

LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM
Policy # 5.018

Title: LCTCS Policy for LaCarte Purchasing Card and CBA

Authority: LCTCS President and Staff

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**“LaCarte”
Purchasing Card and CBA Policy**

I. Introduction

A. Policy Statement

It is the policy of the Louisiana Community and Technical College System (System) to allow for the establishment and administration of the “LaCarte” Procurement Card and CBA Program (Card) at the various colleges in the System. The individual colleges will issue college specific procedures for the possession and use of the Card in accordance with the La Carte Purchasing Card and CBA Policy issued by the Division of Administration. La Carte is a Visa card issued by Bank of America for the State of Louisiana which will allow employees to purchase approved items with the convenience of a credit card, while maintaining control over the purchases. The use of the card is intended to improve efficiency and effectiveness by reducing costs associated with processing purchases and payments and is intended to allow receipt of goods on a more timely basis.

The use of Card will be limited to low-dollar orders. The Single Purchase Limit (SPL) will be \$5,000 or less. Even though the single purchase limit has been set at up to \$5,000, it remains the responsibility of the colleges for setting individual cardholder limits. The Office of State Procurement must approve in writing any authority for a SPL or one time override to be above \$5,000. Requests will be considered if the college program is in compliance with the state guidelines, adequate staff experience and training are demonstrated with factors that promote the overall use of the program and if the approval by State Procurement is determined to be in the best interest of the state.

This policy and related procedures covers the “LaCarte,” Purchasing Card (P-Card), the State of Louisiana’s Corporate Liability P-Card program and establishes minimum standards for possession and use to ensure compliance. The use of the P-Card Program for purchases does not negate any current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA (Controlled Billing Account aka Cardless Account aka Ghost Account) Policy, internal college policies and procedures and/or PPM49 as applicable. All must be followed when using and administering the P-Card and this policy.

Cardholders, program administrators, program users, supervisors/approving officials, auditors or anyone associated with the card program who knowingly, or through willful neglect, fails to comply with any current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable may be subject to suspension or termination of account privileges or other disciplinary action, up to and including criminal prosecution to the fullest extent of the law. The Office of State Travel reserves the right to withdraw any authority or delegated approval due to non-compliance with applicable laws, rules, regulations, mandates, policies and procedures.

B. Purpose

The P-Card is a tool used to assist in the management of procurement, payment and accounting. The P-Card is a Visa card issued by Bank of America (BOA) for the State of Louisiana and will be identified with the State of Louisiana seal and marked Louisiana “LaCarte”. The cards are white and embossed with the employee’s name, department name, account number and tax exempt number. Expiring P-Cards will automatically be replaced/renewed prior to the expiration date by the issuing bank and sent to the program administrator for distribution to cardholders who have completed the annual requirements of re-certification from the state’s online training class, college training and signed the most current cardholder agreement form.

The P-Card enables employees to purchase items with the convenience of a credit card, while providing management with a means of maintaining control over those purchases. The use of this card will improve efficiency and effectiveness by reducing costs associated with processing purchases and payments and will allow for the receipt of goods on a timely basis. Payments for valid business purchases at or under the value of \$5,000 should be made with the P-Card in lieu of purchase orders when possible. The P-Card can be used with any merchant that accepts Visa as a form of payment. It is intended that P-Cards be issued to selected employees when the use of the P-Card will enhance effectiveness or economy of operation for the college. If used to its potential, the P-Card Program will result in a reduction in the volume of purchase orders and related documentation, including invoices and checks. In addition, corresponding work processes associated with ordering and check writing may be reduced. Agencies that have requested and been approved to use the purchasing card for travel expenses are mandated to use a state issued card for all high dollar travel expenses, including but not limited to registration, lodging, airfare and vehicle rental.

C. Conditions of Participation

All colleges, as condition of participation in the P-Card Program, shall abide by the terms of this policy unless a “Request for Exemption” is submitted and approved by the Office of State Travel <http://www.doa.la.gov/osp/Travel/forms/DOApCardExceptionRequest.pdf>.

The request shall:

- cite the specific paragraph(s) of this policy for which the exception is requested
- include a description and justification for the exception
- state the specific length of time for which the exception is necessary

The College P-Card Program Administrator and the State P-Card Administrator shall keep approved exceptions on file.

Using the P-Card for purchases of supplies, equipment, operating services and/or major repairs must comply with current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable.

The Statewide LaCarte Purchasing Card and CBA Policy is not designed to be specific to an individual college in all areas. Each college must develop its own internal policy and procedures to ensure compliance with the statewide card policy as well as address areas that the statewide policy cannot and does not address. The colleges should evaluate the internal policy and procedures at least annually to ensure compliance with all policies.

All colleges will be mandated to implement WORKS Workflow, which is an online system through Bank of America. The system captures transactions, which require both the cardholder and cardholder's approver's electronic signatures before a cardholder's credit limit will refresh, along with the ability to maintain receipts and backup supporting documentation electronically in one central location through the mandated scanning feature, therefore, assisting with audits and reviews. The system also allows for an additional level of approval, beyond the cardholder and approver allowing a second level of review.

All program participants, i.e. program administrators, cardholder, CBA accountholder/authorizer and cardholder approvers are required to complete the State online certification class annually, receiving a passing grade of at least 90 in order to remain as a Program Administrator, receive a new p-card, a renewal p-card, remain as CBA accountholder/authorizer or remain as a cardholder approver. These certifications will be developed and updated, as necessary, by the Office of State Travel. **Note:** The certification class for the CBA accountholder/authorizer is the same as a cardholder's certification.

All program participants must sign the most current State of Louisiana Corporate Liability P-Card Program Agreement Form for the applicable program role on an annual basis. Agreements acknowledge and outline the applicable responsibilities under the program. Original forms must be given to the Program Administrator and copies provided to the approver. **Note:** The agreement form for the CBA accountholder/authorizer is the same as a cardholder's agreement form.

Cardholders and their approvers are required to complete college developed training on both this policy and the college's internal policy and procedures before cards can be issued as well as attend annual refresher training thereafter to remain active in the program. Proof of annual training for all program participants is required to be kept on file to include date of training and participants.

Travel merchants, including food merchants, are prohibited from individual employee use unless an exception request is made by a college to support the use of travel and food merchants. The request, along with strict guidelines outlined in the college policy and in accordance with the current State Liability Travel Card and CBA Policy, current PPM49 guidelines, and the written approval by the Office of State Travel is required prior to any travel expense being allowed on the P-Card.

If travel allowances are requested for individual employee use, only MCC allowances outlined in the State Liability Travel Card and CBA Policy will be allowed. CBA accounts may be opened to allow all MCC Codes/Groups outlined in the current State Liability Travel Card and CBA Policy. Procedures must be developed by the college and included in their policy regarding travel purchases. Although other travel related transactions are now allowed on the CBA account, the traveler should be aware that there is no plastic card issued for a CBA to ensure that this will not impair his or her travel plans.

The only travel exclusion which does not require Office of State Travel's approval is rental cars procured through the mandatory Statewide Rental Car Contracts and road/bridge tolls in conjunction with the contracted

vehicle rental. At the college's discretion, cardholders are allowed to use their P-Card for in-state rentals at Enterprise Rent A Car (MCC Code 3405), and for out-of-state rentals at Enterprise Rent A Car (MCC Code 3405), National Car Rental (MCC Code 3393) and Hertz Car Rental (MCC Code 3357) as well as road/bridge tolls incurred with the contracted rental.

This program does not allow cash withdrawals/transactions or any attempts for cash transactions, as cash is prohibited and blocked from this program.

Any exception to this policy requires approval from the Office of State Travel and will be considered on a case-by-case basis and should be in writing on the Exemption Request Form and forward to the Office of State Travel for consideration <http://www.doa.la.gov/osp/Travel/forms/DOApcardExceptionRequest.pdf>.

In the event that a college public/post-secondary/board/commissions entity fails to comply with the requirements for participation in the P-card Program, the result of noncompliance may be removal from the P-Card/CBA Program.

D. Definitions and Acronyms

Accountholder/Cardholder – terminology used to reference the employee that has been issued a P-Card or account holder/authorized user of the CBA.

Agreement Form – A form signed by a program administrator, cardholder and cardholder approver, annually, that acknowledges they have received required training from the college, completed the state's certification requirement and received a passing score of at least 90, understands the P-Card Policies, both state and college and accepts responsibility for compliance with all policies and procedures.

Approver – The cardholder's supervisor or the most logical supervisor that is at least one level higher which would be most familiar with the business case and appropriate business needs for the cardholder's transaction and is responsible for approving transactions on-line and signs both the cardholder's billing cycle log and monthly statement.

Billing Cycle - The period of time between billings. For example, the State of Louisiana P-Card closing period ends at midnight on the 5th of each month.

Card Abuse – Use of the card for non-approved State business purchases such as for personal purchases. See definition of "card misuse" and "fraud" and Section VI "Card Misuse".

Card Misuse – Use of the card for legitimate purchases but for goods or services that are prohibited by the State or internal policy (e.g., purchases for fuel for a State Vehicle when the college participates in the Statewide Fuel Card Program) See definition of "card abuse" and "fraud" and Section VI "Card Misuse".

Cardholder – A State of Louisiana employee whose name appears on the P-Card or the person who has been assigned by the college as the accountholder/authorizer for the CBA and is given authority to make purchases within preset limits on behalf of the college.

Cardholder Enrollment Form – A form that initiates the P-Card issuance process for the cardholder.

Controlled Billed Account (CBA) – A credit account issued in a college's name (no plastic card issued). These accounts are direct liabilities of the State and are paid by each college. CBA Accounts are controlled through

a single authorized accountholder/authorizer to provide means to purchase any allowed transactions/services allowed in the current State Liability Travel Card and CBA Policy. Although other travel related charges are now allowed on the CBA account, the traveler should be aware that there is no plastic issued for a CBA to ensure that this will not impair travel plans.

Controlled Billed Account (CBA) Accountholder/Authorizer – Person responsible for the CBA account. The accountholder/authorizer is a specific person assigned to a CBA account with the same responsibilities as that of a cardholder. Each CBA account must have only one accountholder/authorizer.

Cycle Limit – Maximum spending (dollar) limit a P-Card/CBA is authorized to charge in a billing cycle. These limits should reflect the individual’s purchasing patterns. These are preventative controls and, as such, should be used judiciously.

Default Coding – College specific accounting assigned to an individual cardholder’s transaction which exports to the college’s accounting system, if applicable.

Department Head – An elected officer, an appointed officer, the executive head of a State college or President of a College or University.

Disputed Item – Any transaction that was double charged; charged an inaccurate amount, or charged without corresponding goods or services by the individual cardholder.

Electronic Funds Transfer (EFT) – An electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

Electronic Signature – An electronic sound, symbol or process attached to or logically associated with a record or executed or adopted by a person with the intent to sign the record.

Export File – Data that pushes from Bank of America WORKS into ISIS/LEO or other applicable accounting system which imports to the college’s financial system to create the voucher for Bank of America payments.

Fraud – Any transaction, intentionally made that was not authorized by the cardholder or not for Official State Business. See definition of “card misuse” and “card abuse” and Section VI “Card Misuse”.

Incidental Expense – Expenses incurred while traveling on official state business, which are not allowed on the state liability P-Card. Incidentals include, but are not limited to meals; fees and tips (porters, baggage carriers, bellhops, hotel maids); transportation between places of lodging/airport such as taxi; phone calls and any other expense not allowed in the State Liability Travel Card and CBA Policy.

INTELLILINK – Visa’s web-based auditing tool which is used to assist with monitoring and managing the college’s card program usage to ensure that card use conforms to all policies and procedures.

ISIS – State of Louisiana’s integrated system used for accounting, financing, purchasing, and contracting functions.

LaGov – State of Louisiana’s integrated system used for accounting, financing, logistics, human resources, procurement, travel and data warehouse storage and reporting.

Merchant – A business or other organization that may provide goods or services to a customer. Synonymous with “supplier” or “vendor”.

Merchant Category Code (MCC) – Standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. A merchant is assigned a MCC Code by the acquiring bank.

Merchant Category Code Group (MCCG) – A defined group of merchant category codes. MCCGs which are used to control whether or not cardholders can make purchases from particular types of merchants.

P-Card – a credit account issued in a state employee’s name. This account is the direct liability of the State and is paid by each college. P-Card accounts are the preferred means of payment for purchases of goods and services. Also referred to as the LaCarte Card and Purchasing Card.

P-Card/ Billing Cycle Purchase Log – Either paper or electronic form used in the reconciliation process for purchases/services charged during the billing cycle. The log is used to document cardholder’s approval of purchases billed by matching the paper billing statement received from the bank to a log and the original documentation obtained from the vendor(s). Approval of the log by the cardholder can either be by signature (paper log) or electronic signoff (through WORKS Workflow), likewise, designated approver’s approval can either be by signature (paper) or electronic signoff (online in Workflow). Electronic Logs must be in an un-editable format such as a PDF.

Performance Evaluation System (PES) – An annual assessment of an employee’s overall performance based on work tasks and behavior standards.

Personal Purchases – Non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder’s family, or other individual(s).

Policy and Procedure Memorandum 49 (PPM49) – The state’s general travel regulations (<http://www.doa.la.gov/Pages/osp/Travel/Index.aspx>) these regulations apply to all state departments, boards and commissions created by the legislature or executive order and operating from funds appropriated, dedicated, or self-sustaining; federal funds, or funds generated from other source.

Program Administrator – Person responsible for administering and managing the LaCarte Program at the College level and acts as the main contact between the college, the State and the issuing bank.

Purchasing Card Profile – Unique profile associated with a cardholder that sets the card credit limit, single purchase limit and MCCs on the Cardholders ability to make purchases on behalf of the state. The Profile name must be unique and should be set up in the following format, this is an example only – CL\$20,000; STL \$1,000; MCCG: csh, tvl, rest

Receipt – A merchant-produced original document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount and the merchant’s name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.) This must match the online transaction amount and be matched to any other related documentation regarding the transaction.

Single Purchase Limit (SPL) – The maximum spending (dollar) limit a P-Card is authorized to charge in a single purchase. The SPL limit may be up to \$5,000; however, this limit should reflect the individual’s purchasing patterns. These are preventative controls and, as such, should be used judiciously.

Split Purchase – A practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction Limits or bid requirements. This is prohibited by the Statewide Purchasing Card Policy.

State Program Administrator – Central point of contact responsible for managing and overseeing the Statewide LaCarte Program.

Transaction - A single purchase of goods or services. A credit also constitutes a transaction.

Transaction Documentation – All documents pertaining to a transaction, either paper or electronic. The documentation is also used for reconciliation at the end of the billing cycle and is to be retained with the monthly reconciliation documentation for review and audit purposes. Examples of transaction documentation include, but are not limited to: original itemized purchase receipts/invoices (with complete item descriptions, not generic such as “general merchandise), receiving documents, credits, disputes, and written approvals. If travel has been approved, documentation should also contain airline exceptions, justifications, approvals, travel authorization, travel expense, etc.

WORKS – Bank of America’s web-based system used for program maintenance, card/CBA issuing/suspension/cancellation and reporting.

WORKS Workflow – Bank of America’s online system that includes user profiles and transaction workflow. For ISIS and LaGov interfaced agencies, transactions are coded and interfaced to the ISIS/LaGov systems for payment monthly.

II. ROLES AND RESPONSIBILITIES

A. Office of State Travel

The State of Louisiana, Office of State Travel is responsible for the statewide contract administration of the Corporate Liability “LaCarte” Purchasing Card/CBA Program and serves as the central point of contact to address all issues and changes necessary to the overall program, and coordinate such changes with the contractor, Bank of America.

The Office of State Travel will issue and maintain the Statewide Policy. If the state’s policy or the program limits change statewide, a revised State of Louisiana Corporate Liability “LaCarte” Purchasing Card and CBA Policy will be issued by the Office of State Travel.

The Office of State Travel will approve college participation in the program and along with the college, identify the allowable Merchant Category Codes (MCC) and their limits.

The State Program Administrator oversees the Statewide Purchasing Card Program and serves as a liaison between the College Program Administrators to address all issues and changes necessary to the overall LaCarte program and coordinates any changes with Bank of America.

B. Colleges and Board Office

Each college is responsible for developing and implementing a P-Card Policy, documenting within all internal procedures and ensuring that they are in compliance with the guidelines of the Statewide Corporate Liability

“LaCarte” Purchasing Card and CBA Policy”. Policies should be updated as necessary with changes which may occur in the college’s internal procedures and/or State’s Corporate “LaCarte” Purchasing Card Policy provided by the Office of State Travel and Bank of America. College policies and procedures may contain terms, conditions and limits more restrictive, but not more liberal, than those in the Statewide Purchasing Card Policy. Whenever a college’s policy is more restrictive than the Statewide Purchasing Card Policy, then the college policy takes precedence.

College responsibilities include administration of its Corporate Liability P-Card/CBA program and compliance with all state guidelines identified herein, any purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable.

The college is responsible to ensure that the cardholders are using the P-Card properly, therefore the college is expected to know general policies and procedures governing the college’s Purchasing Card Program, specifically the Program Administrators. Colleges are encouraged to add LaCarte compliance requirements as part of their employees Performance Evaluation System (PES).

It is strongly urged that colleges establish controls for pre and post approval of items on the P-Card. A strong system of internal controls is essential for detection and deterrence of fraud, cardholder misuse, or cardholder abuse of the P-Card. Internal controls include policies, procedures, and training in addition to spending limits and Merchant Category Code restrictions.

Additional documentation steps, that are strongly recommended, which would strengthen controls in the review process include:

- Documenting the reason for the purchase (case number, project, etc.) on the receipt along with signature from cardholder and supervisor.
- Inventory type purchases (electronic, etc.) should have “received by” and a signature on packing slip or other shipping documentation to ensure that the purchase arrived and is accounted for at the college.

P-Cards are issued with corporate liability, under which the state is liable for the cost of the purchases. The program is based on the strength of the State’s financial resources, not the personal finances of the cardholder. Due to the state liability, P-Cards are to be issued to State of Louisiana Employees only.

In addition to establishing proper controls and college’s procedures, colleges are responsible for:

Determining appropriate cardholders and setting individual limits for a single transaction, daily and/or cycle transaction limits. At a minimum P-Cards will be issued with dual limits. The college is responsible for setting the individual cardholder’s limit and determining the overall cycle limit (monthly credit limit). A college may allow a single purchase limit (SPL), college-wide or on an individual card basis, up to \$5,000 without prior approval from the Office of State Travel. Limits by the college should reflect the individual’s purchasing pattern. These are preventive controls and, as such, should be used judiciously. Exceptions to the single purchasing limit may be requested from the Office of State Travel by submitting the LaCarte Request for Exception Form <http://www.doa.la.gov/osp/Travel/forms/DOApcardExceptionRequest.pdf>. The Office State Travel must approve in writing any authority for a SPL or a one-time override above \$5,000. Colleges are cautioned when increasing the SPL that best practice calls for the SPL to be limited to the lowest amount that is needed for the duties of that individual.

The Request for Exemption Form would also be applicable to open any MCC codes which are prohibited or restricted. Request will be considered if the college is in compliance with the program, with the State

guidelines, adequate staff experience and training are demonstrated with factors that promote the overall use of the program and if the approval by the Office of State Travel is determined to be in the best interest of the State. It is also best practice to issue only one card per cardholder.

General Conditions

1. Training must be conducted when a new card is issued and a new approver is assigned, as well as annually thereafter to ensure that all program participants, such as program administrators, cardholders, CBA administrators, cardholder approvers, and any other applicable personnel that have a role in administering this program, are aware of all duties and responsibilities associated with possession/use of a State Corporate Liability P-Card.
2. Cardholders must be approved by appropriate college authority and cards distributed only to frequent purchasers/travelers, based on the request of a supervisor, manager or department head, not as an automatic process upon hiring.
3. No P-card, including a CBA account, shall be issued to program administrators, department heads, auditors of the program or any person with roles associated with administering and monitoring the program, including the person responsible for monthly audits/reports and second level review of the college's program. If it is a justifiable hardship for one of the above positions not to be allowed possession of a P-card, a written request must be submitted to the Commissioner of Administration, including detailed justification as to why this is not feasible and what precautions will be taken to guarantee the security and validity of purchases. Specific approval from the Commissioner of Administration must be obtained prior to issuing a card to an individual listed above.

The only exception regarding an employee possessing a card with a role in the program is a cardholder approver. However, in order for a cardholder approver to possess a p-card, monthly audits, sign-off in WORKS (once implemented into Workflow), and all other responsibilities listed throughout this policy for a cardholder approver must be fulfilled by someone which is at least one level higher than the approver.

4. Monitoring cardholders which are not active and adjusting the SPL's and/or monthly cycle limit accordingly based on changes in needs and cancelling cards when not utilized in a twelve month period. A card may only remain active, if dormant for a twelve month period, by justification and approval from the Office of State Travel. If approved, the card must be suspended and profile change to a \$1 limit until future need for activation. An example of the need for a card that may be dormant for 12-months is that the card is being maintained for emergency situations only.
5. There must be separation of duties between the person responsible for conducting the monthly audit reports and/or the second level review. They should not be an approver or cardholder for transactions they will ultimately audit.
6. To allow for proper and complete program audits, all participating agencies will be mandated to implement WORKS Workflow, which is an online system through Bank of America. The system captures transactions which requires both the cardholder and cardholder's approver's electronic signatures before a cardholder's credit limit will refresh, along with the ability to maintain receipts and backup supporting documentation electronically in one central location

through the mandated scanning feature, therefore, assisting with audits and reviews. The system allows for an additional level of approval, beyond the cardholder and approver, allowing a second level of review. It is recommended that colleges utilize this function as an additional internal control for detection and deterrence of fraud, cardholder misuse or cardholder abuse of the P-Card.

7. All P-Card transactions must have a detailed receipt, not a generic description such as “general merchandise” or should be fully documented elsewhere, (both paper and an un-editable electronic form, once a college has implemented Workflow) and must be in accordance with current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 (<http://www.doa.la.gov/Pages/osp/Travel/Index.aspx>), as applicable.
8. Default/override accounting codes must be assigned to each transaction if the college has created an interface with their accounting systems. ISIS/LaGov interfaced agencies are mandated to interface the accounting function of WORKS Workflow which ultimately interfaces into the ISIS/LaGov accounting systems. All other agencies, post/secondary, boards and commissions, which are non ISIS/LaGov interfaced agencies have the option to interface WORKS Workflow into their accounting system. Although the accounting function is not mandated for non ISIS/LaGov agencies it does not negate any other mandated requirements in WORKS Workflow.
9. Participating agencies with internal auditors should include the activities of the LaCarte Purchase Card in the annual risk assessments that are conducted on the colleges. If the activities of the purchase card programs are deemed to be high risk, the internal auditors should address this area of high risk like others identified within a college in developing their annual audit plans and work schedules. Conducting an audit of the purchase card program no less than once every 3 years, however, is encouraged by the Office of State Travel.

Upon initiating an audit of the LaCarte Purchase Card activities, internal auditors should notify the Office of State Travel via email. In addition, copies of all completed audits should be provided to the Office of State Travel.

Agencies who do not have internal auditors and cannot comply with the above requirements must submit in writing to the Office of State Travel that they are unable to meet this requirement, including the date of the last legislative audit or external audit of the college’s card program. Copies of all completed audits should be provided to the Office of State Travel.

Compliance with Laws and Policies

Establishes written internal procedures to ensure compliance with all current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable.

1. Develops written procedures for requesting exemptions to the State policy requirements using the Exemption Request Form:
<http://www.doa.la.gov/osp/Travel/forms/DOApcardExceptionRequest.pdf>

2. Submits all requests for exceptions to the Statewide Purchasing Card Policy to the Statewide Purchasing Card Program Administrator.

Training

1. Develop training specific to the college's internal policy and procedures for all cardholders, supervisors/approving officials.
2. Develop appropriate refresher internal college training to be delivered annually.
3. Develop the college's internal P-Card procedures in compliance with the principles of sound internal controls.
4. Ensure that that all card program personnel review notification of changes in State and internal policies and procedures, including official announcements from the Office of State Travel.
5. The college Program Administrator shall document the date training was attended as well as maintain a signed roster of attendees.
6. College Program Administrators are responsible for maintaining on file proof of ongoing training records, including college's policies and procedures for all of their cardholders and approvers as well as the sufficiently documented internal controls and other measures (i.e. audits) to prevent and/or detect misuse or abuse of the P-Card and other accounts.

Internal Controls

1. Maintain budgetary controls.
2. Determining allowable merchant category codes based on individual needs and the State's allowances.
3. Educate program participants on State and college policy requirements, procedures and allowances.
Educate program participants on use of the card sales tax requirements. Educate cardholders on process of reporting a card lost, stolen and/or any fraudulent activity.
4. Develop written procedures for ordering and canceling cards when lost or stolen or when a cardholder leaves employment, including an exit interview. An exit interview should include a review by the cardholder and supervisor/approving official and/or program administrator of all current charges on the account, verifying that all necessary original supporting documents, original receipts and required signatures have been obtained. Receipts are attached to each transaction in WORKS and both the cardholder and approver have signed off on all transactions in WORKS once the college has been implemented into WORKS Workflow. Cards should be returned to the college program administrator to cancel and destroy.
5. Develop procedures for travel allowances in accordance with State Liability Travel Card and CBA Policy, if requested by the college and approved by the Office of State Travel.
6. Develop a paper purchasing card log used to assist in reconciliation process to include if the college has not been implemented into WORKS Workflow or has chosen not to utilize the electronic log.
7. Develop and include approval procedures within internal policy and procedures for handling transaction approvals during extended absences of the cardholder and/or the supervisor/approver, especially once the WORKS Workflow is implemented.

8. Establish procedures for reducing P-Card cardholders to \$1 limits or suspending the card during an extended absence and/or until the cardholder returns. This will protect the cardholder and the college during their absence.
9. Establish and enforce personnel policies to discipline employees in the event of abuse, misuse or failure to comply with established guidelines. Develop written procedures for reporting and documenting actual and/or potential cardholder abuse or misuse. Ensure that the consequences, outlined in the college's policy and procedures are executed and all program participants are aware of the consequences of certain actions involving the P-card Program.
10. Develop procedures to cover both P-Card and T-Card, if approved, for recovering unauthorized charges and/or overage of allowances as defined in PPM49. If abuse, whether accidental for P-Card and T-Card such as travel incidentals, occurs more than twice, cancellation is strongly encouraged.
11. Develop procedures for state, city, parish tax reimbursement for unauthorized tax exempt purchases, including travel, if approval is requested and granted. Also, See State Liability Travel Card and CBA Policy.
12. Maintain list of all college cardholder names and their approvers in a central location, not units, departments, sections, etc. with documentation showing notification to approvers of the cardholders they are responsible for approving.
13. Ensure that every cardholder's business email address matches the cardholder's name in WORKS. Another cardholder's email address or a personal email may not be used without prior approval from Commission of Administration.
14. Establish college Corporate Business Accounts (CBA's) and determining proper accountholder/authorized user. The contract travel college must be notified of accountholder/authorizer for each CBA account.
15. Annually, the program administrator, along with all cardholder approvers shall review cardholders, cardholder limits and ensure appropriate utilization. Documentation shall be maintained showing compliance with this requirement to include a list of all cardholders including a statement all were reviewed, signed and dated. **Please note:** The approver's agreement form cannot be substituted for this review, unless the agreement form is modified to add cardholder limits.
16. Develop procedures for online accounts, such as Amazon, PayPal, EBay, etc. These types of accounts, if necessary and allowed for use by an employee, must have a standalone business account or registration and must not be combined with an individual's personal account. By doing this, it allows the college access to view the accounts online while verifying that all purchases were business related, email receipts were not altered and that all purchases are being delivered directly to the college.
17. Ensure that transactions are audited monthly in accordance with the Audit Requirements, see Section VII.

C. Department Head (President, Chancellor or College Director)

The Department Head is responsible for all P-Card Activity of the college and that the program is in compliance with all requirements and will be responsible for designating the college P-Card Program Administrators. Any changes to the college P-Card Program Administrators and/or Department Head shall be submitted to the State Program Administrator in writing immediately upon any changes, on the State Purchasing Card Program Administrator Change form <http://www.doa.la.gov/osp/Travel/lacartepcard/lacartecardadminr.pdf> and signed by the college's Department Head. The completed form should be emailed, faxed or mailed to the State P-Card Program Administrator. The State P-Card Administrator will forward the changes to the Issuing Bank.

D. College Program Administrator

The college Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between their college, the Office of State Travel and the issuing bank. The college's Program Administrators are responsible for coordinating, monitoring and overseeing the college's Purchasing Card Program, ensuring that key controls are in place and are operating as designed. It is mandated that the college have at a minimum of both a Primary and Secondary Program Administrator. Colleges unable to meet the requirement of both a primary and secondary Program Administrators must submit a request for approval from the Office of State Travel with justification as to why this requirement cannot be met. Any or all of the following administrative responsibilities may be delegated to another individual, however any person with any administrative roles may not possess a card.

The college Program Administrators or college designee must fulfill responsibilities in the following areas:

Program Management

1. Keep informed of program updates distributed by the Office of State Travel, as they are sent as an email and posted to the Office of State Travel website <http://www.doa.la.gov/Pages/osp/Travel/Index.aspx>. Disseminating all information to the Department Head, cardholders, CBA accountholders/authorizers, approvers and any other college personal as deemed appropriate.
2. Maintain the annual, original signed agreement form for the State of Louisiana Corporate Liability P-Card Program for all participants of the P-Card Program. A copy of the signed agreement along with the state and college policies, or a link to all policies, current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable, shall be provided to the program participant.
3. Maintain copies of the annual online Leo Certification for all program participants.
4. Provide the college P-Card Program Administrator written notice immediately of any changes in status to the college P-Card Program Administrator.
5. Communicate all program and policy changes to all program participants
6. Collaborate with the college's Department Head to develop and maintain the college's Purchasing Card Policy and Procedures to address policy areas unique to the college or that are not covered by the Statewide Policy.
7. Review the college's P-Card procedures at least annually to ensure compliance with all purchasing policies, rules and regulations, statues, executive orders, mandates and PPM49 as applicable.
8. Work with management to identify job titles or positions that require a P-Card.

9. Develop internal procedures for requesting new cards and/or changes to existing cards (i.e. change in spending limits).
10. Work with management to determine appropriate cardholder spending limits based on budget restrictions, job requirements, historical spending patterns, and overall procurement practices.
11. Monitor the issuance of cards, ensuring prompt reconciliation of periodic statements.
12. Along with the cardholder's supervisor/approving official evaluates cardholder spending limits against actual usage annually and terminate cards that show consistently low usage or have been dormant for one year.
13. Issue secure user ID's for each cardholder, approver, CBA administrator, accountant, auditors and college program administrator in all WORKS applications once the online system is implemented.
14. Request cards, users in WORKS and performing any maintenance necessary for college cardholders.
15. Ensure that all program participants' job titles are listed in the Nickname Field in WORKS.
16. Terminate a cardholder's status as a cardholder and canceling P-Cards through WORKS.
17. Immediately inform the State P-Card Program Administrator of any misuse, abuse or fraudulent use of a P-Card.

E. Supervisor/Approver

The approver is the college employee who approves purchases made by the cardholder to which he or she is assigned. Approvers are limited to **twenty** cardholders and must be the immediate supervisor or the person most familiar with the cardholder's business needs that is at least one level higher than the cardholder. By approving each P-Card transaction, the approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses in accordance with all purchasing policies, rules and regulations, statues, executive orders, mandates, policies and PPM49 as applicable. No cardholder may approve his or her own P-Card transactions. **The cardholder shall never be the final approver of his own monthly P-Card log/online transactions.**

The approver has the following responsibilities:

1. Obtain, review and understand the state and college policies. Maintain knowledge of all applicable current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable on use of the P-Card. Keeping informed of program updates as sent from the college program administrators or anyone else associated with the P-Card program.
2. Annually complete both the state and college required training on policies and procedures and sign the Approver Agreement Form, with original documentation given to college program administrator and a copy kept on file with the approver.

3. Immediately report any fraud or misuse, whether actual, suspected or personal charges to the college program administrator, as well as, college head and other personnel/agencies as required. The approver will participate in any disciplinary actions which may be deemed appropriate, if necessary.
4. Notify a college program administrator, immediately, upon separation, change in department/section or during extended leave for the approver and any cardholders in which you are the approver.
5. Along with the Program Administrator complete an exit review, with the cardholder, of the cardholder's transactions, supporting documentation and receipts, as well as, obtaining necessary signatures prior to departure including uploading back up documentation and receipts and signing off on all transactions in WORKS.
6. Ensure that the P-Card is obtained from the employee upon separation or change in department/section and return card to college program administrator. Ensure that college program administrator makes necessary changes to cancel the card and to remove approver as the employee's approver and/or employee from the list of cardholders for which approver is responsible, once the cardholder has completed the exit interview.
7. Ensure that either approver or the cardholder notifies the college program administrator if card is lost, stolen or has fraudulent charges. Ensure the cardholder immediately notifies the bank as well.
8. Ensure each transaction, to the best of approver's knowledge:
 - Has an appropriate business purpose, not for personal use, fits the cardholder's business needs.
 - Is in compliance with all current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable.
 - Includes an original receipt and complete supporting documentation, including a detailed line item description where generic descriptions is on receipts such as "general merchandise",.
 - Verify that receipt date, supporting documentation and documentation dates, along with the log dates, correspond with known business needs or trip allowances and dates, if applicable and travel has been approved.
 - All receipts and supporting documentation are scanned into WORKS Workflow, once implemented and tied to the appropriate transaction and reviewed against the original receipt and supporting documentation.
 - Is not a duplication of personal request and/or reimbursements, if for travel related expenses.
 - Does not include sales tax.
 - Has been coded properly for payments as outlined in the college policy and procedures and as required in WORKS Workflow for ISIS and LaGov interface agencies.
 - All documentation corresponds with the program cycle dates (which begin the 6th of one month and ends the 5th of the following month).

NOTE: It is the Approver's responsibility to verify the validity of each transaction, and that complete original documentation exists to support each purchase, service and/or credit, verifying that the purchases are for official state business, by reviewing both the original documentation and the attached documentation to each transaction in WORKS workflow.

9. The immediate supervisor/approver must review the information and original documentation entered and scanned into Workflow, and submitted by the cardholder prior to signing off on the transaction in WORKS. If the information is not correct, the Supervisor/Approver should flag the transaction and electronically return it to the Cardholder for additional information and/or correction.
10. All transactions must be approved in WORKS by the approver and not auto signed off. WORKS approver in WORKS must be the cardholder's supervisor that is at least one level higher and has a thorough knowledge of cardholder's job responsibilities and familiar with the business case and appropriate business needs for the cardholder's transactions in order to determine if purchases are job-related or otherwise authorized. A Supervisor/Approver's electronic approval certifies that the goods and/or services purchased are essential and necessary, appropriately budgeted for and are in compliance with all requirements herein.

NOTE: The immediate supervisor/approver must sign off on all transactions in WORKS before the cardholder's monthly credit limit will refresh. Approval by the approver certifies that the documentation is acceptable for each transaction that it was for official state business, that it is in compliance with appropriate rules and regulations, etc., as mentioned above and that it has been reviewed and is approved.

When transactions are made for the approver of a CBA account, the transactions must be 100% reviewed and signed off by a third level reviewer. The approver must sign off on the transaction in WORKS and the monthly billing statement, however the original monthly log and billing statement must also be signed by a the third level reviewer.

11. Ensure that a log, either electronic, once implemented into WORKS Workflow or on paper is completed by each cardholder. Both the log and original billing statement must be signed by both the approver and the cardholder. Both the cardholder and the approver must sign off electronically on every transaction in WORKS with no auto-sign off signatures before the WORKS Billing Cycle Log can be accepted as the signed log. Manual signatures are required on any electronic logs in which a transaction is missing either the cardholder or the approver's electronic signature. Electronic signatures are acceptable for the WORKS Workflow Billing Cycle Log only. Original Billing statements must be signed by both the cardholder and the approver, electronic or stamped signatures are not acceptable. The signed log or approved electronic log with electronic signatures of both the cardholder and the approver, signed original monthly statement, by both the cardholder and the approver, along with any findings and justifications, must then be forwarded to the college's fiscal office for review and maintenance of the file.
12. Review, at a minimum annually, all cardholders which approver is designated as an approver along with profile limits to ensure appropriate utilization of the card and program intent. This will ensure that all cardholders limits, MCC Codes, etc., are working properly for the cardholder. If limits or codes are not allowing the cardholder to perform his duties, then the approver should contact the college program administrator to make necessary adjustments.

Understand that failure to properly fulfill responsibilities as a P-card approver could result, at a minimum, in the following:

- Written counseling which would be placed in employee file for a minimum of 12 months.
- Consultation with college program administrators, and possibly head of college and internal audit section.
- Disciplinary actions, up to and including termination of employment.
- Legal actions, as allowed by the fullest extent of the law.

F. Cardholder and CBA Accountholder/Authorizer

All cardholders and CBA accountholders/authorizers must keep informed of program updates as sent from the college program administrators or anyone associated with the program. Cardholders must have an understanding of state current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable on use of the P-Card.

Purchases should never be artificially divided to avoid the P-Card policy limits. Cardholders are prohibited from splitting a transaction between two or more transactions in order to circumvent the Single Purchasing Limit (SPL) imposed on the card regardless of the amount of the SPL. Section 6 of the current Small Purchase Executive Order reads, "In absence of a good faith business basis, no purchase or procurement shall be artificially divided within a cost center or its equivalent, to avoid the competitive process or the solicitation of competitive sealed bids".

Card Usage

1. Use P-Card for official state business only. No personal use. P-Card is limited to the person whose name is embossed on the card or the person assigned as the CBA accountholder/authorizer.
2. Annually complete all required state and college training on policies and procedures and sign the Cardholder Agreement Form, with original documentation given to college program administrator and a copy kept on file with the approver.
3. The Cardholder, CBA Accountholder/Authorizer is to never:
 - Loan to another person or use to pay for another person's expenses without prior approval from the Office of State Travel.
 - Give account number or pin number to any individual other than the merchant in which a purchase is being made.
 - Include the full P-Card account number in emails, faxes, reports, memos etc. If necessary use of the last four or eight digits are allowed. In the event that using the full account number is necessary to make hotel reservations, caution should be exercised by the college to ensure that the full account number is used in a secure environment with a valid hotel or hotel booking website and never filed with the entire account number. Caution should be made to blackout the account number on all documentation prior to maintaining on file.

- Send a copy of the P-Card if requested by a merchant. If this is required for payment, then the cardholder must use another form of payment other than the State Liability P-Card.
 - Use an individual P-Card for personal, non-business expenses for any reason.
 - Pay State sales taxes on purchases with this card, since it is a state liability. See Section VIII regarding sales taxes.
 - Use the P-Card to access or attempt to access cash under any circumstances.
 - Accept cash, gift cards or store credit in lieu of a credit to the P-Card account.
 - Purchase gift cards/gift certificates, without prior approval from the Office of State Travel, as they are considered cash and taxable.
 - Avoid procurement or payment procedures.
 - Purchase of alcohol, food, travel expenses or entertainment services without obtaining prior written permission from the Office of State Travel. If requested and approved, all travel expense transactions must be in accordance with the current State Liability Travel Card and CBA Policy and current PPM49 guidelines. The only exceptions are vehicle rentals. See Section II.B.
 - Fuel or vehicle maintenance if college is part of the Fuel Card and Maintenance Program. However, in the event that the fuel program is not covered in a certain geographic area, then the P-Card may be used, and documentation of the transaction should be maintained indicating the reasons why a fuel card could not be used.
 - **NEVER MAKE A PAYMENT DIRECTLY TO THE BANK** in the event that an unauthorized charge is placed on the individual's state corporate liability P-Card. Making a payment directly to the bank will cause the monthly statement billing file to be out of balance, and the college will have to determine the cause. Ultimately, it will be determined that a personal payment was made. In order to avoid this situation, report any unauthorized charges to the college's program administrator immediately, along with decision on how the funds will be reimbursed back to the college.
4. If approval has been granted for use for travel, cardholder must follow the State Liability Travel Card and CBA Policy for all travel transactions. It is the cardholder's responsibility to submit their required travel expense form and all required transaction documentation special approvals, etc., timely and in accordance with their college's internal policy and procedures to help ensure it is paid timely by the State.
 5. Notify the college's program administrator if fraudulent charges are noticed, as the card may need to be cancelled and another card issued.
 6. Notify the college's program administrator if use of a card has changed and lower or higher limits are necessary.
 7. Immediately report a lost or stolen card by calling Bank of America at 1-888-449-2273.

8. Agrees to complete an exit interview with supervisor/approver and return the P-Card immediately upon request or upon separation from the college. Cardholder should discontinue use of the purchasing card immediately upon notification of separation. This will allow sufficient time for receipts to be submitted and for outstanding charges to be processed before leaving employment. Failure to do so may result in charges not being reconciled.
9. Notify the Program Administrator immediately when anticipating and/or prior to an extended leave of absence. Ensure that all transactions have been reconciled and signed by both the cardholder and cardholder's supervisor/approver. Ensure that the account has been suspended until the cardholder returns to work. Types of extended absences would include maternity leave, family medical leave, medical leave, military obligations, sabbaticals, etc.
10. Complete a monthly log, either paper or electronic. For Agencies implemented into WORKS Workflow, the Billing Cycle Log meets the requirements of the electronic log. The log and original monthly billing statements must be signed by the cardholder and approver. Use of the WORKS Billing Cycle Log for reconciliation eliminates the need for manual signatures on the log since the sign off in the system constitutes an electronic signature as long as it shows both the cardholder and approver signoff/date. Signature stamps are not permitted.

Failure to comply with the above requirements may result in revocation of card privileges and/or disciplinary action.

WORKS Workflow

1. Cardholders must enter comments and/or line item descriptions for each transaction. This allows program administrators, auditors, and other third parties more oversight of transactions. Comments should include the purpose of the purchase, for whom the purchase was made, and other relevant information to allow outside parties to determine that the expense was business-related.
2. Cardholders must upload and attach a copy of the invoice or receipt and any other relevant documentation (e.g. email correspondence) to the applicable single transaction in WORKS Workflow and not one upload for multiple transactions. Attachments must meet the following requirements:
 - Be a PDF document
 - Be legible (e.g. not too dark, not too light)
 - Contain copies of all pages of invoices or other documents.
3. If applicable cardholder must add accounting codes to the GL segments.
4. Cardholder's must sign off on all transactions in WORKS before the monthly credit limit will refresh.

G. State Corporate Cardless Business Account (CBA)

The purpose of a CBA is to provide a tool for agencies to purchase airfare, conference registrations and assist with payment of high dollar travel expenses, as per current State Liability Travel Card and CBA

Policy. Please realize that although other travel related charges are now allowed on the CBA account, the traveler should be aware that there is no plastic issued for a CBA to ensure that this will not impair his travel plans. Other types of purchases, such as utility bills and monthly recurring charges are allowable on the CBA with approval from the Office of State Travel.

CBA accountholders/authorizers are to follow all individual cardholder procedures, trainings and certifications, rules, regulations, guidelines, as outlined in this policy and the college policy, including original documentation and forwarding signed log or approved electronic log, by both administrator and approver, signed original statement, by both administrator and approver, and supporting documentation to college's fiscal office for review and file maintenance.

All CBA travel transactions must be in accordance with PPM49 guidelines, <http://www.doa.la.gov/Pages/osp/Travel/Index.aspx>, State Liability Travel Card and CBA Policy, <http://www.doa.louisiana.gov/osp/travel/corptravcard/travcard-cbapolicy.pdf>, current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, and internal college policies and procedures as applicable.

1. Unless approval has been granted by the Office of State Travel to utilize the CBA for other type charges.
2. The account(s) must be issued in the name of the college and not an individual person (the accountholder/authorizer is identified in WORKS Workflow by their business email address). The college must designate one individual identified as the accountholder/authorized to use the CBA account. Use of the account by any other person is considered misuse of the account(s), even if the purchase is for legitimate State business. The contract travel college must be notified of accountholder/authorizer for each CBA account.
3. CBA account(s) shall have an overall card cycle limit as well as a STL determined by the college. STL on CBA accounts ONLY are allowed for transactions over \$5,000 as determined by the college since only non-competitive travel expenses are allowed. These limits should reflect the college's travel patterns. Therefore, these limits must be judiciously established by the college and adhered to accordingly. The college Program Administrator may establish a new or additional CBA account through Bank of America's on-line system, WORKS.
4. CBA accounts do not allow issuance of a plastic card. These are referred to as ghost accounts. If it is determined that personal or other unauthorized charges are occurring on the CBA account, appropriate steps, up to and including dismissal, shall be taken to resolve the misuse/abuse of the account. See Section VI, Card Misuse.
5. The full CBA account number shall never be included in emails, fax, reports, memos, etc. If an account number is necessary, only the use of the last four or eight digits of the account number is allowed. In the event that using the full account number is necessary to make hotel reservations, caution should be exercised by the college to ensure that the full account number is used in a secure environment with a valid hotel or hotel booking website and never filed with the entire account number. Caution should be made to blackout the account number in the documentation prior to maintaining on file.

Note: WORKS does not allow for the CBA accountholder/authorizer's name to populate in the accountholder signoff, it defaults to the name associated with the CBA account, therefore all electronic Billing Cycle Logs

for all CBA accounts must be signed by both the cardholder and the supervisor/approver responsible for the CBA acknowledging that all transactions are for state business.

H. Declared Emergency

In the event of a State of Emergency declared by the Governor, the P-Card may be changed to allow higher limits and opening of certain MCC codes for essential employees who are cardholders that would be active during an emergency situation and not all cardholders. An emergency profile must be created in WORKS which shall not exceed the following limits, without prior approval from Office of State Travel: SPL (single purchase limit) \$25,000, Travel and Rest MCC Groups may be removed if determined to be necessary for group accommodations however, the Cash MCC Group must remain attached to the profile at all times, as the use of cash is never allowed, even during emergency situations.

Higher limits do NOT eliminate the need to follow emergency procurement rules, policies, procedures, mandates and/or executive orders.

It is the College Program Administrator's responsibility to ensure that all cards are returned to their original profile once the emergency declaration has expired and/or when higher emergency limits are no longer necessary.

III. SECURITY

Each cardholder, CBA administrator, college program administrator, auditor, cardholder approver, or any other employee participating in the program, is responsible for the security of their card, WORKS user ID(s) and password(s), and therefore should:

1. Never allow someone else to possess their card.
2. Recognize that the P-Card is the property of the State of Louisiana and the cardholder is responsible for the physical security and control of the P-Card and its appropriate use.
3. P-Cards are issued in the employee's name and are not to be used by anyone other than the person identified on the card. When not in use, cards should be kept in a secure location accessible only by the cardholder. Cardholders are responsible for the security of the P-Card and the transactions made against them, as well as ensuring purchasing guidelines and internal controls are followed. The Cardholder is also responsible for maintaining the security of card data such as the account number, pin number, the expiration date, and the card verification value (CVV), the 3-digit security code located on the back of the card. **Note:** CBA's are issued in the College's name only with each account assigned to a single individual.
4. Never display the Card Account Number, WORKS and WORKS Workflow user ID and passwords around their work area.
5. Never give the Card Account Number, user IDs or passwords to someone else.
6. Never **email** the full account numbers or user ID numbers or passwords or store full account numbers in supporting documentation. In the event that using the full account number is necessary to make hotel reservations, caution should be exercised by the college to ensure that the full account number is used in a secure environment with a valid hotel or hotel

- booking website and never filed with the entire account number. Caution should be made to blackout the account number when documentation prior to maintaining on file.
7. Secure assigned WORKS application User IDs. Never share User ID, password or pin number and/or leave work area while logged into the system or leave log-in information lying in an unsecure area.
 8. Never share user IDs and passwords and/or leave work area while logged into the system or leave log-in information lying in an unsecure area.

IV. DOCUMENTATION

Documentation must be adequate and sufficient to adhere to purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 and for recording of expenditures in the state/college accounting system as applicable. Once a college has completed implementation of WORKS Workflow, the college must ensure that all supporting documentation along with the original receipts are scanned and attached to each corresponding transaction.

It is the cardholder's responsibility to obtain itemized original receipts and any other documentation. Original documentation is required for all purchases and credits regardless of the order method. For items purchased over the counter, the cardholder should obtain the original customer receipt. When ordering by telephone, fax, or computer, the cardholder must obtain a packing list or similar document. For items such as registrations, where the vendor does not normally generate a receipt or packing slip, a copy of the ordering document may be used. Acceptable documentation must include a line description, with full description not a generic "general merchandise" description, and line item pricing for the purchase. Electronic receipts are allowed if they are un-editable and are maintained in compliance with the college retention policy. For internet purchases, the print out of the order confirmation showing the details, or the printout of the order details, or the shipping document if it shows what was purchased, the quantity and the price paid suffice for the itemized receipts.

If a receipt is not furnished by the merchant (as may be the case with a phone or Internet order), documentation such as an order confirmation, packing slip, or invoice, etc. shall be obtained and shall contain an itemized and detailed description of the purchase. All receipts must give an itemized and detailed description of the purchase and must include at a minimum:

1. Merchant Name
2. Date of Purchase
3. Description (a receipt description, which only states "Miscellaneous", or "Merchandise", or only includes a vendor's stock or item number, is not acceptable).
4. Unit price and quantity
5. Transaction total

If a cardholder does not obtain an original receipt and a duplicate cannot be obtained, the cardholder should follow their agencies internal procedures related to the use of the Missing Receipt Form. Multiple uses of the form in a fiscal year should result in suspension of card privileges for a period of time determined by the college.

All required original documentation (both paper and in an un-editable electronic format, once Workflow has been implemented), special approvals, etc., must be submitted timely and in accordance with their college's internal policy and procedures.

The immediate supervisor/approver must verify and ensure that the following controls are being met and that transactions are appropriate, accurate, have a business case and business need for the purchase, all receipt dates

and other supporting documentation dates are applicable with known need or business travel, if applicable, and were approved. Documentation of approval must be accomplished by a signature on a paper P-Card log, and once college has completed Workflow implementation, electronically online by signing off on the transaction.

1. Acceptable complete original documentation exists both paper and in an un-editable electronic format, once Workflow has been implemented, to support each purchase, service and/or credit, verify that purchases are for official state business, and complies with any current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 as applicable, as all must be followed during the use of the LaCarte Purchasing Card and this policy.
2. Confirm all supporting original documentation, including complete line item descriptions where generic descriptions is on receipts such as “general merchandise”, the signed log or approved electronic log with electronic signatures of both the cardholder and the approver, no auto-sign offs and signed original monthly statement, by both the cardholder and the approver, along with any findings and justifications, must then be forwarded to the college’s fiscal office for review and maintenance of the file.

Cardholders must complete a transaction log monthly, either paper or electronic. Once WORKS Workflow has been implemented, a “Billing Cycle Purchase Log” is available as an un-editable, PDF formatted electronic log. All logs and original monthly billing statements must be signed by the cardholder and the approver. Use of the WORKS “Billing Cycle Log” eliminates the need for manual signatures on the log only, as long as every transaction has been signed off in WORKS by both the cardholder and the approver as the data generated at the time includes the most current signoff information with the date and time stamp of the approval. Paper logs as well as electronic logs missing any electronic signature and Monthly Billing Statement must be manually signed by both the cardholder and the approver, electronic or stamped signatures are not acceptable.

All original receipts and original supporting documentation must be maintained in a central location, such as the college’s fiscal office, not scattered within different locations, units, departments, sections etc.

The college cardholder approvers will forward all original supporting documentation along with original invoices, receipts and signed paper or approved electronic log, by both the cardholder and the approver, and the signed original statement, by both the cardholder and the approver, and any findings and justifications to the college’s fiscal office for review and maintenance of the files in accordance with record retention laws. This file must be centrally located in the college’s fiscal office, not units, departments, sections, etc., and will be subject to review by the Office of State Travel, the Louisiana Legislative Auditors Office and any other duly authorized auditor.

All system entries and scanned supporting documentation, when utilizing Workflow and electronic approvals are maintained electronically within the WORKS Workflow online system for up to 3 years. If a college requires documentation retention for more than 3 years, it is the responsibility of the college to obtain and archive the transaction data annually.

Failure to comply with the above requirements may result in revocation of card privileges and/or disciplinary action.

V. CARD MISUSE

Cardholders, program users, or supervisors/approving officials, auditors or anyone associated with the program who knowingly, or through willful neglect, fail to comply with the requirements may be

subject to suspension or termination of account privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law.

A. Fraud Purchases

Any use of the P-Card/CBA which is determined to be an intentional attempt to defraud the state for personal gain or for the personal is prohibited. An employee suspected of having misused the P-Card/CBA with the intent to defraud the state will be subjected to an investigation. Should the investigation result in findings which show that the actions of the employee have caused impairment to state service, and should those findings be sufficient to support such action, the employee will be subject to disciplinary action. The nature of the disciplinary action will be at the discretion of the college's Appointing Authority and will be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor, the Office of Inspector General and the Director of the Office of State Travel. Also, the college's policy should state the specifics regarding repayment including actions taken, timeframe for repayment and consequences if repayment is not made in accordance with the college's policy.

Any recognized or suspected misuse of the P-Card Program should be immediately reported to the college program administrator and may be anonymously, reported to the State of Louisiana Inspector General's Fraud and Abuse Hotline at 1-866-801-2549 or for additional information one may visit <http://oig.louisiana.gov/index.cfm?md=pagebuilder&tmp=home&nid=3&pnid=0&pid=4&catid=0>.

Cardholders and other program personnel are prohibited from using the P-Card and other accounts (e.g. CBA's) for the purchase of any goods or services not directly or indirectly related to official State of Louisiana business. Intentional use of the card for personal purchases will result in disciplinary action, up to and including termination from State employment and criminal prosecution.

Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same disciplinary actions as those making the purchase.

B. Non-Approved Purchases

A purchase made by a State cardholder for which payment by the state is unapproved. A non-approved purchase differs from a fraud purchase in that it is an unintentional misuse of the P-Card/CBA with no intent to deceive the college for personal gain or for the personal gain of others.

A non-approved purchase is generally the result of a miscommunication between a supervisor and the cardholder. A non-approved purchase could occur when the cardholder mistakenly uses the P-Card/CBA rather than a personal card.

When a non-approved purchase occurs, the cardholder should be counseled to use more care in handling of the P-Card/CBA. The counseling should be in writing and maintained in the employee's file for no longer than one year unless another incident occurs. The employee should be made to pay for the item purchased inappropriately. Should another incident of a non-approved purchase occur within a 12-month period, the College's Appointing Authority should consider revocation of the P-Card/CBA.

Consequences for either type of purchase mentioned above must be clearly documented in the college policy and fully executed when applicable.

C. Merchant Forced Transactions

Commercial cards are accepted by a variety of merchants that process transactions only if approved by the issuing bank thereby abiding by the card controls in place. Merchant transactions are processed using one of the 2 steps as follow:

1. Merchants process transactions against card controls (MCC, limits, expiration date, etc.) and, if approved, receive an authorization number.

2. Merchants submit the transaction for payment from the bank,
 - In rare instances, merchants will circumvent the authorization process and only perform step 2. This means that the merchant didn't process the transaction against the card controls and therefore did not receive an authorization number.
 - If this happens, the merchant has forfeited all dispute rights and the transaction can be disputed and unless the merchant can provide a valid authorization number, the dispute will be resolved in the cardholders favor.

VI. DISPUTES

In the event cardholder finds items on the monthly billing statement that do not correlate with retained receipts and supporting documentation, transactions not made by the cardholder, incorrect transaction amounts, or if there is an issue with service or quality, the cardholder's first recourse is to contact the merchant to try to resolve the problem.

If the merchant agrees an error has been made, they will credit the cardholder's account. The credit should appear on the next monthly billing statement. Cardholder should check the next statement for credit.

If the problem with the vendor is not resolved, the Statement of Disputed Item Form (Statement of Disputed Item Form may be obtained at <http://www.doa.la.gov/Pages/osp/Travel/forms.aspx>) must be completed and mailed or faxed with required enclosure within 60 days from the billing close date (5th of each month) to:

Bank of America – Commercial Card Services Operation
P O Box 53142
Phoenix, AZ 85072-3142
Phone: (800) 410-6465 Fax: (888) 678-6046

A copy of the dispute form should be sent to the Program Administrator.

The transaction will be paid; therefore, it is important for cardholder to mark purchasing documentation as "**DISPUTED**". Cardholder should retain a copy of the disputed documentation and verify receipt of the credit on future statements.

All disputes must be identified in writing within 60 days of the billing statement. Bank of America will then resolve disputes within 180 days.

Sales tax is not a disputable item. It is the responsibility of the cardholder to ensure that merchants are advised that the purchase is sales tax exempt and provide the tax exemption number.

VII. SALES TAX

Cardholders are responsible for ensuring that merchants do not charge tax or provide a credit for inadvertent charges.

1. P-Card/CBA charges are a direct liability of the State; therefore, as a rule Louisiana State sales tax should never be charged on card purchases. The State of Louisiana tax exemption number is printed on the front of the P-Card.
2. It is the cardholder's responsibility to ensure that state tax is not charged. Cardholders must make every effort at the time of purchase to avoid being charged Louisiana State sales tax, if in-state sales taxes are charged, it is the cardholder's responsibility to get a credit issued to their card, or the cardholder should be made to reimburse the college the total amount of the state taxes. Documentation of attempts to obtain credit for any State Sales Tax charged in error must be maintained with the documentation for the transaction where the tax was charged.
3. In the event state sales tax is charged and a credit is warranted, it will be the cardholder's responsibility to have the vendor-merchant (not Bank of America) issue a credit to the cardholder's account.
4. See current State Liability Travel Card and CBA Policy Section III for state related travel exemptions. (<http://www.doa.louisiana.gov/osp/travel/corptravcard/travcard-cbapolicy.pdf>)

VIII. AUDIT REQUIREMENTS

All transactions and original supporting documentation must be, at a minimum, randomly audited monthly, by a second party; either the college's fiscal section or the college program administrator. To maintain segregation of duties the program administrator or second reviewer(s) cannot be an approver and have the responsibility of auditing the monthly reports.

Agencies are responsible for performing post audits of cardholder transactions to monitor appropriate use while verifying that purchases are made in accordance with Corporate Liability "LaCarte" Purchasing and CBA Card Policy, all current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49. The bank will provide reporting capabilities at no cost to each college. Remember all transactions MUST have an original receipt. Once the college has completed the implementation of Workflow the receipt and any supporting documentation must be uploaded electronically to WORKS and attached to the applicable transaction. Electronic copies must be unalterable and readily available to auditors when requested. The college is responsible for securing and archiving transaction data as required by the business operations of the college. If using WORKS Workflow, data is available electronically for up to 3 years. If using IntelliLink, data is only available for a 27 month rotating period. If a college requires documentation retention more than stated above, it is the responsibility of the college to obtain and archive the transaction data annually.

It is the college's responsibility to not only review the data gathered, but to make certain that transactions are for a business purpose and have a legitimate business need for the cardholder. In the event that a transaction is being investigated, the cardholder must explain and justify the transaction being questioned. Based on the cardholder's explanation, the college should address the situation accordingly. All backup documentation should be kept together whether printed, on a secured shared drive, flash drive or any other form to consolidate

findings and responses in one central location as well as eliminate loss of information when an employee separates from the college for any reason. All generated reports showing no transaction activity should be screened printed and kept with reports generating data.

LaCarte Purchasing Card Program Auditing Reports (Attachment A) contain a list of reports created for agencies to use for monthly audit requirements of this program through WORKS and Visa IntelliLink. Some reports are required to be generated and reviewed at least once a month, while others have been created and designed as added value to assist in policy compliance. Although all of the reports are not required monthly, agencies are strongly encouraged to determine which of the reports are of the most value to them and should consider rotating them, at a minimum every other month.

All documentation/findings/replies including printed copies of reports generating no data, resulting from the monthly audit of P-card transactions, are to be maintained in a central location at the college, not units, departments, sections etc., and readily available for any internal or external audits that may occur. Reports in Attachment A are available through WORKS and VISA IntelliLink. Data is available in WORKS for at least 36 months, Visa IntelliLink is available for a 27 rotating month period. If a college requires documentation retention for more than 27 months, it is the responsibility of the college to obtain and archive the transaction data accordingly.

Monthly reviews and inquiries, requested from the Office of State Travel, Division of Administration auditors, etc., to college program administrators, must be answered in the time specified in the request. Currently for monthly reviews, at the minimum justification is required for each transaction, along with program administrator and college verification that the transaction was for a business purpose and was in compliance with all state and college card program policies, current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal college policies and procedures and/or PPM49 Monthly certification that the above procedures have been conducted must be certified in certified in LEO, <https://wwwcfprd.doa.louisiana.gov/PCardCompliance/> by the 14th of the current month for the billing cycle ending 30 days prior. The certification will indicate that college personnel administering the P-card program have generated the required reports, all requirements listed in the policy have been completed, and necessary findings have been investigated, documented and handled appropriately.

Once a college has implemented WORKS Workflow, there are additional reports that can be created to give cardholder approvers, accountants, college program administrators, auditors, and management information to monitor the compliance of their cardholders and staff. Data is available electronically within WORKS Workflow for up to 3 years. If a college requires documentation retention for more than 3 years, it is the responsibility of the college to obtain and archive the transaction data annually.

In addition, reports shall be used as a tool to assist the college program administrator/college with determining which cardholders may need a refresher training course, re-certification of the state's online training, counseling, cancellation of card, due to inaccuracies, etc., as well as, to determine possible changes to cardholder's limits, profiles, and MCC groups.

When WORKS Workflow implementation has been completed, a Billing Cycle Purchase Log report will be available electronically for print. It is an un-editable, PDF, formatted report. The WORKS Workflow system data is generated at the time of report request with the most current signoff information with the date and time stamp of the approval captured in the audit tracking along with all documentation which has been scanned to support P-card transactions and tied to the appropriate transaction. Always ensure that the correct cycle period/dates are entered when printing the log report. Cycle dates for the program begin on the 6th of one month and ends on the 5th of the following month.

IX. 1099 VENDORS

For this program, 1000 reporting responsibility is assumed by VISA

X. RECONCILIATION AND COST DISTRIBUTION

Colleges are responsible for developing internal reconciliation procedures to ensure that agencies monthly statements are reconciled timely and any issues addressed immediately with Bank of America prior to the payment due date. Reconciliation procedures that ensure timely payment and/or allocation of transactions to the General Ledger, documenting as appropriate for reconciliation of transactions including the use of Works Workflow. (Note: ISIS and LaGov agencies are mandated to utilize the accounting function in WORKS)

1. Agencies that have already implemented WORKS Workflow cardholder/approver/accountant would enter accounting distribution information for fund/college/organization number and object if required by their college in the online Workflow system. Reporting category sub object and activity are optional. Agencies that have not implemented Workflow may continue to use a paper log, pertinent accounting information may be recorded on the "P-Card Log" or recording information directly on the original receipt from the vendor for each purchase, service and/or credit made with P-Card/CBA. College policy will determine who provides this information and how it is transmitted to the accounting department. All original supporting documentation including original receipts must be scanned into Workflow, tied to the transaction with original documentation forwarded, including signed paper log or approved electronic log, by both the cardholder and approver; the signed original monthly statement, by both cardholder and approver, along with any findings and justifications, to the college's fiscal office for review and maintenance of files
2. Cardholders will receive paper or electronic billing statements monthly from Bank of America within approximately 5 business days of the close of the billing cycle. If the cardholder statement is not received timely, the cardholder must notify the college program administrator immediately so that a statement can be obtained for reconciliation purposes and filing with original documentation. Note: Transactions are available for processing online as soon as the transaction has posted to the WORKS online system.
3. Reconcile purchases/services charged during the billing cycle by matching the bank billing statement to his P-Card log. The log (either paper or un-editable electronic, once implementation into Workflow has been completed) along with the supporting documentation and bank billing statement must be reviewed and certified by the cardholder showing the purchases/services were received or reported as a disputed item. Once Workflow has been implemented, the cardholder must scan all original supporting documentation, original receipts, etc., into Workflow and tie each scan to the applicable transaction. The cardholder then forwards the signed log, either electronic or paper along with all supporting scanned documentation to his immediate supervisor/approver for his/her signature on both the log, and original billing statement after verifying that the log, documentation and statement are correct and have not been altered. All logs, original billing statements and original receipts/documentation must be forwarded to the college's fiscal office to maintain in one central location, not scattered within different locations, units, departments, sections, etc. For agencies that have completed implementation of the WORKS Workflow system, when a cardholder approves a transaction online, his signoff moves the transaction to the queue of their approver for their electronic signature.

4. Once all approvals and audits by cardholder approvers have been obtained and forwarded to the college's fiscal office, the college's fiscal office must review receipts in the program journal vouchers to correct any necessary coding changes. All original documentation must then be housed in the college's fiscal office.
5. It is crucial that all original receipts and original supporting documentation, including original signed statements, approval document(s), etc., as well as cycle log either paper or electronic be sent to the college's fiscal office, not units, departments, sections, etc., and maintained in one central location available to auditors and not scattered within different locations, units, departments, sections etc.
6. If it is determined that personal or other unauthorized charges are occurring on the card, appropriate steps, up to and including dismissal, shall be taken to resolve the misuse/abuse of the card. (See Section V; Card Misuse).
7. Upon notification by the immediate supervisor/approver that the cardholder reconciliation has been approved, the accounting section will ensure that the charges are distributed to the appropriate accounting codes.
8. It is the responsibility of each college to contact the Bank if a paper statement is not received timely. Agencies should complete the reconciliation and distribution processes each month and prior to receiving the next billing cycle.

Non-ISIS Interface Agencies

All charges made to the corporate account must be reviewed, approved and reconciled. Agencies will reconcile and distribute costs to their accounting system in a timely manner and according to college policies and procedures.

Non-Interface Agencies not receiving an interface into their accounting system will be responsible to ensure that the reconciliation is completed. All payments must be paid in full, timely each month, with ONE electronic funds transfer (EFT) to Bank of America.

XI. PAYMENT PROCEDURES FOR INDIVIDUAL P-CARD AND CBA

All accounts are the direct liability of the State. Each college is responsible for ensuring all accounts are paid timely and in full each month with ONE electronic funds transfer (EFT) to Bank of America. The College will ensure that necessary procedures and controls are in place for prompt payment, reconciliation and cost distribution of charges and credits. College specific policies and procedures must be developed. These policies should address required approvals and authorizing procedures. Copies of this policy must be made available to all program participants and other personnel responsible for P-Card/CBA.

1. Bank of America will send paper statements and/or an electronic file containing all cardholder transactions. These files may be used for reporting and reconciliation.
2. The paper statements and the electronic Statement Billing File, when applicable, will be sent after the close of the billing cycle. Payment must be made electronically to Bank of America within 25 days of statement billing date.

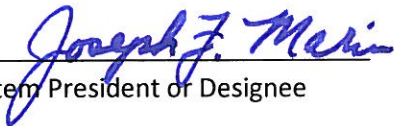
Non-ISIS Interface Agencies

Non-ISIS Agencies can use the Statement Billing File to interface to their accounting system through WORKS Workflow or use paper statements and must produce ONE electronic funds transfer (EFT) to Bank of America.

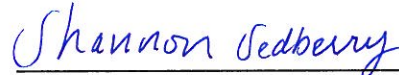
XII WAIVERS

EXCEPTIONS


The Director of State Travel, or designee, may waive in writing any provisions of these regulations when the best interest of the State will be served.



System President or Designee

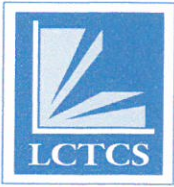


LCTCS Program Administrator



Date

Refer to the attached official Board Action for approval certification



LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

Changing Lives,
Creating Futures

Joe May
System President

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TO: Joe D. May
LCTCS President
THROUGH: Jan Jackson
FROM: Joseph F. Marin
DATE: February 3, 2014
RE: Review and Advise-ment: Revisions to Policy #5.018, Procurement Card

APPROVED
slk 2-12-14
LCTCS BOARD OF SUPERVISORS

FOR REVIEW AND ADVISEMENT

Recommendation: Staff recommends that the Board grant the system President and staff the authority to adjust policy #5.018, "LaCarte Purchasing Card and CBA (Controlled Billed Account) Policy", as it pertains to maintaining and updating the policy to align with frequent changes to the state's procurement card policy.

Background: To assist state agencies with purchasing goods while providing a means to accurately account for such purchases, the Division of Administrations--Office of State Purchasing and Travel allowed state agencies to use a purchasing card, under the state's LaCarte Purchasing Card program. However, to participate in this program, state agencies must adopt policies which align with the rules and regulations of this program.

Regulations governing the program are constantly being adopted by the Division of Administration to improve the program. These programmatic changes require state agencies to update their purchasing card policies to incorporate the state's program policy modifications. The current policy changes are typical and include items such as additional definitions, new or revised auditing requirements, and new or revised agency requirements, usually technical in nature. As such, the proposed LCTCS policy revision will provide the means for the LCTCS to timely update its policy related to the administration and use of the procurement card program as offered through the state

Fiscal Impact: N/A

History of Prior Actions: The board approved a revision to this policy at the May 9, 2012 meeting.

Benefits to the System: The colleges will continue to participate in the state purchasing card program to enjoy the benefits of the program in purchasing goods efficiently, and therefore reducing processing costs and improving the timely receipt of goods purchased.

Joe D. May
Approved for Recommendation to the Board
Joe D. May

2-12-14
Date