



# Purchase Card (P-Card) Procedures and Guidelines Manual

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## OFFICE OF THE CONTROLLER

2<sup>nd</sup> Floor Administration, Knight Campus  
400 East Avenue  
Warwick, RI 02886

[P-Card@ccri.edu](mailto:P-Card@ccri.edu)  
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## CONTACT INFORMATION

### Office of the Controller

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If you have questions regarding the program or the appropriate use of the Purchase Card, please contact:

**David Rawlinson**  
Controller

**Paul Rylander**  
Assistant Controller

**Judith Hubbs**  
P-Card Administrator

**Email:**

[P-Card@ccri.edu](mailto:P-Card@ccri.edu)

Monday – Friday  
8:00 A.M. to 4:00 P.M.  
Office of the Controller  
Knight Campus – 2<sup>nd</sup> Floor Administration  
400 East Ave.  
Warwick, RI 02886

**Visit our website at:**

[www.ccri.edu/pcard](http://www.ccri.edu/pcard)

### JP Morgan Customer Service

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The Purchase Card Program is serviced by JP Morgan Chase. The center is available 24 hours a day, 7 days a week to assist the Cardholder with general questions about their account. **If a Purchase Card is lost or stolen, JP Morgan Chase Customer Service should be notified immediately. Once you have notified JP Morgan Chase, please notify the P-Card Administrator.**



J.P.Morgan

**JP Morgan Chase Customer Service**  
1-800-270-7760



## OVERVIEW

### Introduction

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The Office of the Controller, under the direction of the Vice President for Finance and Strategy, is pleased to provide an exciting, innovative program that simplifies the way in which departments may order and pay for goods and services.

The Purchase Card Program is a fast, flexible purchasing method that delegates small dollar purchasing power to individual College employees. The Purchase Card, also referred to as the P-Card, permits purchases to be made with minimal delay and clerical labor, while also providing accountability. This manual describes the proper use of the Purchase Card. The procedures established here also serve to protect the College from fraud and other deliberate or accidental misuse of its funds.

The College's Purchase Card Program has been designed to implement the existing State of Rhode Island Purchase Card Program. JP Morgan Chase VISA is the State of Rhode Island's current contracted provider of the Purchase Card. VISA is readily acceptable by most vendors and is a convenient purchase and payment tool for low dollar purchases.

### Benefits

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The benefits of the Purchase Card to the College are significant and include:

- Receive orders immediately or within days instead of weeks.
- Significantly reduces workload related to the purchase of and payment for goods by reducing clerical processing time and time associated with the approval process.
- Reduces the number of purchase orders, invoices and checks, saving valuable College resources.
- Prompt payment to the vendor results in better prices and improved vendor relations.
- Provides end users with greater autonomy, allowing them to be more efficient and to focus on the value added aspects of their jobs.
- Enables Purchasing and Accounts Payable to focus on higher yield, value added activities, e.g., negotiating better contracts, etc.
- Dramatically reduces the number of vendors in the College's vendor database.



## Potential Cardholders

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The Purchase Card is available to College employees, paid through the state payroll system, upon the approval of their Dean, Director or Department Head, and Vice President/Associate Vice President as delegated by the President. This card is issued only to those authorized to make purchases on the College's behalf. Each card is issued to a specific person, who assumes responsibility for authenticating the validity of charges incurred.

**IMPORTANT:** Purchase Cards are assigned by the College to specific individuals and may be used only by that individual. There are no "departmental use" Purchase Cards at this time.



## PURCHASE CARD RULES AND RESTRICTIONS

The Purchase Card is designed as a payment method. The Community College of Rhode Island's Purchase Cards shall be used only for expenditures directly associated with the business of the College. **PERSONAL USE OF THE PURCHASE CARD IS STRICTLY PROHIBITED.** All expenses incurred on behalf of the College and paid with the Purchase Card must be reasonable and directly associated with the business of the College. All existing state and College purchasing rules, policies, and procedures must be adhered to when utilizing the Purchase Card. Each employee receiving a Purchase Card and each Department Administrator will be required to sign an initial agreement, and annually thereafter, acknowledging that he/she has read and understands the Policy Manual and agrees to abide by it.

Any employee who violates the policies and procedures set forth in this policy manual may be subject to disciplinary action, including without limitation **TERMINATION OF EMPLOYMENT, CIVIL PENALTIES** and/or **CRIMINAL PROSECUTION** under [Section 42-11-14.2 of the General Laws](#). Refer to *Personal Use of Card*, under the heading *Cardholder Non-Compliance*, for a full disclosure of penalties.

### Security of the Purchase Card

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The Cardholder is responsible for security of the card and for all purchases made with it. It's important that the Cardholder work with their Department Administrator and Dean, Director or Department Head, as applicable, in establishing proper internal business control procedures and processes to ensure that all expenditures are compliant, accurate, and appropriate. The card is to be kept securely in the Cardholder's possession; the back of the card signed, and expired cards immediately returned to the Department Administrator.

Purchase Card account numbers are considered confidential and proper care should be taken with the card and any documentation that contains the account number. Please be sure to never include the full account number within an email to any individual, including the Controller's Office. Account numbers should be removed or made illegible on all documentation, including copies filed at the department.

Furthermore, card numbers **are not** given to a sales representative to "keep on file" for future use. In general, keeping a purchasing card number on file is not allowed.



## Dollar and Transaction Limits

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The Purchase Card is limited to \$500 per transaction and \$1,500 per billing cycle. (The billing cycle generally ends on the 25<sup>th</sup> of each month.) These amounts include the purchase price, delivery fees, and any other charges.

Higher and lower limits, based on specific needs, may be accommodated. Refer to [Adjusting Limits](#), for specific instructions.

**NOTE:** *The credit limit is not tied to a department's available budget funds. The Cardholder is responsible for determining if funds are available for any transaction.*

## Split Purchases

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Splitting purchases to circumvent the set limits is prohibited. A split purchase is defined as having a vendor charge the card multiple times for smaller portions of an order. For example, having a vendor split a \$3,000 order of science equipment into three charges for \$1,000 each is a violation of the Purchase Card rules.

## Sales Tax

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The Community College of Rhode Island is a non-profit organization and is therefore exempt from Rhode Island sales tax. The tax exempt number (RI 189) is embossed on the front of the Purchase Card. Rhode Island sales tax should not be included in the purchase price for any goods or services purchased with the Purchase Card. A copy of the tax exempt certificate is available on the Controller's website should a vendor need proof of the tax exemption.

**NOTE:** *Purchases made from other states fall under Rhode Island state sales tax laws if the items are shipped to the College.*

Tax exempt status for the College is also available for purchases made in Florida, Maine, Massachusetts, Michigan, Missouri, New Jersey, Ohio, South Carolina, and Texas. This list is updated periodically. Please refer to the **Tools and Resources** website for additional information.



## Merchant Category Code (MCC)

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Merchant Category Codes and card limits provide the College and the Cardholder additional security that the Purchase Card will not be misused. A Merchant Category Code (MCC) is a four-digit code assigned to every vendor that accepts a charge card, identifying the products and/or services they provide. The College assigns Cardholders the MCC Group that best relates to their needs as a purchaser. For every transaction or purchase, the MCC of the vendor is compared to the list of authorized codes for the purchase card being used. If a vendor has an MCC that is not included as an authorized code, the transaction will be denied.

The bank that processes the vendor's charge card assigns the MCC to the vendor. The College has **no control** over what codes are assigned to a given vendor. Extensive efforts have been made to ensure that the MCC used by vendors in the normal course of business is not restricted.

If a Purchase Card is refused by a vendor, a request can be made to add an additional MCC. Refer to *Adding Additional Merchant Category Codes*, under the heading *Managing Card Transactions*, for specific instructions.

***NOTE:*** *MCC restrictions may not automatically prevent a Cardholder from making a purchase that is not authorized. A Cardholder must always adhere to purchasing rules, policies and procedures when utilizing the Purchase Card and not depend upon restricted Merchant Category Codes to determine if a purchase is authorized.*

## Purchase Rewards

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Purchase rewards received from a Purchase Card purchase are the property of the College, not the Cardholder. Purchase rewards from a vendor may include: rebate checks, store reward cards, promotional items, etc. Rewards are to be turned into the Department Administrator and any rebate check deposited into the College account from which the purchase was originally made.



## Restrictions / Non-Allowable Expenditures

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In addition to the personal and unallowable expenses set forth by the College's Purchasing Manual and the Community College of Rhode Island's Purchasing Policies and Procedures, the Purchase Card is not to be used to purchase any commodities from the list below, even if they are College business related.

### The Purchase Card is NOT to be used for:

- Alcohol, food, and beverages for any purpose (consumable items)
- Automotive- rentals, repairs, and fuel (see exception to follow)
- Cash advances
- Cellular phones, pagers, and calling cards
- Consulting services (attorneys, medical services, honoraria, etc.)
- Equipment maintenance contracts (Statewide contract exists with Remi Group / MPA#422 covering lab equipment, office automation, computers and other electronic equipment including telephone systems, security, and communications.)
- Fines, penalties, and late fees
- Firearms, ammunition, explosives (restricted to public safety)
- Gifts, gift cards, donations, and contributions
- iTunes and software downloads
- Leases or other contractual agreements
- Major construction or renovation projects
- Meals and entertainment
- Personal purchases (even with the intent of reimbursing the College)
- Prescription medications/pharmacy (including CVS Pharmacy and Rite Aid)
- Prizes and awards
- Purchases from CCRI employees
- Purchases in which a CCRI employee has a conflict of interest
- Radioactive and controlled substances
- Rare and precious metals
- Special occasion items (flowers, fruit, baskets, candy, balloons, etc.)
- Travel expenses

At times there may be a benefit to the College to expand the use of the card to make purchases which may require an exception to the list above. Exceptions to these restrictions may be granted on a case by case basis upon the approval of the Office of Controller. Justification for any exceptions should be emailed to [P-Card@ccri.edu](mailto:P-Card@ccri.edu).



## PROGRAM PARTICIPANTS: ROLES AND RESPONSIBILITIES

### Cardholder

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Role: Utilizes the Purchase Card to make authorized College purchases.

Responsibilities:

- Properly secure the Purchase Card.
- Make purchases in accordance with State and CCRI policies and procedures.
- Maintain all required supporting documentation (invoices, receipts, quotes, source justifications, etc.).
- Monitor all charges associated with the use of the Purchase Card (shipping, surcharges, exclusion of sales tax, etc.)
- Resolve any discrepancies with the vendor including, but not limited to, returns, exchanges and refunds ensuring credits are posted back to the Purchase Card account.
- Ensure that all purchases are valid and charged to the proper Banner FOAPAL string.
- Immediately report loss, theft, or fraudulent use to JP Morgan Chase and the Purchase Card Administrator.

### Department Administrator

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Role: Reviews and approves Purchase Card transactions to ensure compliance with all Community College of Rhode Island policies, procedures, and program provisions.

Responsibilities:

- Work with the Controller's Office to ensure a system is established and implemented that promotes compliance within the College's policies and procedures governing the use and security of the Purchase Card.
- Monitor activity for unusual transactions or unusual patterns of use discussing with cardholder any transaction which is or appears to be non-compliant with policies and procedures. If concerns still exist, document on the P-Card Reconciliation Form and report any violations to the Controller's Office.
- Obtain and review monthly Cardholder reconciliation package to ensure package is complete.
- Ensure each transaction is charged to the proper Banner FOAPAL.



- Compile reconciliation package for all department Cardholders and forward to the Controller's Office no later than five (5) business days after Purchase Card statement is available for pre-audit review.
- Immediately report loss, theft, or fraudulent use to JP Morgan Chase and the Controller's Office.
- Notify Controller's Office of any Cardholder changes in employment status, including transfer or termination.

### **Dean, Director, or Department Head (as applicable)**

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Role: Determines who in the department should receive a Purchase Card.

Responsibilities:

- Individual ultimately responsible for department budget.
- Identify potential Cardholders.
- Authorize issuance, adjustments, suspension, reinstatement, and cancellation of individual Purchase Cards.
- Designate individual to act as Department Administrator.
- Designate Banner default FOAPAL.

### **Controller's Office**

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Role: Participate in the administration of the College's Purchasing Card program, including monitoring and training. Purchase Card issuance and cancellation, management reports, internal auditing, and program development.

Responsibilities:

- Make recommendations for program policies and procedures as needed.
- Train Cardholders and Department Administrators in the management and use of the Purchase Card, continuing to assist as needed.
- Provide Purchase Card account set-up, information updates, changes, additions, deletions, and lost or stolen card replacement.
- Assist in the review of the reconciliation package.
- Report all incidents of fraud, abuse, or misuse of the Purchase Card to the Office of the Controller and Vice President for Finance and Strategy.
- Process payment of JP Morgan Chase monthly billings.
- Review periodically the list of Cardholders and determine whether the individual cards are still required.
- Participate in the administration of periodic management reports to help assess the effectiveness of the Purchase Card Program.



## OBTAINING A PURCHASE CARD

### Applying for a Card

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To obtain a Purchase Card the following process will be followed:

1. Obtain the following forms from the Controller's Office:
  - Application
  - Cardholder Agreement
  - Department Administrator Agreement
2. The completed application must be approved and signed by the Dean, Director or Department Head and Vice President/Associate Vice President as delegated by the President. Please note the Cardholder and Department Administrator cannot be the same individual nor can you swap roles.

*For example: Allan currently has an active P-Card. Allan's new role will be Department Administrator to Joe. Allan will need to relinquish his P-Card and Joe will need to apply as the new cardholder with Allan as his Department Administrator.*

3. Forward the completed signed forms to the Controller's Office at [P-Card@ccri.edu](mailto:P-Card@ccri.edu) and keep the originals for your records (not required).

**Controller's Office  
Knight Campus 2<sup>nd</sup> Floor Administration  
400 East Ave  
Warwick, RI 02886**

4. Once the application is approved by the Office of the Controller, the applicant and Department Administrator will be contacted via email.

### Signature Authority

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The Department Administrator **or** Cardholder is required to have signature authorization for each unique FOAPAL used for their department Purchase Card transactions.



## Security Verification

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The applicant's Community College of Rhode Island Banner Employee Identification number, date of birth, country of citizenship, home address and mother's maiden name are required fields in order to process a new purchase card request through JP Morgan Chase. These security verifiers will be used to identify you as the cardholder if you ever need to call JP Morgan Chase Customer service or if they contact you regarding your account.

## Training and Card Activation

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All Cardholders and Department Administrators are required to complete training, on the use and management of the Purchase Card prior to receiving a Purchase Card.

## Cardholder Agreement

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The Cardholder will be required to read and sign the Cardholder Agreement listing the conditions of use, including the College's right to cancel the card at any time and require its return, and agree to comply with the agreement's provision on penalties and disciplinary action. Additionally, in adherence with the [RI Board of Governors Office of Higher Education Credit Card Policy and Procedures](#), Cardholders will be required to re-read and re-sign the agreement annually.

## Expiration and Reissue of Cards

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Cards expire every three (3) years, on the last day of the month embossed on the front of the card (expiration date). New purchase cards are automatically sent to the Office of the Controller within one (1) to three (3) weeks prior to the expiration date. The Cardholder and Department Administrator will be sent an email notification regarding refresher training if initial P-Card training was completed more than three (3) years ago. Upon successful completion of the refresher training, another email will be sent notifying the Cardholder that their renewal P-Card is available for pickup at the Controller's Office during office hours.



## MANAGING CARD TRANSACTIONS

### **JP Morgan Chase**

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The Purchase Card Program is serviced by JP Morgan Chase. The center is available 24 hours a day, 7 days a week to assist the Cardholder with general questions about their account. A Cardholder can contact the bank for many reasons, including inquiring about a transaction, questioning a declined transaction and reporting a lost or stolen card.

### **Updating Transactions**

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Dollar amounts charged will be allocated to the default Banner FOAPAL assigned to the Purchase Card at the time of issue. Dollar amounts may be moved from one Banner FOAPAL to another, or split between several.

### **Declined Transactions**

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Charges typically decline due to spending-limit restrictions, single-purchase or monthly limits, or because a particular vendor is categorized under a Merchant Category Code (MCC) that the College has restricted. In some cases, spending limits may be raised or an additional MCC added so that the Purchase Card can be used for a previously declined charge. If a charge is declined, the Controller's Office is contacted via email. The reason for the denial will be assessed and measures will be taken to rectify the problem.

### **Adjusting Limits**

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All Purchase Cards have single transaction and monthly spending limits. Limits may vary for each Cardholder and will be established by the Controller's Office. Requests to raise the limits can be made, with justification and the Banner FOAPAL. If the request is granted by the Controller's Office, the limit will be adjusted accordingly.

### **Adding Additional Merchant Category Codes**

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If a Cardholder's Purchase Card is refused with a vendor where it should have been accepted, the Purchase Card Administrator is contacted. Requests to add additional codes, including justification (vendor and product or service) and Banner FOAPAL, are to be sent to the Controller's Office in an email. If the request is granted, the Controller's Office will then add the code accordingly.



## Returns and Credits

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If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the vendor and retaining that receipt with the support documentation for that billing cycle. Receiving cash or checks to resolve a credit is **PROHIBITED**.

## Transaction Disputes

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Disputed charges can result from failure to receive goods, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. In the event of a transaction dispute, the Cardholder should **immediately attempt to resolve** the dispute directly with the vendor involved. Most issues can be resolved this way.

If the Cardholder is unable to reach an agreement with the vendor, the next step is to contact JP Morgan Chase customer service to initiate a formal dispute. Once you have filed the dispute with JP Morgan Chase, please notify the Controller's Office.

When JP Morgan Chase has completed its investigation, the Cardholder will be informed of the resolution and any corrections that were made to their Purchase Card account. Any awarded credits will be applied to the Cardholder's account once the dispute has been successfully processed. That credit will eventually offset any incorrect charges on the account. Cardholders should assign the Banner FOAPAL to the credit, as was assigned to the initial charge.

All disputed transactions must be submitted to JP Morgan Chase within sixty (60) days of the posted transaction.

## Identifying and Reporting Fraudulent Transactions

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It is the College's policy that the Cardholder or Department Administrator review transactions weekly, at a minimum, in order to decrease potential fraudulent activity. If suspected fraudulent charges are found, they must be **reported immediately** to JP Morgan Chase **and** the Controller's Office.

JP Morgan Chase forgives fraudulent charges **ONLY** if they are notified within sixty (60) days from the date the charge appears (this is called the notification period). The sixty (60) day period to report fraudulent charges is attributable to VISA regulations. Depending on the type of fraud, there are different windows of time that the bank's fraud department has to receive the report, investigate the charge, and post credits. Due to these time frames, and in the best interest of the College, **JP Morgan Chase**



**must be notified as soon as possible of fraudulent activity.** If the bank is not contacted within the notification period and reporting requirements are not adequately met, fraudulent charges could become the liability of the College.

The JP Morgan Chase fraud department watches trends in fraudulent activity based on transaction amount, merchant name, location of merchant, type of merchant, etc. If the fraud department at JP Morgan Chase suspects any possible fraudulent activity, they will suspend the card until they can verify that the charge is legitimate. Usually, they will try to contact the Cardholder first and then notify the Controller's Office.

***NOTE:*** *If the Cardholder is contacted directly, immediately notify the Controller's Office.*

The role of the Cardholder and/or Department Administrator is critical at this point. The Cardholders and Department Administrators know their own activity better than both the JP Morgan Chase fraud department and the Controller's Office, so the College requires their assistance in identifying these charges.

### **Reporting a Lost or Stolen Card**

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[JP Morgan Chase Customer Service](#) is to be notified immediately at **1-800-270-7760** if a card is lost or stolen. The center is available 24 hours a day, 7 days a week. When the telephone call is received, JP Morgan Chase will immediately close the Purchase Card and issue a new card. The new card will be sent to the Controller's Office.

### **Other Changes to a Purchase Card Account**

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To update other Cardholder changes, such as the cardholder's email address, name change, phone number, default Banner FOAPAL, etc., the Department Administrators are required to email the Controller's Office at [P-Card@ccri.edu](mailto:P-Card@ccri.edu) with the updated information.

### **Card Termination**

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When a Cardholder leaves the College, changes departments, or moves to a job within their department in which they are no longer authorized to make purchases on the College's behalf, the Department Administrator has the specific obligation to reclaim and destroy the Purchase Card and contact the Controller's Office prior to the employee termination/transfer date. Failure to do so may result in revocation of all department cards.



## RECORD KEEPING, RECONCILIATION, AND PAYMENT

Reconciliation is the responsibility of the Cardholder and Department Administrators. Timely departmental reconciliations must be done to allow the Controller's Office adequate time to reconcile the College's payment amount against the departmental transactions.

### Documentation Requirements

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#### Receipt / Invoice

An original, itemized invoice or receipt is required for each transaction made on the Purchase Card.

A receipt is defined as an invoice, cash register receipt, sales slip, or packing slip which contains an itemized list of goods purchased, with dollar amounts, ship-to address and the name and location of the supplier. If a cash register tape does not have descriptions, then descriptions must be noted. An employee of the vendor must sign handwritten receipts. Small receipts are to be taped on letter sized papers (8.5 x 11 inches) when practical.

#### Ship to Address

Purchases must be shipped to an appropriate Community College of Rhode Island department address.

#### Purchases Made in Person

Itemized receipts are retained in addition to the credit card copy to properly substantiate the purchase.

#### Faxed, Mailed, or Telephone Purchases

A copy of the order as faxed or mailed and the fax confirmation (if available), is retained for record purposes. For purchases made by telephone, an order confirmation number should be obtained (if available). Cardholders should request that a receipt and/or packing slip be sent with the purchase.

#### Internet Purchases

At least one of the following types of documentation is required:

- Printout of the completed online order form.
- Printout of the online order confirmation.
- Printout of the email confirmation.



### Grant Purchases

The grant purchase justification form must be completed and included with the Purchase card reconciliation form. Please provide a detailed justification of each grant purchase indicating what makes it an allowable use of grant funds.

***NOTE:** Sales receipts should be sorted in the order listed on monthly statement.*

**REMINDER:** In accordance with State and the Community College of Rhode Island Purchasing Policies and Procedures, three (3) quotes must be obtained for **general procurements** over \$500. Purchases from \$501-\$2500, three (3) telephone quotes must be obtained and purchases from \$2500-\$5000, three (3) written quotes must be obtained. Additionally, purchases that are considered Single, Sole, or Proprietary Sources must be documented as such.

### Missing Documentation

If an original invoice or receipt is missing for the Purchase Card transaction, the individual should request a duplicate receipt from the vendor.

***NOTE:** Alternative documentation for missing invoices and receipts should be an exception, not a general practice. Employees who frequently fail to submit required receipts are advised that they are subject to loss of card privileges.*

### Monthly Activity Bank Statement

The billing cycle ends on the last day of each calendar month. However, if the last day falls on a weekend or holiday, the billing cycle will end on the next closest business day.

### Reconciliation by the Cardholder

At the end of each billing cycle the monthly statement will be printed out by the Cardholder. The Cardholder statement includes all individual charges and credits for the billing period. Upon printing out the statement, the Cardholder must:

- ✓ Review the statement for accuracy and verify each line with the vendor receipts/invoices.
- ✓ Ensure that all purchases are charged to the proper Banner FOAPAL, making changes as needed.



- ✓ If an item is billed incorrectly, or is questionable and has not been addressed previously, the cardholder is to follow the applicable procedures. Specific instructions can be found in the section [Transaction Disputes](#) or [Identifying and Reporting Fraudulent Transactions](#).
- ✓ On the statement, circle the dollar amount of any discrepancies and note "in dispute", "in transit", "sales tax charged in error", etc., as applicable.
- ✓ Once each line item has been verified or disputed, the Cardholder is required to fill out the *Purchase Card Reconciliation Form* listing discrepancies and providing an explanation in the space provided.
- ✓ Forward the *Purchase Card Reconciliation Form* to the Department Administrator containing the statement and supporting documentation.

**NOTE:** Sales receipts should be sorted in the order listed on monthly statement.

#### **Reconciliation by the Department Administrator**

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- ✓ Establish a date by which all Cardholders under his or her authority must submit their statements and supporting documentation.
- ✓ Review monthly activity statement(s) and receipts to ensure all charges are appropriate, all receipts are accounted for, and charges were coded to the correct Banner FOAPAL.
- ✓ Obtain required signatures and forward the *Purchase Card Reconciliation Form(s)* consisting of each Cardholder's monthly reconciliation package to the Controller's Office no later than the 10<sup>th</sup> day of each month.



### Summary of Deadlines

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Item	Deadline
Typical Billing Cycle End Date	End of each calendar month
Date Statement Available	On or about the 1 <sup>st</sup> of each month
Deadline for Cardholders to submit reconciled statement and receipts to Department Administrator	Each Department to establish this date
Deadline for Department Administrator to submit reconciliation packages to Program Administrator	The 10 <sup>th</sup> day of each month

### Payment

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JP Morgan Chase will mail one (1) summary billing to the Controller's Office, listing all transactions during the period for all Cardholders. Payment is required within fourteen (14) days to JP Morgan Chase. The Controller's Office will pay the summary bill in full.



## CARDHOLDER NON-COMPLIANCE

The Controller's Office, Internal Auditors, and the RI Board of Governors Office of Higher Education perform regular audits and quality assurances to ensure the proper usage of the Purchase Card. Review findings will be formally documented and forwarded to the Dean, Director, Department Head, Assistant Controller and Controller as applicable. A history of all violations is kept and repeat offenders will lose their Purchase Card, and may be subject to disciplinary action. Purchase Card privileges may also be suspended or revoked at any time by the Office of the Controller.

In addition to Internal Auditing, external independent auditors perform an annual audit of the College and it is essential to adhere to the record keeping guidelines. During disbursement testing, specific transactions will be selected and receipts and other supporting documentation will be given to the auditors for their inspection. Failure to provide this essential documentation may be documented as part of the audit findings presented to the RI Board of Governors Office of Higher Education and the State of Rhode Island Office of the Auditor General.

Examples of non-compliance include, but are not limited to, the following:

### Personal Use of Card

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If the offense is found to be accidental, the Cardholder will be required to refund the cost to the College. More than one (1) accidental use will lead to card termination. If the offense was found to be fraud, the Cardholder could face termination and possible criminal charges.

***NOTE:*** [Section 42-11-14.2 of the General Laws](#) makes it unlawful for any employee of the state, or his/her designee, to use or permit others to use state-issued purchase cards for personal use. Any person who violates this law shall be liable for a civil penalty equal to three times the value of the unlawful use, plus an amount not to exceed \$10,000. The penalty shall be assessed and recovered in a civil action brought in the name of the people of the State of Rhode Island by the Attorney General. If two (2) or more persons are responsible for any violation, they shall be jointly and severally liable for the penalty. If the action is brought by the Attorney General, the moneys recovered shall be paid into the General Fund. Nothing in this section shall prevent the Attorney General from pursuing criminal charges against any person who violates the policies and procedures established pursuant to this section.



### **Sales Tax**

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If a Cardholder is found to have paid sales tax on non-taxable purchases, the Purchase Card may be suspended until the Cardholder has been reimbursed by the vendor. If the Cardholder fails to get reimbursement on three (3) or more purchases, the Purchase Card privileges will be terminated and the card will be revoked.

### **Receipts**

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Proper documentation and record retention are imperative to the success of the Purchase Card program. If a Cardholder is found to be missing invoices/receipts, quotes, etc., the card may be suspended until the Cardholder can produce the required documents. If the Cardholder continuously fails to keep receipts, the card will be revoked.

### **Restrictions / Non-Allowable Expenditures**

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Depending upon the circumstances of the purchase, the card can be revoked immediately.

### **Monthly Reconciliation Submission**

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Failure to reconcile and submit the reconciliation package by the monthly due date without contacting the Controller's Office in advance will result in the following:

- First and second offense: the card will be suspended until the reconciliation has been completed.
- Third offense: the card will be revoked.

### **Irresponsible Card Management**

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Multiple offenses in different categories will result in card suspension pending a review.