

**GRAYS HARBOR COLLEGE**  
**Administrative Procedure**

**Subject: PURCHASING CARDS**

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**Administrative Procedure Number: 507.01**

**Date adopted:**

Grays Harbor College utilizes the purchasing card program offered by the Washington State Department of Enterprise Services. Washington purchasing card laws are governed by the Office of Financial Management SAAM 40.30.40 and Washington State Department of Enterprise Services Policy No. FO.03.01. Statewide purchasing card policies, Grays Harbor College Purchasing Card Procedures, and any other applicable laws shall be followed by all employees involved in any part of the purchasing card program.

Purchasing cards are issued to individuals authorized by the approving supervisor. Dollar limits are stated in the cardholder's "Purchasing Card User Agreement." The card is to be used only for official state business purposes.

- **You may not intentionally unbundle or manipulate a purchase to stay below the purchasing card limits, or to avoid the competitive procurement process.**
- **You may not make personal purchases with the intent to reimburse Grays Harbor College.**

**ESTABLISHING A NEW ACCOUNT**

- Employee supervisor requests procurement card from Purchasing Office (PO) and provides PO with:
  - single transaction limits
  - monthly billing cycle limits
  - authorization controls
- Once information is received, the Purchasing Office:
  - creates and forwards "Purchasing Card User Agreement" to employee
  - requests purchasing card from bank.
- "Purchasing Card User Agreement" is signed by employee, supervisor, and returned to Vice President for Administrative Services for authorization.
- Vice President for Administrative Services approves and returns the "Purchasing Card User Agreement" to the Purchasing Office.
- After Purchasing Office receives "Purchasing Card User Agreement" and card, cardholder is contacted to schedule purchasing card training.
- After user training is completed, purchasing card is provided to employee.

**STATE OF WASHINGTON TRAININGS**

All purchasing card users are required to take the WA State Small Purchases and WA State Purchasing and Procurement Ethics online trainings provided by the Department of Enterprise Services. After card user receives purchasing card, the Purchasing Office notifies Human Resources to initiate trainings. Human Resources sends online course link(s) to user. Trainings shall be completed within 90 days of final signature listed on

the “Purchasing Card User Agreement.” Training certificates shall be submitted to the Purchasing Office.

### **ONLINE ACCOUNT REGISTRATION**

All purchasing card users shall create an online purchasing cardholder account with bank. Users will be responsible for obtaining monthly bank statements from online account after the billing cycle closes. Online registration will allow users to view current transactions, card limits, available credit limits, and sign up for fraudulent activity bank alerts, etc. Cardholders should monitor online transaction activity on a regular basis.

### **PROHIBITED PURCHASING CARD PURCHASES**

- Alcoholic beverages
- Controlled substances
- Donations
- Cash advances
- Fines, late fees, or penalties
- Interest/finance charges
- Lobbying costs
- Consultants, performers, and speakers fees/honorariums
- Purchases for services subject to prevailing wage requirements
- Prepayments unless exempt
- Purchases for personal use
- Unbundling purchases to avoid competitive or purchasing card limits
- Equipment, materials, services, and supplies restricted by state rules, policies, procedures or contractual agreements
- Purchases between and within state agencies unless the paying or receiving account is local

### **PURCHASING CARD PROCESS**

- Cardholder makes purchase(s) and records information on “Transaction Log.”
- Following the close of the monthly billing cycle, the card user obtains monthly bank statement through their online account.
- Cardholder reconciles “Transaction Log,” monthly bank statement, and supporting documentation.
- PURCHASE CARD MONTHLY PACKET (PCMP): Card user combines receipts, invoices, order confirmations, confirmations of items and/or services received signed/initialed and dated (by someone other than the purchasing card user), other necessary forms, approvals if needed, “Transaction Log,” and monthly bank statement, in to PCMP.
- Cardholder signs and forwards completed PCMP to approving official for signature. (NOTE: If a non-departmental budget is utilized, authorized budget manager must also approve.)
- Approving supervisor reviews, signs, and forwards PCMP to Purchasing Office or returns it to user to forward to the Purchasing Office.
- Purchasing Office reviews PCMP for compliance, modifies if necessary, and forwards paperwork to Business Office.
- Business Office reviews PCMP for compliance, modifies if necessary, expedites payment to the bank, and conducts internal fund transfers.

### **BUILDING THE PCMP: RECORDS/RECONCILIATION/DOCUMENTATION**

- All items listed on the online monthly bank statement must be recorded on the “Transaction Log” including credits.
- The “Transaction Log” must be completely filled out (including budget codes(s) xxx- xxx-

- xxxx), signed by purchasing card user, signed by authorizing supervisor, and budget manager if necessary.
- The amount of each ‘transaction’ listed on the monthly bank statement must match, by ‘transaction,’ the amount listed on the “Transaction Log,” as well amounts on supporting documentation.
  - “Transaction Log” information and supporting documentation should be in the same order as monthly bank statement.
  - “Transaction Log” should be the first document, followed by the monthly bank statement, and lastly the supporting documentation.
  - An order confirmation, invoice, receipt, or packing slip must be attached to the purchasing card documentation for each purchase that includes: the merchant name and address, transaction date, along with an **itemized** list of items and/or services and costs associated with purchase.
  - An invoice, receipt, order confirmation, substitute packing slip, or packing slip signed/ initialed and dated (by someone other than the purchasing card user) must be attached to the purchasing card documentation. Proof of delivery or services received must be provided for each transaction.
  - Receipts must be retained and are required for documentation purposes. If an adequate receipt is not available from merchant, the “Record of Expense” form needs to be completed and attached to the purchasing card documentation.
  - Credits, fraudulent activity, and disputed billings must be identified on purchasing card documentation. Disputed transactions need to be completed on the “Dispute Form” and attached to the documentation.
  - If applicable, prior approvals must be submitted with purchasing card documentation.
  - If unintentional misuse of the purchasing card occurs, a copy of the deposit form submitted to Cashier shall be attached to the purchasing card documentation.
  - All purchasing card documentation must be secure to prevent misplacement or loss. If documentation is too large to utilize staples, attach documentation in the best method possible. Small receipts should be secured to 8 ½ x 11 paper.
  - Completed PCMP (i.e., “Transaction Log,” monthly bank statement, and supporting documentation) may be scanned and submitted electronically.

## **IMPORTANT DATES**

### **Monthly Billing Cycle Date**

- The monthly billing cycle runs from the middle of one month to the middle of the next month.
- The final day of a billing cycle usually falls on the 15th of any given month. If the 15th falls on a weekend, the final day of a billing cycle is the next business day. The start of a new billing cycle begins the next day following the close of the previous billing cycle.

### **Monthly Documentation Due Date**

- Completed PCMP is due in the Purchasing Office **no later than the last business day of current month following the billing cycle.**
- Confirmation of items and/or services received (documentation signed/initialed and dated by someone other than purchasing card user) are due in the Purchasing Office **no later than four (4) weeks after a billing cycle close day.**

## **CARDHOLDER RESPONSIBILITIES**

- Using purchasing card in accordance with all applicable statutes, rules, policies, and procedures.
- Understanding and complying with purchasing card procedures.
- Registering cardholder account with bank.
- Obtaining monthly bank statements.
- Signing back of purchasing card.

- Keeping cards in a safe and secure location.
- Maintaining a “Transaction Log” for all transactions.
- Immediately informing the Purchasing Office when a purchasing card is lost, stolen, or suspect unauthorized use of purchasing card.
- Not lending or sharing purchasing card.
- Acquiring supervisor approval to adjust card limits (when necessary).
- Making fair and cost effective purchasing decisions.
- Verifying accuracy of the monthly bank statement, “Transaction Log,” and supporting documentation.
- Ensuring approved and completed PCMP is submitted to the Purchasing Office no later than due date.
- Working with merchant and/or Program Administrator to handle disputes for unauthorized charges.
- Verifying items ordered are correct for each shipment.
- Resolving delivery problems with vendor.
- Coordinating merchandise returns, credits, and exchanges with merchant.
- Obtaining appropriate purchasing documentation from vendors.
- Ensuring all orders are received no later than four (4) weeks after the billing cycle close date, unless exempt.
- Cancelling purchases if orders are not received within (4) weeks after the close of the billing cycle, in which the purchase was made. (Some purchases may be exempt from this requirement, see PREPAYMENTS/DEPOSITS below).
- Completing required State of Washington trainings within 90 days of final signature listed on the “Purchasing Card User Agreement” and submitting training certificates to the Purchasing Office.
- Surrendering purchasing card to Purchasing Office on request or termination of employment.

#### **APPROVING SUPERVISOR RESPONSIBILITIES**

- Complying with all applicable statutes, rules, policies, and procedures.
- Monitoring card activity for patterns of misuse and non-compliance, and, when necessary, taking appropriate disciplinary measures with card holders.
- Establishing authorization controls for each card (i.e., types of purchases, single transaction limit, monthly billing cycle limit, etc.).
- Approving new account holders.
- Reviewing and approving card user documentation.
- Ensuring PCMP is accurate and complete.
- Providing written notification to the Purchasing Office when user limits need to be temporarily increased and the amount of the new limit.

#### **PROGRAM ADMINISTRATOR RESPONSIBILITIES**

- Complying with all applicable statutes, rules, policies, and procedures.
- Setting up and managing purchasing card program.
- Ensuring PCMP compliance.
- Providing purchasing card training.
- Developing, modifying, and implementing purchasing card procedures.
- Notifying purchasing card users and approving officials of policy, procedure, and/or law changes.
- Maintaining a list of authorized purchasing card users and account information.
- Retaining “Purchasing Card User Agreement” forms.
- Collecting, suspending, and/or cancelling purchasing cards upon employee termination, or as necessary.

- Reviewing account(s) and “Purchasing Card User Agreement” forms, at least every 3 years, and making adjustments if needed.
- Requesting new accounts from bank, activating cards, and distributing cards to appropriate users.
- Resolving merchant disputes with bank within 60 calendar days.
- Communicating with bank regarding card declines, authorization controls, lost cards, fraud, disputes, and other concerns.
- Adjusting purchasing card limits.

#### **BUSINESS OFFICE RESPONSIBILITIES**

- Complying with all applicable statutes, rules, policies, and procedures.
- Ensuring PCMP meets compliance requirements.
- Reconciling purchasing card documentation with corresponding monthly bank invoices.
- Ensuring items and/or services are received prior to making bank payment, unless exempt.
- Ensuring timely payment to bank per payment terms to avoid late payment fees, making effort to take advantage of incentives, and applicable rebates.
- Recording purchasing card transactions in the accounting system.
- Complying with Department of Revenue sales and use tax requirements.
- Ensuring Office of Financial Management expenditure coding reporting requirements.
- Retaining PCMP documentation in accordance with agency procedures and state records retention laws.

#### **PREPAYMENTS/DEPOSITS**

State of Washington law states “goods and services generally must be received prior to payment.” Confirmation of items and/or services received (documentation signed/initialed and dated by someone other than purchasing card user) must be attached to the completed PCMP or due in the Purchasing Office no later than four (4) weeks after the billing cycle close date. Purchasing card transactions are considered “prepayments” when items and/or services are not received within four (4) weeks after the billing cycle close date. In order to ensure receipt of goods and services is appropriately documented and recorded, purchasing card users should utilize the requisition process if contracts or vendors request deposit or prepayment and the item and/or service is not received within four (4) weeks after the billing cycle close date.

Grays Harbor College is allowed to make “prepayments” for equipment maintenance services (up to 60 months in advance), subscriptions (up to 36 months in advance), postage, books, periodicals, and travel related expenses.

#### **TECHNOLOGY PURCHASES**

Prior to the purchase of IT supplies and equipment, card user must obtain written approval from the Chief Executive of Information Technology. The purpose for authorization is to ensure equipment and supplies are compatible with our current systems, reflect best price available, and/or the equipment needed is not already available for use. Approval must be included with PCMP. IT supplies and equipment includes anything connected to or relies on a computer to function (monitors, keyboards, software, scanners, etc.).

Devices exempt from needing approval:

- Flash drives
- Removal media (i.e. CD-R's)

#### **FURNITURE PURCHASES**

Prior to the purchase of furniture, card user must obtain written approval from Chief of Campus

Operations. The purpose for authorization is to ensure quality and consistency. Approval must be included with PCMP. Furniture includes file cabinets, desks, tables, office partitions, whiteboards, tackboards, chairs, bookshelves, and other shelving.

### **INTERNAL CONTROL**

The Grays Harbor College internal control process aligns with SAAM Chapter 20. The cardholder must sign "Transaction Log." The immediate supervisor of a cardholder must sign "Transaction Log" for purchase authorization. If cardholder's direct supervisor is unavailable for signature, a designated signer, or the immediate supervisor's superior will be the alternate purchase authorizer.

Signature/initials of budget manager or email authorization is required when a non-departmental account is assigned to transactions.

An invoice, receipt, order confirmation, substitute packing slip, or packing slip signed/initialed and dated (by someone other than user) for each transaction is required in order to confirm items and/or services are received.

Periodic program and procedure reviews will be conducted to determine if effective controls and appropriate use of purchasing cards are being exercised.

Purchasing card transactions are subject to audit with the terms and conditions of the purchasing card program. Grays Harbor College is required to retain documents for purchases made using purchasing card according to agency procedures and state retention laws. Records must be available for audit on request.

### **SALES TAX AND USE TAX**

Grays Harbor College is not a tax exempt entity. State of Washington law requires the college to self-assess use tax when a merchant does not charge sales tax on a taxable transaction. If applicable, use tax will be added to the transaction when sales tax is not included, and will be payable to the Washington State Department of Revenue.

### **SHIPPING & RECEIVING**

All orders must be shipped or delivered to Grays Harbor College. For all items delivered to Central Receiving on main campus, the Receiving Department verifies the items received match those listed on the packing slip. If a packing slip is not available, a substitute packing slip is created by the Receiving Department. A signed/initialed and dated packing slip (or substitute packing slip) is placed in the box and delivered to the campus purchaser.

**For all items delivered via USPS,** packages are not opened by the Receiving Department. Someone, other than purchasing card user, must verify order delivery by signing/initialing and dating a packing slip, invoice, order confirmation, or receipt.

If items are picked up from merchant, delivered to another campus location, or directly delivered to user, someone other than purchasing card user must verify order matches delivery by signing/initialing and dating a packing slip, invoice, order confirmation, or receipt. This process also applies to services received.

It is the responsibility of card user to ensure purchased orders match delivered orders. The cardholder is responsible for handling delivery issues and/or returns with merchant. The purchasing card user shall contact Receiving Department to make return shipping arrangements.

For orders delivered to Central Receiving on main campus, please place the acronym 'PC' in front of your name on the shipping label. This alerts the Receiving Department that the delivery is a purchasing card order and will ensure items are delivered in an efficient manner. See example below.

PC Sally Baker  
Grays Harbor College  
1620 Edward P. Smith Drive  
Aberdeen, WA 98520

## **SECURITY**

Purchasing cards and account numbers must be safeguarded against loss, theft, and unauthorized use. Cardholders must ensure cards and numbers are kept in a secure and safe location at all times.

Only users that sign a "Purchasing Card User Agreement" are allowed to make purchases with the purchasing card. You may not allow someone to use your card or provide account number to others.

Cardholders must ensure only the last 4 digits of account are listed on the "Transaction Log." All documents that include account number must be blackened or removed by user.

Cardholders going on leave or out for a significant amount of time shall turn in cards to the Purchasing Office or shall keep card in a secure and safe location until they return.

Only conduct purchases with familiar or safe merchants.

When conducting purchases on the web make certain a vendor can be trusted and site is secure. Use caution when providing information and account numbers. After orders are placed online, always log out of accounts.

### **Browser Security**

#### **Microsoft Internet Explorer Browser**

Internet Explorer will display a symbol of a closed lock at the end of the address bar indicating website is secure. The web address should also begin with "https://" (the "s" certifies the page is secure). Reputable and trusted vendors will display a secure shopping guarantee on the website. Clicking closed lock icon and guarantee will display security information.



### Microsoft Edge Browser

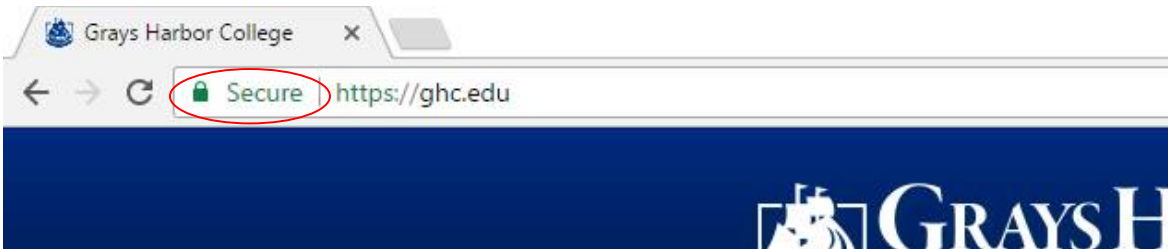


### Apple Safari Browser

Safari will display a closed padlock in upper right corner indicating a secure site. Clicking the icon will show security information.

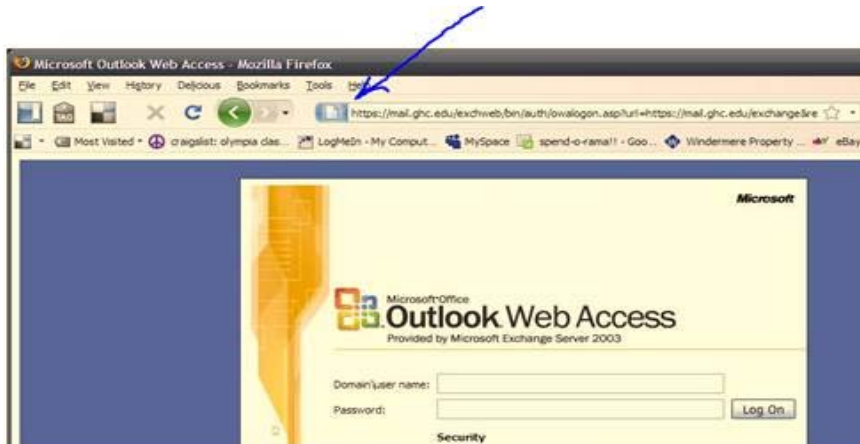


### Google Chrome Browser



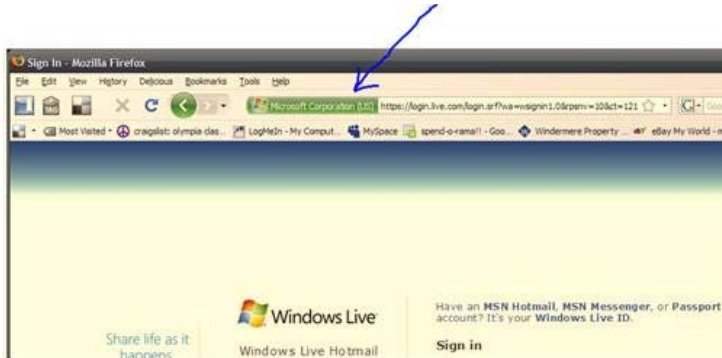
### Mozilla Firefox Browser

Firefox will display certificate information next to address bar indicating a secure site. Clicking the icon will show security information





Or



## ETHICS IN PUBLIC SERVICE

### RCW 42.52-Ethics in Public Service

(1)(a) A state officer or employee of an agency who seeks to acquire goods or services or who participates in those contractual matters is subject to the requirements in RCW 42.52.150.

(b) A contractor who contracts with an agency to perform services related to the acquisition of goods and services for or on behalf of the state is subject to the requirements in RCW 42.52.150.

(2) No person or entity who seeks or may seek a contract with a state agency may give, loan, transfer, or deliver to any person something of economic value for which receipt of such item would cause a state officer or employee to be in a violation of RCW 42.52.040, 42.52.110, 42.52.120, 42.52.140, or 42.52.150.

## NON-COMPLIANCE AND MISUSE

It is the responsibility of purchasing card users and approving supervisors to comply with statewide purchasing card policies, Grays Harbor College Purchasing Card Procedures, and any other applicable laws.

Grays Harbor College reserves the right to temporarily suspend or cancel any card when there is clear evidence of misuse and/or a pattern of non-compliance.

- Examples of non-compliance include, but are not limited to: missing documentation, missing signatures, late submissions, and incomplete “Transaction Logs.”
- Examples of misuse include, but are not limited to: manipulating purchases to avoid card or competitive limits, personal charges, and making prohibited purchases.

### Purchasing Card Process for Non-Compliance:

1. **First occurrence:** Purchasing card privileges suspended until Purchasing Office receives completed documents from user. Supervisor notified by email.
2. **Second occurrence:** Purchasing card privileges suspended until Purchasing Office receives completed documents from user. Supervisor notified by email.
3. **Third occurrence:** Purchasing card privileges suspended. Mandatory user training and/or meeting with supervisor and Vice President for Administrative Services. Purchasing card may be reinstated

**Purchasing Card Process for Misuse:**

1. Purchasing card privileges suspended until concern is resolved. Supervisor notified by email.

2. Purchasing card privileges may be permanently suspended and not eligible for reinstatement.

\*\*Card users who misuse or conduct unauthorized purchasing card purchases may be subject to termination of employment, prosecution, and penalties to the full extent provided for by law.