



SAVANNAH
STATE UNIVERSITY

SAVANNAH STATE UNIVERSITY

Office of Procurement

PURCHASING CARD MANUAL

**DIVISION OF BUSINESS
AND FINANCIAL AFFAIRS**

REVISED 7/01/15

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I. PROGRAM OVERVIEW

The State of Georgia Purchasing Card (P-Card) program streamlines payments for goods and services for State business use by eliminating the administrative burdens and costs associated with traditional methods of payment. The P-Card Program is the only charge card program authorized for use by State Agencies, units of the University System of Georgia, and technical colleges within the Technical College System of Georgia.

The University System of Georgia participates in offering Purchasing Cards (P-Card) as a flexible purchasing tool for quickly and efficiently purchasing and paying for **small dollar amount items**. The P-Card reduces the paperwork and processing time for the cardholder, Accounts Payable and Procurement. The consolidated payment from Bank of America to vendors provides additional cost and time savings.

The Agency Procurement Officer (APO) or the College/University Procurement Officer (CUPO) serves as the official liaison between the State Entity and the State Purchasing Division personnel for all matters related to the State Entity's P-Card program. This individual usually serves as the P-Card Program Administrator, although any or all of the following administrative responsibilities may be delegated to another individual or to one or more P-Card Program Coordinators, depending on the size and complexity of the State Entity's program.

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Savannah State University P-Card Program Coordinator:
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The purpose of this document is to provide instructions for the issuance and use of the P-Card along with instructions for documentation, reconciliation, and review.

II. ETHICS

How do you define ethics? Ethics is the study of right and wrong, the principles governing the behavior of a Procurement Professional.

PERCEPTION IS REALITY!

As Procurement Professionals we must act with integrity, be accountable for our actions, and show respectability. Keep in mind that we are ultimately spending the taxpayer's money.

III. GENERAL INFORMATION

A. Limitations on Vendors

Cardholders must not make P-Card purchases from friends or relatives where cardholder has a financial interest.

Cardholders must not accept any gift from any source when it is offered, or appears to be offered, to influence the decision-making regarding P-Card purchases.

B. Merchant Category Code Authorizations

Merchant Category Codes (MCC's) are codes assigned by a supplier's merchant bank based on the types of goods and/or services provided. By allowing or blocking certain codes, the State has some protection against unauthorized or prohibited purchases. The Bank creates MCC groups upon request by the State Cards Program Manager. It is the responsibility of the State Entity P-Card Administrator to ensure the cardholder profile permits only those MCC groups that contain the MCC's a cardholder needs to meet their job requirements.

C. Card Expiration and Reissue

Bank of America will reissue P-Cards every 24 months to each active cardholder. Bank of America will forward to the Office of Procurement at least three months prior to the expiration of each credit card, a card reissue report that lists each active card scheduled for renewal. The Office of Procurement must inform Bank of America in writing within 30 working days of receipt of the report which P-Cards should be reissued. No P-Cards will be reissued without written approval of the Office of Procurement.

D. Returning Purchasing Cards

The P-Card is the property of the State of Georgia. Upon termination or retirement, the card must be surrendered to the Procurement Office.

E. Dormant Cards

P-Card usage by each P-Card Holder will be monitored regularly to ensure the P-Card Holder still has a need for the P-Card. If the P-Card Holder has not made any purchases over a three month cycle period, the P-Card will be considered inactive and therefore deactivated with the issuing bank.

IV. CARDHOLDER INFORMATION

A. Who May Have a P-Card?

Cardholders are limited to one active P-Card. Savannah State University Purchasing Card Policy allows cards to only be issued to permanent full-time State employees whose jobs require the use of a P-Card. P-Cards are assigned to individuals selected by Department Budget Unit Heads. There will be no exceptions to the following:

- P-Cards will not be issued to employees of foundations associated with any State Entity, student employees, temporary workers (e.g. hired from a temporary staffing agency), or contractors (e.g. hired for a pre-determined period of time for a specific project).
- P-Cards will not be issued in the name of a Department or work unit (e.g. Facilities Maintenance) to be shared by multiple employees.
- Only the employee whose name is shown on the face of the P-Card is authorized to make purchases with the card, either in person, online, or telephone. Use by any other person even if for State business purposes, is considered misuse of the card.

B. Cardholder Responsibilities:

All P-Card holders are *de facto* purchasing agents for the State of Georgia and their individual State Entities. All P-Card program personnel must have a minimum understanding of State procurement laws and requirements of the [Georgia Procurement Manual](#).

- Must attend P-Card Policy/State Purchasing training with the P-Card Coordinator prior to receiving the card.
- Must sign the State of Georgia Purchasing Card Cardholder Agreement regarding the Procurement Card Policy and Disciplinary Action Regarding Misuse of the Card.
- Mandatory P-Card training will be conducted on an annual basis. All P-Card Holders are required to attend. P-Card use will be suspended until the annual training has been completed.
- Activate and sign the back of the P-Card when received.
- Ensure the P-Card is used for legitimate business purposes only and that all purchases comply with the requirements set forth in the Savannah State University Purchasing Card Policy.
- Maintain the P-Card in a secure location at all times.
- Do not allow other individuals to use the P-Card.
- Ensure that no other persons have access to any of your P-Card information to include the P-Card account number, expiration date, and the security code.
- Ensure that sales tax is not charged when making a purchase with the P-Card.
- Adhere to the purchase limits and restrictions of the P-Card and ensure the total transaction amount of any single purchase does not exceed your card limit.
- Obtain a receipt for all transactions and ensure that the receipt/paid invoice meets the minimum requirements for adequate documentation.
- Reconcile the statement to the receipts each month.
- Submit your P-Card Reconciliation to include the Procurement Card Account Summary Form, (*Attachment B*), the Approval of Purchasing Expenses (*Attachment C*), and the Purchasing Card Transaction Log (*Attachment D*), the original credit card statement from the bank along with the original receipts to the Office of Procurement.
- Attempt to resolve billing disputes directly with suppliers. If unable to resolve the dispute the cardholder should complete the Purchasing Card Claims Statement of Disputed Item Form, (*Attachment F*), and fax to Bank of America at 1-888-678-6046 (See page 8 for more information.)

- Ensure that appropriate credits for reported disputed items or billing errors appear on subsequent statements.
- **Immediately** report lost or stolen cards to Bank of America at 1-888-449-2273 and notify the Procurement Office at first opportunity. A lost or stolen card should be reported to Bank of America Card Services Customer Service 24 hours a day, 365 days a year. Lost cards reported by telephone are blocked immediately. A replacement card must be requested through the Office of Procurement.
- **Immediately** report unauthorized or fraudulent charges to Bank of America at 1-888-449-2273 and notify the Office of Procurement at 912-358-4045/4046.
- Return the P-Card to the Office of Procurement upon termination of employment from the Savannah State University.
- Complete periodic surveys to rate the effectiveness of the P-Card process and suggest areas for improvement.

C. Approving Supervisor Responsibilities:

P-Card Approving Supervisors are responsible for reviewing all P-Card transactions and must have a thorough knowledge of the cardholder's job responsibilities in order to determine if purchases are job related or otherwise authorized.

- Coordinate the ordering and cancelling of P-Cards and establishing reasonable spending limits with the P-Card Program Administrator.
- Must attend P-Card Policy/State Purchasing training with the P-Card Coordinator prior to the P-Card Holder receiving the card.
- Must sign the State of Georgia Purchasing Card Cardholder Agreement regarding the Procurement Card Manual and Disciplinary Action Regarding Misuse of the Card.
- Mandatory P-Card training will be conducted on an annual basis. All Approving Supervisors are required to attend. The P-Card Holders use of the P-Card use will be suspended until the annual training has been completed.
- Prior to approving the P-Card transactions by signing the Supervisor's Approval Form, the Credit Card Statement and the Transaction Log, the approving supervisor must carefully review all documentation to ensure that all documentation meets the minimum requirements set forth in the Savannah State University Purchasing Card Policy.
- Ensure that all documentation in the P-Card Reconciliation packet is submitted according to the procedures set forth in the Savannah State University Purchasing Card Policy.

D. The P-Card Can Be Revoked If:

- The cardholder accepts cash refund, in store credit or gift card from a vendor for returned items.
- The P-Card is used for personal or unauthorized purposes.
- An individual other than the cardholder uses the P-Card.
- A purchase is split to circumvent the spending limitations of the P-Card.
- The P-Card is used to circumvent the State of Georgia Purchasing Laws and Regulations. The Order of Precedence for ordering a product or service as stated in Section 1.3 of the [Georgia Procurement Manual](#) is as follows:
 1. Mandatory Statewide Contracts
 2. Existing State Entity Contracts
 3. Statutory Sources of Supply Designated as a Mandatory
 - Products certified as Mandatory by the State Use Council which includes some products provided by the Georgia Enterprises for Products and Services (GEPS).
 - Georgia Correctional Industries Administration products which have been certified as Mandatory by the Commissioner of the Department of Corrections (GCI).
 4. Choice of any of the following:
 - Convenience Statewide Contracts
 - GEPS Preferred Products (those items not certified as mandatory)
 - State Purchasing Division Approved Piggyback Purchases
 - State Purchasing Division Consortia and Cooperative Purchasing Agreements
 - Open Market Purchases
- The original receipts are not provided for all transactions. If a receipt has been lost and a duplicate cannot be obtained please complete the Lost Receipt/Invoice Affidavit. A single cardholder can use the Lost Receipt/Invoice Affidavit no more than three times in one fiscal year. Use of the Lost Receipt/Invoice Affidavit more than three times in one fiscal year will result in suspension of account privileges.
- Sales tax is paid to a supplier.
- The P-Card Reconciliation Packet is not submitted by the monthly deadline.

V. USING THE CARD

A. Allowable Purchases

- Office supplies
- Subscriptions (subscriptions must be related to job responsibilities/departmental goals)
- Membership Dues (membership dues must be for organizations that are job related and/or meet departmental goals)

- Registration for conferences and workshops with approved Authorization to Travel (a copy of the approved travel authorization form should be included in reconciliation documentation).
- Non-Inventory supplies and materials up to \$2,999.99

B. Allowable Purchases with Restrictions

- Travel-Related Expenses – State Employees

For State employees traveling on official State business as defined in the State Travel Regulations published by the State Accounting Office and the Office of Planning and Budget, the P-Card Holders in the Procurement Office may use the P-Card for the following travel related purchases:

- Transportation (all types)
 - When the mode of transportation is a rental vehicle, the rental must be from one of the Mandatory Statewide Contract suppliers unless an approved waiver has been obtained from the State Purchasing Division.
- The use of the P-Card is allowable for all P-Card Holders when the cost of the meals is included in the total cost of the conference fee (e.g. a conference of \$1,500 that includes three meals).

- Travel-Related Expenses – Non-State Employees

The P-Card Holders in the Procurement Office may use the P-Card for students travelling on official school business, clients of a State Entity, and the general public when participating in an official State program or other activity for the following travel related purchases:

- All types of transportation when this transportation is needed in fulfillment of the State Entity's mission.
- Lodging and meals for students of the State Entity when needed in fulfillment of the State Entity's mission.

- Food or Meals and Lodging

- P-Card Holders in the Procurement Office as well as other prior approved P-Card Holders who work with students traveling on official State business may use the P-Card to purchase food for student activities, but not for faculty, staff, coaches, or other school employees, when on official school business (e.g. athletic team travel). Documentation for the purchase must include:
 - Itemized receipt showing all meals purchased
 - Roster of participants showing student's name, ID number and signature
 - Copy of team schedule or other documentation showing that the meal was for an authorized student activity.
- P-Card Holders in the Procurement Office may use the P-Card to purchase lodging for students, but not for faculty, staff, coaches, or other school employees, when on official school business (e.g. athletic team travel). Documentation for the purchase must include:
 - Itemized hotel receipt showing student names for each room
 - Roster of participants /Rooming list showing student's name and ID number
 - Copy of team schedule or other documentation showing that the meal was for an authorized student activity.

- P-Card Holders in the Procurement Office and the Office of Information Technology may use the P-Card to purchase hardware; software; computer peripherals; and audio visual equipment and supplies with the following restrictions:
 - Data plans, software, or applications (apps) for State-issued computers, smart phones, and tablets (e.g. iPhone, Android, iPad) are restricted.
 - Purchases cannot be made for personal devices even if used for business purposes.
- Equipment valued at \$2,999.99 and greater including freight due to asset management requirements.
- P-Card Holders in departments who have State owned and/or leased vehicles can use the P-Card for vehicle car washes.
- P-Card Holders in the Procurement Office may use the P-Card to purchase student travel related purchase from the Study Abroad Agency Accounts.

C. Prohibited Purchases

The following types of purchases are strictly prohibited either by Official Code of Georgia Annotated (O.C.G.A), or to meet reporting requirements of the State or by Savannah State University.

- Goods or services not directly related to job responsibilities or other official State of Georgia business (i.e. personal purchases such as radios, coffee pots, microwave ovens, and break room supplies, etc.).
- Computers, laptops, tablets, hardware, software, audio visual equipment and supplies and printers. (Computer Services prior approval needed). Hardware, software, audio visual equipment and supplies and printers may be purchased by the P-Card Holders in the Procurement Office and the P-Card Holders in the Office of Information Technology only. Data plans, software, or applications (apps) for State-issued computers, smart phones, and tablets (e.g. iPhone, Android, iPad) are restricted.
- Memberships at wholesale warehouses and shopping clubs (e.g. Sam's, Costco, Amazon Prime)
- Cash Advances
- Gift cards, stored value cards, calling cards, and similar products.
- Employee travel related expenses related to lodging, and meals, except as specifically covered under Allowable Purchases with Restrictions.
- Entertainment (e.g. in-room movies for State employees traveling on business).
- Alcoholic beverages and tobacco products
- Fuel, mechanical repairs, and maintenance for State-owned or rental vehicles. Exceptions may be granted upon verification of procedures to enter costs into VITAL, the State's fleet management system administered by the DOAS Office of Fleet Management.
 - This restriction does not apply to non-mechanical body shop repairs (e.g. dented bumper) not covered under the State's vehicle maintenance contract.
 - This restriction does not apply to auto parts for in-house use (e.g. Entity-operated repair shops).

- Furniture - to assure continued adherence to State contracts (includes bookcases, file cabinets and chairs). Furniture may be purchased by the P-Card Holders in the Procurement Office only.
- Copiers (contact Auxiliary Services for assistance)
- Maintenance or service-type contracts (one-time repairs/routine maintenance is allowable).
- Professional or Consulting Services involving an employer/employee relationship
- Holiday decorations, cards, plants or cut flowers for office use
- Agency account related purchases

D. Cardholder Spending Limits

Adjustable limits per card include:

- Dollar amount limit per transaction = \$2,999.99 (unless otherwise set)
- Dollar amount limit per month = \$4,999.99 (unless otherwise set)

E. Sales Tax

Savannah State University is a tax-exempt entity.

The cardholder should be sure to make the supplier aware of our tax-exempt status prior to purchasing. Some suppliers require a copy of Savannah State's tax exempt certificate in order to honor this status. Tax-exempt forms are available from the Office of Procurement. The forms can be mailed, faxed or hand delivered to the vendor.

A copy of a sales exempt form is included in this document as *Attachment G*.

F. How Can I Use the P-Card?

- Telephone Orders
- Fax/Mail Orders
- Online
- Over the Counter

G. Telephone Orders

- Quicker delivery
- Obtain information on products and availability at the time of the order

To Place a Telephone Order

- Have your P-Card ready before placing the call
- Always ask for the education/government sales representative
- **Inform the vendor of tax exempt status**
- Be sure to specify the shipping address to the vendor:

Savannah State University
Central Receiving/Evers Complex
South Thompkins Road
Savannah, Georgia 31404
Attn: Your Name or Department c/o W. Moore or S. Kanteh

- Complete all information on Purchase Card Transaction Log (*Attachment D*)

H. Fax/Mail Orders

- Catalog Orders
- Subscriptions
- Book Orders
- Supplies

When mailing or faxing an order, be sure to complete all information needed on the order form and keep a copy for your records. For subscriptions, this may be the only receipt provided.

Double-check the ship to address. Some catalogs and reorder cards already have an address on them.

If necessary, fax or mail a tax-exempt certificate.

Complete the Purchase Card Transaction Log. (*Attachment D*)

I. Online Purchases

- Book Orders
- Registrations
- Office Supplies

Print out completed registration forms, confirmations, and invoices to be used as supporting documentation

Complete the Purchase Card Transaction Log (*Attachment D*)

J. Over the Counter

- No shipping charges
- Eliminates risk of receiving incorrect or damaged merchandise
- Follow proper internal procedures from your department to obtain authorization to make the purchase
- Be certain that the amount total does not exceed your card's single purchase limit
- Ensure that no sales tax is charged
- Obtain a receipt at time of purchase
- Complete the Purchase Card Transaction Log upon return (*Attachment D*)

K. Disputes

Upon discovery of an incorrect amount charged for goods or materials received or a questionable purchase transaction appearing on a statement, the cardholder must immediately seek resolution with the vendor. Also, notify the Office of Procurement of any disputes. If no resolution can be made, the Disputed Item Form, (*Attachment F*), should be completed by the cardholder and faxed to Bank of America at 1-888-678-6046. Also, forward a copy of the completed form to the Office of Procurement. (Fax number 358-3166)

If the disputed charge involves sales tax charged erroneously by the vendor, the amount of the tax cannot be disputed through Bank of America. Cardholders should make every effort to obtain a credit from the vendor for the amount of the tax.

As stated in the Cardholder Responsibilities section on pages 4 and 5, it is the Cardholder's responsibility to ensure that appropriate credits for reported disputed items or billing errors appear on subsequent statements.

L. Returns, Damaged Goods, Credit

If goods purchased with the P-Card need to be returned the cardholder should work directly with the supplier.

Helpful Tips:

- Always retain boxes, containers, packing materials, packing slips, etc. until it is certain that the goods will not be returned. Some items such as computer peripherals cannot be returned without the original packing materials.
- Read all enclosed instructions carefully. Phone numbers and special instructions are often included on packing slips or delivery receipts.
- Many suppliers require a "Return Authorization Number" before they will accept a return. If this information is not provided with the return, the package may be refused and no credit will be given.
- Ensure that the charge for the returned item appears on a subsequent statement.

If difficulties continue with the return, please see instructions for Disputes on page 11.

VI. PURCHASING CARD DOCUMENTATION AND REPORTING

A. Documentation

- P-Card Holders must maintain documentation for all transactions, including a receipt or paid invoice, and a log of all purchases. Receipts/paid invoices must meet the minimum requirements:
 - Complete supplier/merchant information (name, location etc.)
 - Line item details including quantity, description, unit price, and total price
 - Line showing no sales tax was charged
- If a receipt has been lost and a duplicate cannot be obtained please complete the Lost Receipt/Invoice Affidavit. A single cardholder can use the Lost Receipt/Invoice Affidavit no more than three times in one fiscal year. Use of the Lost Receipt/Invoice Affidavit more than three times in one fiscal year will result in suspension of account privileges.
- The P-Card Account Summary, the Supervisor's Approval Form, the Transaction Log, and the Credit Card Statement should all be signed by the approving supervisor and submitted as a part of the P-Card Reconciliation Packet.

B. P-Card Statements

- Monthly statements from Bank of America will be sent to all cardholders within ten business days after the end of each monthly billing cycle which is the 27th of each month.
- Verify all charges and credits agree with your Purchasing Card Transaction Log. (*Attachment D* - recommended)
- Ensure you have the supporting documentation for all charges and credits.

C. P-Card Reconciliation Packet Submission to the Office of Procurement

- Upon receipt of the P-Card statement from Bank of America, verify all charges and credits with supporting documentation and the Purchasing Card Transaction Log. (*Attachment D*)
- Itemize the charges on the P-Card Account Summary form along with the appropriate department/project and account to be charged. (*Attachment B*)
- Never delay the submission of the P-Card Reconciliation Packet to the Office of Procurement for disputed items or expected credits. Credits may appear on subsequent months. Retain copies of the original documents related to disputed charges or expected credits and submit with the monthly P-Card Reconciliation Packet where the credit appears.
- Cardholders are required to have their P-Card Account Summary form approved by the Approving Supervisor and/or the Department's Budget Unit Head. This applies to P-Card Holders who make purchases for multiple budgets where the budget unit head may not be the same individual as the approving supervisor.

The P-Card Reconciliation Packets are required to be submitted to the Office of Procurement no later than 5:00 PM on the 15th of the subsequent month.

The P-Card Account Summary forms must have complete information.

Namely: Account Number
 Department/Budget Speedtype
 Grant Project Number (if applicable)

In order to ensure compliance with the State accounting and budgetary policies, allocations of P-Card charges will be posted to the General Ledger within ten business days after the submission deadline to the Office of Procurement.

VII. LEGAL ISSUES

A. Failure to Comply with Laws, Policies and Procedures

All procurement laws in the Official Code of Georgia Annotated, and administrative rules found in the [Georgia Procurement Manual](#) applies to the use of the P-Card. P-Card Holders, program users, or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

1. Official Code of Georgia, Annotated (O.C.G.A.), sections related to governmental purchasing
2. Applicable requirements of the Georgia Procurement Manual
3. State Purchasing Card Policy
4. State Entity (Savannah State University) policies and procedures governing procurement and the Purchasing Card Program.

The State Cards Program Manager and State Purchasing Division reserve the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, policies, and procedures, or the terms of any conditional approval.

B. Personal Purchases Prohibited

Under no circumstances is a cardholder permitted to use the P-Card for the purchase of goods or services not directly related to official State of Georgia business. Using the P-Card for personal purchases may result in disciplinary action, up to and including termination from State employment and criminal prosecution. The Official Code of Georgia, Annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison. Supervisors and other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchases.

C. Cardholder Background Checks

O.C.G.A. §50-5-83 requires criminal background checks on all employees hired for positions that are eligible for P-Cards. The State Purchasing Division requires that these background checks be run for all employees using P-Card related accounts and products such as Ghost Cards, Accounts Payable Cards and/or ePayables. Background checks on cardholders at the time of card renewal may occur. This also applies to employees who use Ghost Cards, Accounts Payable Cards, and ePayables accounts.

D. Cardholder Credit Checks

In addition to background checks for all cardholders, O.C.G.A. §50-5-83 requires credit checks on all employees issued a purchasing card or who use ghost cards, Accounts Payable Cards, and ePayables. Credit checks will be run as an “employment inquiry” so as not to affect the employee’s credit score/rating. Credit checks on cardholders at the time of card renewal may occur.

E. Split Purchases Prohibited

O.C.G.A. §50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, §50-5-83 sets the legal Single Transaction Limit (STL) for P-Card transactions as less than \$5,000 (e.g. \$4,999.99 or less) unless the purchase is from a Statewide Contract and in compliance with State Procurement Policy.

1. Cardholders are prohibited from splitting a transaction between two or more transactions on a single account or two or more transactions on multiple accounts, or two or more transactions using the P-Card and a Purchase Order in order to circumvent competitive solicitation requirements. Refer to the [Georgia Procurement Manual](#) for complete information on bid requirements and procedures.
2. Cardholders are prohibited from splitting transactions between two or more transactions on a single card number, two or more transactions on multiple card numbers, or two or more transactions using the P-Card and a Purchase Order to circumvent the Single Transaction Limit imposed on the card regardless of the amount of the STL.
3. Where job responsibilities require account holders to make single purchases of \$5,000 or more the Savannah State University P-Card Administrator can approve Single Transaction Limits over \$5,000 with the approval of the P-Card Holder’s Approving Supervisor and the APO / CUPO when the purchases will be from a Statewide Contract, an Existing State Entity Contract, or a Mandatory Source. However, this approval does not apply to open-market purchases.
4. P-Card Holders who need to make open-market purchases of \$5,000 or more must use the PeopleSoft e-Procurement system and the Procurement Office will initiate the Purchase Order process or the bid process if applicable.

F. Payment of State Sales and Use Tax

O.C.G.A. §48-8-3 exempts purchases made by Agencies, Universities, Colleges, and technical schools from State Sales and Use Tax when payment is made with appropriated funds. Cardholders must present the Department of Revenue State Sales and Use Tax Exemption Form ST-5 to suppliers upon request. This form is available with this document (*Attachment G*).

The requirement for out-of-state suppliers to charge Sales and Use Tax on shipments to purchasers in the State of Georgia **does not apply** to tax-exempt State Entities. In order to avoid confusion, the cardholder must provide out-of-state suppliers with a copy of the ST-5 prior to placing an order to be shipped into the State of Georgia. If the supplier refuses to remove taxes, the cardholder must make the purchase from a different supplier whenever possible.

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. If taxes are charged, the cardholder must contact the merchant to obtain a credit to the account. Sales tax cannot be disputed with the Bank.
2. Credits cannot be obtained by any other method, including, but not limited to cash, gift card, or store credit.
3. Documentation of attempts to obtain credit for any State Sales and Use Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.

State Entities may apply to the Georgia Department of Revenue for a refund of sales taxes paid in error or because a supplier/merchant refuses to remove taxes. The form to use for this is the Department of Revenue's Claim for Sales and Use Tax Refund, Form ST-12. In addition to the ST-12, the State Entity must also submit either (1) a Waiver of Vendor's Rights, Form ST-12A, or (2) a Purchaser's Claim for Sales Tax Refund Affidavit, Form ST-12B. These forms contain instructions for their use and are located at <http://dor.ga.gov>.

G. Records Retention Requirements

The University System of Georgia maintains the official Records Retention Schedule for the State of Georgia. This information is available on their web site at http://www.georgiaarchives.org/records/retention_schedules.

1. Documents related to transactions (e.g. receipts) are accounting records and must be maintained according to the requirements of Accounts Payable Files.
2. Documents related to the issuance of accounts to employees (e.g. profile forms) are accounting records and must be maintained according to the requirements of Credit Card Administration Records.

H. Internal Revenue Service 1099 Reporting

In 2011, the Internal Revenue Service announced changes to the IRS Revenue Code, Section 6050W, that shifted the burden of payment reporting requirements from the purchaser to the supplier's merchant bank when the P-Card is used as the method of payment for a reportable transaction. Because of the shift in responsibility, participants in the State's P-Card program are no longer required to report total P-Card transactions in excess of \$600 with certain suppliers. This change applies only to P-Card transactions. Reporting for all other payment methods, including checks, ACH, and other means, will remain the responsibility of the Entity making the payments. Consult the tax specialists at your Entity for further information and details regarding these changes.

I. E-Verify

The Georgia Security and Immigration and Compliance Act, O.C.G.A. §13-10-91, requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. All State Entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time P-Card transactions for services.

For P-Card transactions that meet this definition, the cardholder or another person within the State Entity is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation.

VIII. SURCHARGES & CONVENIENCE FEES

Many suppliers charge a "credit card processing fee" or "convenience fee" for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations).

A. *Surcharges*

According to Visa's Card Acceptance and Chargeback Management Guidelines for Merchants (Merchants is synonymous with suppliers) available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable surcharge is 4% and must be shown as a line item on the details invoice or receipt. Whenever a supplier charges a surcharge, the following rules apply:

- The supplier must have provided Visa and their merchant bank at least 30 days notification of their intent to impose surcharges.
- The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on web sites when sales are made via the internet and inform the customer:
 - Of the exact percent of the surcharge
 - That it is being assessed by the supplier and is only applicable on credit transactions
 - That it is not greater than what the supplier pays to Visa.

For any transaction where the supplier has charged a surcharge, a State of Georgia cardholder must obtain a copy of the acknowledgement letter sent to the supplier by VISA authorizing the supplier to impose a surcharge. This copy must be maintained with the invoice and all other documentation for the transaction, including uploading to Team Georgia Marketplace™, if applicable. In the event of a regular supplier, a copy on file with the Card Program Administrator will be sufficient.

B. *Convenience Fees*

"Convenience fees" for certain transactions can be paid if they are charged in compliance with Visa rules. (The State of Georgia P-Card and other accounts are Bank of America Visa accounts, so Visa regulations apply.) Convenience fees are allowed if they are charged in compliance with Visa rules.

For merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.

- The fee is being charged for a bona fide convenience of using an alternative payment channel outside the merchant's normal business practice.
- The fee
 - must be disclosed to the customer as a charge for the alternative payment channel convenience.
 - is applied only to transactions that are not face-to-face.
 - must be a flat or fixed amount, regardless of the amount of the payment due.
 - is applied to all forms of payment products accepted in the alternative payment channel.
 - is included as part of the total transaction amount.
 - cannot be added to a recurring transaction.
 - is assessed by the merchant that provides the goods or services to the cardholder and not a third party.
- The customer must be given the opportunity to cancel prior to the completion of the transaction.

Visa is very clear about what a convenience fee is and how and when they can be charged. As a result, many suppliers that charge fees do so incorrectly and are therefore out of compliance with Visa regulations.

Examples of common violations of Visa's convenience fee policy include, but are not limited to, the following

- Charging a tiered or percentage based fee. Only a flat fee regardless of the transaction amount is allowed.
- Charging a fee for transaction below or above a certain dollar amount. Convenience fees must be charged on all transaction regardless of amount.
- Charging the fee in person, for face-to-face or point of sale transactions. The fees can only be applied to transactions via the mail, telephone or internet.
- Charging only for Visa or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel.
- Calling the fee a "processing fee", "credit card fee", "surcharge" or anything other than a "convenience fee". The fee is designed to offset the cost of the convenience, not the cost of accepting credit cards.
- Charging higher prices for credit card purchases versus checks or cash. Note: Suppliers may offer a "cash discount" to customers paying with cash, in person.
- Charging a convenience fee via the internet when that is the supplier's only "normal business practice". If the supplier only sells on the internet, there is no convenience versus coming in to a retail location, so no convenience fee can be charged.

There are many ways a supplier's actions can fall outside Visa's guidelines. As such, only suppliers in compliance with the guidelines shall be allowed to receive convenience fees via the P-Card and/or other accounts.

One example of an allowable convenience fee is a utility that charges a convenience fee for paying a bill via the phone or internet versus having to come to an office and drop off a payment. As long as the convenience fee is a flat fee and is charged to all transactions accepted via the phone or internet (such as all card types, electronic checks, etc.), it is acceptable on a PCard transactions.

Convenience fees charged in accordance with the Visa guidelines quoted above are permitted on the P-Card or other accounts. For clarifications, please consult your entity's P-Card Administrator or contact the State Cards Program Manager. Violations of the Visa guidelines should be reported to the State Cards Program Manager as merchants can be reported to Visa through Bank of America.

IX. YEAR END ISSUES AND AUDITS

A. Year End Procedures

Since the Fiscal Year End and the statement dates do not correspond, the Office of Procurement establishes a cut off date that allows better assessment of expenditures prior to closeout. This date is usually around the end of May and it does not apply to Grant funded P-Card holders. At that time, the Office of Procurement will access all purchases electronically from Bank of America up to the established cutoff date and forward via Fax or E-mail to the associated cardholder. Within two business days the proper account and department distribution for all purchases is to be returned to the Office of Procurement. The expense distributions are to be recorded on the Procurement Card Summary Form. (*Attachment B*)

Purchases after the established cut off date will appear in the subsequent fiscal and budget year.

Supporting documentation is still required for submission to the Office of Procurement no later than 5:00 PM on the 15th of the subsequent month. Please be sure to separate the applicable documentation for each fiscal year.

B. Auditing P-Card Activity

All supporting documentation for all cardholders is subject to audit by the Georgia Department of Audits, the State Purchasing Division P-Card Department, the University System Office Internal Audit Staff, the Savannah State University Internal Auditor, and the Office of Procurement personnel involved in the P-Card process.

X. APPENDIX

- Attachment A State of Georgia Purchasing Card Cardholder Agreement Form – This form represents trust in you and your empowerment as a responsible agent to safeguard and protect the State of Georgia assets.
- Attachment B Purchasing Card Account Summary Form - This form contains space for departmental and account information, which are completed by the cardholder. This information is used by the Office of Procurement to expense charges to the various accounts.
- Attachment C Approval of Purchasing Card Expenses Form – This form along with the P-Card Account Summary Form, the original P-Card Statement, the Purchasing Card Transaction Log should be turn in as a part of the Reconciliation Packet.
- Attachment D Purchasing Card Transaction Log - Used each time the Purchasing Card is used. This form is used by the cardholder to keep track of each purchase made. This form is included as a part of the P-Card Reconciliation Packet and should be signed by the approving supervisor.
- Attachment E Lost Receipt/Invoice Affidavit Form – This form is used in lieu of the original receipt when it is unobtainable from the vendor.
- Attachment F Purchasing Card Claims Statement of Disputed Item – To be completed by the cardholder only after attempts have been made with the vendor to correct any disputed items. A copy of this form is to be sent to the Office of Procurement.
- Attachment G Sales and Use Tax Certificate Exemption Form – This form is to be given to vendors who request documentation of tax-exempt status.
- Attachment H State Purchasing Required Order of Precedence Pyramid Diagram – This pyramid can be used as a reference guide to help ensure compliance with the State of Georgia laws, policies and procedures.



STATE OF GEORGIA PURCHASING CARD
Cardholder Agreement



The State of Georgia/Savannah State University is pleased to present you with this Purchasing Card. It represents trust in you and your empowerment as a responsible agent to safeguard and protect State of Georgia assets.

I, _____, Employee ID # _____, hereby acknowledge receipt of a Savannah State University Purchasing Card, Card Number XXXX-XXXX-XXXX-_____, a VISA® card issued by Bank of America, that will only be used to acquire materials and supplies for Savannah State University. I agree to comply with the following terms and conditions relating to my use of the Purchasing Card.

- 1. As an authorized cardholder, I agree to comply with the terms and conditions of this Agreement and with the provisions of the Purchasing Card Policy and Purchasing Card User’s Guide. I have received a copy of the Purchasing Card Policy and confirm that I have read and understand its terms and conditions. In addition, I have completed the required Purchasing Card Training.
2. I understand that Savannah State University is liable to Bank of America for all charges I make on the Purchasing Card.
3. I agree to use the Purchasing Card for authorized official business purchases only and agree not to charge personal purchases. I authorize Savannah State University whatever steps are necessary to collect an amount equal to the total of the improper purchases, including but not limited to declaring such purchases an advance on my wages to the extent allowed by law.
4. I agree to notify Savannah State University Purchasing Card Program Administrator at awilliam@savannahstate.edu if my name or contact information changes. I further acknowledge that name changes will require proof of change, i.e. copy of marriage license and/or decree of legal change.
5. If the Purchasing Card is lost or stolen, I will immediately notify Bank of America at 1-888-449-2273. I will also notify Savannah State University Purchasing Card Program Administrator, in writing, at the first opportunity during normal business hours.
6. I understand that improper or fraudulent use of the Purchasing Card may result in disciplinary action, up to and including termination of my employment. I further understand that Savannah State University or State Purchasing may terminate my right to use the Purchasing Card at any time for any reason.
7. I agree to surrender the Purchasing Card immediately upon request or upon termination of employment for any reason.

Agreed and accepted this _____ day of _____ 20_____.

Cardholder: Signature: _____

Date:

Print Name:

Phone:

Entity/Department:

Entity Purchasing Card Program Administrator:

Signature: _____

Date:

Print Name:

Phone:



**SAVANNAH STATE UNIVERSITY
PURCHASING CARD ACCOUNT SUMMARY**

DEPARTMENT _____

CARDHOLDER NAME _____

STATEMENT DATE _____

INSTRUCTIONS

1. Summarize charges by account number and object code.
2. Attach originals of credit card statement, P-Card transaction log, credit card receipts/documentation to the original of this summary report and submit to Approving Supervisor for signature.
3. Make sure you retain copies of everything for your files.

SPEEDTYPE: _____

	ACCOUNT	AMOUNT
Other Operating Expense	727140	\$ _____
Supplies & Materials	714120	\$ _____
Supplies & Materials (Freight/Shipping)	714111	\$ _____
Other Operating Expense - Registration	727110	\$ _____
Other Operating Expense - Subscriptions	727120	\$ _____
Other Operating Expense - Memberships	727130	\$ _____
Publications/Printing (Business Cards, etc.)	742100	\$ _____
Repairs & Maintenance	715100	\$ _____
Motor Vehicle Expense (Parts)	712100	\$ _____
_____	_____	\$ _____
TOTAL (Must equal to amount due per credit card statement)		\$ _____

Prepared by: _____ Approved by: _____
 Cardholder Date Approving Supervisor Date

Reviewed by: _____ Reviewed by: _____
 P-Card Coordinator Date Grant Accountant Date



**SAVANNAH STATE UNIVERSITY
APPROVAL OF PURCHASING CARD EXPENSES FORM**

Statement Date _____

I certify that I have made all of the transactions listed on the P-Card Statement on behalf of Savannah State University and that they comply with the established procedures for using the Purchasing Card.

I have reviewed my P-Card Statement to ensure a receipt or form is attached for every transaction amount listed. (Forms include: Credit Receipt, Credit Confirmation Form, Lost Receipt/Invoice Affidavit or Purchasing Card Claim Statement of Disputed Item).

Cardholder Name (Print)

Department Name

Cardholder Signature

Date

I certify that I have reviewed all of the charges, receipts/invoices, and charging information for the purchases listed on the P-Card Statement. All charges and documentation comply with State of Georgia and Savannah State University purchasing regulations and all charging information is complete and correct.

Supervisor Signature

Date



Savannah State University
Purchasing Card Transaction Log

Date	Vendor	Item	Quantity	Price	Total Purchasing Price	Receipt Y or N

P-Card Holder's Signature: _____

Approving Supervisor's Signature: _____

Date: _____



Savannah State University Lost Receipt/Invoice Affidavit

Cardholder Name (Please Print): _____

Department: _____

I certify that I made the purchase shown below for official business but do not have a receipt because (check all that apply):

- Supplier/merchant did not provide a detailed receipt
- I have requested an invoice, but the vendor has not provided it
- I had a receipt but cannot locate it
- I have a receipt but it is not readable and this document is provided in order to describe the items purchased
- Order was placed via telephone, fax, or internet and vendor has not supplied a receipt/invoice

All information must be typed, or printed in ink. All information is required. Use one affidavit per lost receipt.

Supplier/Merchant Name	
City	
Date of Purchase	

Quantity	Detailed Description (attached additional sheet if necessary)	Unit Price	Total Price

Sales Tax Paid: No Yes

This document will be used in lieu of an invoice or receipt for this transaction. I certify that all items listed above (and on the attached, if applicable) were purchased and received for State of Georgia business. I also understand that habitual use of this form instead of submitting actual receipts or invoices will result in suspension or termination of purchasing card privileges.

Cardholder Signature: _____ Date: _____

Supervisory Signature: _____ Date: _____