

# MANUAL OF PROCEDURE

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**PROCEDURE NUMBER:** 6520

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**PROCEDURE TITLE:** Miami Dade College Purchasing Card Program

**STATUTORY REFERENCE:** FLORIDA STATUTES 1001.65(1) AND 1010.04(2)

**BASED ON POLICY:** VI-2 Bidding for Commodities and Services  
VI-3A Minority Business Enterprises

**EFFECTIVE DATE:** November 8, 2005

**LAST REVISION DATE:**

**LAST REVIEW DATE:** November 8, 2005

## **I. PURPOSE**

To establish general procedures and requirements for the procurement of goods and/or services through the Miami Dade College Purchasing Card Program.

## **II. INTRODUCTION**

The Purchasing Card Program has been established to accelerate the ordering, receiving and payment process by allowing College staff to make limited purchases without the use of the standard requisition/purchase order system. The Cardholder should be a full-time employee of the College. The Cardholder will have assigned spending limitations on the card which include a dollar limit on the amount per transaction as well as monthly amounts. In addition certain vendor types are rejected by the merchant. In order to override the vendor code restriction, the Purchasing Administrator or Director of Purchasing must determine if the transaction is to be authorized. The Cardholder may not exceed these limits unless authorized by the Purchasing Card Administrator. If the limits are exceeded, transactions will automatically be declined when placing the order. The Purchasing Card can only be used for Official College purposes, and all purchases must comply with existing Purchasing rules and regulations.

The Purchasing Card is to be used to place orders for non-capital items, services, and/or minor equipment totaling less than \$1,000, with some restrictions. The concept of the Purchasing Card system is to delegate the authority, responsibility and ability to make certain purchases directly to the Cardholder. Orders can be picked up or delivered to the cardholders department or to the Receiving Department. If the order is to be delivered, the cardholder must provide the vendor with complete directions for the delivery. All packages must be clearly marked with the cardholder's name, department, and room number, complete campus address and should be clearly marked as a

“CARD ORDER”. Proof of delivery of the goods or services must be submitted with each reconciliation report. In signing the report you and your approver are attesting to the receipt of the goods or services.

### **III. PROCEDURES**

#### **A. Requesting a Purchasing Card**

To request a Purchasing Card the individual must complete the Request for Purchasing Card form. The individual’s supervisor must sign the form or other individuals as required and finally the request must be signed by the applicable Campus President, Provost or Vice Provost. Before the cardholder receives the Purchasing Card, they must also complete the Data Entry Personnel Access form. Each cardholder is assigned up to four data entry persons (one of which may be the cardholder) that must have access to all the account numbers (Qual 1’s) that the cardholder will be using. The data entry persons should already be either preparers or approvers in the Odyssey system. If either of the data entry persons do not currently have access to these accounts or to the Finance Section of the Odyssey system, then the Access/Request Change form must also be completed to grant this access. The Access/Request Change form is available on the Business Affairs website. Once all of the required forms are signed, they must be forwarded to the Card Administrator for processing. Upon receipt, the Card Administrator will develop a profile document and establish credit limits for the Cardholder. The card will be ordered from the bank and will be sent to the Card Administrator. When the card is received, the Card Administrator will schedule a training session for the Cardholder and assign the data entry persons in the Odyssey system. At the training session, the Cardholder will be required to complete and sign the Cardholder Agreement Form (a copy of which is included in this procedure. The Cardholder will be given a short training session on how to process their Reconciliation Report on line using the Purchasing Card module of the Odyssey Finance system. When all of these steps are completed, the card will be issued to the Cardholder.

#### **B. Limits and Controls of the Program**

Each Purchasing Card has limits and controls established. Should the Cardholder attempt to use the card with any restricted businesses or exceed the dollar limits established, the transaction would be automatically declined at the time the order is placed. These limits and controls include the following:

1. Restrictions on types of businesses – The College has restricted the use of the card with certain types of businesses by requesting the card issuer to block access using Merchant Category Code (MCC) through the Visa system. This code is assigned by Visa and describes the primary goods or services provided by the businesses. Restricted businesses types are listed in the Exhibit Section of this manual.
2. Dollar Limit Per Transaction – The Cardholder cannot exceed the pre-set dollar limit of \$1,000 for any single transaction without the approval of the Card Administrator. The cardholder should not split transactions in order to place orders that exceed this limit.
3. Dollar Limit Per Billing Period – The Cardholder cannot spend over the amount pre-set on the

card account for the period covering the 5<sup>th</sup> day of the month to the 4<sup>th</sup> day of the next month unless approved by the Card Administrator. This is the “monthly” limit.

4. Overspending Budget – At no time should the Cardholder exceed the dollars available in their budget during the fiscal year.
5. Cash Advances – Such advances are not allowed under the Program.

### C. Cardholder Responsibilities

The Cardholder must use the Purchasing Card for College related business only. Misuse of the card will subject Cardholder to disciplinary action in accordance with the College’s Policies and Procedures relating to disciplinary action and termination. Before the Cardholder is issued a card, they are required to attend a training session scheduled by the Card Administrator. The Cardholder’s responsibilities include the following:

1. Keeping the Purchasing Card secure at all times
2. Not allowing others to use the Purchasing Card
3. Adhering to the limits and restrictions of the Purchasing Card
4. Retaining detailed sales slips, register receipts, and/or charge slips that indicate the items or services charged and reconciling these transactions to the card statement
5. Notifying vendors of sales and use tax exemption status of the College, and verifying that the total amount charged does not include State of Florida sales tax before signing the receipt or when placing an order by phone, fax or Internet
6. Obtaining a credit for the full amount of the State of Florida sales tax charged by the vendor, if charged
7. Processing the on-line transactions, through the Purchasing Card module of the finance system, and assigning each transaction a Qual and a GL code
8. Printing the corresponding Reconciliation Report on line
9. Submitting the Reconciliation Report and all of the supporting documents (charge slips, sales slips, register receipts and paid invoices) to their Authorized Approver for review and approval
10. Attempting to resolve disputes or billing errors directly with the vendor and notify the card issuer if the dispute or billing error is not satisfactorily resolved by faxing the required Cardholder Statement of Disputed Items directly to the bank
11. Marking any on line transactions as “Disputed” when they have been officially reported to the bank. These are not processed until the dispute is resolved and then will be automatically

- credited and resolved or re-billed as necessary
12. Ensuring that cash is not accepted in lieu of a credit to the Purchasing Card
  13. Immediately reporting a lost or stolen card to the bank at 1-888-449-2273 (24 hours a day, 365 days a year)
  14. Immediately notifying the Authorized Approver and Card Administrator of a lost or stolen Purchasing Card at the first opportunity during normal business hours, and faxing a completed “Lost/Stolen Card” form to the Card Administrator. The form is available on the Business Affairs website.
  15. Upon terminating employment with the College, returning the Purchasing Card to the Authorized Approver, who will then return it to the Card Administrator
  16. If transferring to another Campus or department within the College, obtaining permission to continue to use the Purchasing Card by completing and submitting a “Request for Authorization Change” form. The form is available on the Business Affairs website.
  17. Contacting the Card Administrator, if a transaction is declined because a firm is classified as a business type that has been restricted by the College and it is important to access this vendor
  18. Contacting the Card Administrator for emergency or urgent transactions that require an increase in any of the card transaction limits, contact the Card Administrator for authorization.

Serious or repeated misuse or abuse of the Purchasing Card will result in the cancellation of the card as well as disciplinary action up to and including termination of employment and prosecution to the extent permitted by law.

#### D. Responsibilities of the Authorized Approver

Each Cardholder will report to an Authorized Approver. An Authorized Approver may be assigned more than one cardholder. The Authorized Approver should be the Cardholder’s supervisor or at a level higher than the Cardholder. When the Authorized Approver signs the Request for Purchasing Card form, before the card is issued, they are agreeing to the following responsibilities. The Authorized Approver’s responsibilities include the following:

1. Reviewing charge slips, receipts, card statement and Reconciliation Report to insure that purchased goods/services were for official use and that the purchases were in accordance with College policy and procedures
2. Insuring that all charges are properly documented
3. Verifying that the correct general ledger code is used for each transaction

4. Upon approval, signing the Reconciliation Report and submitting all documentation to the Card Administrator, Purchasing Department for processing within sixty (60) days after the statement date
5. Attempting to resolve the issue with a Cardholder when purchases are determined to be inappropriate. Suggested remedies include having the Cardholder provide a credit voucher proving the item(s) were returned for credit or have the Cardholder issue a personal check payable to the College for the full amount of the disputed purchase. If this situation occurs, the Authorized Approver should notify the Card Administrator.
6. Notifying the Card Administrator within 3 to 5 working days of any unresolved vendor disputes, noting the reason for dispute and the details
7. Requesting the Card Administrator to cancel a Cardholder's card (e.g. terminated employees, transferring departments, loss of purchasing card privileges) when authorized to do so
8. Securing canceled cards from Cardholders and forward them to the Card Administrator
9. Assisting the Cardholder(s) with emergency transactions
10. Insuring that Cardholders are in compliance with procedures and guidelines established for the Purchasing Card Program, as outlined in this Procedure

#### E. Data Entry Personnel and Responsibilities

In the event that a cardholder is also a data entry person, then their responsibilities remain the same as those stated above for the Cardholder. When the cardholder has designated persons other than themselves as the data entry person, then their responsibilities are as follows:

1. Processing the on-line transactions from the receipts, statement and other information given by the Cardholder in a timely manner. All transactions should be completed within sixty (60) days of the statement date
2. Verifying the availability of funds prior to processing the transactions. The finance system will allow transactions to post to the General Ledger, even if a deficit is caused. When this occurs, the data entry person must notify the Budget Manager of the account so they can correct the deficit
3. Using the appropriate General Ledger Code for each transaction. This may involve the processing of budget transfers, and/or the requesting of chart of account modifications, as needed. Questions regarding the appropriate General Ledger Codes should be directed to Purchasing Department. In addition, an explanation of all current codes is available on the Business Affairs website.
4. Printing the reconciliation report using the dates that match the dates on the cardholder's statement. All transactions shown on the statement should be processed on a matching reconciliation report. These dates should always match the billing cycle: beginning on the 5<sup>th</sup>

of the month and ending on the 4<sup>th</sup> day of the following month

F. Responsibilities of the Purchasing Card Administrator

The Purchasing Card Administrator, or designee, is responsible for the overall operations of the Purchasing Card program. These responsibilities include the following:

1. Acting as the Contract liaison with the bank
2. Reviewing approved Purchasing Card Requests for completeness
3. Submitting completed requests for new cards to the bank and receives new cards from the bank
4. Processing the Data Entry Personnel Access form and assigning two data entry persons for each cardholder
5. Providing training to the Cardholder and the Authorized Approver before releasing Purchasing Cards
6. Verifying that the Cardholder Agreement and Data Entry Form are completed and signed
7. Completing the download of cardholder transactions from the bank on a weekly basis and uploading this information to the Purchasing Card module of the on-line finance system.
8. Insuring that these transactions are assigned to cardholders; and reviewing and/or resolving any unassigned transactions
9. Reviewing the completeness of the Reconciliation Report. This includes verifying that all charges are documented, that no sales tax has been charged and that both the Cardholder and Authorized Approver have signed the form
10. Notifying the Authorized Approver when Reconciliation Reports are not received
11. Investigating charges that procurement card use may not be in accordance with College Policy and Procedures
12. Reconciling disputed charges/discrepancies not resolved by Cardholder or Authorized Approver
13. Receiving cancelled Purchasing Cards and canceling the card with the card issuer
14. Insuring that the card issuer blocks all reported lost and/or stolen cards
15. Assisting the Cardholder with emergency requests that might require increases to the transaction dollar limits

16. Working with the Cardholder to resolve those instances when a firm is listed as a restricted business type and the Cardholder needs to continue to make purchases from that firm
17. Receiving renewal cards directly from the bank and distributing cards through the Campus Presidents and/or Vice Provosts. Cardholders are required to sign for the new cards and return the expired cards. All forms and expired cards cut in half are returned to the Card Administrator.

#### G. Placing Orders

The Cardholder may make College related purchases for a designated cost center. Orders may be placed with any non-restricted vendor that accepts the "VISA" credit card. If the Cardholder needs assistance with the selection of a vendor, they may contact the Purchasing Department.

The Purchasing Department may develop contracts during the year for certain materials or services that are commonly used by the College and make awards to vendors for better prices based on the volume buying power of the College. These awards will be posted to the Purchasing Department website. The guidelines for placing orders are as follows:

1. The total amount of the transaction cannot exceed \$1,000. In emergency situations this limit may be exceeded, but only with approval of the Card Administrator
2. Orders may not be placed for equipment with a unit price of more than \$1,000
3. Approval should be obtained in advance from the Campus Chief Information Officer or the District Vice Provost of CCIR for the purchase of computer related equipment or software
4. The purchase of furniture or telecommunications related equipment is not allowed
5. The vendor may charge the Purchasing Card account only at the time that the merchandise is shipped. The vendor may not charge backordered items in advance of shipping
6. Funds must be available in the appropriate Qual and General Ledger Code being charged at the time of purchase
7. All freight, if applicable, must be added to the invoice by the vendor
8. No cash advances are authorized

Specific procedures for placing orders are as follows:

1. The Cardholder may order materials or services as required to support their department or area. The Cardholder must contact the vendor and request a price quote including freight or other charges before the order is placed. The Cardholder should insure that the transaction is not declined based on exceeding the card dollar limits. The total cost should not include State of Florida Sales Tax, as the

College is tax-exempt

2. No formal documentation needs to be submitted to the vendor when placing the order. However, the Campus or District unit may establish special procedures for using the card. These procedures will be discussed with the Cardholder at the training session. If a vendor requests a purchase order number tell them to use the word “VISA”. If the Cardholder experiences a problem in placing an order with a particular vendor, they should place the order with another vendor. If the vendor that refused to honor the card is one that the Cardholder may need to use in the future contact the Card Administrator for assistance
3. When ordering by phone, the Cardholder should give the vendor detailed delivery instructions for the materials or service including a complete shipping address. Materials must be shipped to a College address, not to the Cardholder’s home address. The Cardholder must provide their name and card number. The delivery information must appear on all shipping documents and should include the statement “credit card order” or “VISA”
4. The Cardholder must secure a receipt. If a receipt is not submitted with a shipment or if it is lost, the Cardholder shall make an effort to obtain a copy from the vendor. If this effort fails, then the Cardholder shall complete and submit a Missing Receipt Form to be used in lieu of a receipt when filing the Reconciliation Report. This form is available on the Business Affairs website and must include a complete description of the items purchased
5. The Cardholder must inform the vendor that charges must not be applied to the Purchasing Card until the item(s) have been shipped or received, in accordance with Florida law

#### H. Procedure for Applying Charges

Specific procedures for recording purchases made with the Purchasing Card are as follows:

1. Transactions should appear in the Purchasing Card module of the Odyssey system on a weekly basis, where they are available for the cardholder and/or data entry person to process by assigning a Qual 1 account number and a General Ledger code. The purpose is a business or educational reason why the purchase is being made and should not be a list of the items purchased. Additional information on the use of the Purchasing Card module of the finance system is available on the Business Affairs website
2. Upon receipt of the monthly statement, the Cardholder must verify the charges, process the transactions online that match the transactions on the monthly bank statement, and print the Reconciliation Report from the on-line finance system
3. The Reconciliation Report must reflect all charges and credits indicated on the Cardholders statement. This includes any State of Florida sales tax, as the College must pay the card issuer the total amount billed. The Cardholder is responsible for requesting that the vendor credit their account for returned items and State of Florida sales tax. These amounts will be deducted from the charges on the month that the credit appears on the statement



4. If the Cardholder is disputing a charge, they must complete the Cardholder Statement of Disputed Item and fax the form to the bank in accordance with the instructions on the form. Items being disputed must be reported to the bank within 60 days of the date of the statement on which the charge appears. This is the only type of charge that the department will not be required to have deducted from their account. The transaction should be marked as “Disputed” when processed on the finance system and no account number is required for a disputed item, however, the reason for the dispute must be listed. The item will be marked “disputed” (DP) on the Reconciliation Report without the amount to be charged and the reason for the dispute will also appear on the report. The Statement of Disputed Item Form must accompany the Reconciliation Report. The form is available on the Business Affairs website.
5. The Reconciliation Report must be signed by the Cardholder. The Reconciliation Report, the statement and the original receipts, and any other backup documentation are then submitted to the Authorized Approver. The Authorized Approver must review the charges and check that receipts for all charges are included. Once the Authorized Approver signs the report, giving approval, all of these documents are sent to the Card Administrator, Purchasing Department. If a receipt is missing, the Cardholder should prepare a Missing Receipt Form to indicate the items purchased for this transaction.
6. The Card Administrator will review the Reconciliation Report and receipts for signatures, and State of Florida sales tax charges. If any items are missing, the Cardholder will be requested to make a correction.
7. The Cardholder should make every effort to submit their Reconciliation Reports within 60-days of the receipt of their card statement. Should Reconciliation Reports not be filed within this deadline, then the cardholder may have their card cancelled.

#### I. Procedure for Handling Discrepancies

If the Cardholder encounters a billing problem, the Cardholder should try to reach a resolution with the vendor that provided the item or service. The receipt will be proof of purchase price. If the amount charged on the statement differs from the amount quoted by the vendor, contact the vendor to resolve the difference. If the amount on the statement is incorrect, request the vendor to credit your card account. Be sure to verify that the credit has been issued to the Cardholder’s account by reviewing the following month’s statement.

The Cardholder must first attempt to reach a resolution directly with the vendor. The Cardholder should document all attempts to resolve any problem. If the problem cannot be resolved at this level, then the Authorized Approver or the Card Administrator should be contacted for assistance. Items should not be removed or crossed out on the statement, nor should Cardholders delay the posting of transactions as a result of credits or disputes.

#### J. Security Considerations

The use of the Purchasing Card is limited to the College employee whose name appears on the face

of the card and should never be loaned to another person under any circumstances. If the Cardholder is absent for a period of time, the department should seek to obtain a card for a different employee, either temporarily or permanently. To prevent against theft or fraudulent use, Cardholders should consider the following:

1. Keep the Purchasing Card in a safe secure place at all times
2. Take all precautions so that the account number cannot be stolen or used by others

If a Purchasing Card is lost or stolen, Cardholders must notify the bank immediately at the 24-hour Commercial Card Services telephone number (1-888-449-2273). Information needed includes the card number, as this is an automated system. As soon as possible, the Cardholder must notify the Card Administrator that the card has been lost/stolen to insure that the account is closed and that a new card is being issued. A “Lost or Stolen Card” form is available on the Business Affairs website.

The Cardholder is responsible for supplying any information necessary to minimize the liability for a lost or stolen card, and closely monitoring the monthly statement to insure that fraudulent charges are identified in a timely manner. If a fraudulent charge is identified, the Cardholder must file a “Cardholder Statement of Disputed Items” and fax it to the Card Issuer. A replacement card will be forwarded to the Card Administrator and is normally received within a few days of being reported lost or stolen.

#### K. Responsibilities of the Purchasing Department

The Purchasing Department has the responsibility to assist users of the Purchasing Card Program as follows:

1. Recommend suppliers for use based on current ongoing pricing agreements, State and local contracts, and established service programs. Encourage the use of minority vendors.
2. Monitor suppliers used and work with new suppliers to establish new pricing agreements
3. Monitor products purchased through the Card Program and evaluate future requirements to use in establishing contracts for these items

#### L. Use of Purchasing Card for Approved College Travel

The Purchasing card may be used for approved College-related travel expenditures to include payment of registration fees, hotel room charges, airline charges, and vehicle rental. The card may not be used to pay for non-College related hotel stays or room service of any kind (meals, video rentals, phone calls, laundry or any other charges). The individual at check out time must pay these incidental charges using personal funds.

When preparing the reconciliation report, the Cardholder must provide a copy of the approved P-2

Form, “Request for Leave of Absence and Reimbursement” (hereafter referred to as P-2 Form) if transactions are charged prior to the date of the travel. If transactions are posted after the travel has occurred, then a copy of the approved P-2 Form showing the expenses for the trip along with the receipts must be included. When completing the College Leave form, any expenses charged to the Purchasing Card must be indicated in the expense column with brackets and an asterisk (\*) should be placed next to the amount and in the body the \* should be described “Used College Purchasing Card”. Any charges for travel expenses using the Purchasing Card are not to be reimbursed to the individual. The P-2 Form is available on the Human Resources website.

When traveling with students, the Purchasing Card may be used to cover the student(s) expenses. However, if it is estimated that the hotel expenses will exceed \$1,000, arrangements must be made with the Card Administrator at least 24 hours before departure to authorize this transaction. All student travel must have an approved Form FM-A-2, “Travel Advance and Expenses for Student Service Monies (hereafter referred to as Travel Advance Form, or T Form) included with the Reconciliation Report.

All College-related travel within the State of Florida is exempt from sales and resort taxes. Accordingly, the Cardholder must retain a copy of the College’s tax-exempt form to be provided when checking in. The State of Florida tax-exempt status may not apply to sales tax charged when traveling outside of the State of Florida. The Cardholder should attempt to have the sales tax deducted by showing the tax-exempt certificate; however, if it is not accepted then the College will pay the sales tax or resort for travel outside the State of Florida. A copy of the tax exempt certificate of the College is available on the Business Affairs website.

Specific guidelines and procedures for College related travel are outlined in Procedures 3400 and 3450.

#### M. Use of Purchasing Card for Computer Related Purchases

Cardholders are not authorized to purchase computers under guidelines established for the Purchasing Card Program, and equipment purchases may not exceed the \$1,000 unit cost threshold established for Capital Property decaling requirements.


The use of the Purchasing Card for the purchase of computer components, printers and software has the following requirements:

1. Cardholders that report to a Campus must obtain approval of the Campus Chief Information Officer or their designee in advance of the purchase
2. Cardholders that reports to a District unit must obtain the approval of the Vice Provost for CCIR or designee in advance of the purchase.

This approval may be done via e-mail; a copy of the e-mail or other documentation authorizing the purchase may be submitted with the Reconciliation Report that reflects the charge. If this approval is not received with the report, then the Cardholder will be contacted and will be required to submit documentation that this approval was received.

N. Additional Considerations of Purchasing Card Program

1. All items purchased over-the-counter must be immediately available. No back ordering is allowed
2. All items purchased during one telephone transaction must be delivered in a single delivery. If an item is not immediately available, it may be back ordered, however, the vendor may not charge for the item until it is shipped
3. All orders placed by telephone, fax or Internet must be delivered within a 30-day billing cycle. Orders should not be placed without this assurance from the vendor.
4. If the total amount of the order exceeds \$1,000, the vendor may not split the order under two separate transactions, as this is a violation of the purchasing card procedures. If circumstances require the Cardholder to exceed the established limits then the Card Administrator should be contacted in advance to authorize a temporary increase to the Cardholder’s established transaction limit
5. The College is committed to doing business with Minority and Woman-owned businesses. Cardholders are urged to assist the College in achieving its goals by placing orders for goods and services with Minority and Woman-owned businesses whenever possible. A listing of Minority/Woman-owned vendors identified by the Purchasing Department is available on the Purchasing Department website.

	
	11/8/05
<b>PRESIDENT</b>	<b>DATE</b>