

Oklahoma City Community College PCard Procedures



Introduction

- The OCCC PCard is a Visa Purchasing Card issued by Bank of America (BOA)
- The BOA PCard contract is administered by the OCCC Purchasing Department
- There are no fees associated with the PCard program;
- The terms of the Statewide Contract with BOA allow Higher Education and Political Subdivisions to participate in the program; however they are entitled to implement their own policy governing the use of the card
- It is the only credit card authorized by the State of Oklahoma and OCCC



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Employee Status

- PCard participants must be a full time or permanent part time employee of OCCC
 - Cannot be on a temporary, contract, student, or retired employee status



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Definitions

- Cycle – The period of time between billings. OCCC’s cycle closing date is the last business day of the month.
- Merchant Category Code (MCC) – A standard code the credit card industry uses to categorize merchants based on the type of good and services provided by the merchant.
- Merchant Category Code Group (MCCG) – A defines group of merchant category code. MCCG’s are used to control whether or not PCard Cardholders can make purchases from particular types of merchants.



Definitions

- Split Purchase – Dividing a known quantity or failing to consolidate a known quantity of an acquisition for the purpose of evading a competitive quote or bidding requirement.
- Single Purchasing Limit – The maximum spending limit a PCard Cardholder is authorized to charge in a single transaction.
 - PCard limits are established by the Director of Purchasing/PCard Administrator



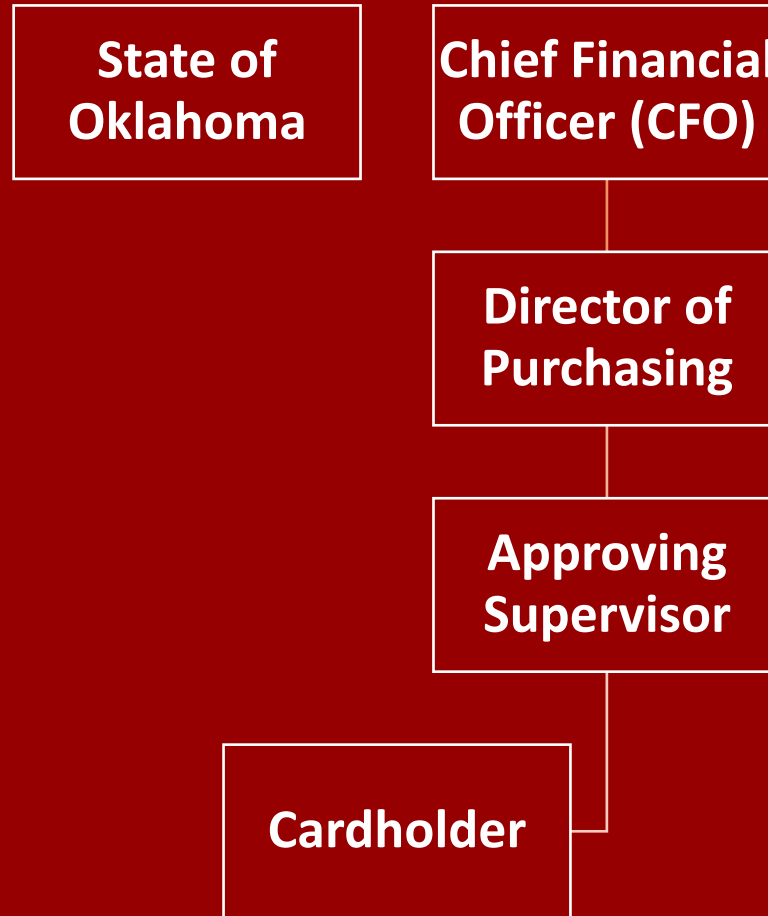
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Definitions

- **Statewide Contract** – A contract issued by OMES for specific acquisitions for a specified period, with a provision allowing the agencies and Political Subdivisions to place ordered as acquisitions are needed.
- **Transaction Documentation** – All documents pertaining to a transaction (receipts, invoices).
- **WORKS** – The Bank of America software system used for Cardholder transactions, reconciliation and reporting.



Participants



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PCard Management & Reports

- OCCC Director of Purchasing/PCard Administrator is responsible for performance or appropriate delegation of the following duties:
 - Processing and retaining PCard Program Reports:
 - *Monthly Statements
 - *Receipts/Invoices
- Processing and retaining PCard users applications and Cardholder Agreements
- Other reports available in Works system as required



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PCard Management & Reports

- OCCC Director of Purchasing/PCard Administrator is responsible for performance of appropriate delegation of the following duties:
 - Establishing written PCard program policies and procedures
 - Processing authorized requests for PCard's, maintaining control over active cards, and closing accounts
 - Establishing and maintaining usage controls and determining Cardholder's need for the PCard
 - Reconciliation and audit of reports and transactions to identify unauthorized use
 - Reconciliation and audit of Cardholder's monthly statements and receipts for accuracy/issues.



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Property of the State

- Corporate Liability Card
- Upon termination of employment with OCCC (state agency), Cardholder must surrender the card to the OCCC Director of Purchasing/PCard Administrator prior to leaving.
- Director of Purchasing/PCard Administrator may also request the Cardholder to surrender the card upon violations to the OCCC PCard Policies and Procedures. The Director of Purchasing/PCard Administrator shall also deactivate the Cardholder account/card in WORKS.



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Statutory References

- All purchases shall be made in accordance with State statutes, rules, and these Procedures, which include but may not be limited to:
 - OCCC Purchasing Policy No. 3004
 - Central Purchasing Act, 74 O.S. § 85.1 et seq.
 - OMES, Central Purchasing Codified Rules, OAC 580:16
 - OMES State Travel Procedures



Obtaining a PCard

To obtain a PCard, the following is required:

- Complete a PCard Application signed by the applicant and immediate supervisor. Applicant must also sign and submit the Cardholder Agreement with the application.
- Forward completed application and Cardholder agreement to the Director of Purchasing for final approvals and account set up.
- Once account set up and credit card ordered, the Director of Purchasing will email applicant with additional instructions.
- When credit card is received, the Director of Purchasing will schedule with applicant to pick up card and receive required PCard training.



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Issuing the PCard

- Front of PCard includes:
 - Cardholder's name and agency name
 - Does **NOT** effect your credit in any way!
- Once PCard is ordered, it is
 - Delivered to OCCC PCard Administrator
 - Checked for accuracy
 - Training is scheduled



PCard Training

- All PCard participants must complete initial training conducted by the Director of Purchasing with all new PCard applicants.
- Cardholders will be provided by email communication an annual refresher of the PCard procedures and current Purchasing policy at the beginning of each fiscal year (July 1).
- Individual Cardholder training will be scheduled at the discretion of the Director of Purchasing on an as needed basis.



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PCard Limits

- Currently, OCCC PCard limits for Cardholders are the following for general purchases:
 - \$10,000.00 credit limit / \$2,500.00 single transaction limit
 - \$15,000.00 credit limit / \$5,000.00 single transaction limit
- Credit limits and single transactions are based on need and or past usage and are set by the Director of Purchasing/PCard Administrator.



Using the PCard

- PCard is issued in your name and shall be used only by you.
- PCard can be used at merchants accepting VISA. Merchants may require a minimum purchase amount.
- Purchases can only be made within your Single Transaction Limit and Credit Limit assigned to your card.
- Cardholder is responsible for reconciling all transactions.
- PCard is not intended to avoid or bypass appropriate purchasing or payment procedures.
- PCard is not for personal use.
- Cardholder shall ensure prices paid are fair and reasonable.



Method of Purchase

- Walk-in
- Telephone
- Online (Internet)
 - Make certain internet site is a secured location, for example:
 - > “s” on the end of https means it is a secure site; or
 - > Lockbox will appear on the site



Card Replacement

- Expired Cards
 - BOA will automatically issue a replacement card prior to expiration. Card will be sent to the Director of Purchasing/PCard Administrator and Cardholder will be notified when card is received to schedule pick up.
- Defective Cards
 - OCCC Director of Purchasing/PCard Administrator can order replacement cards through BOA.



Lost, Stolen, or Compromised Cards

- Immediately report any lost, stolen or compromised cards to BOA at (888) 449-2273.
- Notify the Director of Purchasing/PCard Administrator immediately after speaking with BOA.
- PLEASE NOTE: OCCC is responsible for purchases on lost, stolen or compromised cards until BOA is notified.



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Card Security

- PCard is limited to the person whose name is on the card.
- Do not loan your card to another person.
- Do not use another person's card.
- If possible, file card in a secure, locked place when not in use.
- Must return card to the Director of Purchasing/PCard Administrator if you leave employment.



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Encumbering Funds

- Requisition
 - A requisition is required to be entered and approved for amount required for the PCard purchase. Requisition should have sufficient encumbrance to cover all transactions prior to entering requisition and making the transaction.
- Purchase Order
 - A purchase order will be processed by the Purchasing Department and sent to requestor. A Purchase Order must be received prior to any purchase using the PCard.



State Sales Tax

- State of Oklahoma is exempt from Oklahoma State Sales Tax.
- State Entities also have immunity from taxes imposed by Oklahoma municipalities, which includes, but not limited to:
 - City Sales tax
 - Occupancy tax
 - Tourism tax

The State of Oklahoma is not exempt from Tribal Tax.



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Convenience Fees

- Convenience Fees are fees that might be charged by vendors for accepting credit cards.
- Strictly regulated by VISA.
- Convenience Fees may be allowed for certain transactions if charged in compliance with VISA rules.
- The following fees are NOT allowed by VISA regulations:
 - Credit Card Fees
 - Processing Fees
 - Surcharges



Convenience Fees

- Convenience fees may be allowed by merchants who offer an alternate payment channel (i.e. mail, telephone, or e-commerce)
- Merchant must adhere to the following rules:
 - Fee is being charges for a bona fide convenience of using an alternative payment channel outside the merchant's normal business practice
 - The customer must be given the opportunity to cancel prior to the completion of the transactions



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Convenience Fees

- Merchant must adhere to the following rules (Cont'd):
 - The fee:
 - Must be disclosed to the customer as a charge for the alternative payment channel convenience
 - Is applied only to non face-to-face transactions
 - Must be a flat or fixed amount, regardless of the amount of payment due
 - Is applied to all forms of payment products accepted in the alternative payment channel
 - Is included as part of the total transaction amount
 - Cannot be added to a recurring transaction
 - Is assessed by the merchant that provides the goods or services to the Cardholder and not a third party



Convenience Fees

- VISA is very clear about what a convenience fee is and how and when they can be charged. As a result, many vendors that charge fees do so incorrectly and are therefore out of compliance with VISA regulations.



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Convenience Fees

- Examples of common violations
 - Charging a tiered or percentage based fee
 - Charging a fee for transaction below or above a certain dollar amount
 - Charging the fee in person, for face-to-face or point of sale transactions
 - Charging only for VISA or credit card transactions. Convenience fees must be applied to all payment methods accepted via that channel
 - Calling the fee a processing fee, credit card fee or surcharge
 - Charging higher prices for credit card purchases versus checks or cash
 - Charging a convenience fee via the internet when that is the vendor's only "normal business practice"



Gratuity & Tips

- Gratuities and tips on food purchases are limited to 15% of your total bill. Cardholders will be responsible for reimbursing the college for any amount beyond the 15% limit.



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Prohibited Purchases

- Split Purchasing
- Entertainment
- Cash or cash advances
- Purchase of goods or services for personal use or not for official college use
- Any transaction or series of transactions exceeding your PCard limits
- Motor Fuel and automotive general maintenance
- Automatic Drafts
- Travel - Hotel incidentals (must be paid with personal credit card)



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Receipts

- Itemized receipts must be obtained for all purchases and must include the following:
 - Vendor Name
 - Date of Purchase
 - Description
 - Unit price and quantity
 - Transaction total



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Shipping and Receiving

- Goods received at time of purchase (In-store Purchase)
 - Receipt for purchase will serve as the receiving document.
 - Must be signed by cardholder's approver and sent to Shipping and Receiving for acceptance against the purchase order.
- Goods shipping to OCCC (online, telephone)
 - All shipments must be delivered direct to Shipping and Receiving and a packing slip included in shipment.
 - Shipping and Receiving will accept against the purchase order.



Returns

- Return merchandise to merchant in manner agreed upon.
- Merchant issues credit.
 - If shipping merchandise back to merchant, you must obtain a MRO number from Purchasing and provide to Shipping and Receiving with the package to ship.
- Merchant provides credit receipt documentation.
 - Place credit receipt with Monthly Transaction Statement for reconciling.
 - Credit may not appear until the next month's statement. Provide a copy of the credit receipt and indicate by noting on the specific transaction on the current monthly statement.



Disputes

- Disputes may be reported to BOA who will assist cardholder in resolving the dispute;
- Must be initiated within 30 days of the purchase date;
- Always try to resolve with the vendor first prior to contacting BOA if possible;
- Include dispute information regarding the charge with the monthly statement. If you win the dispute, a credit will appear in a subsequent statement.



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Reconciliation – Cardholder

- Cardholder makes purchase of goods in compliance with these procedures and retains transaction documentation for reconciling at the end of the month;
- Merchant delivers goods and submits transaction to BOA;
- Statement is printed from Works;
- Cardholder reconciles statement with transaction documentation;
- Cardholder signs and dates statement, attaches transaction documentation;
- Cardholder forwards statement and documentation to Approving Official for review.



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Reconciliation – Approving Official

- Approving Official reviews Cardholder's reconciled statement and transaction documentation for:
 - Accuracy;
 - Completeness;
 - Appropriateness of the purchase(s);
 - Verifying transactions were conducted according to OCCC Purchasing Policy and PCard procedures;
- Issues between Approving Official and Cardholder are to be resolved with the OCCC PCard Administrator.
- To indicate concurrence, Approving Official shall sign and date the statement and forward statement and documentation to OCCC PCard Administrator.



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Transaction Information

- An approved requisition must be entered and purchase order provided to Cardholder prior to any purchase made with the PCard;
- All transactions must be coded with the correct GL information when entering requisition and processed purchase order in Colleague;
- Must complete at a minimum:
 - Account Number
 - Purchasing Description
 - Who
 - What
 - When
 - Where
 - Why
 - How



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Works – Duties

- It is required that all Cardholder's have access to the BOA Works program.
- The Works system is where Cardholder's will allocate and sign off on monthly transactions and run and print monthly transaction statements.



Think Ahead

- What happens if I am gone for a time from work?
 - Your Monthly Transaction Statement must still be turned in at the end of the month and PCard transactions must be allocated and signed off.
 - The PCard holder is responsible for making sure this is done.



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Payment

- PCard closing period is the last business day of the month
- The Director of Purchasing will send statement deadline email at the first of each month.
- Must meet the specified deadline in order to process and make payment to BOA by the required due date. This is VERY important.
- OCCC makes one combined payment to BOA each month.
- Disputes are included in the payment and will receive a credit in a subsequent statement (if win dispute).
- Late payment or non-payment of PCard purchases will result in OCCC account being frozen or cancelled, and may include additional action to obtain the payment and/or interest accrued.



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BOA Contact Information

- Bank of America Customer Service
 - (888) 449-2273
- Technical Help Desk
 - (800) 822-5985, option 3
- Works Website
 - payment2.works.com/works/



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State PCard Administrator

- State PCard Administrator
 - (405) 521-6503
 - opcard@omes.ok.gov



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