

Liberty University Policy Information– University Purchase Card

Issuing Office

Chief Financial Officer

Affected Parties

University Faculty and Staff and all parties who possess, use, or approve a Purchase Card (P-Card) and/or P-Card transactions.

Policy Language

Liberty University P-Cards are University-liability credit cards issued in the names of authorized, trained individuals for purchases of business related items under the cardholder's single transaction limit and monthly limit.

Only eligible direct University business expenses may be charged to the P-Card; personal purchases are strictly prohibited. All P-Card transactions must be supported by a detailed business purpose and proof of purchase documentation.

All transactions must be reconciled, reviewed, and approved in the expense management system within the established deadlines.

Policy Rationale

To provide and ensure clear and consistent understanding and compliance of policies and procedures as related to the Liberty University P-Card Program to ensure sufficient controls are in place to mitigate risks.

Definition of Glossary Terms

Chief Procurement Administrator: The Chief Procurement Administrator is responsible for the governance of this policy, establishing and maintaining University procedures associated with P-Cards, as well as providing training for all users of the P-Card program.

Purchasing Card Program Coordinator: The P-Card Program Coordinator is responsible for the daily administration of the P-Card Program as designated by the Chief Procurement Administrator.

Department Head (VP, Provost, Dean, Director, etc.): The Department Head is responsible for ensuring compliance within their business unit concerning all aspects of this policy and for overseeing P-Card related activity for one or more cardholders within the business unit.

P-Card Reviewer/Approver: The Approver is primarily responsible for reviewing and approving P-Card transactions in the expense management system, ensuring the accuracy of the general ledger coding and the detailed business purposes required for

each transaction. Reviewers are also responsible for ensuring proper documentation is retained as well as monitoring the use of missing receipt forms. Unless appropriately delegated, this individual will be in the supervisory chain of the P-Card Holder.

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

Proxy Creator: An individual who is assigned in the expense management system that allows them to manage transactions on behalf of the cardholder.

Proxy Reviewer: An individual who is assigned in the expense management system that allows them to manage, review and approve on behalf of the P-Card reviewer.

Reconciliation: 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.

Procedural Information

Procedures

Training: All potential cardholders and reviewers are required to take training on finance policies and expense management prior to applying for access. The P-Card application tool will not be made available to users until all required courses have been successfully completed. Additionally, cardholders anticipating a replacement for an expiring card will be expected to successfully complete a refresher course on P-Card policies. P-Cards will be released once these requirements have been met.

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 to be 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.

Business Purpose Requirement: Each P-Card transaction must be supported by a business purpose on the expense report. The business purpose, which is defined as one that supports or advances the goals, objectives, and mission of the University, adequately describes the expense as necessary, reasonable, and appropriate. The

business purpose is the main intent of the business transaction – the reason why the transaction occurred. It is a statement that includes who benefits from the purchase, what was purchased, and why the purchase was necessary.

Spending Limits: The P-Card per transaction limit is \$2,500. Monthly expenditure limits are subject to the approved budget of that area. Exceptions to the \$2,500 transaction limit and monthly expenditure limits are subject to approval by the Chief Procurement Administrator and the Chief Financial Officer. Requests for alternative limits must be approved by the cardholder's Department Head prior to submission for approval in the P-Card Application Suite. If your purchase is over \$2,500, you must reach out to your Buyer first.

Reconciliation: All P-Card transactions must be reconciled on an Expense Report through the expense management system (Infor) 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 7th calendar day of the following month. Delays in reconciliation impact accuracy and availability of departmental budgets. Consistently delinquent accounts is a violation of policy are subject to P-Card suspension or P-Card termination.
- **Accuracy:** P-Card transactions must be reconciled on an Expense Report that is complete and accurate as outlined in the pertinent Finance procedural manuals.
- **Documentation:** Supporting documentation (invoices/receipts) is required for proper reconciliation.
- **Accountability:** Reviewers/approvers are accountable, regardless of delegations, of ensuring that purchases are allowable, appropriate, documented and reconciled in a timely manner.

Missing Receipts: When a receipt cannot be obtained or has been lost and all measures to obtain a copy or fax of the receipt (or other acceptable alternative), have been exhausted, the cardholder must submit an approved [Missing Receipt Form](#) (MRF) with the expense report. Excessive use of this form may result in P-Card suspension or P-Card termination.

The MRF requires an explanation of why the receipt is missing and a business purpose for the expense. Each expense for which a receipt is missing must be itemized on a separate MRF. Do not bundle multiple expenses that are missing receipts onto a single MRF. The MRF must be reviewed and electronically approved by the P-Card Program Coordinator. The approved MRF must be attached and submitted with the P-Card reconciliation.

Fraud and Lost/Stolen Cards: Cardholders are responsible to report potential fraudulent activity or lost/stolen cards immediately to Truist Fraud Department. The

University is responsible for any and all purchases made until the card is reported missing. A toll free number (800-511-5458 option 2) has been established for cardholder convenience and is available 24-hours a day, 7-days a week. After notifying Truist Fraud Department, the cardholder must report the fraud or lost card to the P-Card Program Coordinator (P-Card Office). It takes approximately 3-5 business days to receive the replacement card.

Audits: All P-Card transactions and supporting documentation are subject to review and investigation by P-Card Reviewers, Administrators, and Auditors. Regular review of incoming transactions combined with internal audits ensure compliance with users maintaining proper business purpose documentation and the P-Card policy. The audits are also used to solicit feedback to improve the program.

Changing Departments: Approvers should notify the P-Card Program Coordinator immediately if the cardholder moves to another department. The cardholders account will be frozen until the new manager approves the card.

Proxy Restrictions: Individuals with a Proxy Reviewer assignment in the expense management system are restricted from approving transactions for a supervisor or family member. Reviewers may not Proxy Create for cardholders. System restrictions will cause these Expense Reports to error in the expense management system and can only be fixed by an Administrator.

Card Termination: The P-Card Program Coordinator has the authority to suspend, cancel or adjust card swipe/monthly limits on accounts to maintain the integrity and accountability of the program; reasons for card termination can include inactivity or misuse. Requests for suspension or revocation may also be made by a cardholder, supervisor, budget manager, Human Resources, or a Department Head by sending an email to pcard@liberty.edu.

Record Retention: Cardholders must obtain and retain purchase documentation from the merchant to support University purchases and are to be attached to the appropriate Expense Report in the expense management system. Cardholders are responsible for obtaining all documentation necessary to support the business purpose of the purchase. Missing or incomplete documentation is considered to be a misuse of the card and may result in the revoking of P-Card privileges. These receipts are the primary documentation supporting the purchase.

Order Stacking or Splitting: *Expressly prohibited* --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 their card for the difference.

- Cardholder pays a \$2,500 deposit and then pays the difference on P-Card at a later date.

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.

Vendor Selection: Where possible, Cardholders should use vendors that have a contractual relationship with the University and should attempt to rotate vendors to sustain a viable vendor base and ensure competitive pricing. Cardholders should ask vendors if they offer any education or ministry discounts. Contact Procurement to inquire of any preferred vendors.

Liberty University Affiliated Vendors: Within the approved spending limits, 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

Merchandise Returns and Exchanges: The cardholder is responsible for inspecting all goods upon arrival. If goods purchased with a P-Card need to be returned, the cardholder should work directly with the supplier and arrange a return for credit or exchange. Credits must be posted back to the P-Card within 30 days of receipt. 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.

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 the [P-Card website](#).

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

Contracts: The [Contracts Policy and Procedures](#) requires University contracts, regardless of value, to be routed to Procurement and Payment Services through BuyLU.

Insurance: Vendors conducting work on University premises – including deliveries – must provide a Certificate of Liability Insurance to the Office of Risk Management. [Certificate of Insurance requirements](#) are listed by vendor category on Liberty’s website.

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>

GMR - <https://globalmusicrights.com/search>

Software Software is generally prohibited from purchase with the P-Card; the information below falls into this category.

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.

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 from P-Card purchase because they should only be purchased through BuyLU so that they can be properly tracked and managed by IT.

Device Examples:

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

Connection Examples:

- Infrared
- PTP microwave
- Satellite internet
- Wireless networking

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

| Item/Activity | Reference/Governing Policy/Guidance | Comments |
|---|--|--|
| Animals* | | Contact your Buyer for service at procurement@liberty.edu |
| Appliances | Facility Management Policy | Limitation on brands; Contact your Buyer for service |
| Assets*: Computers, Tablets, Smart Phones, Equipment, Furniture, Vehicles, etc. | Asset Purchases and/or Information Services Policy | Assets are uniquely tracked and budgeted. Contact pcard@liberty.edu for guidance. |

Purchasing Card Policy and Procedures Policy Number: 3403

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| Branded/Promotional Item Purchases (over \$1,000) | Branded/Promo Inventory | Contact branding@liberty.edu for exceptions. |
| Cash Advances or withdrawals | Cash Advance Policy | Cash Advance Form |
| Cellular phones or services | Information Services Policy | Items that have the ability to connect wirelessly to another location to transfer data. |
| Chartered Transportation | BuyLU Form Request | Contact your Buyer for service |
| Contracts --Any purchase that binds the University contractually; includes Purchase Order Changes | Procurement Policy & Procedures | i.e. a quote or agreement with Terms and Conditions, in text or by reference (hyperlink) |
| Contributions or donations | Benevolence Policy | Contact your Buyer for service |
| Guns or Explosives | Legal/LUPD/Procurement | Contact your Buyer for service |
| Internet/Wireless technologies* | Information Services Policy | Items that have the ability to connect wirelessly to another location to transfer data. |
| Items for non-University purposes | Human Resources | Individuals may be held fiscally and criminally liable for misuse |
| Items for personal use | Human Resources | Individuals may be held fiscally and criminally liable for misuse |
| Items prohibited by <u>The Liberty Way</u> | Human Resources | |
| Lease, insurance, or maintenance payments | | Recurring expenses should be captured through the Procurement process |
| Legal or accounting Services | | Contact legal counsel |
| Lobbying expenses | | Contact your Buyer for service |

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| Medical Services | | Contact your Buyer for service |
| Music downloads* | Not in the BMI, ASCAP, or SESAC, GMR Databases | Not in the BMI, ASCAP, or SESAC, GMR databases |
| Online Market Place Type Websites* | Examples (not full list): Temu, Ebay, Etsy, Facebook Marketplace, and Amazon (should be ordered via BuyLU) | Contact Buyer and/or P-Card Office |
| Pharmaceuticals | | Contact your Buyer for service |
| Purchases through cardholders' personal business or that would constitute a conflict of interest (COI) | HR Faculty and Employee Handbooks | Contact your Buyer if you still have question at procurement@liberty.edu |
| Purchases through PayPal or Venmo | | Contact your Buyer for service |
| Radioactive Materials | | Contact your Buyer for service |
| Recurring services, subscriptions, and/or memberships | | Recurring expenses should be captured through the Procurement Process |
| Rental equipment/tools* | | Contact your Buyer for service |
| Services from individuals or 1099 vendors defined as non-incorporated suppliers of goods or services | | |
| Software , applications for a personal smart phone or tablet, or e-reader downloads* | Information Services Policy | Contact your Buyer for service |
| Specialty Gasses | | Contact your Buyer for service |
| Team or group travel* | Liberty University Travel | Contact your Travel Coordinator at travel@liberty.edu |
| Traffic Violations | | Not authorized |
| All other purchases or activities prohibited by other University policies or procedures | | |

NOTE: Items listed with an asterisk () may be granted an exception for one-time*

purchases. If granted, written conditional approval must be retained with the transaction reconciliation. Contact pcard@liberty.edu for guidance.

Sanctions:

Improper use of the P-Card and/or repeated violations of policy may result in P-Card Suspension, P-Card Termination and/or disciplinary action up to and including termination of employment. [Link to Violations Procedures.](#)

Consistent violations of policy by individuals within a Department or on an individual basis may result in the Department and/or individual being placed on a heightened oversight status. This status will result in increased visibility of transactions by University leadership and potential limitations on P-Card use. Actions associated with increased oversight may include, but are not limited to, the following actions:

1. Division Head notified of increased oversight.
2. P-Card holder(s) within a Department added to the automatic auditing queue.
3. When warranted, prior approval by Approver for P-Card purchase(s) may be required and proof of approval documented in ER.
4. P-Card Coordinator reviews all Expense Reports before final reconciliation; ERs returned for corrections; individual and/or group retraining as needed.
5. Accounts Payable will remain in the normal auditing process, i.e. food purchases.
6. P-Card Coordinator submits a summary report of Department requisitions issues on a monthly basis to Chief Procurement Administrator.
7. Chief Procurement Administrator submits a summary report to Chief Financial Officer on a periodic basis.
8. Department exits heightened oversight status based on time and/or improvement.

Exemptions:

None

Date Approved

2/2/2023

Date for Review

2/2/2024