

<b>TITLE:</b>	<b>SOWELA Technical Community College Corporate Liability LaCarte Purchasing Card &amp; CBA Policy</b>		
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## **I. Introduction**

### **A. Policy Statement**

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 agency 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 agency 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 states online training class, agency 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. When this payment method is used, processing through the state's systems (i.e. ISIS, AFS or LaGov) is not required. 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 State employees when the use of the P-Card will enhance effectiveness or economy of operation for the agency. 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**

SOWELA Technical Community College ("SOWELA"), 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

SOWELA 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 SOWELA 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 State agency in all areas. Each State agency 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 agency should evaluate the internal policy and procedures at least annually to ensure compliance with all policies. SOWELA internal policies and procedures are outlined in Attachment A of this policy.

All agencies public/post-secondary, boards and commissions, 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 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 agency developed training on both this policy and SOWELA's internal policy and procedures (see Attachment A, Section II) 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 SOWELA to support the use of travel and food merchants. The request, along with strict guidelines outlined in the SOWELA 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 agency and included in their policy regarding travel purchases. Although other travel related transaction 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 SOWELA'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 forwarded to the Office of State Travel for consideration.

<http://www.doa.la.gov/osp/Travel/forms/DOApcardExceptionRequest.pdf>.

In the event that SOWELA 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 SOWELA, completed the state’s certification requirement and received a passing score of at least 90, understands the P-Card Policies, both state and SOWELA 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 SOWELA 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 SOWELA as the accountholder/authorizer for the CBA and is given authority to make purchases within preset limits on behalf of SOWELA.

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

**Controlled Billed Account (CBA)** – A credit account issued in SOWELA’s name (no plastic card issued). These accounts are direct liabilities of the State and are paid by SOWELA. 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 (CL)** – 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** – SOWELA specific accounting assigned to an individual cardholder’s transaction which exports to SOWELA’s accounting system, if applicable.

**Department Head** – An elected officer, an appointed officer, the executive head of a State agency 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 SOWELA’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 SOWELA’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 SOWELA. 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 SOWELA level and acts as the main contact between the SOWELA, 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; SPL \$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 SOWELA, transactions are coded to facilitate payment and posting to the Banner Finance System monthly.

## **II. Roles & 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 SOWELA participation in the program and along with SOWELA 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 SOWELA Program Administrators to address all issues and changes necessary to the overall LaCarte program and coordinates any changes with Bank of America.

### **B. Agencies Public/Post-Secondary, Boards and Commissions**

SOWELA (the agency) is responsible for developing and implementing a P-Card Policy documenting 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 SOWELA’s internal procedures (see Attachment A) and/or State’s Corporate “LaCarte” Purchasing Card Policy provided by the Office of State Travel and Bank of America. SOWELA policies and procedures may contain terms, conditions and limits more restrictive, but not more liberal, than those in the Statewide Purchasing Card Policy. Whenever SOWELA’s policy is more restrictive than the Statewide Purchasing Card Policy, then SOWELA’s policy takes precedence.

SOWELA 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 agency policies and procedures and/or PPM49 as applicable.

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

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. SOWELA has established internal policies and procedures that help ensure effective internal controls for pre and



post approval of items on the P-Card (see Attachment A). These policies and procedures include the following:

- SOWELA provides mandatory training at least annually for all cardholders, approvers and others with responsibilities related to the Purchasing Card Program.
- Requirement for cardholders to document the reason/business purpose for the purchase (event, project, etc.) on the receipt, along with signature from cardholder and supervisor.
- Inventory type purchases (electronic, etc.) must 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 agency.

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 agency’s procedures, agencies 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 agency is responsible for setting the individual cardholder’s limit and determining the overall cycle limit (monthly credit limit). An agency may allow a single purchase limit (SPL), agency-wide or on an individual card basis, up to \$5,000 without prior approval from the Office of State Travel. Limits by the agency 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 of State Travel must approve in writing any authority for a SPL or a one-time override above \$5,000. Agencies 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 agency 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.

See Attachment A for SOWELA’s internal policies and procedures in relation to:

**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 accountholders, cardholder approvers, CBA approvers and any other applicable personnel that has a role in administering this program, is aware of all duties and responsibilities associated with possession/use of a State Corporate Liability P-Card.

2. Cardholders must be approved by appropriate agency 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 agency's program. If it is a justifiable hardship for one of the above positions not be allowed to possess 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, and all other responsibilities listed throughout this policy for a cardholder approver, must be fulfilled by someone who is at least one level higher than the approver.

4. Monitoring cardholders who 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 changed 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. SOWELA utilizes 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 an agency 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 agency policies and procedures and/or PPM49 as applicable:  
(<http://www.doa.la.gov/pages/osp/Travel/Index.aspx>)
8. While SOWELA does not have an automated interface between WORKS and its Banner Finance System, cardholders and/or approvers are required to enter the appropriate fund, organization, account and program codes into WORKS. The accountant then generates a report from the WORKS system and posts the accounting transactions into the finance system. SOWELA adheres to all 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 Agencies. 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 an Agency in developing their annual audit plans and work schedules. Copies of all completed audits should be provided to the Office of State Travel.

#### **Compliance with Laws and Policies**

1. 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 agency policies and procedures and/or PPM49 as applicable.
2. 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>
3. Submits all request for exceptions to the Statewide Purchasing Card Policy to the Statewide Purchasing Card Program Administrator.

#### **Training**

1. Develop training specific to SOWELA’s internal policy and procedures for all cardholders, supervisors/approving officials.
2. Develop appropriate refresher internal agency training to be delivered annually.

3. Develop SOWELA'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 SOWELA's internal policies and procedures, including official announcements from the Office of State Travel.
5. SOWELA's Program Administrator shall document the date training was attended as well as maintain a signed roster of attendees.
6. The SOWELA Program Administrators are responsible for maintaining on file proof of ongoing training records including SOWELA'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 SOWELA policy requirements, procedures and allowances.
4. Educate program participants on use of the card sales tax requirements.
5. Educate cardholders on process of reporting a card lost, stolen and/or any fraudulent activity.
6. 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. Cards should be returned to the SOWELA Program Administrator to cancel and destroy.
7. Develop procedures for travel allowances in accordance with State Liability Travel Card and CBA Policy, if requested by SOWELA and approved by the Office of State Travel.

8. Develop a paper purchasing card log used to assist in reconciliation process to include if the agency has not been implemented into WORKS Workflow or has chosen not to utilize the electronic log.
9. 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.
10. 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 agency during their absence.
11. 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 agency's policy and procedures are executed and all program participants are aware of the consequences of certain actions involving the P-card Program.
12. 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.
13. 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.
14. Maintain list of all agency cardholder's 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.
15. 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.
16. Establish agency Corporate Business Accounts (CBA's) and determining proper account holder/authorized user. The contract travel agency must be notified of account holder/authorizer for each CBA account.
17. 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.

18. 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 agency 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 agency.
19. Ensure that transactions are audited monthly in accordance with the Audit Requirements, see Section VII.

### **C. Department Head**

The Department Head, the Chancellor, is responsible for all P-Card Activity of the Agency and to ensure that the program is in compliance with all requirements and will be responsible for designating the Agency P-Card Program Administrators. Any changes to the State Agency 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 State Agency'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. SOWELA Program Administrator**

SOWELA's Program Administrator serves as the main point-of-contact for all card program personnel and serves as a liaison between SOWELA, the Office of State Travel and the issuing bank. SOWELA's Program Administrators are responsible for coordinating, monitoring and overseeing SOWELA's Purchasing Card Program, ensuring that key controls are in place and are operating as designed. It is mandated that SOWELA have at a minimum both a Primary and Secondary Program Administrator. Agencies unable to meet the requirement of both a Primary and Secondary Program Administrator 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.

SOWELA Program Administrators or agency 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 SOWELA 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 SOWELA 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 SOWELA 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 State P-Card Program Administrator written notice immediately of any changes in status to the SOWELA P-Card Program Administrator.
5. Communicate all program and policy changes to all program participants
6. Collaborate with SOWELA's Chancellor to develop and maintain SOWELA's Purchasing Card Policy and Procedures to address policy areas unique to SOWELA or that are not covered by the Statewide Policy. (see Attachment A)
7. Review SOWELA'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 terminates 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 SOWELA program administrator in all WORKS applications.
14. Request cards, users in WORKS and performing any maintenance necessary for SOWELA cardholders.

15. Ensure that all program participants' job title is 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 SOWELA 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. See Attachment A for SOWELA policies and procedures.**

1. Obtain, review and understand the state and SOWELA 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 SOWELA policies and procedures and/or PPM49 as applicable on use of the P-Card. Keeping informed of program updates as sent from the SOWELA program administrators or anyone else associated with the P-Card program.
2. Annually complete both the state and SOWELA required training on policies and procedures and sign the Approver Agreement Form, with original documentation given to SOWELA 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 SOWELA program administrator, as well as SOWELA's Chancellor and Vice Chancellor of Finance. The approver will participate in any disciplinary actions which may be deemed appropriate, if necessary.
4. Notify a SOWELA 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 SOWELA program administrator. Ensure that SOWELA 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 SOWELA 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, is not for personal use, and 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 SOWELA 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 are 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 SOWELA policy and procedures and as required in WORKS Workflow.
  - All documentation correspond 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 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 SOWELA'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 SOWELA 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 SOWELA program administrators, and possibly head of SOWELA 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 SOWELA 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 SOWELA policies and procedures (see Attachment A) 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 SOWELA training on policies and procedures (see Attachment A, Section II) and sign the Cardholder Agreement Form, with original documentation given to SOWELA 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 SOWELA 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 since SOWELA 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 SOWELA 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 SOWELA's program administrator immediately, along with decision on how the funds will be reimbursed back to SOWELA.
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 SOWELA's internal policy and procedures (see Attachment A, Section XIV) to help ensure it is paid timely by the State.
  5. Notify the agency's program administrator if fraudulent charges are noticed, as the card may need to be cancelled and another card issued. (see Attachment A, section XI)
  6. Notify the agency'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 agency. 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. (see Attachment A, Section X)
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. (see Attachment A, Section III.1.d.i)
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. (see Attachment A, Section V)

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.

See Attachment A for SOWELA internal policies and procedures.

### **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 (including Attachment A), 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 SOWELA'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 SOWELA 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 SOWELA and not an individual person (the accountholder/authorizer is identified in WORKS Workflow by their business email address). SOWELA 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 agency 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 SPL determined by SOWELA. SPL on CBA accounts ONLY are allowed for transactions over \$5,000 as determined by SOWELA since only non-competitive travel expenses are allowed. These limits should reflect SOWELA's travel patterns. Therefore, these limits must be judiciously established by SOWELA and adhered to accordingly. The SOWELA 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 SOWELA 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 SOWELA 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, SOWELA 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 SOWELA'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 SOWELA 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 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.

#### **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 SOWELA policies and procedures and/or PPM49 and for recording of expenditures in the state/agency accounting system as applicable. Once an agency has completed implementation of WORKS Workflow, the agency 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 SOWELA retention policy (see Attachment A, Section XIII). 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 SOWELA’s 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 SOWELA. (see Attachment A, Section IV-5)

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 agency’s internal policy and procedures. (see Attachment A, Sections III and IV)

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 SOWELA has completed Workflow implementation, electronically online by signing off on the transaction.

1. Acceptable complete original documentation exists both in 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 SOWELA policies and procedures and/or PPM49 as applicable, as all must be followed during the use of the LaCarte Purchasing Card and this policy. (see Attachment A, Section XIII)

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 SOWELA’s fiscal office for review and maintenance of the file. (see Attachment A, Section XIII)

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 Purchase 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 agency’s fiscal office, not units, departments, sections, etc. (see Attachment A, Section XIII)

The SOWELA 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 agency’s fiscal office for review and maintenance of the files in accordance with record retention laws. This file must be centrally located in the agency’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 an agency requires documentation retention for more than 3 years, it is the responsibility of the agency to obtain and archive the transaction data annually. (see Attachment A, Section XIII)

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 SOWELA'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 agency'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 agency's policy. (see Attachment A, Section XII-2)

Any recognized or suspected misuse of the P-Card Program should be immediately reported to the SOWELA 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 SOWELA 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, SOWELA'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 agency policy and fully executed when applicable. (see Attachment A, Section XII-1)

### **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 follows:

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 cardholder's 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: (800) 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 SOWELA 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 SOWELA's fiscal section or SOWELA's 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 SOWELA policies and procedures (see Attachment A) and/or PPM49. The bank will provide reporting capabilities at no cost to each agency. Remember all transactions MUST have an original receipt. Once SOWELA 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. SOWELA is responsible for securing and archiving transaction data as required by the business operations of SOWELA. 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 an agency requires documentation retention more than stated above, it is the responsibility of the agency to obtain and archive the transaction data annually.

It is SOWELA'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 agency 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 agency for any reason. All generated reports showing no transaction activity should be screen printed and kept with reports generating data.

The Louisiana Division of Administration provides a document, LaCarte Purchasing Card Program Auditing Reports, on their website which contains a list of reports created for agencies to use for monthly audit requirements of this program through WORKS and Visa IntelliLink. The link for this document is: [www.doa.la.gov/osp/Travel/lacartepcard/MandatoryPcardReports.pdf](http://www.doa.la.gov/osp/Travel/lacartepcard/MandatoryPcardReports.pdf). 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 agency, not units, departments, sections etc., and readily available for any internal or external audits that may occur. Reports listed on the LaCarte Purchasing Card Program Auditing Reports

document 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 an agency requires documentation retention for more than 27 months, it is the responsibility of the agency 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 SOWELA 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 SOWELA verification that the transaction was for a business purpose and was in compliance with all state and SOWELA card program policies, current purchasing policies, rules and regulations, mandates, Louisiana Statutes, Executive Orders, State Liability Travel Card and CBA Policy, internal SOWELA policies and procedures (see Attachment A) and/or PPM49. Monthly certification that the above procedures have been conducted must be 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 agency 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 an agency has implemented WORKS Workflow, there are additional reports that can be created to give cardholder approvers, accountants, agency 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 an agency requires documentation retention for more than 3 years, it is the responsibility of the agency to obtain and archive the transaction data annually.

In addition, reports shall be used as a tool to assist the agency program administrator/agency 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, 1099 reporting responsibility is assumed by Visa.

## X. Reconciliation and Cost Distribution

Agencies 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/agency/organization number and object if required by their agency 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. Agency 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 agency’s fiscal office for review and maintenance of files. (see Attachment A, Section VI)
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 SOWELA 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 SOWELA’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 agency's fiscal office, the agency'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 agency'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 agency'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 of this document; 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 agency 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 agency policies and procedures. (see Attachment A, Section VI)

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. (See Attachment A, Section VII)

### **XI. Payment Procedures for Individual P-Card, and CBA Accounts**

All accounts are the direct liability of the State. SOWELA is responsible for ensuring all accounts are paid timely and in full each month with ONE electronic funds transfer (EFT) to Bank of America. SOWELA will ensure that necessary procedures and controls are in place for prompt payment, reconciliation and cost distribution of charges and credits. SOWELA 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. (see Attachment A, Section VII)

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 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 in the best interest of the State will be served.

# **SOWELA Technical Community College**

## **Policy No. 5.010.4 – Corporate Liability LaCarte Purchasing Card & CBA Program**

### **Attachment A – additional SOWELA internal policies and procedures**

#### **I. Issuance of New Purchasing Cards**

1. For a new cardholder, their Supervisor (Approver) will email Program Administrator to request a new card.
2. Program Administrator will provide information for new cardholder to complete training in LEO. If Supervisor is not already an Approver, they will be provided with LEO training information as well.
3. Upon receipt of training certification for Cardholder and Approver, Program Administrator will request a new card in WORKS.
  - a. Program Administrator will consult with Cardholder and Approver to determine appropriate single purchase limits, monthly cycle limits and allowable MCC codes based on anticipated purchasing type and volume.
4. Upon receipt of the card, Program Administrator will contact Cardholder to come to Business Office to sign for card and receive additional instruction on card activation and use (see Section II-1).

#### **II. Training for Cardholders and Approvers**

1. Training before issuance of cards
  - a. Prior to release of new card to Cardholder, Program Administrator will provide the Cardholder with WORKS log in information, tutorial on navigating WORKS, and steps to complete transactions in WORKS.
  - b. Program Administrator will provide a listing of commonly used transaction coding, or FOAPAL (Fund, Organization, Account, Program, Activity, Location), for Cardholder's position within SOWELA.
  - c. Program Administrator will provide Cardholder with information to active card
2. Annual training refresher
  - a. Program Administrator, or designee, will develop training materials to be provided to all Cardholders and Approvers on an annual basis. These training materials will include:
    - i. Changes in State and SOWELA policies and procedures, including but not limited to, approved rates in PPM49.
    - ii. Summary of allowed and disallowed items per State policy
    - iii. Any updated forms used in connection with card program
    - iv. Examples of required documentation (see Section IV)
  - b. Program Administrator, or designee, will obtain signatures and dates from all Cardholders and Approvers upon review and discussion of all training materials. This documentation will be maintained by Program Administrator per Section VIII.

### III. Completing Transactions in WORKS

#### 1. Cardholders

- a. For all WORKS transactions “Pending Sign Off”:
  - i. Attach appropriate documentation – detail in Section IV below
  - ii. Enter detailed line descriptions and/or comments for each transaction. This includes the reason/business purpose for the purchase (event, project, etc.)
  - iii. Coding – default/commonly used coding for Cardholder will be provided at initial training sessions. Transaction coding (FOAPAL) will also be listed on approved purchase requisitions (for Procurement Specialist only, see Section IV).
- b. Sign-off on transaction. This will send transaction to Approvers queue.
- c. Sign-off procedures are to completed in a timely manner to ensure reconciliation can be completed prior to the beginning of the next billing cycle (see Section V).
- d. In the event a cardholder is out for an extended period of time:
  - i. Program Administrator will reduce spending limits to \$1 during extended absence
  - ii. If receipts are not uploaded and transactions are not signed off, and the Cardholder is unable to complete the above steps:
    1. The Accountant will sweep the transaction into the Close queue, transaction will have an Open status.
    2. The Accountant will coordinate with Approver to obtain and upload documentation (if available) and enter the correct coding. If receipts are not available, a Missing Receipts Form can be used (see Section IV-5).
    3. Accountant will include a comment explaining why the sweep was necessary and Close transaction

#### 2. Approvers

- a. Review transaction documentation to ensure transaction was for an approved business purpose and proper receipts are provided. See Section IV below.
- b. Ensure coding (FOAPAL) is correct according to business purpose.
- c. Flag items/leave comment if issues found. Cardholders will need to resolve any flags in a timely manner and submit transaction for approval once flags are cleared.
- d. Sign-off on transaction after all issues resolved. This will send transaction to Accountants queue.
- e. Sign-off procedures are to completed in a timely manner to ensure reconciliation can be completed prior to the beginning of the next billing cycle (see Section V).
- f. In the event an approver is out for an extended period of time and unable to complete the above steps:
  - i. The Accountant will sweep the transaction into the Close queue, transaction will have an Open status.
  - ii. The Accountant will coordinate with Cardholder’s second-level supervisor and perform overall review of transaction and attached documentation for compliance. Verify coding (FOAPAL) is correct. Make change or flag transaction as needed.
  - iii. Upon verification, Accountant will include a comment explaining why the sweep was necessary and Close transaction

#### 3. Accountants

- a. Perform overall review of transaction and attached documentation for compliance. Verify coding (FOAPAL) is correct. Make change or flag transaction as needed.
- b. Upon verification, Close transaction

- c. Accountants should only utilize the ‘Sweep’ function in WORKS as a last measure if either Cardholder or Approver are unable to sign off on a transaction.
- 4. Program Administrator, or designee
  - a. Closed transactions will be moved to the Ready to Batch screen
  - b. See Section VI for posting WORKS transactions into Banner

#### **IV. Appropriate Transaction Documentation**

1. Approved purchase requisition – Procurement Specialist only
  - a. The Procurement Specialist will use assigned card to purchase items for College employees not assigned a card. As such, this position is required to include an approved purchase requisition for each purchase.
  - b. Purchase requisition will include all appropriate approval signatures, coding (FOAPAL), and documentation following regular purchase requisition submission guidelines.
2. Detailed receipts – must be itemized and show detailed description of all items paid for. Must show that payment was made. A quote, confirmation or order summary is not sufficient to show that payment was made.
3. Any other documentation, such as memos with additional explanation, as necessary to show transactions are in compliance and allowable.
4. All transactions must be allowable in accordance with current PPM49 guidelines
5. In the event an original receipt is misplaced or is not obtained and a duplicate cannot be obtained, the Missing Receipt Form may be used and submitted as transaction documentation.
  - a. A blank Missing Receipt Form can be downloaded from the SOWELA website: <https://www.sowela.edu/about/faculty-and-staff-resources/business-office-forms/>
  - b. This form is only to be used in extraordinary circumstances and is not to be used on a regular basis. Cardholders must make every effort to obtain either an original receipt or a duplicate copy from the vendor.
  - c. Use of this form more than three times in a fiscal year will result in suspension of card privileges for three months. If after a temporary suspension is lifted use of this form is required again, the Program Administrator and Approver will determine if an additional suspension is needed or if permanent revocation of card is more appropriate.
6. For items ordered for delivery, a packing slip or other similar shipping documentation must have a “received by” signature included with the transaction documentation.

#### **V. Monthly Reconciliation**

1. Cardholders
  - a. Upon receipt of the monthly billing statement from Bank of America, review all activity and reconcile with WORKS transactions (item b below). Cardholder must sign and date the monthly billing statement.
    - i. Monthly statements are typically received from Bank of America within 5 business days after close of the billing cycle. If a cardholder does not receive their monthly statement from Bank of American timely, it is their responsibility to notify the Program Administrator so that they may contact the bank immediately.
  - b. Cardholders must complete the monthly Cardholder Corporate Liability LaCarte Purchasing Card (P-card) Log for each billing cycle.
    - i. This form can be downloaded from the SOWELA website: <https://www.sowela.edu/about/faculty-and-staff-resources/business-office-forms/>

- ii. List each transaction as a separate line item of the form, showing a total of all transactions for that billing cycle at the bottom. This total must equal the Total Activity amount on the monthly statement from Bank of America (item 1 above).
    - iii. The form must be signed and dated by the Cardholder.
  - c. All original documentation supporting each transaction in that billing cycle must be attached to the P-Card Log (item b). These items should be the original paper versions of the PDF documents submitted in WORKS (see Section IV).
  - d. The signed P-Card Log, signed monthly billing statement, and original supporting documentation are submitted to the Cardholder's Approver for review.
- 2. Approvers
  - a. review all paperwork submitted by Cardholder to ensure all transactions had an approved business purpose, were allowable transactions under State, SOWELA, and PPM49 guidelines, and that all transactions for that business cycle are captured.
  - b. Sign and date both the P-Card Log and monthly billing statement
  - c. Submit all paperwork to Program Administrator for final review and maintenance of records.
- 3. Monthly reconciliations should be complete each month prior to receiving the next billing cycle. Procurement Card billing cycles begin on the 6<sup>th</sup> and end of the 5<sup>th</sup> of each month.

## **VI. Reconciliation and Cost Distribution**

1. Around the 15<sup>th</sup> of each month, the Program Administrator will begin follow-up with Cardholders and/or Approvers as needed to ensure timely sign-off of all transactions from the prior month (Section III).
2. When all transactions for the month have been moved into Closed status (Section III-3), Program Administrator, or designee, will run the Billing Statement report from WORKS, in Excel format, showing all transactions and associated FOAPALS for the month.
3. Program Administrator, or designee, will perform a final review to ensure FOAPALS are accurate; i.e. Org/Program combos are correct, Activity Fee included where appropriate, etc.
4. From this report, a Banner FUPLOAD template will be populated. All WORKS transactions will be entered as debits (expenses).
  - a. The line item description for each will follow the format of "Pcard", month, cardholder first initial and last name, purpose of transaction. This description will post in Banner and allow the transaction to be more easily identifiable for analysis and reconciliation purposes.
  - b. Example: Pcard Aug JDoe OfficeDepot
5. The credit entries will be posted to a clearing account.
6. Upon review and approval by the Controller, the entry will be posted to Banner via FUPLOAD processes
7. Upon posting to Banner, the CLEARING account will be monitored to ensure statement balance payments are processed timely and correctly (Section VII).

## **VII. Payment Procedures for Individual Procurement Card & CBA Accounts**

1. Program Administrator will receive monthly statement from Bank of America showing activity for all active cards
2. Prior to the 25<sup>th</sup> day after billing cycle date, Program Administrator, or designee, will submit a wire request for EFT payment for the Current Balance due on the monthly billing statement.

3. Second-level approver for wire requests will review the wire information and approve after verifying data and comparing to amounts on monthly billing statement.
4. Program Administrator, or designee, will prepare a Journal Entry Voucher form to record credit card payment in Banner. Form will be sent to Program Administrator's, or designee's, supervisor for review and approval.
5. Approved journal entry will be posted in Banner. Clearing accounts will be reviewed to ensure proper posting and reconciliation of statement payments and transaction expense entries (Section VI).

### **VIII. State Sales Tax and Convenience Fees**

1. No LA State sales tax is allowed on card. It is the Cardholder's responsibility to ensure no LA state sales tax is charged to their assigned card.
  - a. In the event LA sales tax is charged to an assigned card, it is the Cardholder's responsibility to request a credit of sales tax from the vendor.
    - i. For transactions including sales tax, documentation should be included in WORKS showing that steps were taken to receive credit and showing final resolution (either credit granted or Cardholder reimbursed College for amount of sales tax charged, see item 4 below).
    - ii. If credit is granted, the following documentation should be included with the credit transaction in WORKS:
      1. Copy of original receipt that included sales tax
      2. Copies of any correspondence related to the charge between Cardholder, Approver, vendor, etc.
      3. Receipt provided by vendor showing credit was granted.
  - b. If sales tax credit is not granted, the Cardholder must reimburse the College for the amount of sales tax that was charged. If reimbursement is required, Program Administrator will notify Cardholder of the amount due and will provide a reasonable time frame in which to submit payment.
    - i. Failure to reimburse the College within time frame provided could result in:
      1. Withholding of future reimbursements for travel expenses
      2. Temporary and/or Permanent cancellation of P-card
2. Convenience Fees should only be considered if it is deemed a necessary expense and the Program Administrator has had an opportunity to review the appropriateness of the fee prior to the transaction. Many suppliers charge fees that are not in compliance with Visa regulations and would therefore, not be an allowable charge. It is the responsibility, therefore, of SOWELA to ensure that these fees are not only allowed by Visa regulations but also in the best interest of the State.
  - a. Prior to processing any transactions that include convenience fees, the Cardholder must consult with the Program Administrator to discuss the appropriateness of the additional fee. The Cardholder must submit their request in writing justifying the need to make the purchase with their P-Card and the Program Administrator will then determine if the convenience fee complies with Visa regulations and is in the best interest of the State. Only then will the convenience fee be allowable. See Section XII-1 for Non-approved Charges.

### **IX. Use of Online Accounts (Amazon, PayPal, Walmart.com, etc.)**

1. In the event an online account such as Amazon, PayPal or Walmart.com needs to be used for a purchase, the established SOWELA business account must be used. Use of an individual's personal account is prohibited. These types of transactions will be handled by the Procurement Specialist,

as login access to SOWELA's business accounts will not be granted to other faculty/staff of the College.

#### **X. Separation of Employment**

1. Cardholder must cease activity upon knowledge of separation of employment to allow time for receipts to be submitted and outstanding charges to be processed before leaving employment. In cases of extended advanced knowledge of separation (i.e. retirement), cease activity at least one month prior to separation. Employee will notify the Program Administrator as soon as they become aware of separation. The Office of Human Resources will also notify Program Administrator of any instances of employee separation.
2. Upon notice of separation, Program Administrator will reduce spending limit to \$1 to prevent future use of card.
3. A P-card exit interview will be conducted which will include participation from the Program Administrator, Approver, and Cardholder
  - a. During this P-card exit interview, participants will verify all charges have been properly documented and approved
  - b. P-card will be given to Program Administrator
4. If separation of employment occurs in such a manner that a P-card exit interview and document submission is not feasible, Program Administrator will reduce spending limit down to \$1 and work with Approver to obtain information or utilize the Missing Receipt Form (Section IV-5) to enable transactions to be approved and closed.
5. Upon verification that all transactions are properly documented and approved, the Program Administrator will cancel and destroy the card.

#### **XI. Reporting Lost/Stolen Card and/or Fraudulent Activity**

1. In the event a card is lost, stolen, or fraudulent activity (charges not initiated by Cardholder) is suspected, Cardholder must immediately
  - a. Contact Program Administrator by either email, phone call, or in person
  - b. Contact Bank of America by calling 1-888-449-2273
2. Program Administrator will also report lost, stolen, or fraudulent activity to Bank of America and ensure that card is cancelled a replacement card is issued.
3. Cardholder will prepare a brief written statement discussing the circumstances related to the lost, stolen, or fraudulent activity and submit this statement to the Program Administrator. This document will be included in the monthly certification reports and maintained on file with all other Procurement Card Program documents.
4. Program Administrator will notify Office of State Travel when a card is lost/stolen and/or fraudulent activity is suspected.

#### **XII. Disciplinary Action in Event of Abuse, Misuse, or Failure to Comply with Established Guidelines**

SOWELA will take the following actions in the event of non-approved or fraudulent charges incurred by the Cardholder:

1. **Non-approved Charges** – this includes use of an assigned p-card to make purchases without a proper business purpose, or in the case of the Procurement Specialist, without an approved purchase requisition. Non-approved charges also include LA sales tax. Occurrence of a non-approved charge will result in:



- a. Notification sent by Program Administrator to Cardholder and Approver regarding use of card for improper items.
  - b. Cardholder will first be given the opportunity to contact vendor to request refund of charges, if situation will allow this.
  - c. If no refund is possible, Cardholder will be required to reimburse the College
  - d. Program Administrator will notify Cardholder of the non-approved charges and need for reimbursement. Notification will include a deadline and instructions for repayment. A minimum of two weeks will be allowed for repayment.
  - e. Failure to reimburse the College within time frame provided could result in:
    - i. Withholding of future reimbursements for travel expenses
    - ii. Temporary and/or Permanent cancellation of p-card
  - f. Instances of non-approved charges will also result in documentation placed in the Cardholder's file for a period of one-year.
  - g. During this one-year period, charging of an additional non-approved items will result in temporary suspension of card use for up to three months. During this temporary suspension, spending limits will be reduced to \$1.
  - h. Continued occurrence of non-approved charges after suspension period will result in cancellation of p-card.
2. **Fraudulent Charges**
- a. In the event fraudulent charges incurred by Cardholder are suspected by Approver or Program Administrator, Program Administrator will immediately reduce spending limits to \$1 and follow investigative procedures as outlined in Section V, Card Misuse, of Policy #5.010.2, SOWELA Technical Community College Corporate Liability LaCarte Purchasing Card & CBA Program. Program Administrator will notify Office of State Travel of circumstances.
  - b. If fraudulent charges are confirmed, Program Administrator, Approver, and any other SOWELA personnel deemed appropriate will determine which actions are to be taken, timeframe for repayment, and consequences for repayment failure. Consequences will include cancellation of travel card, withholding of future reimbursements until amounts are paid in full, and disciplinary action up to, and including, termination of employment. The approved action plan, timeframe for repayment, and consequences for repayment failure will be documented and communicated to the Cardholder.
  - c. Suspected fraudulent activity may be anonymously reported to the State of Louisiana Inspector General's Fraud and Abuse Hotline at 1-866-801-2549

### **XIII. Recordkeeping and WORKS Administration**

- 1. SOWELA Technical Community College adheres to all policies and procedures as outlined in the State's LaCarte Purchasing Card policy. All original documentation related to the State of Louisiana Corporate Liability LaCarte Purchasing Card Program will be maintained in a central filing location within the SOWELA Business Office. All electronic copies will be maintained on the Business Office's shared computer network drive, in addition to being uploaded into WORKS Workflow and attached to each corresponding transaction.
- 2. Original documentation will be kept on file for five years, electronic documentation will be kept permanently.

#### XIV. Internal Regulations

1. **Use of P-card for Travel Expenses** - SOWELA participates in the Louisiana State Liability Travel Card Program and, therefore, does not allow travel expenses to be incurred on any LaCarte purchasing card, except for instances of conference registration where MCC codes are not allowed on the traveler's (or CBA) card. Any conference registration paid with the P-card must be done in accordance with SOWELA State Liability Travel Card & CBA Policy and PPM49 guidelines.
2. **Requesting Exemptions to State Policy Requirements** – if the Program Administrator becomes aware of a need for an exemption to the State Policy, and no alternative solution is available, he/she will request the exemption by completing the Exemption Request Form from the DOA's website. The completed form will be submitted to the Statewide Purchasing Card Program Administrator for their review. Returned forms (both Approved and Denied requests) will be maintained on file.
3. **Use of P-card for Food Purchases** – SOWELA has obtained an approved Permanent Blanket Exemption from the Division of Administration to allow for the purchase of food using the P-card. This exemption covers food purchases that are not related to travel. Exempted purchases are for items including, but not limited to, the Culinary Department for instructional purposes, approved Special Meals, and other approved refreshments served in conjunction with events hosted by various departments and student organizations.
  - a. All purchases must be made in accordance with SOWELA Corporate Liability LaCarte Purchasing Card & CBA Policy and PPM49 guidelines
  - b. The P-card is only to be used when purchasing from vendors that do not accept purchase orders or operate on Net 30 terms.

#### XV. Contact Information for LaCarte Purchasing Card Program Administrators

1. Program Administrator:
  - a. Primary: Blake Pitre
    - [blake.pitre@sowela.edu](mailto:blake.pitre@sowela.edu)
    - 337-421-6918
  - b. Secondary: Kristy Lowe
    - [kristy.lowe@sowela.edu](mailto:kristy.lowe@sowela.edu)
    - 318-335-4555

Source of Policy: Business Office  
Responsible: Administrator: Vice Chancellor of Finance  
Related Policy: N/A

LCTCS Policy Reference: 5.018  
LCTCS Guideline Reference: N/A

Approved by: Neil Aspinwall Digitally signed by Neil Aspinwall  
Date: 2021.04.29 09:02:34 -05'00'  
Chancellor

Date: \_\_\_\_\_