

## **DCTC Procedure 7.3.3.1 Purchasing Cards**

### **Chapter 7 – General Finance Provisions**

**Part 1. Introduction.** The Purchasing Card Program is an effort to simplify purchasing of certain commodities through an agreement between a bank (i.e. US Bank) and Dakota County Technical College (DCTC). The agreement provides that the bank will issue purchasing cards to Dakota County Technical College employees for payment of certain travel related expenses, special expenses, department head expenses, or departmental purchases.

Dakota County Technical College employees to be issued purchasing cards enter into an agreement with the Dakota County Technical College committing to use the purchasing card as provided in this procedure and applicable Minnesota State procedures and policies. Each purchasing card will be tailored to the needs of the card holder.

#### **Part 2. Definitions.**

##### **Subpart A. Purchasing Card:**

**Individual Card.** An individual purchasing card is a card in the name of DCTC and in the name of a DCTC employee in which DCTC is liable to the card issuer for all charges made in connection with the purchasing card issued to the individual.

##### **Subpart B. Cardholder.**

A cardholder is a DCTC employee who is issued an individual card and agrees to abide by this procedure and any additional policies and procedures established by DCTC and/or Minnesota State. Contractors, contract employees and student workers are ineligible to be purchasing card holders.

##### **Subpart C. Card Administrator(s) or Coordinator(s).**

The DCTC employee(s) who coordinates the Purchasing Card Program for DCTC and acts as the college's intermediary in correspondence with the card issuer.

##### **Subpart D. Approval Manager.**

DCTC employees designated to approve transactions made by individual cardholders.

##### **Subpart E. CAP.** The Central Accounts Payable Office.

##### **Subpart E. US Bank.**

US Bank Expense Management transaction receipt/reporting/approval system which is accessed online is the current financial institution provider.

#### **Part 3. Requesting a Purchasing Card and Security of the Card.**

A. A completed Purchasing Card Application Form (found on the DCTC intranet) is required for each cardholder. The Purchasing Card Application Form will not be considered completed until the employee's supervisor and the Business Office delegated authority have signed the form and initialed the purchasing limit dollar amount, and the Delegation of Authority form has been completed or updated as appropriate. Any subsequent changes to the purchasing limit dollar

amount must be initialed and dated by the supervisor and Business Office delegated authority prior to implementation.

B. The address used on the cardholder application will always be the Dakota County Technical College mailing address.

C. All cardholders must sign and accept the terms and conditions of the DCTC Purchasing Card Program Cardholder Agreement prior to being issued a purchasing card.

D. The cardholder will be responsible for signing the purchasing card when it is received and will be responsible for the security of the card and all transactions made against it. Any purchase made against the card will be considered to have been made by the cardholder.

E. The cardholder must immediately notify the purchasing card company and the DCTC Business Office if the card is lost, stolen, or in the hands of an unauthorized person. Pertinent information regarding the lost or stolen card or improper card usage must be provided. The cardholder is required to make a reasonable attempt to recover the card from an unauthorized person. Under these circumstances, the card will be voided as quickly as possible. However, the cardholder has primary responsibility for any unauthorized purchases made by the cardholder or any other person. If DCTC is unable to collect the amount owed from the cardholder, the applicable cost center will be responsible for any unauthorized purchases made up to the limit of liability.

F. All purchase transactions processed against the purchasing card must be made by the employee to whom the card is issued. The card cannot be used by another person or for personal use. The card cannot be transferred from one employee to another. Charges can be made by the cardholder, on behalf of another employee; however, the cardholder is responsible for the charge and submission of appropriate documentation.

G. All purchasing records are subject to audit.

**Part 4. Authorized Card Use.** A cardholder is authorized to use the purchasing card for the following types of purchases:

- Food and non-alcoholic beverages for business-related group meetings in compliance with system procedures, but only after obtaining prior approval for special expenses. The approved request to incur special expense form must be attached to the detailed receipt.
- Food and non-alcoholic beverages for members of athletic teams.
- Food and non-alcoholic beverages for student activities that will be paid for with student activity funds in compliance with Minnesota State and DCTC policies and procedures.
- Entertainment and recreation use is prohibited except for:
  - Student activities that will be paid for with student activity funds,
  - Activities that will be paid for with grant funds authorized by the grant agreement, or
  - Academic activities that will be paid for with course fees.
- Conference registration fees
- Shopping/buying clubs
- Travel agencies, hotel, motel and airline charges
- Car rental fees including fuel charges
- Taxis and buses
- Auto parking lots
- Electronic sales
- Computer software and computer repair; telecommunication equipment. (NOTE: All such purchases MUST be pre-approved through the supervisor AND the IT Department Supervisor.)
- Data processing services and informational retrieval services
- Bookstores (excluding DCTC)

- Caterers and bakeries
- Office stationary supplies
- Photocopy and photos
- Discount stores, department stores, variety stores, general merchandise

**Part 5. Prohibited Card Use.** Cards cannot be used for the following types of purchases:

- Items for personal use or items for non-college purposes must never be made, even if the cardholder intends to reimburse the college.
- Cash or cash advances
- Food and beverages for individual employee personal meals. (These *must* be reimbursed through the use of the Employee Expense report form through payroll due to IRS tax regulations.)
- Alcoholic beverages
- Drugs or pharmaceutical products
- Items which would be given away for promotional purposes
- Expenses for staff recruiting, advertising, or entertainment of prospective employees.
- Gifts, donations, or contribution to individuals or organizations
- Refund of revenue
- Employee relocation expenses
- Weapons of any kind or explosives
- Purchase of or removal of hazardous or radioactive materials
- Entertainment and recreation other than defined above
- Equipment \$10,000 or more
- Sensitive equipment items of less than \$10,000 as defined in the Minnesota State Procedure Guideline 7.3.6 Capital Assets
- Payments to other departments within DCTC
- Time payments (card is for one-time purchases only)
- Pyramiding (multiple purchases to cover same transaction)
- Tuition payments
- Consulting services (must use a Minnesota State professional/technical contract)
- Gas for non-rental automobiles
- Prescription safety glasses, work uniforms or safety footwear (use purchase order process)

**Part 6. Cardholder Purchasing Procedures**

A. The cardholder must follow all quote and bid guidelines as found in Minnesota State Procedure 5.14.5 and DCTC purchasing policies and procedures.

B. The cardholder must request a copy of the vendor's detailed sales receipt or cash register slip as well as the purchasing card slips. The cardholder's individual purchasing card number and his/her name must be given for all orders processed and specific delivery instructions must be provided to the vendor.

C. If order is done online, the order information must be printed. If the order is done by telephone, the cardholder must request that the vendor email or fax the invoice to the cardholder.

D. All purchase transactions processed against the card must be made by the employee to whom the card is issued. The card cannot be used by another person or for personal use. The card cannot be transferred from one employee to another.

E. Tax exempt: All purchases other than those listed under “taxable purchases” below are tax exempt. The cardholder must inform the vendor of Minnesota State’s tax exemption status. The tax exempt ID number is printed on the purchasing card.

F. Taxable purchases: Purchases of meals, lodging (under 30 days), waste collection and disposal services are taxable and sales tax should be included in the charge transaction at the time of purchase.

#### **Subpart A. Late fees and finance charges**

1. Late fees which occur because the cardholder did not reallocate and approve transactions and submit receipts to the business office in a timely manner are the responsibility of the cardholder.
2. Cardholder must reimburse DCTC within one billing cycle from the date of the late fee or finance charge.
3. Reimbursement may be made by cash or personal check to the business office. If payment is not received within one billing cycle, the card will be canceled and no new card will be issued until the fees and finance charges have been repaid in full.

#### **Subpart B. Returns and exchanges**

1. If any item purchased with a purchasing card is unacceptable or not allowable, arrangements must be made for a return for credit or an exchange whenever feasible.
2. When the credit appears on the cardholder’s account, the cardholder must upload the credit receipt and must enter the cost center to be credited.
3. A cash refund or check is *prohibited* unless the vendor insists that a refund must be made by cash or check. In such cases, the funds must be deposited immediately with the DCTC Business Office.
4. If a refund is issued in the form of a check, the check must be payable to DCTC.

#### **Subpart C. Reimbursement of personal expenses accidentally charged to the card**

1. Cardholders who accidentally charge a personal item to a DCTC purchasing card must immediately return the item and reverse the charge to the purchasing card.
2. If it is not possible to have the vendor reverse the charge to the purchasing card, contact the DCTC Business Office immediately.

#### **Part 7. Cardholder Responsibilities for Weekly Reallocation, Approval, and Receipts**

A. Original receipts must be scanned and filed on the cardholder’s desktop to be uploaded in the US Bank Expense Management System. The original receipts must then be delivered to the DCTC Business Office for filing.

B. If the cardholder does not have the receipt for a purchase, they must contact the vendor and get a receipt so they can reallocate and approve transactions on a regular basis.

C. If the receipt is lost or cannot be obtained, the cardholder must fill out an affidavit of lost receipt form, have it notarized, and use it as a replacement receipt for the transaction.

Employees must understand that the affidavit is not to be used regularly but as a rare exception when a receipt cannot be obtained from a vendor. The expectation is that no more than one affidavit may be used per fiscal year.

- D. The cardholder must reallocate and approve weekly, at a minimum, all transactions (purchases and credits) posted to the cardholder's card in Expense Management.
- E. The CAP Business Manager/designee or DCTC designee shall notify cardholders by email who have failed to reallocate/approve/scan by the 10th day of the month for the billing period ending on the 8th day of that month (or if it falls on a weekend, the first business day following the 8th).
- F. Cardholders shall be given until 3:00 p.m. on the 15th day of each month to have reallocated/approved/scanned all transactions for that billing period. DCTC Approval Managers will be given until 3:00 p.m. on the 17th day of each month to approve these transactions.
- G. The CAP Business Manager/designee or DCTC designee shall notify by telephone cardholders who have failed to reallocate/approve/scan by the 15th day of the month. Cardholders still delinquent shall have their purchasing card temporarily suspended until such time that the reallocation/approval/scans has been completed and receipts delivered to the business office. Exceptions may be granted by the CAP Business Manager/designee or DCTC designee for situations that are beyond the control of the cardholder as determined by the CAP Business Manager or DCTC Business Manager.

#### **Part 8. Disputing a Transaction**

- A. If a purchase is made and the vendor is unwilling or unable to correct a problem, or if a transaction shows up in the cardholder's transaction log that is unknown to the employee, the transaction may be disputed.
- B. The cardholder shall contact the CAP Business Manager or DCTC Business Manager who will assist the employee in completing the dispute process. Disputes must be reconciled within fourteen (14) days of the statement date. Final resolution of any dispute must be resolved within sixty (60) days of the statement date.
- C. The cardholder shall complete any necessary paperwork and forward to US Bank as requested by the CAP Business Manager or the DCTC Business Manager.

#### **Part 9. Approval by Supervisor/Approver.**

Supervisors/approvers of cardholders are responsible for reviewing cardholder expenses and ensuring compliance with this procedure and any applicable college procedures. The Supervisor's/Approver's duties include:

- A. Approving employees for participation in the purchasing card program.
- B. Regularly approving transactions to ensure they meet objectives and are within restrictions placed on the card. Supervisor/Approver shall reject a transaction to the cardholder that has an incorrect object code, has no description listed within a transaction, or deems the purchase to be not allowable or not appropriate. Supervisor/Approver shall include a memo/note in the transaction noting why the transaction was rejected. The cardholder will then need to take appropriate action to correct the rejected transaction.
- C. Responding to any misuse of the card by the cardholder.
- D. Ensuring closure of purchasing card at the time the cardholder separates from employment or when it is determined that purchasing card authority will be removed from the employee.

#### **Part 10. Gasoline and Vehicle-Related Expenses.**

- A. A purchasing card may be used *only* to pay for vehicle expenses related to the specific state-owned, leased, or rented vehicles. No personal use is permitted.

#### **Related Documents:**

- Minnesota State Policy 7.3
- DCTC Policy 7.3
- Minnesota State Procedure 7.3.3
- [Procedure](#)

**Procedure History:**

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06/08/2017 – Updated title and history and changed several MNSCU references to Minnesota State