

Purchasing Card Policy and Procedures
Policy Number: 3403

EFFECTIVE DATE:

July 2009

REVISION DATES:

November 8, 2017

PURPOSE:

To establish policies and procedures to govern the Liberty University Purchasing Card (P-Card).

SCOPE:

These policies and procedures apply to all Liberty University Purchasing Cardholders and Administrators.

POLICY:

With the exceptions listed below, all purchases within the transaction limits established per Cardholder may be purchased using the P-Card. For transactions to vendors that do not accept P-Card, the standard Banner Requisition is to be used.

RESPONSIBILITY:

Chief Financial Officer (CFO): The CFO has primary responsibility for administering this policy and may delegate this authority to the Executive Director of Budget and Procurement.

Executive Director of Budget and Procurement: The Executive Director of Budget and Procurement is responsible for the administration of this policy, establishing and maintaining University procedures associated with Purchasing Cards, as well as providing training for all procurement personnel.

Purchasing Card Officers: The Purchasing Card Officers are responsible for the daily administration of the P-Card Program as designated by the Executive Director of Budget and Procurement.

Division Leaders: Division Leaders are responsible for ensuring compliance within their

organizations concerning all aspects of this policy.

Approver: The person responsible for overseeing P-Card related activity for one or more Cardholds in his or her department. An approver is typically the department's budget manager.

Cardholder: A person employed and authorized by Liberty University to make purchases on behalf of the University. A Cardholder is the sole person responsible for the P-Card issued to him or her and may not entrust the P-Card to anyone else.

PROCEDURES:

Security: The Cardholder is the only individual authorized and solely responsible for the use of the issued P-Card. Cardholders must take the following precautions to mitigate fraud:

- Never allow other individuals possession or use of the card
- Cards are kept on the Cardholder or in a locked location to which only the Cardholder has access
- Internet purchases: Card information must be submitted through secure websites (secure websites have URLs beginning with https://)
- Faxes or emails may not contain more than the last four digits of the card number

Fraud and Lost/Stolen Cards: Cardholders must immediately report incidents of fraud and lost or stolen cards to the P-Card Office and, if discovered during non-business hours, the [issuing bank](#).

Spending Limits: The P-Card per transaction and monthly limits are fixed during the application process.

Prohibited Items/Activities: Cardholders are not authorized to use their P-Card for the following goods, services, and activities:

- Items for personal use
- Items for non-university purposes
- Appliances-see [Facility Management Policy](#)
- Personal entertainment
- Legal or accounting services
- Cellular phones or services
- Contracted services from individuals or 1099 vendors defined as non-incorporated suppliers of goods or services
- Wireless Technologies*
- Contributions or donations
- Lobbying expenses
- Order stacking
- Furniture*
- Vehicles for other than business purposes
- Items prohibited by [The Liberty Way](#)
- Items for which a cash advance was previously received
- Cash advances
- Lease, insurance, or maintenance payments
- Music downloads not in the BMI, ASCAP, or SESAC databases*

- Applications for a personal smart phone or tablet*
- eReader downloads
- Rental Equipment

Conditional Items/Activities: Written conditional approval may be obtained from the appropriate office for purchase on a per-instance or annual basis. Approval granted on an annual basis must be renewed each fiscal year.

- Purchasing Card Officer (pcard@liberty.edu)
 - Furniture*
 - Office Supplies purchased outside of Staples Advantage
 - Radioactive materials
 - Specialty gases
 - Medical services
 - Internet/wireless services*
- IT Inventory (itinventory@liberty.edu)
 - Computer hardware and accessories purchased outside of the IT Marketplace or Staples Advantage
- New Media Communications (avapprovals@liberty.edu)
 - Audio/visual equipment and accessories purchased outside of the IT Marketplace
- Software Compliance (software@liberty.edu)
 - Software, including renewals*
 - *iPad/iPhone/iPod applications**
- Gifts & Incentives (Department Budget Manager)
- Grants and Sponsored Projects – In addition to this policy, purchases for grants and sponsored projects (42-series fund codes) must adhere to all funding agency and Office of Sponsored Programs policies, procedures and guidelines. Cardholders are encouraged to contact the Office of Sponsored Programs prior to making P-Card purchases with grant/sponsored funds to ensure all charges are allowable according to the agency agreement and University policies and procedures.

Liberty University Affiliated Vendors: P-cards may be used with LU affiliated vendors, but not internal LU departments. Examples of LU affiliated vendors are listed below:

- LU Catering (Sodexo)
- LU Bookstore (Barnes & Noble/MBS)
- Fairfield Inn & Suites
- LU Bowling Alley

Vendor Selection: Cardholders should use vendors that have a contractual relationship with the University. Cardholders should ask vendors if they offer any education or ministry discounts. Procurement may be contacted to inquire of any preferred vendors.

Insurance: Vendors contracted to work on University premises must provide a Certificate of Liability Insurance to procurement@liberty.edu. [Certificate of Insurance requirements](#) are listed by vendor category on Liberty's website.

Contracts: The [Contracts Policy and Procedures](#) requires University business contracts, regardless of value, to be routed through the Procurement and Contracts Office for review and processing. The [Contracts Routing Form](#) may be used as the cover sheet to ensure the complete review by the appropriate campus offices. Departments should contact their assigned Buyer for assistance.

Tax Exempt Status: Transactions on behalf of the University are tax-exempt with the exception of taxable services such as meals and lodging. A copy of the tax-exempt certificate may be obtained from Procurement.

Shipping: All items purchased must be shipped to Liberty University, formatted as follows:

Cardholder Name
Department Name
MSC Number
1971 University Blvd.
Lynchburg, VA 24515

Record Retention: Cardholders must obtain and retain purchase documentation from the merchant to support University purchases and are to attached to the appropriate Expense Report in Infor. Supporting documentation must be retained for seven years for transactions recoicniled in RapidRecon. Receipts for bond-related expenses must be kept indefinitely.

Merchandise Returns and Exchanges: Cardholders receiving incorrect, damaged, or defective merchandise must immediately contact the vendor and arrange a return for credit or exchange. Credits must be posted back to the P-Card. In the event the vendor issues cash or check for a credit, the cash or check must be returned to the Cashier's Office within 5 business days of receipt.

Card Termination: P-card privileges can be revoked at any time. Requests for suspension or revocation may be made by a Cardholder, Supervisor, Budget Manager, Human Resources or Division Leader by sending an email to the P-Card Office.

Reconciliation: All P-Card transactions must be reconciled on an Expense Report at least monthly and within the following guidelines:

- **Timeliness:** P-Card transactions with a transaction date between the first and last day of a month must be reconciled and approved by the end of the 15th day of the following month.
- **Accuracy:** P-Card transactions must be reconciled on an Expense Report that is complete and accurate as outlined in the pertinent Finance procedural manuals.

Fraud, Waste, and Abuse: All P-Card transactions are subject to review and investigation by P-Card approvers, administrators, and auditors. Failure to comply with this policy and associated procedures may require retraining, result in P-Card suspension/revocation and/or disciplinary action including employment termination and criminal prosecution.

DEFINITIONS:

Applications: Similar to software, applications are downloadable programs or electronic versions of tangible items which are downloaded to a wireless-enabled device (such as a smart phone or tablet) for one-time or ongoing use.

Billing Cycle: The time span the bank uses to determine what transactions will appear on a billing statement. A P-Card monthly limit spans one billing cycle. The P-Card monthly limit refreshes at the beginning of every billing cycle, which is typically the 3rd of the month.

Music Downloads: The purchase of music to use in a public setting, such as a classroom, sporting event, or campus activity. To remain in compliance with music licensing, songs purchased must be listed on one or more of the following listing agencies:

BMI - <http://repertoire.bmi.com/startpage.asp>

ASCAP - <http://www.ascap.com/Home/ace-title-search/index.aspx>

SESAC - <http://sesac.com/Repertory/RepertorySearch.aspx?x=45&y=14>

Order Stacking: Intentionally dividing a transaction into two or more transactions to circumvent the Cardholder's per transaction limit.

Examples:

- Cardholder's P-Card is declined for a \$2,600 purchase, so the Cardholder makes 2 transactions, one for \$2,300 and one for \$300.
- Cardholder wants to make a purchase greater than \$2,500, runs the P-Card for \$2,500 and has another Cardholder run his or her card for the difference.
- Cardholder pays a \$2,500 deposit and then pays the difference on P-Card at a later date.

Purchasing Card (P-Card): A corporate credit card issued to a Cardholder to make purchases on behalf of Liberty University.

Reconciling: The process of 1) ensuring a transaction incurred on the P-Card has been charged correctly by the vendor by checking the transaction amount against the receipt and 2) attaching the transaction to an Expense Report, which includes the FOAPAL to which the transaction should post.

Software: Any installable computer product or internet-delivered service that electronically creates, stores, or processes University data, information, or content. University data includes any information or content gathered from University faculty, staff, students, alumni, donors,

parents, churches, applicants, or prospects of any kind to support administrative, academic, operational, or any other University functions or processes.

Examples:

- Free downloads
- Digital signatures
- New software purchases
- Access to online services (excluding online publications and databases)
- Applications for iPhone, iPad, or iPod
- eReader Downloads

Software License: The legal right to use a particular software. Software purchases entail purchasing the actual working media and the right to use that media under specified obligations as laid out by the EULA (End User License Agreement).

Software License Renewal: The renewal of a license agreement to legally continue use of software that has already been purchased or acquired.

Software Maintenance: The modification of software in the programming to correct defaults, make improvements, or adapt to hardware environments.

Software Subscription: Software that gives the purchaser rights to use it for a specified time period, either perpetually or a limited time, provided the user complies with the EULA.

Wireless Technologies: Items that have the ability to connect wirelessly to another location to transfer data. These items are prohibited because they can potentially interfere with Liberty University's current network.

Device Examples:

- Fixed, mobile, or portable two-way radios
- Cellular telephones
- eReaders
- Tablets

Connection Examples:

- Infrared
- PTP microwave
- Satellite internet
- Wireless networking

Related Documents

[P-Card Violation Procedures](#)

[Incentive/Gift Reporting Form](#)

[Travel Policies and Procedures](#)

[Procurement Policy & Procedures](#)
[P-Card Resource and Reference](#)