



**Small Purchase  
Procurement Card Manual**

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### **Requests for changes**

Any requests for changes to a procurement card account, including cancellation, must be submitted in writing or by e-mail to the Purchasing Director. Changes may be subject to the approval of the Division Chairperson, appropriate Dean, and the Business Manager. The Purchasing Director will notify the cardholder of change status.

### **Reporting Lost/Stolen Cards**

Lost or stolen procurement cards must be reported immediately to:

VISA Card Center	<b>1-800-248-4553</b>	24 hours
OR Citibank:	Alex Medina	800-248-4553, ext. 69881
	Rex Harrison	561-702-6359

Then notify JCJC Purchasing Director, Laura Daniels at 601-477-4008 of the loss or theft and the date, time and person to whom it was reported. The cardholder must complete a Lost/Stolen Affidavit (see Appendix #2) and submit to the Purchasing Director within two working days of the loss/theft. If the card is known to have been stolen, the cardholder must report the theft to the Campus Police within one working day. A copy of the police report shall be attached to the Lost/Stolen Affidavit. JCJC, and subsequently the cardholder, may be held liable for unauthorized use of the procurement card if theft or loss is not reported in a timely manner. Consequently, the cardholder should make note of the date, time and to whom the card was reported lost/stolen.

### **APPLYING FOR THE CARD**

A training session will be held for employees interested in utilizing the procurement card. Information will be provided about the procurement card program, JCJC purchasing policies and procedures, and state purchasing laws. A Purchasing Card Cardholder Information New Account Application will be available for prospective cardholders. The application, subject to the approval of the Division Chairperson, Dean, and Business Manager, will be submitted by the Business Office to Citibank. (See Appendix #3.)

To receive a procurement card, the cardholder must read and sign the Small Purchase Procurement Card Program Cardholder Agreement. (See Appendix #4.) The signing of this agreement constitutes a valid, binding and enforceable agreement.

## USING THE CARD

### **Making a purchase**

The procurement card is to be used for small purchases of commodities for JCJC. It is the responsibility of the cardholder to assure that the following conditions have been met before making a purchase:

- the commodities purchased are required for a bona fide college purpose.
- the prices paid are fair and reasonable.
- each purchase is within the available budget and does not exceed card limits
- the purchase complies with purchasing policies and procedures of JCJC and the regulations of the State of Mississippi.
- the merchant is aware that the purchase is being made by a government entity that is exempt from state and local taxes.

At the point of sale, the card will be used as a traditional credit card with the exception of the tax exempt status. The cardholder's signature will be required on a sales ticket. A receipt must be obtained with **every** purchase. (Refer to *Documenting purchases*, page 6.)

### **Tax exempt statement**

JCJC is a tax exempt governing authority and, therefore, Mississippi sales tax shall not be applied to purchases on the card. The card will be labeled "tax exempt" for the cardholder's convenience. It is the cardholder's responsibility to inform the cashier and ensure that JCJC is not charged sales tax. If a vendor insists on charging sales tax, the purchase is not to be completed. The cardholder may be held liable for taxes charged to procurement card purchases.

Vendors may request proof of tax exemption. A copy of tax exemption information is included in the Appendix section of this guide. (See Appendix #5.)

In the event taxes are charged without the cardholder's knowledge, the cardholder must complete a Disputed Item Form immediately. Refer to "Disputed Items" on page 8 for further instructions.

### **Card restrictions**

The cardholder is responsible for ensuring that all purchases made with the procurement card are valid JCJC purchases within the limits set forth in this guide.

A daily limit will be set on the card. The limit will be predetermined by the Business Office and the appropriate Division Chairperson and Dean and will be relative to the anticipated use of the card. Purchases will be declined should the transaction amount exceed this daily limit.

Purchases are to be made within the available budget and other limits described herein. The Business Office reserves the right to cancel a card if the budget is exceeded. (See *Card Cancellation*, page 9.)

No equipment or services shall be purchased on the procurement card. The card is to be used for small purchases of commodities only. (See Appendix #1.)

No hotel, motel, entertainment or restaurant charges are allowed on the procurement card.

No back orders are to be charged to the card. Commodities being purchased must be available for immediate delivery at the time of purchase.

As with purchase orders, personal purchases are strictly prohibited.

Cash advances are neither authorized nor permitted under this program.

Cash refunds are prohibited. Returns must be credited to the card.

No sales tax is to be charged to the card. (See *Tax Exempt Statement*, page 4.)

Purchases being charged to grant accounts must comply with the terms of the grant.

State contract commodities may be purchased only from the state contract vendor at or below the state contract price. State contract number and effective dates must be noted on receipt.

Merchant Category Codes (MCC) identify types of businesses at which the procurement card may be used. These will be predetermined in relation to the specific use of the cardholder. For example, the merchant code for grocery stores would be open on a card for the Home Economics department, but would be blocked on a card for the Physical Education Division.

If the cardholder leaves the employment of JCJC, the card must be delivered to the Purchasing Director for cancellation. If the card is not turned in, the cardholder will be liable for any charges incurred after last date of employment.

### **Merchant authorization**

A number of controls have been established for the procurement card program to ensure that the card can be used for specific purposes and within specific dollar limits. At the point of sale, a merchant must request authorization from the issuing financial institution. The financial institution, Citibank, uses a procurement card issuer authorization system to check the cardholder's purchase limit. If the purchase exceeds the limit or is blocked by an MCC, the authorization will be refused by Citibank. The merchant, in turn, would deny utilization of the

card for the purchase.

As with traditional credit cards, most merchants utilize a point-of-sale machine to quickly obtain authorization from the issuing financial institution. If a merchant does not use a point-of-sale machine, they are generally required to obtain authorization by telephone for purchases exceeding \$50.00. If, for any reason, a merchant fails to obtain authorization and the purchase is subsequently refused by Citibank, the merchant would be liable for the amount of the sale.

### **Documenting purchases**

At the point of purchase, the cardholder shall obtain a detailed receipt. Every purchase must be documented with a receipt. All receipts must contain the following information:

- vendor identification
- card number; must be written-in by cardholder if blocked out or not printed
- transaction date/date of purchase
- description of each commodity purchased
- total cost of each item
- purchase total

Original receipts are to be turned in to Accounts Payable each month with the monthly cardholder memo statements. The cardholder may find it beneficial for departmental budget records and auditing purposes to keep copies of receipts, the cardholder agreement, and other forms signed by or submitted by the cardholder. Any carbon copies of receipts are to be destroyed and, when an appropriate time has lapsed, destroy any copies of documents with the card number and other confidential information.

## **ACCOUNTABILITY AND LIABILITY**

The procurement card will display the cardholder's name, card number, an expiration date, and indicate that the account is tax exempt. VISA, the card contractor, requires the cardholder's signature on the back of the card. The cardholder is responsible for reconciling all procurement card transactions to the monthly cardholder memo statement.

### **Reconciling monthly statement**

The monthly cardholder memo statement will be sent to the cardholder for reconciliation. Using receipts collected during the billing period, the cardholder will be responsible for verifying that all charges on the monthly statement are correct. A dispute form should be completed for any erroneous charges (see *Disputed Items* on page 7). Once charges have been confirmed to be accurate, the following steps are to be completed:

- On the monthly statement beside each purchase total, enter the account number to be charged (see Appendix #6).
- Note any errors on the statement and attach a copy of any Disputed Items forms submitted to Citibank during the current billing cycle.
- Verify that the purchases made are legitimate purchases for JCJC and are not in violation of state or school purchasing procedures or the guidelines of this program.
- Cardholder and Chairperson must sign and date the statement.
- Submit the statement and receipts in an envelope to Purchasing within 3 days of receiving the statement.

Noncompliance may result in denial of future use of the procurement card.

VISA will issue the cardholder memo statement on the same day each month. If travel or extended leave is scheduled at the time the statement is due and the cardholder will not be able to certify and complete the reconciliation, the cardholder shall arrange for the Division Chairperson to complete the reconciliation following the above steps. The statement will still be due in Accounts Payable within 3 days of receiving the statement. The cardholder will be responsible for signing the statement in Accounts Payable upon return to campus.

No cardholder memo statement will be generated for any billing cycle in which no purchase activity has appeared on the card unless adjustments for previously billed transactions are processed during that billing cycle.

The statement with attached receipts shall be filed in Accounts Payable after payment has been made to Citibank.

### **Disputed Items**

When reconciling a monthly statement any unauthorized charges may be disputable such as:

- sales tax
- charges in excess of the price agreed upon at point of sale
- items returned for a credit in accordance with the merchant's return policy
- items charged to the procurement card by an unauthorized (non-employee) of JCJC
- charges incurred after the card has been reported stolen/lost to Citibank

To dispute a charge, the cardholder is to immediately complete a Disputed Item form and submit it with the monthly statement. (See Appendix #6.) Note the disputed item on the monthly cardholder's memo statement.

If items purchased with the procurement card are defective, the cardholder is responsible for returning the item to the merchant for a replacement or a credit to the card. If the merchant refuses to replace or give credit for the item, charges for the defective item are disputable.

### **Cardholder Liability**

The cardholder may be held liable for the following unauthorized or inappropriate transactions:

- purchases charged to grant accounts that do not comply with grant terms.
- purchases charged to a lost or stolen card before the loss or theft is reported to VISA or Citibank. Be sure to keep your card secure. If the card is lost or stolen, report it immediately.
- sales tax charged to a purchase.
- personal purchases.
- items appearing on the monthly cardholder memo statement with no accompanying receipt.
- purchase of equipment, cash advances, hotels, motels, restaurants, entertainment, and any other restricted transactions.
- purchases charged to the card after cardholder is no longer employed by JCJC.
- interest charges resulting from cardholder not submitting statement in a timely manner.
- charges incurred while card has been left in the care of or loaned to another employee.

### **VIOLATIONS AND CONSEQUENCES**

JCJC reserves the right to cancel the procurement card at any time.

#### **Personal purchase(s)**

Any items not purchased for use and ownership by JCJC are considered personal purchases. It is illegal and unethical to use government funds, state or federal, to purchase items for personal use and may be considered a fraudulent act. In the event a personal purchase is made with JCJC funds, the cardholder must immediately reimburse JCJC. The card will be cancelled. Investigation may result in termination of employment and/or criminal prosecution. In the event of willful or neglectful default of these obligations, JCJC shall take any recovery action that is deemed appropriate and is permissible by law.

#### **Prohibited transactions**

Purchases are to be made within the available budget and other limits set. The card may be cancelled by the Business Office if the budget is exceeded. Other prohibited transactions are described in the *Card Restrictions* section, page 4. Violation of any restrictions may be investigated and could result in cancellation of the card, termination of employment and/or criminal prosecution if applicable. In the event of willful or neglectful default of these obligations, JCJC shall take any recovery action that is deemed appropriate and is permissible by law.

### **Lack of supporting documentation**

Each transaction on the procurement card must be represented by an itemized receipt stating the vendor name, transaction date, each commodity purchased, total cost of each item, total purchase cost, and the card number charged. Items appearing on the monthly cardholder memo statement without an accompanying receipt will be considered personal purchases with action being taken accordingly. Human error and patterns of chronic abuse will be considered. The card may be cancelled and reimbursement collected from the cardholder. The cardholder is responsible for securing a duplicate receipt.

### **Split purchases**

A split purchase or split transaction is a single order costing more than the set dollar limit on the card which is split between multiple transactions to circumvent the spending limit. In the event a purchase is split, the card may be revoked. The cardholder may also be held personally liable for any fines assessed by the State Auditor's Office for such circumvention.

## **EXPIRATION AND CANCELLATION**

### **Card Expiration**

The expiration date appears on the front of the procurement card. Cards expire after 24 months and will be automatically renewed if:

- the State Office of Purchasing and Travel renews the state contract for the small purchase procurement card;
- JCJC, Business Office, Division Chairperson, and Dean advocate continued participation in the card program;
- the cardholder has responsibly utilized the card.

No forms are required for renewing the card. The Citibank will forward the new card to the cardholder upon receipt.

### **Card Cancellation**

JCJC reserves the right to cancel the procurement card at any time.

Purchases are to be made within the available budget and other limits set. The card may be cancelled by the Business Office if the budget is exceeded.

Any misuse of a procurement card or noncompliance with restrictions set forth in this guide is

justification for cancellation of that card.

Lack of supporting documentation and/or failure to return statements and receipts within allotted period are justification for cancellation of the procurement card.

It is the responsibility of the Division Chairperson and cardholder to relinquish the card to the Purchasing Director before the cardholder's last day of employment. The Business Office will notify the issuing financial institution of cancellation to prevent any unauthorized purchases. Confirmation from Citibank that the cancellation has been completed will be kept on file in the Business Office.

## **APPENDIX INDEX**

1. List of Commodities
2. Lost/Stolen Affidavit
3. Card Application
4. Cardholder Agreement
5. Statement of Tax Exemption
6. Monthly Card Statement
7. Disputed Item Form

**LIST OF COMMODITIES**

703000	Communications
704000	Printing
718000	Advertising & Publicity
719000	Software
721000	Educational Supplies
722000	Office Supplies
723000	Maintenance Supplies
724000	Janitorial Supplies
725000	Maintenance Hand Tools
726000	Auto Supplies
727000	Landscaping Supplies
731000	Other Supplies
732000	Duplicating
851000	Books and Film (Library)
852000	Microfilm (Library)

**JONES COUNTY JUNIOR COLLEGE  
PROCUREMENT CARD  
LOST/STOLEN AFFADAVIT**

\_\_\_\_\_ hereby certifies that on \_\_\_\_/\_\_\_\_/\_\_\_\_  
(Print Cardholder's Name)

Procurement Card Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ was Lost Stolen.

The loss/theft was reported to: (complete all that apply)

	Person	Time	Date
VISA _____	_____	_____	_____
Citibank _____	_____	_____	_____
JCJC _____	_____	_____	_____
Campus Police* _____	_____	_____	_____

*\*If a theft was reported, the police report must be attached.*

Cardholder's Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The undersigned employee responsible for said lost/stolen procurement card hereby states under oath that the above facts are true and correct to the best of his/her knowledge.

\_\_\_\_\_  
Signature of Employee \_\_\_\_\_  
Date

This date personally appeared before me, the undersigned authority, in and for \_\_\_\_\_ County, State of Mississippi, the above named employee, who, being first duly sworn, state on his/her oath that the above facts are true and correct to the best of his/her knowledge.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the \_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

JONES COUNTY JUNIOR COLLEGE  
SMALL PURCHASE PROCUREMENT CARD PROGRAM  
CARDHOLDER AGREEMENT

The cardholder shall sign a statement of verifying that he/she has read these minimum requirements and any additional policies or procedures established by the College and that it is understood he/she will be personally liable for any purchase that is made which is not in compliance with these procedures; and in addition to being responsible for any such charges, the cardholder may lose the privilege of using the procurement card and may face disciplinary action.

The following are the minimum requirements for use of the Small Purchase Procurement Card Program. The cardholder shall:

1. Assure that the items purchased are required for bona fide college purposes.
  2. Assure that the prices paid are fair and reasonable.
  3. Notify the merchant that the purchase is being made in the name of a government entity, which is exempt from state and local taxes.
  4. Obtain transaction receipts from the merchant or vendor each time the Procurement Card is used.
  5. Assure that all items are received (no back orders allowed).
  6. Assure that the purchases are within the limits set and available budget.
  7. Assure that the Procurement Card is not used for travel, entertainment, or other prohibited expenses.
1. Assure that no cash advances or cash refunds are transacted with the card.
  2. Review monthly statements to assure that all charges are accurate, complete applicable dispute documents, reconcile the statement with receipts, and approve the statement with his/her signature.
  3. Forward the monthly statement, receipts, and any other applicable documents to appropriate official for approval.
  4. Assure that monthly statements are forwarded to Accounts Payable within 3 days of receipt.

I, \_\_\_\_\_ (printed name of cardholder), certify that I have read and fully understand the policies and procedures for use of the State of Mississippi Small Purchase Procurement Card Program and that I understand that I will be held personally responsible for all charges for any purchase which is made and is not in compliance with these procedures. I also understand that my own agency may have additional restrictions and that I will abide by any and all such requirements. In addition to being personally liable for any such charges, I understand that misuse of the program may be cause for loss of procurement card privileges as well as possible disciplinary action.

\_\_\_\_\_  
Signature of Cardholder

\_\_\_\_\_  
Date

This is to certify that Jones County Junior College is a Local Governing Authority of the State of Mississippi and is exempt under tax identification number 64-6000538 by law (Section 27-65-105, Mississippi Code, Annotated, of 1972) from the payment of Mississippi sales tax.

\_\_\_\_\_  
Derek Youngblood, CPA, Business Manager

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Derek Youngblood, CPA, Business Manager

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**JONES COUNTY JUNIOR COLLEGE  
PROCUREMENT CARD  
MISSING DOCUMENT AFFIDAVIT**

Cardholder's Name (Print): \_\_\_\_\_

Procurement Card Number: \_\_\_\_\_

Date of Purchase: \_\_\_\_ / \_\_\_\_ / \_\_\_\_ Vendor Name: \_\_\_\_\_

Description of Item(s)	Cost
_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Detailed explanation of missing documentation: \_\_\_\_\_

The undersigned employee responsible for said missing documentation hereby states under oath that the above facts are true and correct to the best of his/her knowledge.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date

This date personally appeared before me, the undersigned authority, in and for County, State of Mississippi, the above named employee, who, being first duly sworn, state on his/her oath that the above facts are true and correct to the best of his/her knowledge.

GIVEN UNDER MY HAND AND OFFICIAL SEAL, this the \_\_\_\_\_ Day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Notary Public

NOTE: This affidavit shall be attached to the cardholder's monthly statement and filed with the Approving Official.