

Subject: Small Purchase Charge Card

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1. Purpose

The purpose of this policy is to ensure that the college makes full use of the Commonwealth of Virginia’s Small Purchase Charge Card (SPCC) program as part of a state-wide initiative to reduce costs associated with the purchase and payment of

goods and services. This policy provides guidelines and procedures for the use of the SPCC.

2. Policy

Tidewater Community College shall maximize the use of the SPCC, administering the SPCC program in accordance with the Commonwealth of Virginia's Department of Accounts (DOA) policies and procedures.

2.1. Use of the SPCC

- 2.1.1.1. Purchasing cards shall be used solely for official Commonwealth of Virginia purchases, and all purchases shall comply with the procurement regulations of the Commonwealth and the college.
- 2.1.1.2. Use of the SPCC shall comply with, but not be limited to, the following criteria:
 - Preference shall be given to mandatory State contract vendors.
 - If a mandatory State contract is not available, the SPCC purchase shall be made from a Department of Small Business and Supplier Diversity (DSBSD) certified micro business to the greatest extent possible. Such purchases include over-the-counter (pick-up) orders and orders processed through eVA. A quotation must be solicited from at least one DSBSD-certified micro business when available. If a DSBSD-certified micro business is not available then a quotation must be solicited from at least one DSBSD-certified small business when available. The cardholder must provide documentation of all efforts to solicit quotations from DSBSD-certified micro and small businesses.
 - Purchases shall be placed in eVA with eVA registered vendors, with the exception of legitimate over-the-counter purchases.
 - Quotes shall be obtained whenever possible, though the college recognizes that a quote may not always be practical in situations involving legitimate over-the-counter purchases.
 - Documents pertaining to each purchase shall be retained. When the supplier delivers the order, documentation of the purchase (such as sales receipt or packing slip) must accompany the order. This documentation must be kept with the cardholder's log for reconciliation with the monthly charge card statement and must be submitted as supporting documentation with approved reconciliation.
 - Cardholders shall not pay Virginia sales tax on goods or services, except when the purchase is prepared foods (e.g. catering, meals,

etc.). Cardholders are responsible for informing suppliers of the tax-exempt status when making purchases.

- 2.1.1.3. The SPCC shall be used for authorized college purchases only.
- 2.1.1.4. The SPCC shall be used to pay vendors up to cardholder's delegated authority for those vendors which accept the SPCC.
- 2.1.1.5. The SPCC shall not be used to circumvent procurement guidelines, particularly those designed to maximize the Commonwealth's purchasing power through State contracts. It also shall not be used to circumvent the Commonwealth's requirement to process orders through eVA using eVA registered vendors or to circumvent Executive Order 20 (2014) which addresses maximizing the use of micro and small businesses certified with the Department of Small Business and Supplier Diversity (DSBSD).
- 2.1.1.6. The SPCC shall not be used to purchase or pay for the following:
 - Personal items
 - Cash advances
 - Business travel expenses (excluding airline and mass transit tickets)
 - Past due vendor invoices
 - Gift cards and/or gift certificates
 - Accommodation and restaurant purchases
- 2.1.1.7. Temporary or permanent removal of accommodation and restaurant restrictions to allow for non-travel related purchases (e.g. conference rooms or catered business meals) will be considered by the SPCC Program Administrator on a case-by-case basis.

2.2. Card Security

Cardholders shall secure their SPCC at all times and protect their cards and card account numbers from unauthorized use. Neither the SPCC nor the card number shall be loaned, shared, or transferred to another individual for its use.

2.3. Statement Reconciliation

Cardholders and supervising approvers shall complete the SPCC reconciliation process in the Administrative Information System (AIS) within thirty (30) days of the SPCC billing statement.

2.4. Penalties for Violation of SPCC Policies and Procedures

Cardholders and their supervisors who knowingly violate SPCC policies and procedures shall be subject to disciplinary action in accordance with the severity of the violation. Additionally, employees may be held responsible for payment for unauthorized purchases of goods and/or services.

2.4.1. General Violations

Violations in this category generally include, but are not limited to, an employee's failure to complete the monthly statement reconciliation in AIS within thirty (30) days of the SPCC billing statement; failure to use SPCC to pay vendor within delegated limit when vendor accepts SPCC in eVA; failure to adhere to procurement regulations such as use of state contracts, eVA and/or eVA registered vendors, and DSBSD-certified micro/small businesses; and failure to acquire required price quotes.

2.4.2. General Violation Disciplinary Actions

- 2.4.2.1. With the first violation, a warning shall be sent to the SPCC cardholder with an explanation of the policy and/or procedure that was violated.
- 2.4.2.2. Two violations within a twelve month period of time shall result in rescission of the cardholder's authority to purchase and use the SPCC for a period of ninety (90) days.
- 2.4.2.3. Three violations within a twenty-four month period of the first violation shall result in rescission of the cardholder's authority to purchase and use the SPCC.
- 2.4.2.4. All such communications shall be forwarded to the SPCC cardholder and copied to the SPCC cardholder's supervisor, the supervising Executive Staff member, and the Vice President for Finance. Notifications shall be kept on file in the Office of Materiel Management & Procurement Services.

2.4.3. Severe Violations

- 2.4.3.1. The SPCC shall be revoked immediately if the cardholder knowingly uses the card for the purchase of personal items, cash advances, or the purchase of gift cards and/or gift certificates.
- 2.4.3.2. It shall also be revoked immediately if the cardholder knowingly loans, shares, or transfers the SPCC or SPCC card number to another individual or college employee for his/her use.
- 2.4.3.3. The cardholder may be subject to appropriate disciplinary actions, up to and including dismissal, in the event of a severe violation.
- 2.4.3.4. SPCC supervisor approval privileges shall be revoked immediately if he/she knowingly approves disallowed purchases. The supervisor may be subject to appropriate disciplinary actions, up to and including dismissal, in the event of a severe violation.

3. Responsibilities

The Vice President for Finance shall develop and maintain procedures that are consistent with this policy and that comply with applicable policies and procedures of the Commonwealth of Virginia.

The Vice President for Finance shall appoint the college's SPCC Program Administrator who shall administer the SPCC Program.

The SPCC Program Administrator shall ensure TCC's compliance with all applicable Commonwealth and college policies and procedures, including but not limited to:

- Administering the SPCC program (including all applicable information systems);
- Ensuring appropriate industry restrictions are placed on all cards;
- Analyzing usage and spending limits on an annual basis;
- Training cardholders annually in proper card usage, security, and procurement guidelines;
- Monitoring monthly the transactional data for the SPCC to ensure compliance with this policy and its associated procedures;
- Managing vendor issues pertaining to the lack of receipt of ordered goods/services or incorrect charges; and
- Notifying the Vice President for Finance, Director of Materiel Management & Procurement Services, and the issuing bank (Bank of America) of any potential or confirmed fraudulent use of the purchasing card. The Vice President for Finance shall notify the President, the Department of Accounts, and VCCS Internal Audit of any confirmed fraudulent use of the purchasing card.

3.1. Responsibilities of Cardholder

- 3.1.1. The individual SPCC cardholder shall comply with college policies and procedures, *CAPP Manual, Section 20355 – Small Purchase Charge Card*, and the stipulations of the *cardholder agreement* for the procurement of goods and services and use of the SPCC.
- 3.1.2. Cardholders shall secure their SPCC at all times to ensure that neither the SPCC nor the card number is loaned, shared, or transferred to another individual for its use.
- 3.1.3. Cardholders shall use their SPCC in eVA when the vendor accepts SPCC payments and the payments are within their delegated spending limit.
- 3.1.4. The cardholder shall reconcile the monthly statement to verify the accuracy of purchases and returns and forward the reconciled statement to the approving supervisor (see Section 4.5.1).

- 3.1.5. Cardholders leaving the college shall notify the SPCC Program Administrator of the date of their separation and shall complete the final reconciliation of all charges. The cardholder shall return the SPCC to the SPCC Program Administrator prior to separation from the college.

3.2. Responsibilities of Supervisor

- 3.2.1. The approving supervisor shall monitor the SPCC cardholder's activity for compliance with these policies and procedures.
- 3.2.2. Supervisors shall reinforce to cardholders that they must secure their SPCC at all times and that neither the SPCC nor the card number is loaned, shared, or transferred to another individual for its use.
- 3.2.3. Within thirty (30) days of the monthly statement, the supervisor shall review all statement documentation and transactions for final approval (see Section 4.5.2). The supervisor must send the AIS reconciliation report and supporting documentation to the Office of Materiel Management & Procurement Services.
- 3.2.4. Upon a cardholder's separation from the college, the supervisor shall ensure that the final reconciliation of all charges has been completed and that the cardholder has returned the SPCC to the SPCC Program Administrator.

4. Procedures

The following procedures must be utilized to ensure compliance with this policy.

4.1. Card Issuance, Cancellations, and Changes

- 4.1.1. The SPCC Program Administrator and the Director of Materiel Management & Procurement Services are registered with the SPCC issuing bank and the Department of Accounts as the only college personnel authorized to make changes (e.g., add or cancel cards, change limits, etc.) to the SPCC program at TCC.
- 4.1.2. SPCCs will be issued to full-time or wage employees only (not including contractors, student workers, or work-study students) who have been designated and approved by their supervisors and respective Executive Staff member. This designation must be communicated via the submission of the SPCC Request Form (Appendix A) to the SPCC Program Administrator. The SPCC Request Form includes designation of SPCC transaction and monthly usage limits and supervising approver of the cardholder's transactions. The SPCC will be issued with the name of the cardholder and TCC embossed on the front. Prior to obtaining the SPCC, the cardholder

must sign the SPCC User Agreement form (Appendix B) and participate in cardholder usage training.

- 4.1.3. Any requested changes to an existing cardholder's profile must be communicated to the SPCC Program Administrator and the Financial Information Systems Team via the appropriate security forms.
- 4.1.4. When a cardholder transfers into a new position within the college either by promotion, voluntary transfer, or other means, the cardholder must return the SPCC to the SPCC Program Administrator. The cardholder's new supervisor must initiate the card request process described above if the SPCC is required in the new position.
- 4.1.5. Cardholders leaving the college must notify the SPCC Program Administrator of the date of their separation. The cardholder must return the SPCC to the SPCC Program Administrator and complete the final reconciliation of all charges. The cardholder's approving supervisor must ensure that the cardholder has turned in his/her SPCC and has completed a final reconciliation.

4.2. Sensitive Information and Card Security

- 4.2.1. Cardholders must secure their SPCC at all times and protect the card and card account number from unauthorized use.
- 4.2.2. Cardholders must not provide, share, or transfer either the SPCC or the card number to another individual for his/her use.
- 4.2.3. Cardholders must take precautions to ensure that:
 - the full 16-digit account number is not mailed, emailed (including attachments), or faxed to vendors, and is not posted or left in a conspicuous place;
 - the SPCC is kept in a secure location; and
 - if the SPCC is lost or stolen, they immediately notify Bank of America, followed by notification to the SPCC Program Administrator in the Office of Materiel Management & Procurement Services.
- 4.2.4. If the cardholder is absent from work for an extended period of time (one month or longer), the cardholder's approving supervisor must return the SPCC to the SPCC Program Administrator who will then temporarily deactivate the card for the duration of the employee's absence. Upon the employee's return to work, the approving supervisor must notify the SPCC Program Administrator who will re-activate and re-issue the SPCC to the designated cardholder.

4.3. Use of the SPCC Log

The Department of Accounts requires cardholders to maintain a log of their SPCC purchases and associated disputes. A new SPCC log must be established at the beginning of each new billing cycle. The log will assist the cardholder and supervising approver to ensure the accuracy and appropriateness of the monthly billing statements and to ensure that all charges, disputes, and other credits are processed in an accurate and timely manner.

4.4. Returns, Credits, and Disputed Items

SPCC cardholders must use the following guidelines when returning an item or disputing a charge on their statement:

- If an item needs to be returned for any reason, the cardholder must send the item back to the supplier in the manner agreed upon.
- The supplier must be requested to issue a credit for items that are returned and issue documentation of the return (such as a credit receipt).
- If the cardholder and the supplier cannot resolve an issue, the cardholder must utilize the online Bank of America Works system. Bank of America will investigate the dispute on the cardholder's behalf and assist in the resolution. A temporary credit may be issued pending final resolution.
- The cardholder must immediately report all fraudulent charges (not authorized by the cardholder) that appear on the statement to the SPCC Program Administrator and Bank of America (The number to call is located on the back of the card).
- All documentation pertaining to returns & disputes must be kept on file for reconciliation to the monthly charge card statement and entered on the cardholder's log.

4.5. Statement Reconciliation

SPCC cardholders must retain documentation of purchases and returns and reconcile them, with the aid of the SPCC purchase log, to the monthly charge card statement. The reconciliation must be completed using the Administrative Information System (AIS) within thirty (30) days of the SPCC billing statement. The following reconciliation procedures must be followed.

4.5.1. Cardholders

- Cardholders will receive a monthly statement in the mail, but may expedite the reconciliation process by accessing an electronic version of their statement via the Bank of America Works system. The online statement is typically available one day after the statement closing date.

- Cardholders must send an email to the SPCC Program Administrator and the supervisor indicating “no activity” if there is no charge activity for the month.
- Cardholders must reconcile the statement to the SPCC purchase log and provide supporting documentation to verify that purchases and returns are accurately listed on the statement.
- Cardholders must document any purchases from non-DSBSD-certified micro and small businesses.
- Cardholders must document any disputed charges. Although disputed, the transaction should be approved for payment. Subsequent statements/reconciliations will include the refund if the dispute is upheld.
- Cardholders must document items requiring resolution on subsequent monthly charge card statements.
- Cardholders must complete the reconciliation process in AIS. This includes linking the charges to the associated purchase orders, updating budgetary codes as necessary, inserting notes/comments on any disputed charges, marking charges as verified, and running the PCard Worksheet Query to verify accuracy and completeness. Refer to AIS training materials for specific details on completing reconciliations in AIS.
- Cardholders must forward the reconciled monthly statement to the approving supervisor, along with all supporting documentation. Supporting documentation must include a copy of any applicable purchase orders, monthly billing statement, PCard Worksheet Query, and record of any returns/disputes.

4.5.2. Supervisors

- Supervisors must review and approve the cardholder’s reconciled statement and supporting documentation.
- Supervisors must complete approval in AIS by marking transactions as approved and printing the AIS reconciliation report.
- Supervisors must review the documentation of any disputed charges. Although disputed, the transaction should be approved for payment. Subsequent statements/reconciliations will include the refund if the dispute is upheld.
- Supervisors must forward the AIS reconciliation report and supporting documentation to the Office of Materiel Management & Procurement Services within thirty (30) days of the SPCC billing statement.

5. Definitions

Bank of America Works – Information system provided by Bank of America for the management of small purchase charge cards and cardholder access to online statements and reporting.

DSBSD – Department of Small Business and Supplier Diversity, the state agency dedicated to enhancing the participation of the Commonwealth's micro, small, women- and minority-owned businesses in Virginia's procurement process.

DOA – Commonwealth of Virginia's Department of Accounts, the state agency responsible for managing the Commonwealth's Small Purchase Charge Card Program, establishing policies and procedures, and providing training and guidance to all agencies participating in the program.

eVA – The Commonwealth of Virginia's electronic procurement system.

Legitimate Over-the-Counter Purchase – Situations where the cardholder has an immediate need, travels to a place of business, and uses his/her SPCC to purchase and receive a good or service at the time and location of sale.

SPCC – Small Purchase Charge Card. Also referred to as PCard.

6. References

[CAPP Manual, Section 20355 - Small Purchase Charge Card](#)

[DGS/DPS Agency Procurement and Surplus Property Manual](#)

[Executive Order 20 \(2014\)](#)

7. Review Periodicity and Responsibility

The Vice President for Finance shall review this policy annually on the anniversary of its approval and, if necessary, recommend revisions. The policy shall also be reviewed when changes to the relevant policies and procedures are made.

8. Effective Date and Approval

This policy is effective upon its approval by the College President on January 22, 2015.

Policy Approved:

Procedure Developed:

Edna V. Baehre-Kolovani, Ph.D.
President

Phyllis F. Milloy
Vice President for Finance

9. Review and Revision History

The initial version of this policy was approved July 11, 2011.

- Revision 1
 - Modified to change name of the Department of Minority Business Enterprise (DMBE) to the Department of Small Business and Supplier Diversity (DSBSD).
 - Modified to include micro businesses.
 - Modified to change department name to Office of Materiel Management & Procurement Services.
 - Modified to add language requiring cardholders use of SPCC in eVA.

Approved January 22, 2015 by President Edna V. Baehre-Kolovani, Ph.D.

APPENDIX A
TIDEWATER COMMUNITY COLLEGE POLICY
SPCC REQUEST FORM
 (Available for completion on **InsideTCC**)

TIDEWATER COMMUNITY COLLEGE
Bank of America Purchasing Card Request

Department _____ Campus _____
 Date of Request: _____

TO: TCC Program Administrator

FROM: _____ Manager/Supervisor

A purchasing charge card is hereby requested for the following employee under my supervision. (Please print or type all information as requested below).

Name as it should appear on the card: _____
 Employee's Job Title: _____ Employee's EMPLID _____
 Employee's Work Phone: _____ Position Number: _____
 Employee's e-Mail Address: _____
 Employee's Date of Birth (MM/DD/YY): _____
 (Date of Birth is required for the cardholder's Security Code)

Work Mailing Address (Please include both USPS and Package delivery addresses, including Zip Code):

Agency Code: 295

I hereby certify that I have examined this employee's duties and estimate that the purchasing card will be used for approximately _____ transactions per month at a dollar value range of \$ _____ to \$ _____ per transaction.

[Note: A "transaction" is one order placed with a vendor who accepts the card.]

Based on these estimates, I am requesting limits of \$ _____ per transaction (not to exceed \$5,000) and \$ _____ total per month (not to exceed \$100,000) be placed on this card. I will examine this cardholder's activity at least annually and provide written recommendations regarding limit changes.

Please indicate a default AIS account for charges to this card.

 FUND DEPARTMENT CAMPUS ACCOUNT

I further certify that I will review and approve this cardholder's transactions and supporting documentation on a monthly basis.

 Cardholder's Approver Name\Signature Date EMPLID

 Executive Staff Signature Date

**APPENDIX B
TIDEWATER COMMUNITY COLLEGE POLICY**

SPCC USER AGREEMENT

(Distributed to the cardholder by the program administrator)

**Commonwealth of Virginia
Bank of America Purchasing Card
Employee Agreement**

I, _____, acknowledge receipt of a Bank of America Visa Purchasing Card (Card). As a Cardholder, I agree to comply with the following terms and conditions regarding my use of the Card:

1. I understand that I am being entrusted with a valuable purchasing tool and will be making financial commitments on behalf of Tidewater Community College (College) and will strive to obtain the best value for the College by using State contracts and other "Preferred Suppliers" as identified by the College's Office of Materiel Management.
2. I understand that the College is liable to Bank of America for all authorized charges made on the Card.
3. I agree to not share my Card or Card number with anyone other than the vendor I am doing business with. I agree if I share my Card or Card number to anyone other than a vendor I am doing business with, the College will take disciplinary action as a result.
4. I agree to use this Card for approved purchases only and agree not to charge personal purchases at any time. I understand that the College will review the use of this Card and the related management reports and take appropriate action based on any discrepancies.
5. I will follow the established procedures for the use of the Card. Failure to do so may result in either revocation of my privileges or other disciplinary action, up to and including termination of employment.
6. I agree to return the Card immediately upon request or upon termination of employment (including retirement).
7. If the Card is lost or stolen, I agree to immediately notify Bank of America and the College's Program Administrator.
8. I agree to successfully complete annual Cardholder training as well as sign a new Employment Agreement upon each card renewal period.
9. I agree not to use my Card to pay for past due invoices to circumvent Prompt Pay policies and procedures.
10. I understand that in order to properly purchase goods and services, I must use eVA for those purchases that qualify and record the Purchase Card Order (PCO) number on the applicable purchasing log and monthly reconciliation report.
11. I will fully support the intent of the Governor's Executive Order 20 and the goals of the College's SWaM Procurement Plan when making vendor-sourcing decisions for goods and services. I further understand that failure to support this SWaM objective may result in revocation of my Card.

Employee's Signature

Date

Program Administrator's Signature

Date

Photo Identification Required for Pick Up

Card Received By: _____

Date: _____