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## PCard Manual

### 1. The PCard Program

#### 1.1. General Description

The Purchasing Card (hereafter PCard) is a Mohave Community College (College) commercial credit card program provided by JPMorgan Chase. It is a convenient way to make purchases. The PCard program provides for the consolidation of purchases onto a monthly statement requiring a single payment. As a result, the number of purchase orders (especially blanket purchase orders), other order requests, checks and cash reimbursements can be reduced considerably. The card may be used wherever Mastercard is accepted. JPMorgan Chase posts purchase transactions received by them from merchants to the College's accounts. The merchant receives payment within 24 to 48 hours. Cards remain the property of the College and JPMorgan Chase. The PCard program is administered by the College Business Office.

#### 1.2. JPMorgan's Smartdata

JPMorgan Chase provides the College with access to its Smartdata website. Transactions in Smartdata represent the purchases made by College cards that will appear on the next monthly statement. As such, employees responsible for card use must monitor Smartdata to ensure the accurate posting of transactions. Smartdata facilitates administration of the College's cards and provides the ability for users to track, verify, and reconcile purchases. It also provides for the assignment notation of College accounting codes. Purchases in the Smartdata system are transmitted to the College's accounting system (Jenzabar EX) monthly.

#### 1.3. Compliance

The PCard may only be used for College business purchases that benefit and support the College's mission. The card may not be used for personal purchases. Each card has limitations on the dollar amount of the transaction. Purchases are reviewed and approved by the designated authority. Purchases must comply with the College's purchasing policies and procedures including, but not limited to, all conflict of interest, authorization, competitive bid, quote and sole source requirements. Employees must also comply with other applicable College policies and applicable federal, state and local laws and regulations. Failure to comply with any requirement may be the cause for disciplinary action as described in the Employee Handbook. Failure to comply with official requests and directives, e.g., to produce transaction records, to provide responses to requests for information, surrender a card, etc., may be the cause for disciplinary action.

#### **1.4. Misuse**

Failure to comply with the procedures in this Manual constitutes misuse. Specific examples of the misuse of PCards include, but are not limited to, circumventing the approval process, purchasing restricted items, making personal purchases, splitting purchases to avoid single transaction limits, exceeding transaction limits, not obtaining receipts, not maintaining and submitting records in accordance with these procedures, not taking care to secure a card and the account number, providing the card number to unauthorized persons, allowing someone other than the cardholder to use or possess an Individual Card, or allowing an unauthorized user to use a card. This may include, but is not limited to, closer scrutiny, re-training, inactivation of the PCard, revocation of card privileges and may be the cause for disciplinary action. Criminal charges may also be filed when appropriate. If you suspect card misuse, report it immediately by contacting the Business Office and your immediate supervisor. All reports will be held in strict confidence.

#### **1.5. Internal Controls and Separation of Duties**

Because of the purchasing flexibility and the recognized risks associated with credit cards, there are inherently higher potentials for misuse and fraud. These factors require rigorous internal control procedures. They include a range of activities such as authorizations, approvals, verifications, reconciliations, reviews, receiving and card security. Internal controls also require the separation of duties. Inspections and program audits of varying frequency and complexity may be conducted to monitor compliance and assess program effectiveness.

#### **1.6. Due Diligence**

Due diligence must be exercised in complying with the internal control procedures and all aspects of the PCard program. Due diligence is a measure of care and effort expected from and exercised by a reasonable person to ensure acceptable and appropriate activities. Failure to make this effort may be considered negligence. Careful adherence to the procedures of the PCard Manual and the thorough and timely maintenance of original business records help demonstrate the exercise of due diligence.

#### **1.7. Record Keeping and Retention**

This Manual provides procedures for maintaining PCard records in accordance with standard accounting practices and audit requirements. Original or electronically stored documents are retained by the College Business Office for the required time period

established by State and Federal laws and regulations. Documentary evidence will be considered adequate if it shows the amount, date, place, and an itemized listing of products or services. A signed credit card receipt without itemization is not acceptable.

### **1.8. Card Security**

PCards must be secured from loss, damage, theft and unauthorized use. Cards must be stored and handled in the same manner as personal credit cards and cash. Each card has a unique account number imprinted on the front and a three-digit card security code number found on the back. The full account number and security code number may only be provided to an authorized official of the College or JPMorgan Chase and to reputable merchants when making purchases. Care must be taken not to allow the full account number to be overheard or seen by unauthorized persons. When communications require the identification of the card, use of the last four digits of the account number is preferable. Breaches or suspected breaches of security should be reported immediately to the Business Office. Cards may be canceled if necessary.

### **1.9. Reporting a Lost, Stolen or Damaged PCard and Fraudulent Use**

When a PCard is lost, stolen, damaged, or compromised the cardholder must contact JPMorgan Chase immediately in order to cancel the card. The telephone number is printed on the back of the card. The Business Office must also be notified as soon as possible. A card that is found after it has been reported lost or stolen must be sent to the Business Office for destruction. Any employee who discovers or suspects that a fraudulent charge has been made must report it immediately to the Business Office. A card will be canceled when fraud is determined or when it cannot be ruled out.

### **1.10. Disputed Transactions**

Disputed transactions may result from an error on the part of the merchant or the purchaser or from a disagreement with the merchant concerning all or part of the transaction. When disputes occur, the employee should promptly contact the merchant and attempt to resolve the dispute. The Business Office must also be promptly notified throughout the dispute process. The Business Office may attempt to resolve a dispute with a merchant, if necessary. When the Business Office determines that further efforts will not produce a resolution, a The Business Office will promptly file disputes with JPMorgan Chase after an independent review. When fraud is suspected, it must be reported immediately as covered in the previous section. The College has 30 days in which to file a dispute. Therefore, expeditious resolution of a dispute is necessary.

**1.11. Purchase Rewards**

Purchase rewards are the property of the College. Employees may not retain purchase rewards for their personal use. Purchase rewards may include rebate checks, coupons, store reward cards, vouchers, etc. Rewards should be turned in to the Business Office for college use. Reward checks must be deposited to reimburse the account code from which the original purchase was made. A copy of the reward check receipt will be attached to the monthly bill for documentation of use.

**1.12. Campus Procedures**

The procedures and forms referred to in this Manual are the standards of the program used for the purposes intended. Campus administrative and business services staff may develop supplemental procedures and forms not included in this Manual in order to facilitate compliance. Such procedures must comply and not conflict with the internal control and due diligence objectives of the provisions in this Manual. Requests must be submitted in writing to the Business Office for review and approval. Approved supplemental and alternative procedures will be maintained in the Business Office.

**1.13. Arizona Use Tax**

Arizona purchasers are responsible for paying Arizona Use Tax on tangible goods purchased from out-of-state vendors that do not collect the Arizona Transaction Privilege (Sales) Tax. Payment of the Arizona Use Tax applies regardless of the ordering method used, i.e., PCard, Purchase Order, etc. The Business Office is responsible for paying applicable Use Tax at the current Arizona Use Tax rate. The Arizona Use Tax rate is equal to the Arizona Transaction Privilege (Sales) Tax rate. Some out-of-state vendors do collect and pay the Arizona Transaction Privilege (Sales) Use Tax.

**1.14. Monthly Billings and Payments**

At the end of the billing cycle JPMorgan Chase sends the College a statement of the transactions charged by College PCards during the billing period. The College will pay JPMorgan Chase the amount on the billing statement by the payment due date. Payment is not withheld or reduced because of discrepancies or unresolved disputes. Discrepancies and disputes will be resolved independently as described in this Manual. Refunds and credits from resolved disputes, other discrepancies and reported fraudulent activity will be included by JPMorgan Chase in the billing statement when they are settled, which may be in a future statement.

### **1.15. Transaction Limits**

Each card has limits set for the number of transactions allowable daily and monthly, and has limits for a single transaction dollar amount and a total monthly dollar amount. Limits are standard, but are evaluated and adjusted, if necessary, at least every six (6) months. Limits that are set too high are subject to risks and potential abuse. So, an effort is made to tailor limits to the actual legitimate spending patterns used by the cardholder.

#### **1.15.1. Single Transaction Dollar Limit**

The single transaction dollar limit for a PCard is the same limit which applies to a cardholder's delegated purchasing authority. It is important to remember that a total transaction includes not only the purchase price, of the item(s), but also taxes (if applicable), freight/delivery charges, other additional charges, installation, etc. Purchases may not be separated into multiple charges in order to appear to be within the single transaction dollar limits. This is called purchase splitting. Deliberately splitting an order to stay within single transaction purchasing limits is misuse per se of the privilege to use a card. PCard purchases over the course of a day or two that would otherwise be included in a blanket purchase order, e.g., repair and maintenance materials and supplies, laboratory supplies, etc., are exempt from this restriction since a stated advantage of the PCard program is to consolidate purchases and reduce purchase orders and similar transactions.

#### **1.15.2. Monthly Total Transaction Limit**

Monthly total dollar transaction limits are designed to fit the monthly spending needs of the cardholder. Initially they are set based on the type of card requested.

#### **1.15.3. Number of Daily and Monthly Transactions**

The limits on the number of daily and monthly transactions are designed to fit the monthly spending needs of the cardholder. Initially they are set based on the type of card requested.

#### **1.15.4. Changes to Limits**

##### **1.15.4.1. Permanent Changes**

A request to permanently change any limit may be made in writing either by email or intercampus delivery. The reason for the change must be stated. Changes to increase Single Transaction Dollar Limits may not exceed the delegated authority limit of the user(s). In determining the request for a change, the Business Office will review the need weighed against potential risks. When granted, changes will be permanent, but are evaluated and adjusted, if necessary, at least every six (6) months. Records of changes to card limits will be maintained by the Business Office.



#### **1.15.4.2. Temporary Changes**

Temporary increases in monthly and daily limits may be granted, based on need. Requests must be in writing stating a justification from the responsible employee to the Business Office. When granted, temporary increases will be set to expire at the end of the day or month depending on the circumstances as determined by the Business Office. Records of changes to card limits will be maintained by the Business Office.

### **2. Categories of PCards and Users**

#### **2.1. Individual PCard**

##### **2.1.1. Issued to an Individual**

The Individual Card is issued to an employee whose name is imprinted on the card. The College's name is imprinted below the individual's name. It is intended for business-related expenses associated with the employee's duties. In accordance with the College's agreement with JPMorgan Chase, an Individual Card may only be used by the person whose name is imprinted on the card and an Individual Card must be under the control of the cardholder at all times. It may not be entrusted to another to be dispensed to the cardholder, or given or loaned to another employee to make purchases. There may be one or more types of Individual Cards with differing transaction limits intended to serve particular needs. Standard transaction limits are for new cards and will be re-evaluated and adjusted, if necessary, every six (6) months based on transaction history and needs determinations.

##### **2.1.2. Possession**

Individual Cards should be in the possession of the named Cardholder. However, Business Offices may designate a secure location to store Individual Cards when the cards are not in the possession of the named cardholder.

##### **2.1.3. Transaction Limits**

Standard transaction limits are established for newly issued cards. Limits will be re-evaluated and adjusted, if necessary, at least every six months based on transaction history and needs determinations.

### **3. Responsibility for Program Administration**

#### **3.1. General Principle**

Administration of the PCard program is a collaborative effort shared by the Business Office, Administrators and Departments.

### **3.2. Accounting Manager - Business Office**

The College's Accounts Manager is designated as the PCard Administrator and is responsible for program administration, for monitoring compliance and for taking appropriate corrective action to ensure compliance. The Accounts Manager may delegate components of the program's administration to members of the Business Office staff. The Business Office is responsible for maintaining all program administrative records, reviewing the program annually and for updating the PCard Manual.

### **3.3. Administrators**

College Administrators (defined by College policy) are responsible for the administration and compliance of the program in the Department(s) under their supervision, including Program Compliance.

### **3.4. Cardholder Supervisors**

Cardholder Supervisors must pre-approve individual purchases, designate annual budget expenditures for each employee, monitor compliance and serve as liaison between employees and the Business Office. Cardholder Supervisors are responsible for immediately notifying the Business Office when a Cardholder separates from employment with the College in order for the card to be immediately deactivated.

### **3.5. Approvers**

Approvers are assigned by Business Office to approve transactions. Only full-time regular employees with authority for signing and approving College financial transactions may serve as an Approver.

### **3.6. Coordinators of Individual PCards**

Supervisors may assign an Individual Card Coordinator to assist an Individual Cardholder with managing PCard records. In this case, Coordinators are restricted to record keeping and monitoring functions. They may not make purchases with the card. While Individual Card Coordinators may assist with monitoring and record keeping, Individual Cardholders are ultimately responsible for the monitoring of their transactions and the management of the records for the card.

## **4. PCard Applications**

### **4.1. Initiating an Application.**

#### **4.1.1. The PCard Application**

A PCard Application and Cardholder Agreement must be completed and approved to obtain, modify or cancel a PCard.

#### **4.1.2. Smartdata Access**

Individual Cardholders' and Department Coordinators' access to Smartdata is established through the PCard Application and Cardholder Agreement.

#### **4.1.3. Compliance Acknowledgement**

The PCard Manual must be read by all employees who will be involved in the program. The Manual is available on the College's website. When employees sign an Application they are acknowledging that the PCard Manual has been read and understood, that they understand their role, and that they will comply with the PCard Manual procedures and other applicable procedures.

#### **4.1.4. Administrator Approval**

Supervisors must authorize the initiation of an Application and sign all Applications.

#### **4.1.5. Cardholder - Individual PCard**

The employee to be issued an Individual Card must sign the Application.

#### **4.1.6. Submitting the Application**

After all signatures have been obtained on the Application, it should be forwarded to the Business Office through the authorizing supervisor.

### **4.2. Issuing New PCards**

#### **4.2.1. Establishing a New PCard Account**

The Business Office will review the Application and order a new card from JPMorgan Chase if the Application is approved. The Business Office will assign the appropriate card category. All required information will be entered in Smartdata and Jenzabar EX and the Application will be retained in the PCard record file. Upon receipt of a new card from JPMorgan Chase, the Business Office will forward it to the cardholder along with a PCard Agreement for signature and a new user introduction letter.

#### **4.2.2. Required Training by PCard Administrator**

Upon receipt of the new card, the PCard Administrator will contact the cardholder to confirm that he/she has read the PCard Manual and will arrange to train the Cardholders. The Pcard

Administrator will provide training on the Manual procedures and the use of Smartdata. Smartdata and PCard record keeping training must be provided to any employee who is given access to Smartdata even if not assigned a card.

#### **4.2.3. Activating the PCard**

The card must be activated before it may be used. In order to activate the card, the directions on the label affixed to the new card should be followed as soon as possible as well as the instructions in the introductory letter from the PCard Administrator. Before an Individual Card is activated, the Cardholder must sign the PCard and maintain it securely.

### **5. Making Purchases and Procedures After the Purchase**

#### **5.1 Making Purchases**

To ensure that PCard transactions are used for a public purpose in accordance with these PCard Manual procedures, the purpose of each transaction must be entered in the Smartdata text field for each transaction. Purchases may be made up to the card's single purchase limit with Budget Manager's pre-approval.

##### **5.1.1 Buyer PCard Purchases**

Non-travel purchases exceeding a Buyer's PCard authority must be approved by the employee having the delegated authority to approve requisitions for the requested transaction dollar amount of the purchase. Buyers may purchase any item with proper authority, including restricted items when exceptions can be granted.

##### **5.1.2 Individual PCard Purchases**

Purchases must be associated with the employee's duties. Executive Administrators may impose pre-approval requirements for purchases made on any card under their jurisdiction.

##### **5.1.3. Other PCard Purchases**

###### **5.1.3.1 Standard Transaction Forms (Requisition)**

Standard College financial transaction request forms may be used to request a PCard transaction when the method of ordering and payment is not determined at the time the financial transaction request is initiated. These include requisitions and travel authorization request.

#### **5.1.4 Account Codes(s)**

An account code must be assigned to the anticipated transaction and recorded on the Purchase Request and Approval form or other approved form used to complete a PCard transaction.

#### **5.1.5 Receipts Required**

Original receipts and other supporting documentation must be obtained for each purchase. All documentation that supports or explains the purchase should be retained and attached to the receipt. This includes, but is not limited to, order forms, material gathered while researching the item, shipping documents, packing slips, etc. The receipt or other documentation should include the name and address of the vendor, the date of the transaction, a brief itemized description and the total dollar amount. For orders placed by telephone, the itemized receipt should be faxed or mailed by the vendor after the order is confirmed. Electronic receipts are acceptable for purchases conducted on the Internet if the transaction is made by an Individual Cardholder. In the rare event that an itemized receipt could not be obtained, or when a receipt has been lost, a PCard Exception Report must be completed and signed by the Cardholder, providing an explanation for the missing receipt.

#### **5.1.6 Restrictions on Purchasing Certain Items**

Certain items may not be purchased at all with a card or may be restricted for purchase using specific PCards. A restricted item is an item that may not be purchased unless a specific exception exists. Restrictions do not necessarily mean that purchases are automatically blocked for purchase by the College and JPMorgan Chase. Specific items cannot be blocked from purchase. Only merchants based on their merchant category codes (MCC) can be blocked. Blocking of MCCs is employed by the College when there is clarity regarding a purchasing situation, e.g., blocking airlines from non-travel cards. However, because of inexact, blurred, and overlapping MCCs, it is not usually possible to block items or even item categories based on an MCC. Some merchants sell both restricted and allowable items. Therefore, PCard users and others involved in the process must be aware of the restrictions and refrain from making restricted purchases. Blocking of MCCs must not be relied on as a way of guarding against purchasing restricted items.

Restrictions are based on conformance with law, the use of public funds, College policies, risk considerations, or other contracted or preferred procedures. Exceptions to the restrictions for a specific purchase must be requested in writing and approved by Administration and submitted to the Business Office, prior to the purchase. Requests will be reviewed by the

Business Office for approval. Under emergency or urgent circumstances, a fax or email communication will suffice. Such exceptions, when granted, will be of a temporary nature. If the approved exception involves an emergency, a PCard Exception Form must be completed and signed at the most practical time following the purchase.

Departments whose purchasing responsibilities fall within a restricted category may request a release of that restriction for a specific PCard. Such requests should be submitted in writing to the Business Office, signed by the cardholder requesting the purchasing authority. The Business Office will review the request and establish a Specialty PCard type when justified.

### **5.1.7 College Address for Purchases**

When merchants ask for the **billing address** for the card, the purchaser must provide the following:

Mohave Community College  
1971 Jagerson Ave  
Kingman, AZ 86409

#### **5.1.7.1 College Addresses for Shipping**

Purchases must be shipped to a campus address and not a personal address:

**Kingman Campus**  
1971 Jagerson Ave  
Kingman, AZ 86409

**Bullhead City Campus**  
3400 Highway 95  
Bullhead City, AZ 86442

**Lake Havasu Campus**  
1977 Acoma Blvd., West  
Lake Havasu City, AZ 86403

**North Mohave Campus**  
480 South Central  
Colorado City, AZ 86021

**Detroit Avenue Campus**  
1801 Detroit Avenue  
Kingman, AZ 86401

### **5.1.8 Purchases Exceeding Authorizations for Department or Individual PCards**

Anticipated purchases exceeding the authorizations of an Individual Card should be submitted to the Business Office. Purchases must be approved by the official having the authority delegated in the College's purchasing procedures for the dollar amount of the transaction.

## **5.2 Procedures after the Purchase**

### **5.2.1 Disposition, Filing and Retention of Transaction Documents**

Receipts, Budget Manager's pre-approval and other supporting documentation must be attached in the Smartdata website by the Individual Cardholder before the 17th of the month. All supporting documents must be retained by the cardholder for the required time period established by State and Federal laws and regulations. Documents must be accessible on demand when requested by auditors or other authorized persons.

### **5.2.2 Smartdata and Electronic Transaction Document Files**

The Smartdata transaction history and supporting documents must be retained electronically by the Business Offices in a format and filing system that is readily accessible and is secured.

### **5.2.3 Credits**

Documentation of a credit, including a rebate, reward or refund must be recorded by the cardholder for the month in which it was received with email notification sent by the cardholder to the business office. The documentation for the credit must be attached to the original transaction receipt documents.

### **5.2.4 Verification of Receiving**

Individual Cardholders are responsible to ensure that goods and services purchased using a PCard are received in good order and working condition in the case of tangible goods or that the services have been performed in the case of services. Approvers of purchases must also verify that the goods were received or the services performed.

## **6. Reconciliation Process**

### **6.1 Purpose**

Transaction reconciliation is part of the internal control process. It is used to verify that original receipts and entries match the postings in Smartdata. Smartdata postings represent the charges that will be on the College's upcoming monthly billing statement. The balance on the monthly statement must be paid by the College in a timely manner. PCard posting reconciliation is equivalent to bank account reconciliation. Any discrepancies must be investigated and resolved as soon as possible. There are two levels of reconciliation, on-going reconciliation during the billing cycle by Cardholders and final reconciliation following the close of the billing cycle by Business Office. Reconciliation must be documented using the procedures described in this section.

## **6.2. On-going Reconciliation During the Billing Cycle**

Reconciliation is an ongoing process conducted by Cardholders requiring timely processing throughout the open billing period and should not be delayed until the close of the cycle on the 17<sup>th</sup> of each month.

### **6.2.1. Tracking Transactions in Smartdata**

JPMorgan Chase posts the transactions received by them from merchants to the College's PCard accounts. This website has been established especially for the College. Cardholders, Coordinators and Business Managers must perform timely reviews of transactions in Smartdata on a regular and frequent basis to ensure that disputed and fraudulent purchases are not being posted to card accounts. When a transaction is posted in Smartdata, employees must follow certain reconciliation steps based on their responsibilities.

### **6.2.2. Review of Postings by Cardholders and Coordinators**

When a transaction is posted in Smartdata, Cardholders and Coordinators must compare the posting with their receipts. If the posting is as expected and not in dispute, a check mark must be placed in the "Reviewed" check box for the transaction and saved.

### **6.2.3. Verifying Receipt by Cardholders and Coordinators**

Cardholders and Coordinators must verify that tangible goods have been received or services performed.

### **6.2.4. Account Code Changes**

Account code change requests must be recorded by the Cardholder or Coordinator in Smartdata when they are posted.

### **6.2.5. Role of Business Managers**

#### **6.2.5.1. Compliance Monitoring**

Business Managers must monitor Smartdata for timely compliance and resolve any on-going reconciliation delays and other problems discovered or reported to them. They should provide assistance to employees involved in the reconciliation process.

#### **6.2.5.2. Arizona Use Tax**

The Business Office will review each transaction and determine if Use Tax is applicable. If a transaction is subject to Use Tax, the Business Office will include the calculate tax in the monthly tax submission to the State.



### **6.2.5.3. Account Code Changes**

It is the responsibility of cardholders to ensure that the account code(s) assigned to transactions are correct. Cardholders must make notations of account code(s) in Smartdata to ensure correct accounting.

## **6.3. Final Reconciliation**

### **6.3.1. Monthly Statement Reconciliation**

When the billing cycle closes in Smartdata, transactions are automatically downloaded from Smartdata to Jenzabar EX for that period. As part of the internal control process, staff in the Business Office reconciles the transferred transactions in Jenzabar EX with the transactions on the JPMorgan Chase billing statement. Discrepancies must be resolved by the cardholder in cooperation with the Business Office.

### **6.3.2. Cardholders and Coordinators Responsibilities**

At the end of the billing cycle, Individual Cardholders and/or supervisors must complete and sign the reconciliation verification ensuring that transactions have been reviewed, received and approved.

### **6.3.3. Reconciler Responsibilities - Business Office**

#### **6.3.3.1. Reconcilers**

Cardholders are appointed as primary PCard transaction Reconcilers. Other Business Office employees may be designated as Reconcilers to assist cardholders and supervisors in conducting reconciliation processes. Employees assisting in the reconciliation process who are not also Individual Cardholders must request Smartdata access.

#### **6.3.3.2. Reconciler Responsibilities**

Reconcilers are responsible for conducting the final reconciliation process.

#### **6.3.3.3. Account Code Changes**

The Business Office may make the necessary account code changes in Smartdata before transactions are transferred from JPMorgan Chase following the close of a billing period. After the transactions are transferred and imported, a journal entry is required to change the account code in Jenzabar EX.

**6.3.3.4. Reconciling Smartdata Postings**

Once a transaction has been reconciled, the cardholder must check the “Reviewed” check box in Smartdata. Postings in Smartdata that are not supported by receipts must be promptly investigated and resolved. If such discrepancies cannot be resolved within 30 days, they must be forwarded to the Business Office. Remedial action must be taken for any exceptions or irregularities in record keeping. Records of remedial actions must be kept by the Business Office. Persistent or repeated exceptions or irregularities in record keeping must be reported to the Business Office that are not resolved after two attempts at remediation.

**6.3.3.5. Approvals for Smartdata Postings**

The Business Office will check the “Approved” checkbox in Smartdata for all transactions approval. If approval was not obtained for a transaction requiring pre-approval or the card was used by an individual who was not assigned as an Authorized User, remedial action must be taken for any unapproved transactions. Records of remedial actions must be kept by the Business Office. Business Office must report persistent or repeated unapproved transactions to Administration if they are not resolved.

**6.3.3.6. Receiving of Goods and Services**

Reconcilers must verify that the goods ordered have been received or the services performed for all transactions. When goods or services are not received in the same posting period as the transaction, the Business Office must be updated when the goods and services are received. Records of remedial actions must be kept by the Business Office. The Business Office must report persistent or repeated failure to record receiving as required to the Business Office after two attempts at remediation.

**6.3.3.7. Pre-Audit Quality Control Check**

At least once a year, the records of each cardholder will be reviewed to verify that transactions and record keeping are in accordance with College policies and procedures. A Quality Control Checklist will be prepared during the fiscal year to allow the department sufficient time to address deficient findings before the annual financial audit for the PCard Program.

## **Purchasing Card (PCard) Manual**

### **Appendix A**

#### **PCard Usage Restrictions**

A restricted item is an item that may not be purchased unless a specific exception exists. Restrictions do not necessarily mean that purchases are automatically blocked for purchase by the College or JPMorgan Chase. Therefore, PCard users, coordinators, approvers and others involved in the process must be aware of the restrictions and refrain from making restricted purchases. Blocking of Merchant Category Codes (MCCs) is employed by the Business Office to block purchases from merchants whose primary business involves selling restricted items. However, blocking of MCCs is an inexact method of limiting purchases of restricted items. Therefore, MCCs must not be relied on as a way of guarding against purchasing restricted items.

Restrictions are based on conformance with the use of public funds, College policies, risk considerations, or other contracted or preferred procedures. Where an exception or explanation for a restriction exists, it is noted in the restricted items.

When a cardholder's purchasing responsibilities require the purchase of restricted items, an exception may be allowed. The Business Office will request a written pre-approval from the cardholder's supervisor be attached to the purchase. Such exceptions, when granted, will be of a temporary nature.

**The following purchases, payments and other transaction are not allowed unless an exception is noted or approved.**

#### **1. Alcoholic beverages.**

Exception:

a. Cards assigned to or for use by instructional programs involving culinary arts may purchase alcoholic beverages for use in cooking and the presentation of food.

#### **2. Animals.**

Exception:

a. Purchases by any card of fish, frogs or invertebrates such as mealworms, earthworms, wax worms, caterpillars, beetles, crickets, snails, octopi, or similar living or non-living animals for instructional purposes.

**3. Bottled water for personal use.**

Exceptions:

- a. Purchases by any card for Business Relations purposes approved in writing by Administration.
- b. Purchases by any card out of designated funds for authorized student activities approved by the responsible Administrator are allowed.
- c. Purchases by any card of bulk bottled water service for use by the public, students and staff in an area lacking drinking water within close proximity is permitted with the written approval of Administration.

**4. Capital purchases, as defined by College accounting policy. Capital purchases (≥\$3,000) must be purchased with a Purchase Order.**

Exception:

- a. Buyers can use their PCard for purchases over \$3,000 with written approval.

**5. Cash advances, wire transfers, money orders, ATM withdrawals.**

**6. Cash refunds on returned items purchased with a PCard.**

**7. Cellular telephones and pagers and services.**

**8. Computer equipment, software, and services.**

Exceptions:

- a. All cards assigned to District IT staff may purchase computer equipment, software and services using assigned PCards, except for capital items (see above).
- b. All cards may purchase computer equipment, software, and services with the written approval of District IT.

**9. Firearms and ammunition.**

**10. Flowers and plants for decoration, ornamentation, or personal recognition.**

Exceptions:

- a. Purchases by any card for Business Relations purposes approved in writing by Administration are allowed.

b. Purchases by any card out of designated funds for authorized student activities approved by the responsible Administrator are allowed.

c. Cards assigned to or for use by instructional programs involving biology, botany, horticulture, landscaping or culinary arts may purchase flowers and plants for instructional purposes.

**11. Food, beverages and entertainment for personal use, including during approved travel.**

Exceptions:

a. Purchases by any card for Business Relations purposes approved in writing by Administration are allowed.

b. Purchases by any card out of designated funds for authorized student activities approved by the responsible Administrator are allowed.

c. Food and beverages purchased for instructional purposes.

**12. Fuel and lubricants for motor vehicles.**

Exceptions:

a. Cards assigned to the transportation services unit of the College may make purchases of fuel and lubricants for College vehicles.

b. Cards assigned to or for use by instructional programs involving automotive technology or truck driving may purchase fuel and lubricants.

c. Cards assigned to the facilities maintenance units of the College may make purchases of fuel and lubricants for use in landscaping and grounds keeping equipment and for use in construction, e.g., generators.

**13. Gifts and donations.**

**14. Grant- or contract-prohibited items specified as prohibited in the grant or contract.**

**15. Chemical/Hazardous Materials**

Certain chemicals/hazardous materials that are regulated by governmental authorities (i.e. OSHA, EPA) may not be purchased without the prior approval of the College's Safety Director.

**16. Paying for expenses during the trip.** PCards may not be used for meals and incidentals (M&I). M&I is based on the travel destination in accordance with rates established by the State of Arizona. Employees who do not wish to pay for the cost for M&I and lodging out-of-pocket, to be reimbursed after the trip, should request a cash advance.

## **Purchasing Card (PCard) Manual**

### **Appendix B**

#### **Conflict of Interest**

Employees are subject to the conflict of interest provisions of Arizona law. No employee shall directly or indirectly receive any compensation or remuneration, or derive any profit or gain, by reason of his/her employment or by reason of his/her services to the college district (ARS 38-501 et seq).

There exists between Mohave Community College and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of the College honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the College. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions or knowledge gained there from for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

This procedure is directed not only to board members, directors and officers, but to all employees who can influence the actions of the College.

#### Areas of Conflict

Conflicts of interest may arise due to directors', officers', and employees' relationship with any of the following third parties:

1. Family members or other persons and firms supplying goods and services to the College.
2. Family members or other persons and firms from whom the College leases property and equipment.
3. Family members or other persons and firms with whom the College is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting the College.
6. Agencies, organizations, and associations which affect the operations of the College.

**Purchasing Card (PCard) Manual**

**Appendix C**

**Forms**

The latest versions of the forms below may be found on the College's website which is accessible through JICS.

PCard Manual

PCard Cardholder Agreement

PCard Application



**Purchasing Card (PCard) Manual**

**Appendix D**

**Contact Information**

- Report PCard Misuse x1232 or x1967 (692-3032 or 681-5667)
- JPMorgan Chase Customer Service: 1-800-270-7760
- Report Stolen or Lost Card: 1-800-316-6056
- JPMorgan Chase Smartdata website: <https://smartdata.jpmorgan.com>