

## Purchase Card Policy

Virginia Tech offers several types of purchasing methods for goods and services. This document will cover only the Purchase Card and should not be confused with the Travel Card Program, which is used by employees when on business travel.

The Purchase Card program is designed to be used for orders of \$2,000 or less, for emergency purchases, as well as to make purchases from vendors who have confirmed they will not accept a purchase order. This alternative to our normal purchasing processes must comply with all University and State Procurement policies.

## Card Provider

Bank of America is Virginia Tech's partner in providing card services for both the Purchase Card program as well as the Travel Card program. Your purchase card will be Chip and PIN enabled. The embedded microchip provides enhanced fraud protection and increased global acceptance. You can visit [the Works System](#), which is Bank of America's web-based account management tool. Cardholder and managing account statements are provided at the end of each billing cycle.

The below numbers are available to call for assistance as needed:

- Customer Service, 1-888-449-2273
- Fraud Department, 1-866-500-8262
- Disputes, 1-866-601-9490

## Roles and Responsibilities

### Cardholder Eligibility and Liability

The Department Head will determine which employees should have a card, as well as be responsible for proper use of the Purchase Cards issued to their department. The purchase card is not intended for employees who are not knowledgeable of the procurement procedures, senior level individuals who may approve expenditures, or non-employees.

Cardholders are university employees authorized by their Department Head to receive purchase cards and make purchase transactions on behalf of the university. Although the card reflects the employee's name, personal use of the purchase card is not allowed under any circumstance. Additionally, the cardholder is the only authorized user.

Fulfilling the cardholder role carries responsibilities, such as the completion of training, ensuring appropriate use of the card, maintaining supporting documentation, upholding designated security measures, reconciling purchase card transactions, and following all procurement and accounting requirements.

## Cardholder Rules

1. Review purchase card policy.
2. Take the Purchase Card test and pass with a score of 80% or higher.
3. Sign the Employee Agreement confirming that they have read, understand, and agree to the terms and conditions, including that they will be the sole user, and will use the card for authorized university purposes only.
4. Maintain the card in a secure location at all times, including any documents that may contain the 16 digit card number, expiration date, or CVV number.
5. Immediately report lost or stolen cards to Bank of America.
6. Adhere to purchase limits and restrictions, ensuring the total amount of any single transaction does not exceed the limits of the card.
7. Ensure that all purchase card transactions comply with the university procurement policies.
8. Verify all monthly statement charges, submit documentation, and complete reconciliation using ChromeRiver by the 10<sup>th</sup> of each month.
9. Monitor account activity and report suspected fraudulent activity to Bank of America.
10. Resolve disputes or billing errors directly with the merchant or service provider. Contact Bank of America if disputes cannot be resolved.
11. Ensure pending credits have been applied. In-store credits, gift cards, or cash cannot be accepted in place of statement credits.
12. Retain documentation in accordance with policy.

Approvers are critical to ensuring adherence to the program guidelines as well as being the first line of defense against card fraud and misuse. An approver is someone other than the cardholder, who is authorized and designated to review and approve cardholder reconciliations. They confirm transactions are legitimate, follow university procurement policies, review appropriate supporting documentation and provide necessary approvals.

## Security

The purchase card is never allowed to be shared. Only the person whose name is on the card is allowed to use the card. If the cardholder knowingly allows another person to use the card, the

cardholder's privileges may be revoked for a minimum of three months. Repeat offenses may cause permanent revocation.

This does not preclude the cardholder from placing an order with a vendor and then sending a representative to pick up the order. In this case, the following steps should be taken:

1. The cardholder must make initial contact with the vendor to provide the card number.
2. The vendor must keep the card in a secure, preferably electronic, file.
3. The vendor must assign a separate store account number for use by representatives of the cardholder, so the card number is not shared.
4. The vendor must contact the cardholder for final authorization to process the charge.

Do not store your Purchase Card information on any mobile devices or utilize any mobile payment or digital wallet services.

## Spending and Transaction Limits

A cardholder may not authorize any charge over the transaction limit set by the Program Administrator. If a cardholder authorizes a charge over the limit for that card, whether by encouraging the vendor to circumvent the Credit Card Company denial, splitting orders in an attempt to purchase goods or services valued over the card charge limit, or any other means, the card may be revoked for a minimum of three months. Repeat offenses may cause permanent revocation.

- Example 1: You have a \$2,000 transaction limit on your card. You need to purchase three tickets/registrations, each costing \$1,000 for a total of \$3,000. These may be purchased and will be regarded as three separate transactions. The vendor should charge each ticket individually.
- Example 2: You have a \$2,000 transaction limit on your card. You need to purchase three \$2,100 tickets/registrations for a total of \$6,300. If the vendor charges these in the following manner, \$2,000, \$2,000, \$2,000, and \$300, this would be regarded as a violation because the charges were split to circumvent the transaction limit set on your card.
- Solution: You may request to have your card limits temporarily raised to accommodate these transactions.

There are travel situations where there are two or more employees on the same itinerary. In these circumstances, each airline ticket or conference registration is considered an individual transaction.

Conference registrations, professional memberships, and association dues can also be considered individual transactions and may be charged individually.

## Appropriate Use of Purchase Cards

1. Emergency purchases
2. Purchase orders to vendors who have confirmed they will not accept a HokieMart purchase order
3. Airline tickets, Refer to [Virginia Tech Procedure 20335e: Air Transportation](#)
4. Conference registrations
5. Professional membership and association dues
6. Software that has been approved through the low-risk low-cost portal, when the supplier will not accept a purchase order, and the total cost of the software does not exceed \$10,000

## Prohibited Use of Purchase Cards

The purchase card program is not allowed to be used where purchasing is restricted by either Virginia Tech or State policy. Prior to using the card, please review Procurement General Restrictions.

In addition, the purchase card is not to be allowed for the following types of charges:

1. Personal exp
2. Cash advances, gifts, gift cards, flowers, prepaid phone cards
3. Internal vendors, including Virginia Tech Continuing Professional Education (CPE)
4. Past due invoices
5. Splitting orders in an attempt to circumvent transaction limits
6. Fuel or automotive (waivers can apply)
7. Travel expenditures, travel protection insurance, seat preference fees
  - a. The only exceptions are for CISI Insurance and airline tickets no more than 90 days before travel. The travel supervisor must approve any airline ticket purchases more than 90 days in advance.
8. Real estate leases
9. Radioactive materials
10. Yearly maintenance and/or Service agreements having an annual cost exceeding \$2,000
11. Copier maintenance contracts

12. Purchases from state employees or immediate family
13. Air Conditioners (Physical Plant is an exception)
14. Student insurance
15. Prepared food or catering
16. Renovations, security, fire systems, painting, electrical, building locks, keys, etc.
17. New and used licensed vehicles
18. Telecommunication or Video Surveillance Equipment or Services
19. Narcotics or dangerous drugs
20. Lab refrigerators
21. Respirators and cartridges
22. Printing and copying

Failure to use the purchase card according to guidelines may result in administrative action, including card suspension, revocation, disciplinary action up to and including termination, and/or civil legal action to reimburse the university for unauthorized purchases.

## **Written Requests for High Spending Limits/Temporary Lifts**

It may be necessary to temporarily increase the spending limit to accommodate a one time purchase. This scenario is an exception and should be used only in emergency situations. To request a lift or exception, the cardholder should open the form at the end of this document named Lift/Exception Request. Once the document is signed by an approver with signature authority, email the form to [the Purchase Card Administrator](#). It is important to note that we require ink or digital signature on the lift/exception form.

Additional reviews may be necessary for lift/exception requests, and it may take up to 48 hours for these reviews to be completed. The purchase card administrator will notify you if/when you can proceed with the purchase. When a temporary spending lift is approved, no additional purchases above normal transaction limits are allowed during the lift period.

With the implementation of the university's low-risk low-cost software acquisition program, the university will allow software products approved under that program to be purchased on the purchase card. Those purchases could be a one time acquisition cost not to exceed \$10,000 or recurring monthly subscription charges that will not exceed \$10,000 in one calendar year. In order for the purchase card to be used for purchases that exceed the \$2,000 limit, users must

request a lift to their purchase card spend limits by emailing [the Purchase Card Administrator](#) and requesting a lift. The email should reference back to the RITM approval from the ServiceNow survey showing the software qualified under the low-risk low-cost acquisition program for direct purchase by the university department or unit.

## **Making Purchases In Person**

The cardholder should use the Purchase Card and PIN combination at the point of sale, just like any other credit card purchase. Please contact Bank Of America if you do not know your PIN.

## **Making Purchases by Telephone, Fax, or Internet**

Protect the purchase card from potential fraud by only using secure internet connections and secure websites, those marked with SSL or https://, when making purchases online.

Retain the vendor's web address in your records when ordering online.

Never fax or email the purchase card number to a vendor. Orders may be submitted by fax or email by leaving off the purchase card number and calling the vendor to provide the number verbally.

It is allowable to provide the purchase card number to the vendor via phone. It is the cardholder's responsibility to ensure that the vendor does not store the card information in their system. It is allowable for the purchase card holder to place the order via phone, and a different department member can pick up that order.

It is important to note that cardholders cannot combine personal and work accounts when using the purchase card to make purchases.

## **Tax Status**

The university is exempt from Virginia state sales tax. The Commonwealth of Virginia Sales and Use Tax Certificate of Exemption (ST-12) is the form you present to vendors when placing an order. If the sales tax is charged in error, the cardholder is responsible for contacting the vendor or service provider to request credit back to the purchase card.

## **Returns, Credits, and Disputes**

A credit issued to the purchase card originally used is the only authorized practice for processing credits and returns. Store credits or cash refunds are never allowed in place of credit to the purchase card.

1. Prior to a return, discuss the method of return with vendor/supplier.
2. Manually or electronically log in the credit amount due.
3. When reconciling the purchase card statement, compare the credit documentation provided by the vendor to the purchase card statement to assure credits are accurately listed.
4. If a credit does not appear on the purchase card statement, make a note in the log or the file documentation and use it when reconciling the subsequent statement.
5. Retain all credit documentation in the file.

## Lost or Stolen Cards

It is the cardholder's responsibility to call Bank of America at 888-449-2273 immediately to report a lost or stolen card and to request a new card.

To report fraudulent charges, call the Bank of America Fraud Department at 866-500-8262.

If attempts to resolve an issue with the supplier are unsuccessful, contact the Bank of America Dispute Department at 800-410-6465 to initiate an official dispute.

## Card Cancellation or Leave of Absence

It is the responsibility of the Department Head or designee to contact the purchase card administrator upon the termination of cardholder employment, or determination by the department that cancellation is necessary. This includes job changes impacting purchase card responsibility. The card can be destroyed by the department after confirmation of account cancellation is received. Notification of leave from the university of two weeks or more must be reported to the purchase card administrator so the card can be suspended during the leave period. Notification can be sent to [the Purchase Card Administrator](#).

## Monthly Card Reconciliation

Purchase card reconciliation is performed through ChromeRiver under the oversight of the Controller's Office. The monthly banking cycle ends on the 15<sup>th</sup> of each month and reconciliations must be completed by the 10<sup>th</sup> of the following month. The entire statement balance must be reconciled each month. If an incorrect charge appears on your monthly statement, it should be treated like any other charge for reconciliation purposes, and credit needs to be requested from the supplier.

If a purchase or credit does not appear on the current purchase card statement, make a note of the information and maintain it in your records so it can be used when reconciling the subsequent statement.

Cardholders are not permitted to approve their own reconciliations. The cardholder and the approver are responsible for ensuring all transactions are exported to Banner timely. Failure to complete the reconciliation process by the deadline can result in cardholder privileges being suspended temporarily or permanently.

A completed reconciliation is one that has been reviewed by an approver and has been exported to Banner by the end of the business on the 10<sup>th</sup> of the month. Reconciliations processed late 2 or more times with a 6 month period can be suspended for 3 months. Once the suspension ends, the cardholder is required to retake and pass the purchase card test. Cardholder privileges will be reinstated at that point. Additional late reconciliations during the 5 month period following reinstatement can result in a permanent revocation.

## Recordkeeping Requirements

Cardholders are responsible for ensuring all documentation is loaded into ChromeRiver. This includes all itemized receipts and credit documentation, sponsored program approvals, airline ticket documentation, along with any documentation that is generated to approve or support the business purpose for expenditures. Documentation scanned into ChromeRiver is considered original documents and is kept for 7 or more years, depending on the funding. Hard copies are considered backup and should be maintained in the department for one fiscal year. If grant funds are used, the retention schedule changes. The cardholder should contact the grant administrator to determine document retention of backup documents in this case.

## Steps to Obtaining a Purchase Card

1. Review the [2019 National Defense Authorization Act \(NDAA\) Section 889](#).
2. Complete the Purchase Card Training in the [PageUp](#) system. Once you have obtained a passing grade, you will automatically advance to the next step.
3. Complete and submit the signed Bank of America Visa Purchasing Card Employee Agreement using [the secure dropbox](#).

## Related Policies and Reference Information

### Bank of America

- [First-time log on instructions](#)

- [Online PIN Check Registration and Login Instructions](#)
- [Guide for cardholders on how to access Bank of America's Works system](#)
- [Chip PIN Cardholder Brochure](#)

### **Procurement**

- [Departmental Purchases Guidance](#)
- [General Restrictions Guidance](#)
- [How Do I Buy or Handle Guidance](#)
- [Sales and Use Tax Certificate of Exemption \(ST-12\)](#)
- [Purchase Card Lift/Exception Request Form](#)

### **Controller's Office**

- [Travel Overview](#)
- [Air Transportation](#)
- [Purchase Card Reconciliation through ChromeRiver](#)
- [Recordkeeping Requirements](#)

### **Policy Version History**

7/23/2025 – Updated steps to obtain a card

1/16/2025 – Updated written requests for higher spending limits/temporary lifts and making purchases by telephone, fax, or internet

10/27/2023 – Updated purchase card training link

8/1/2023 – Added reconciliation deadline details per Controller's Office request