

Purchasing Card Procedures

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Introduction

Purpose of the Purchasing Card Program

The **Purchasing Card (P-Card) Program** is designed to streamline the purchasing process by allowing authorized employees to make small-dollar purchases for official business purposes. The program improves efficiency, reduces administrative costs, and eliminates the need for a traditional requisition and purchase order process.

This manual provides guidance on the policies and procedures governing P-Card use to ensure responsible and compliant spending while maintaining proper oversight and adherence to organizational policies.

CSCU P-Card Policy

All universities are required to comply with the **CSCU Purchasing Card Policy**. The implementation of the new P-Card policy is mandatory for all campuses, with an effective date of April 1, 2025. The policy has been introduced in response to recent audit findings related to P-Cards.

The purpose of this manual is to supplement the CSCU Purchasing Card Policy by providing additional procedures and references.

Program Benefits

- **Efficiency:** Simplifies the procurement process, enabling quicker purchases.
- **Cost Savings:** Reduces paperwork, administrative tasks, and processing times.
- **Control:** Provides oversight of employee spending through reporting and reconciliation.
- **Convenience:** Allows for immediate access to goods and services, enhancing operational agility.
- **Accountability:** Clear documentation and approval workflows ensure transparency and compliance.

Program Guidelines

The following guidelines ensure the appropriate use of the P-Card program:

- P-Cards should only be used for authorized purchases, consistent with the cardholder's role and responsibilities.
- Cardholders must ensure all purchases are permitted and conform to budgetary guidelines.
- Cardholders must submit timely documentation for all transactions, including receipts and necessary approvals.
- Compliance with all applicable regulations, including tax laws, is required.

Eligibility Requirements

Employees must meet certain criteria to be eligible for a P-Card, including:

- **Business Need:** P-Cards are issued only to individuals whose job responsibilities require frequent business-related purchases. Generally, they are issued to regular, full-time staff members. Each application is evaluated based on necessity, including the types of goods/services needed, the expected number of transactions, and available alternative payment methods.
- **Delegated Authority:** The applicant must be authorized by a Vice President or Dean with financial authority over the relevant index or indices.
- **Training:** Applicants must successfully complete the P-Card Training Program and renew their training annually.
- **Separation of Duties:** The approver must be the budget authority listed on the index, while the reconciler may be either the cardholder or a person designated by the cardholder. These roles must be assigned to different individuals to ensure proper internal controls.
- **Transaction Reconciliation:** Cardholders must be able to accurately reconcile P-Card Transactions, with the required time commitment varying based on purchase volume.
- **Ineligible for P-Cards:**
    - Contract employees
    - Students
    - Temporary employees
    - Visiting faculty or staff
    - Volunteers
    - Other non-compensated personnel

Permitted and Prohibited Purchases

For detailed guidance on permitted and prohibited purchases, refer to the **CSCU Purchasing Card Policy.**

Guidelines for Specific Purchases

- Pre-approval from the P-Card administration is required for the following categories of purchases:
    - Gift Cards, refer to Gift Card Procurement and Distribution Procedure
    - Business Meals
    - Streaming Services

- **Facilities Management Approval**- Before purchasing any items that may require electrical, plumbing, or structural work, contact Facilities Management. They will ensure that the item being ordered is suitable for campus use and determine if additional work or modifications will be necessary.

- **Information Technology (IT) Approval-** Prior to purchasing any software or hardware, contact IT to verify compatibility with the SCSU system. Obtain IT approval for all computer-related hardware purchases, including printers. IT must review the purchase to ensure it meets network and support requirements. If equipment is purchased without prior IT approval, IT reserves the right to decline support or deny connection to the campus network.
- **Environmental Health and Safety (EHS) Guidelines**
  For any chemical purchases or disposal-related inquiries, contact Environmental Health and Safety (EHS) to ensure compliance with applicable safety regulations and guidelines.
- **Convenience Fees and Credit Card Surcharges**

  Connecticut law generally prohibits private businesses from imposing a surcharge, convenience fee, or similar charge solely because payment is made by credit card, including a Purchasing Card (P-Card). Cardholders should not approve or pay such charges unless the transaction falls within a statutory exception. Properly disclosed cash discounts and compliant dual-pricing programs are permissible under Connecticut law.

  If a vendor attempts to charge a credit card surcharge or convenience fee, the cardholder should request that the fee be removed or contact the Program Administrator for guidance before completing the transaction.

  Additional guidance is available from the Connecticut Department of Consumer Protection regarding credit card surcharges.

- **Delivery of Purchases**
  All purchases made with a P-Card must be delivered to a Southern Connecticut State University address. Delivery to a personal residence or other non-University address is not permitted except in rare circumstances approved in advance by Procurement or the P-Card Administrator.

Limits

Category	**Limit**
Business Meal (per person excluding any associated tips)	$50
Single Purchase Item	$2,500
Single Purchase Sum of Items	$5,000
Multiple Travelers transaction	$5,000
Monthly	$5,000
Number of Daily Transactions	10

Number of Monthly Transactions	100

Exceptions:
Requests for exemptions to these limits may be considered on a case-by-case basis. Approval must be documented and obtained in advance. For a one-time monthly limit increases up to $10,000, a breakdown and budget authority approval are required. For one-time monthly limit increases over $10,000, a breakdown of budget expenses and approvals from both the budget authority and the Vice President/Dean are required.

Sales Tax Exemption

P-Card holders must take advantage of the university's sales tax exemption status when making eligible purchases. Cardholders should inform vendors of the tax-exempt status and ensure that sales tax is not charged. If sales tax is inadvertently charged, the cardholder must follow the process to seek reimbursement or correct the transaction if the tax amount exceeds $1.00.

Split Transactions Policy

Split transactions, where a single purchase is divided into multiple smaller charges to circumvent spending limits, are strictly prohibited. Cardholders must ensure that purchases are made in a manner that complies with the program's spending guidelines.

P-Card Application and Approval

- **Application Process:** Employees must submit a completed P-Card Application form to the P-Card administration for review and approval. The P-Card application must be signed by the applicant's Vice President or Dean, granting them delegated budget authority, and must include the indices they will have access to. Each employee is limited to one P-Card, which is issued to an individual and cannot be shared. Departmental P-Cards are not permitted.
- **Approval Criteria:** The employee's Vice President or Dean and P-Card administration will review the application to ensure the employee is eligible for a P-Card.
- **Training and Compliance:** Upon approval, the applicant must complete the required training and formally acknowledge compliance with CSCU and university policy. This includes agreeing to adhere to the responsibilities and guidelines outlined in this manual.
- **Issuance:** The P-Card will be issued to the employee, along with instructions on how to use it and access to relevant resources.

Responsibilities

P-Card Administration

The Procurement Services Department administers the P-Card Program and supports colleges and departments in executing and paying for small purchases efficiently, effectively, and with appropriate controls.

Within Procurement Services, the P-Card Administrators manage the day-to-day operations of the program, including user setup, card control adjustments, and enforcement of policies and procedures. They are the sole authority for making modifications or exceptions to the program and are responsible for maintaining all related forms, policies, and procedures.

Additionally, the P-Card Administrators develop, update, and enforce audit and disciplinary policies to ensure compliance with university and regulatory standards. They also review and approve payment of monthly card charges, reconciling the bill from the Card Issuer with data in the card management system.

Cardholder Responsibilities

Cardholders are authorized University personnel who frequently make low-dollar purchases for University business and have been issued a P-Card. As a Cardholder, individuals are responsible for making purchases that serve a legitimate business purpose, reviewing their transactions regularly, allocating expenses to the correct index and account codes, providing clear business justifications, and uploading clear and legible itemized receipts for review and audit purposes. Cardholders must immediately report any lost, stolen, or compromised cards to the P-Card Administrator to prevent unauthorized use. Additionally, they are required to return the P-Card immediately upon request or upon their departure from the organization. Cardholders are fully entrusted as purchasers of goods for SCSU and must always ensure that purchases align with the best interests of the University.

Reconciler Responsibilities

A Reconciler is an individual designed by the Cardholder to handle post-purchase processing in the card management system. This includes allocating transactions to the appropriate index and account and documenting a clear business purpose for each transaction. The reconciler role may be assigned to either the Cardholder or a designated proxy who reconciles transactions on the Cardholder's behalf. A Reconciler is not authorized to make purchases using the Cardholder's P-Card. The Cardholder remains fully responsible for all actions taken by the Reconciler on their behalf.

Approver Responsibilities

An Approver is reviewing and approving purchases made by the Cardholder(s) assigned to them. The Approver must have budgetary oversight for the cost center (index fund) to which the expense is charged. By approving each transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use, as well as the correct allocation of expenses in accordance with Accounts Payable, Purchasing, and other related University policies.

Approvers must have sufficient knowledge and understanding of the Cardholder's P-Card activity to competently perform the approval process. This includes reviewing receipts to ensure compliance with both University procedures and CSCU policies. Additionally, since P-Cards may be used for purchases charged to external grants and contracts, Approvers must take special care to ensure these expenses comply with the specific terms of those grants and contracts.

- No Cardholder may approve their own purchases/transactions or direct another individual to approve transactions in a way that violates policy (e.g., approving transactions without proper review). Approving transactions without review is not only a violation of this policy but is also a critical financial control failure.

Reconciliation and Documentation Requirements

- Cardholders must reconcile their purchases at the end of each month. Reconciliation involves reviewing each transaction for accuracy, identifying the correct index and account, ensuring all receipts are submitted, and verifying that purchases align with the budget and allowable purchases.
- Legible receipts must be submitted for all transactions, and any discrepancies should be reported promptly.
    - In the case of lost receipts, cardholders should submit a Missing Receipt Affidavit, signed by their Vice President or Dean, explaining the loss and provide supporting documentation, if available.

Dispute Resolution Process

1. Contact the Merchant

- In the event of an incorrect charge, the cardholder should first attempt to resolve the issue directly with the merchant.
- Common issues include duplicate charges, incorrect amounts, or items not received.
- If the merchant agrees to issue a credit, the cardholder should document the communication and monitor the statement for the credit.

2. Initiate a Formal Dispute

- If the merchant does not resolve the issue within a reasonable timeframe, the cardholder must initiate a dispute with U.S. bank.
- Disputes must be submitted in writing, and supporting documentation (such as receipts, emails, or proof of attempted resolution) should be attached.

3. Notify P-Card Administration

- Cardholders must inform P-Card Administration of any disputes and provide details of the issue and steps taken.

- The P-Card Administrator may assist in coordinating resolution efforts and ensuring compliance with university policies.

4. Monitor Resolution Status

- U.S. Bank will investigate the dispute and provide updates on the resolution process.
- If the dispute is resolved in the cardholder's favor, a credit will appear on the statement.
- If the dispute is denied, the cardholder remains responsible for the charge.

5. Document and Retain Records

- All dispute-related documentation must be retained according to the university's record retention policy.
- Proper documentation is necessary for audits and compliance reviews.

Failure to follow the dispute resolution process in a timely manner may result in the department being held accountable for the disputed charge. Persistent discrepancies or failure to reconcile transactions appropriately may result in suspension or revocation of P-Card privileges.

Compliance, Violations, and Disciplinary Actions

All transactions are subject to audit and review. Accountholders who fail to comply with P-Card policies and procedures may face suspension or permanent revocation of card privileges, as well as disciplinary actions up to and including termination of employment. The severity of the violation will determine the appropriate response, which will be enforced at the discretion of the P-Card Program Administrator, Director of Business Services, and Chief Financial Officer (CFO).

Misuse vs. Abuse of P-Card Privileges

- **Misuse**: Any unintentional or intentional violation of P-Card policies and procedures for work-related purposes.
- **Abuse**: Any intentional or unintentional violation of P-Card policies and procedures for personal gain. Abuse of P-Card privileges will result in immediate cancellation of the card.

P-Card Infractions

Examples of Violations

The following infractions may result in disciplinary action:

- Failure to reconcile transactions by the 6th day of the month following the billing cycle.
- Failure to provide a valid business justification for a purchase.
- Failure to immediately report a lost or stolen P-Card.
- Splitting transactions to bypass purchase limits.
- Failure to provide a valid receipt, invoice, or supporting documentation.

- Using the P-Card to purchase prohibited items or misusing a temporary policy exception.
- Any other infractions as determined by the P-Card Program Administrator.

Strike Assessment Criteria

Effective with the March 2026 reconciliation, strikes will be assessed by type of infraction per billing cycle, rather than by the number of occurrences of the same infraction.

The following infractions will result in **one (1) strike per billing cycle**, regardless of how many transactions are affected:

- Failure to reconcile transactions at all
- Failure to upload required receipt(s)
- Failure to allocate charge(s)

Infractions Resulting in Multiple Strikes

The following violations will continue to result in **one (1) strike per instance**:

- Failure to provide required notice of pre-approval for business meals
- Sales tax charged when exemption should have been applied
- Failure to provide a complete list of attendees for approved business meals

Progressive Disciplinary Actions

1. **First Strike**: Courtesy email warning to the cardholder and the cardholder's direct supervisor.
2. **Second Strike**: Formal email notification to the cardholder, the cardholder's direct supervisor, and their Vice President. P-Card suspended until re-training is completed.
3. **Third Strike or Greater**: P-Card Terminated.

Unlawful or Severe Violations

1. Immediate revocation of the P-Card, with notification sent to the cardholder, cardholder's direct supervisor, and their Vice President.
2. Management will determine appropriate disciplinary action in consultation with the CFO, which may include termination of employment.
3. The University reserves the right to pursue criminal charges against any cardholder suspected of theft or unlawful activity involving the P-Card.

Compliance and Auditing

To maintain the integrity of the P-Card Program and ensure compliance with university policies, system policies, state regulations, and program requirements, audits will be conducted on each cardholder's

account. These audits verify that purchases are appropriate, properly documented, and that all policies and procedures are being followed.

The Purchasing Card Program Administrator is responsible for overseeing compliance and monitoring adherence to these procedures.

Audit Schedule and Criteria:

- P-Cards will be reviewed monthly for allowability by the P-Card Administrator.
- A random selection of P-Card transactions without infractions will be audited monthly by the Director of Business Services.
- The CFO will be provided with a monthly summary of all infractions categorized by division.

Audit and Compliance Monitoring:

In addition to the University's internal audit process, the CSCU System Office may conduct its own audits, reviews, or compliance assessments of purchasing card activity and supporting documentation at any time.

Additionally, each month, the P-Card Administrator will identify all cardholders who conducted transactions during the reporting period. A random sample of ten percent (10%) of those cardholders will be selected for additional audit review. The audit will assess compliance with applicable policies, procedures, documentation requirements, and purchasing card program standards. Audit results shall be documented on a CO-510 Form and submitted to the Office of the State Comptroller in accordance with established reporting deadlines and procedures.

Cardholder Training and Resources

P-Card Administration Contact Information

P-Card Administrator
Robin Kenefick
kenefickr1@southernct.edu
(203) 392-5266

Director of Business Services
Nina Cote
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(203) 392-5713

New Cardholder Training Overview

Before being issued a P-Card, all new cardholders must complete mandatory training to ensure they understand the policies, procedures, and responsibilities associated with card usage. This training covers:

- **Program Overview** – Purpose and benefits of the P-Card program.

- **Cardholder Responsibilities** – Proper use, purchase limits, and accountability measures.
- **Permitted and Prohibited Purchases** – Guidelines on acceptable expenditures and restrictions.
- **Transaction Reconciliation & Documentation** – How to track, submit, and reconcile transactions.
- **Policy Compliance & Audits** – Adherence to university policies, reporting requirements, and audit procedures.
- **Dispute Resolution** – Steps to take in case of transaction discrepancies.
- **Consequences of Non-Compliance** – Potential penalties for misuse, including card suspension or revocation.

Cardholders must acknowledge receipt of the P-Card policy manual and agree to follow all outlined procedures before their card is activated.

P-Card Reinstatement and Rehabilitation Program

Cardholders whose P-Card privileges have been revoked may be eligible for reinstatement through the P-Card Rehabilitation (REHAB) Program. The purpose of this program is to provide a structured, monitored opportunity for cardholders to demonstrate adherence to CSCU policy and compliance standards following administrative or procedural violations.

Eligibility, requirements, and conditions for reinstatement are outlined below.

Eligibility and Criteria

Time Since Revocation

- Six (6) month revocation – Moderate/Administrative Infractions
- Twelve (12) month revocation- Serious/Negligent Infractions
- Time since revocation will be determined by the P-Card Administration and stated in P-Card holder's audit.

Type of Violation

- Cardholders may be considered for reinstatement if the previous violations were administrative or procedural in nature, including:
    - Late reconciliations or missing receipts.
    - Process misunderstandings.
- Cardholders are **not eligible** for the REHAB Program if previous violations involved:
  a. Fraudulent use or intentional misuse of the P-Card.
  b. Personal purchases knowingly made.
  c. Prior participation in the P-Card REHAB Program.

Supervisory Approval

- A written endorsement is required from both the cardholder's direct supervisor and the appropriate Vice President or Dean.
- The supervisor must agree to provide additional oversight and monitoring during the probationary period.
- All documentation must be submitted to P-Card Administration for review and approval prior to reinstatement consideration.

Training Requirement

- The cardholder must complete the P-Card Reinstatement and Rehabilitation Program prior to reinstatement.
- The training will include review of:
    - P-Card policies and allowable purchases.
    - Documentation and reconciliation standards.
    - Consequences of noncompliance.
- The cardholder must successfully complete a certification assessment verifying understanding of policy requirements.

Agreement to Terms

- Upon approval for reinstatement, the cardholder must sign a **P-Card Reinstatement Agreement** acknowledging the following:
    - Understanding of all CSCU P-Card policies and SCSU procedures.
    - Acceptance that any future revocation of privileges will result in **permanent ineligibility** for participation in the P-Card program.

Probationary Conditions

- Reinstated cardholders will be subject to a **six (6)-month probationary period**.
- During probation, the card will carry a **reduced monthly spending limit of $1,000** with no opportunity for P-Card limit increases.
- The cardholder must maintain full compliance with reconciliation timelines and documentation requirements.
- **Zero exceptions** or violations are permitted during the probationary period.

Successful Completion

At the conclusion of the probationary period, P-Card Administration will review the cardholder's account activity.
Reinstatement to standard limits may be granted if the following conditions have been met:

- All reconciliations were submitted on time.
- No policy or procedural violations occurred.
- All supporting documentation was complete and compliant.

Failure to meet these standards during the probationary period will result in immediate revocation of privileges and permanent ineligibility for the P-Card program.

Annual Cardholder Training Overview

To maintain an active P-Card, all cardholders must complete **mandatory online training annually**. This training ensures continued compliance with updated policies and reinforces best practices. Topics include:

- **Policy and Procedure Updates** – Any changes to procurement rules or spending limits.
- **Audit and Compliance Expectations** – Importance of proper documentation and reconciliation.
- **Best Practices for Responsible Purchasing** – Tips to prevent fraud, avoid policy violations, and streamline approvals.
- **Common Mistakes and How to Avoid Them** – Review of past audit findings and corrective actions.

Failure to complete annual training may result in temporary suspension or revocation of P-Card privileges.