Virginia Tech Purchase Card Program

Program Overview

The University 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 provide an efficient method of purchasing and paying for goods and services in accordance with University and State policy. This type of program is used as an alternative to traditional purchasing processes, although the same University and State rules apply to this program.

Links to Policies and Procedures referenced in this document are listed at the end.

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. In addition to providing member cards, Bank of America also provides:

- Works System Web based account management tool
  - [https://payment2.works.com/works/session?requestedUri=%2F](https://payment2.works.com/works/session?requestedUri=%2F)
- Cardholder & Managing Account Statements at the end of each billing cycle
- Cardholder support – 24 hours a day, 7 days a week

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

ROLES & RESPONSIBILITY

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.

Cardholders shall:

1. Review Purchase Card Policy.
2. Take the Purchase Card Test and pass with a score of 23 or higher.
3. Sign the Cardholder 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 University procurement policies.

8. Verify all monthly statement charges and submit documentation using ChromeRiver by the 10th of the month.


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 lieu of statement credits.

12. Retain documentation pertaining to charges and credits in accordance with University record retention policies.

**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 an individual 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.

**Cardholder Eligibility & Liability**

The Department Head will determine which employees should have a card. They are also 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.

**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 in any mobile devices or utilize any mobile payment or digital wallet services.

**Spending & 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 limit, or any other means, the card may be revoked for a minimum of three months. Repeat offenses may cause permanent revocation.

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.

**Example 1:** You have a $2,000 transaction limit on your card. You need to purchase three (3) tickets/registrations, each costing $1,000 dollars 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 (3) $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.

**Written requests for higher spending limits/temporary lifts**

It occasionally may be necessary to temporarily increase the spending limit to accommodate a one-time purchase. In this case the cardholder should email their request to an approver with signature authority on their Purchasing Card. This email should include the reason for the request, detail of the items to be purchased, vendor information and the amount of the charge. The approver should reply to this email, and copy purchasecard@vt.edu indicating if a limit increase is approved.

This scenario is an exception, and should be used only in emergency situations. When a temporary spending lift is approved, no additional purchases above normal transaction limits are allowed during the lift period.

**Appropriate Use of Cards**

1. Emergency Purchases
2. Purchase Orders to vendors who have confirmed they will not accept HokieMart Purchase Orders
3. Airline Tickets - Refer to Procedure 20335e: Air Transportation
4. Conference registrations
5. Professional membership and association dues
Prohibited Uses

The Purchase Card program is not allowed to be used where purchasing is restricted by either University 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 expenses
2. Cash Advances, Gifts, Gift Cards, Flowers, Prepaid phone cards
3. Internal Vendors
4. Past Due Invoices
5. Fuel or automotive (waivers can apply)
6. Travel expenditures, travel protection insurance, seat preference fees
   a. The only exceptions are for CISI Insurance, and airline tickets no more than 90 days prior to travel. The travel supervisor must approve any airline ticket purchases more than 90 days in advance.
7. Real Estate Leases
8. Radioactive materials
9. Yearly maintenance and/or Service Agreements having an annual cost exceeding $2,000
10. Copier Maintenance Contracts
11. Purchases from state employees or immediate family
12. Air Conditioners
   a. An exception is made for Physical Plant
13. Student Insurance
14. Renovations/Security or Fire Systems/Painting/Electrical/ Building Locks/Keys, etc.
15. New and used licensed vehicles
16. Telecommunications goods and services including Cell phone service
17. Narcotics or dangerous drugs
18. Lab Refrigerators
19. Respirators and Cartridges
20. Printing & 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.

Making purchases in person

The Cardholder should use the Purchase Card/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 (SSL or https://) when making purchases online.
Retain the vendor’s web address in an electronic log 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 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 payment of state sales and use tax. The Commonwealth of Virginia Sales and Use Tax Certificate of Exemption is the form you present to vendors when placing an order. If 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/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 the 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 P-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 in the file documentation and use when reconciling the subsequent statement.
5. Retain all credit documentation in the file.

**Lost/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 Bank of America Fraud Department at (866) 500-8262. If attempts to resolve an issue with the supplier are unsuccessful, contact Bank of America Dispute Department at (800) 410-6465 to initiate an official dispute.

**Card Cancellation**

It is the responsibility of the Department Head or designee to immediately contact the Purchase Card Administrator upon termination of cardholder employment, or determination by the department that cancellation is necessary. This notification can be done via email to purchasecard@vt.edu. The card (plastic) can be destroyed by the department after confirmation of account cancellation is received.

**Monthly Card Reconciliation**
Purchase Card reconciliation is performed through ChromeRiver under the oversight of the Controllers Office. The monthly banking cycle ends on the 15th of each month. Cardholders will receive a hard copy of the statement from Bank of America. Reconciliations must be completed by the 10th of the following month.

The entire statement balance must be paid each month. If an incorrect charge or credit appears on your monthly statement, it should be treated like any other charge or credit, for reconciliation purposes, and a 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 in the log or on the file documentation. Maintain this document so it can be used when reconciling the subsequent statement.

A link to detailed instructions on how to use ChromeRiver to submit your Purchase Card reconciliation is available at the end of this document.

**Recordkeeping Requirements**

Cardholders are responsible for retaining the file that is compiled each month after the statement is reconciled. This file must contain the Purchase Card statement, Purchase Card payment certification form, airline ticket documentation, Sponsored Program approval forms, all itemized receipts/credit documentation that pertains to the statement period along with any other documentation that is generated to support the business purpose for the expenditure.

These are the original records of the agency; therefore, they need to be retained in a neat and accessible manner so they will be readily available in the event of an audit. These records need to be retained either in the department or with Records Management.

Record retention period for this documentation is typically five years after the close of the fiscal year of creation. If you are using funds such as sponsored program funds, the retention time may be longer. It is the departments responsibility to review the Records Management Policy and maintain records for the appropriate amount of time.

**Steps to Obtaining a Purchase Card**

1. Cardholder should watch the [Purchase Card Training PowerPoint](https://docs.google.com/forms/d/1dOqUGFAr9hsLdo6UtWzYsuINrhSXytaJJErgyG3dk/edit)
2. Cardholder completes the required [Purchase Card Test](https://docs.google.com/forms/d/1dOqUGFAr9hsLdo6UtWzYsuINrhSXytaJJErgyG3dk/edit).
3. Cardholder completes
   a. Section B: Basic Application Information on the [Bank of America Purchase Card Application](https://docs.google.com/forms/d/1dOqUGFAr9hsLdo6UtWzYsuINrhSXytaJJErgyG3dk/edit). *(Note that grant and foundation funds cannot be used as default funding for a Purchase Card.)*
4. Department Head or Delegated Representative should complete
   a. Section A: Spending Analysis
   b. Section C: Application Approval.
5. Completed application can be shared with the Program Administrator using the secure drop box located at [https://docs.google.com/forms/d/1dOqUGFAr9hsLdo6UtWzYsuINrhSXytaJJErgyG3dk/edit](https://docs.google.com/forms/d/1dOqUGFAr9hsLdo6UtWzYsuINrhSXytaJJErgyG3dk/edit)
Related Policies/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
https://www.procurement.vt.edu/content/dam/procurement_vt_edu/procedures/Departmental%20Purchases.pdf

General Restrictions
https://www.procurement.vt.edu/content/dam/procurement_vt_edu/procedures/how/Restricted%20Purchases.pdf

How Do I Buy or Handle...
https://www.procurement.vt.edu/departments/procedures.html

Sales and Use Tax Certificate of Exemption
https://www.procurement.vt.edu/content/dam/procurement_vt_edu/forms/ST_12.pdf

Controller’s Office:

Travel Overview
https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335a.pdf

Air Transportation
https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335e.pdf

Purchase Card Reconciliation through ChromeRiver

https://www.controller.vt.edu/resources/travel/chrome-river.html

Forms:

P-Card Log
P-Card Transaction Tracking Log/Sponsored Programs Approval Sheet
Recordkeeping Requirements:

https://lib.vt.edu/find-borrow/rms.html