list of the goods and/or services received, the signature of the individual who received the goods, the date the goods and/or services were received and with the P-Card box checked to indicate a P-Card purchase. This should be attached to the transaction on the PRCUU during the reconciliation process.

V. Card Issuance and Limits

- A. P-Cards are issued to employees who are responsible for purchasing activities in their department/division and to employees who travel frequently.
 - 1. Department heads and/or supervisors request cards for their staff and if a determination is made that an account is warranted the training process is started.
 - 2. The process for card issuance is as follows:
 - a) An email or other form of written request is made by the supervisor and sent to the Program Manager.
 - b) The Program Manager analyzes the need of P-Card based on position within the University and other P-Card availability within the department.
 - c) Program Manager requests a completed P-Card Supervisory/Budget Manager Oversight Form from the supervisor/budget manager.
 - d) P-Card Supervisory/Budget Manager Oversight Form is completed by the supervisor/budget manager.
 - e) Once completed P-Card Supervisory/Budget Manager Form is received, cardholder is instructed on how to create and take training via myApps P-Card training module.
 - f) Once confirmation of the completion of training has been received, a cardholder application is completed via a PCC in wvOasis by the Program Manager and/or his/her designee with cardholder information, transaction/monthly limits, hierarchy information and accounting template.

- g) Once the PCC is approved at Level 1 and 2 and by the State Auditor's Office, the cardholder is mailed a purchasing card and contacts a P-Card Coordinator for training of Shepherd policies and procedures prior to activation.
 - h) Once a cardholder makes charges, he/she schedules to meet with a P-Card Coordinator on training with regards to the reconciliation process.
- B.** Limits are reviewed periodically by the Program Manager and are subject to the State Auditor's approval. Limits are determined by factors such as budget restraints and frequency of use.

VI. Training

- A.** All cardholders must successfully complete P-Card training modules set forth by the State Auditor's Office P-Card Division.
- 1. Training modules are web-based and must be completed biennially.
 - 2. Training records are retained by the coordinator.
- B.** In-House training is required.

VII. Fraud, Misuse and Abuse

Failure to comply with P-Card Policies and Procedures, rules, and law associated with the State P-Card Program may result in revocation or limitation of P-Card privileges, a period of probation, or mandatory P-Card training in addition to any other disciplinary action deemed necessary or appropriate. Fraud, misuse and abuse are prohibited.

A. Definitions

- 1. Fraud: A deception deliberately practiced in order to secure unfair or unlawful gain.
- 2. Misuse/Abuse: The improper, unlawful or incorrect use, compromise or misapplication of the P-Card.

B. Examples

- 1. Fraud: Intentional use of the P-Card to make purchases for personal use or non-state business.
- 2. Misuse/Abuse: Failure to maintain security by protecting your P-Card.
- 3. Misuse/Abuse: Paying for items in which the P-Card is not authorized for payment.

4. Misuse/Abuse: Purchase of authorized goods or services at terms (e.g. price, quantity) that are excessive.

VIII. Failure to Follow P-Card Policies and Procedures

Individuals who fail to properly follow the P-Card Policies, rules, and laws associated with the P-Card Program will be found as being in violation of and non-compliance of P-Card Policies and Procedures. These individuals are subject to disciplinary action up to and including revocation or limitation of P-Card privileges, a period of probation and/or mandatory P-Card training. Misuse of the P-Card will be handled promptly and uniformly for all cardholders. Any instance of misuse or violation of the Purchase Card Policies and Procedures is documented by the Program Manager and self-reported to the State Auditor's Office.

A. A point system has been established to assess violations. The number of points assigned to each cardholder will remain on file with Procurement Services.

| Violation | Point Value |
|--|---|
| Receipt and Supporting Documentation Not Provided or Submitted | |
| 1 st Notice (points not cumulative) | 0 |
| 2 nd Notice | 10 |
| 3 rd Notice | 30 |
| 4 th Notice | 50 & P-Card Transaction Limit Reduced to \$1 until Documentation Received |
| Business Purpose Not Provided | 10 |
| Card Delegation | 200 |
| Personal Purchase (Intentional) | 200 |
| Personal Purchase (Accidental) | 50 |
| Restricted Purchase (Accidental) | 50 |
| Restricted Purchase (Intentional) | 150 |
| Sales Tax Not Refunded Within 1 Month | 50 |
| Signed Statement Not Submitted by Due Date | 50 |
| Reconciliation Not Completed by Due Date (20 th of the month unless otherwise noted) | 50 |
| Invoice Exception Report Completed in lieu of Receipt from Vendor | 50 |
| Stringing of Purchases | 150 |
| Non-Allowed Purchase (Does Not Fall Under Personal or Restricted) | 50 |

B. The table below explains the action that will be taken once the cardholder has reached a specific point total. The total points per cardholder include all points assigned to the cardholder over a rolling three year period. At the conclusion of three years (from date points were accumulated), a cardholder’s point value for that particular and/or all violations will be forgiven and reset to 0.

| Total Points 3 Year Total | Action Taken | Individuals Involved |
|---------------------------|---|---|
| 75 | Written Warning by Email | Cardholder, Direct Supervisor, Program Manager |
| 150 | Formal Memo Mandatory Retraining Probationary Period Up to and Between a Period of 3-6 months Monthly Limit Reduced to \$1,000 | Cardholder, Direct Supervisor, Program Manager, CPO, CFO |
| 200 | Formal Memo Card Cancellation | Cardholder, Direct Supervisor, Dean/Director, Program Manager, CPO, CFO |

C. New cardholders will receive a grace period of six months from the date of the completion of all new cardholder training before points are assigned for violations.

D. If card privileges are revoked, Procurement Services, at its discretion, may elect to reinstate the privileges after additional training or other corrective measures have been completed, depending on the severity of the violation.

E. Cardholders are able to earn “Good Points” to offset any violation points earned.

F. The process of tracking points, administering disciplinary action and earning “Good Points” is outlined in the Shepherd University P-Card Violation Point Tracking and Disciplinary Action Process on file in the Procurement Services Office.

Shepherd University reserves the right to suspend a cardholder’s P-Card privileges at any time if it is deemed to be appropriate. Privileges may be revoked pending the completion of any investigation, or if the severity of the violation warrants such action.