

Authority

1. **Purpose:** The purpose of the Purchasing Card Policy (Policy) and related Administrative Procedure is to enhance District operational efficiency by allowing specified District staff to use a District issued credit card (P-Card) to procure low-cost goods and emergency services. The intent of the Policy is to reduce the total business operating costs for the District, while promoting streamlined processes to make the District more responsive.

Application: This Administrative Procedure applies to all District Divisions and Personnel.

2. Underlying Concepts:

- 2.1. The District has an existing purchasing Policy that is overseen by the Purchasing and Risk Management Division of the Administrative Services Division, under the overall direction of the College President.
- 2.2. The goal of this new Procedure is to provide for a faster delivery of low-cost items and services to each College Division while maintaining effective controls over procurement activities. This new Policy and Administrative Procedure reduces paper, postage, labor, and processing time by decreasing the number of issued and mailed purchase order requests, purchase orders, warrants, and checks.
- 2.3. This new Administrative Procedure will continue to allow effective oversight of purchases by Administrative Services and Division Supervisors, while providing guidance for purchasing and fiscal responsibilities. The Administrative Procedure identifies specific categories of purchases authorized under this P-Card Policy and Administrative Procedure, defines the purchasing activities that are prohibited by use of P-card, and sets single transaction and monthly dollar limits per authorized card user.
- 2.4. As part of this Administrative Procedure, District Purchasing and Fiscal Services will conduct periodic reviews of P-Card spending to identify goods that departments should have purchased following the standard Purchase Order methods that would have led to better District pricing for those goods. Should District Purchasing determine it is more economical and/or advantageous for the District to utilize standard procurement procedures for discounts or competitive advantages, the identified goods will be acquired through such standard procurement practices.
- 2.5. Unless authorized by the Director of Purchasing and Risk Management, or designee, the P-Card shall not be used for supplies (e.g., *Complete Office*) if the District has already negotiated a lowest discount price with such a vendor, and a blanket purchase order exists that can be used to complete the needed purchase. Prior to purchasing office supplies, employees shall consult with District Purchasing and/or check the District's warehouse for items that may be available prior to using the P-Card to purchase similar items. All items ordered and shipped should be delivered directly to the Division's offices instead of the El Camino College warehouse. Orders are not to be shipped to a person's residence address or any other unauthorized location or address.

- 2.6. While this Procedure provides an alternative procurement method for District employees, applicable purchasing policies and procedures shall apply to P-Card use. The P-Card shall not be used to intentionally circumvent the District's standard procurement process under any circumstances, but rather shall be used to promote efficiency and responsiveness, with the highest accountability, for purchasing activity \$5,000 and below.
- 2.7. To become an authorized P-Card Cardholder you must be a current permanent District employee, authorized by the Vice President of Administrative Services and/or his/her designee to use the P-Card for District-related business.
- 2.8. P-Card purchases cannot be split to circumvent the transaction purchase limit value restrictions.

3. Definitions of Roles and Delegation of Duties:

- 3.1. Program Administrator – overall program and system administrator of the P-Card program. The Program Administrator, and/or his/her designee, shall be assigned by the Vice President of Administrative Services and shall be responsible for, among other things, the set-up of the online account system, issuance/reissuance of cards, handling of questions and reporting and maintenance of the issuer relationship.
- 3.2. Approving Manager/Division Official – Quality Control – overall responsible for the use of the P-Cards in the division level. The Approving Manager approves new cardholders within his or her division and approves monthly statements. Each College Division shall delegate an Approving Official, typically a Dean or Director, to provide effective oversight for the use of P-Cards within the Division. The Approving Manager shall be the designated employee responsible for reviewing and approving all cardholder statements and monitoring the Cardholder Statement of Account. Each month the Approving Manager is responsible for ensuring that all P-Card holders have reconciled their monthly Cardholder Statement of Account. All supporting receipts for each transaction shall be scanned and uploaded to the issuing bank's online card access system.
- 3.3. District Employee/Cardholder – user of the P-Card. The District Employee is the individual at the division level who is issued a card in the individual's name and uses the card for District business purchases. The District Employee is also responsible for verifying/reconciling purchases, submitting receipts, confirming delivery of items and ensuring safeguard of the card.
- 3.4. Supplier – entity where supplies and materials are purchased. Supplier authorizes the card charges, fulfills the order and receives payment from the card issuer.
- 3.5. Card Issuer – banking institution that issued the cards. The Card Issuer is the entity that sends the card transaction statements and invoices the District for payment of all charges.
- 3.6. Vice President, Administrative Services – District employee who is responsible for administration and enforcement of this Administrative Procedure, including the

administration of new accounts, reporting, payment processes, reviewing P-card statements for accuracy, and ensuring all receipts are attached to statements. The Vice President of Administrative Services appoints the Program Administrator of the P-Card program.

- 3.7. The Vice President, Administrative Services and/or his/her designee shall maintain a current, detailed listing of those employees authorized to use a P-Card for business purposes. This list shall also include the total number of cards, the card number assigned to each authorized employee and the transaction/monthly maximum amounts they are authorized to spend on their assigned P-card. The Vice President, Administrative Services and/or his/her designee is responsible for communicating noncompliance of the P-Card Policy and/or Procedure to the relevant Division Director.
- 3.8. The Vice President, Administrative Services and/or his/her designee is responsible for authorizing the timely payment to the card-issuing bank, after verifying the accuracy of submitted invoices or billing statements.
- 3.9. The Vice President, Administrative Services and/or his/her designee is authorized by the College President to immediately take back any P-Card from an employee should that employee not abide by District Policy or Procedure relating to P-card use. An Employee's misuse of a District issued P-Card shall subject that employee to possible disciplinary action and/or termination for such misuse.
- 3.10. The Vice President, Administrative Services and/or his/her designee is authorized to make periodic adjustments to the individual and/or monthly spending limits placed on P-cards, including for emergency circumstances or need.
- 3.11. The Vice President of Human Resources and/or his/her designee shall be in-charge of all employee and HR related matters with respect to the P-Card program. The Vice President of Human Resources shall be responsible for ensuring all cardholder profiles are accurate and up-to-date. The Vice President of Human Resources shall also be in-charge of disciplining or terminating employment of a cardholder for repeated misuse of the card or violations to the P-Card policy. Cards must be surrendered to the Vice President of Human Resources upon discontinuance of employment.
- 3.12. There is no minimum level of expenditure required of authorized employee P-Card holders.
- 3.13. To become an authorized P-Card Cardholder - you must be a current permanent District employee, authorized by the Vice President, Administrative Services and/or his/her designee to use the P-Card for District-related business. All P-Card Cardholders must attend a mandatory training to be provided by the Purchasing and Risk Management Division and sign a training completion and acknowledgement form.
- 3.14. The Cardholder must reconcile and sign a Statement of Account at the end of each billing cycle, along with proper account numbers and supporting documentation available for purchases made with the P-Card.

- 3.15. Each Cardholder shall sign a Cardholder Agreement, wherein they acknowledge their understanding of the P-Card Policy and Procedures and P-Card rules, and also to confirm that they have received P-Card training prior to being issued a P-Card.

4. Responsibilities:

- 4.1. The Division Dean/Director/Approving Manager shall recommend to the Vice President of Administrative Services which employees should be issued P-Cards, based upon an assessment of need and role, while consideration is given to limit the total number of cards issued.
- 4.2. **Pursuant to the Cardholder Agreement, each individual cardholder is ultimately responsible for his/her P-Card purchases.**

The following chart shows the District's standard P-card dollar limits for a single transaction and for monthly dollar limits; however, consideration may be given for other transaction or monthly limits, if required for special circumstances:

Standard P-Card Expenditure Limits

<u>Employee Classification</u>	<u>P-Card Purchase Amount Limit</u>	<u>P-Card Limit Per Month</u>
President/Superintendent	\$10,000	\$15,000
Vice Presidents/ Cabinet Level	\$10,000	\$15,000
Directors/Managers/Deans	\$5,000	\$5,000

P-Card Limits may be adjusted during emergencies, and for emergency/disaster related purchasing, as Determined by the Vice President, Administrative Services, the EOC Director, and or their designee.

- 4.4 Any use of the P-card is restricted to the assigned cardholder. The use of the P-card for any purpose other than official district business expenses is prohibited and is grounds for discipline up to and including termination of employment. In addition to discipline, and potential criminal charges, The P-Cardholder shall reimburse the District for all unauthorized charges. The P-Card shall not be used for personal purchases - No Exceptions.
- 4.5 The Cardholder must attend a mandatory training session and carefully review the training documents provided with the P-Card. Cardholders must sign the and abide by the P-Card Cardholder Agreement and shall fully comply with this Policy and Administrative Procedure, and the Purchasing Card Cardholder Guide.

- 4.6 Each P-Card will be assigned specific categories of purchases, as well as single transaction and monthly dollar limits, as set forth herein. Each Division's overall P-Card exposure will also be verified against its annual approved Operating Budget.

5. Procedures:

- 5.1. To apply for a P-Card, Divisions must complete a "[Cardholder Agreement](#)," "[Cardholder Account Set-up](#)," and "[Approving Official Account Set-up](#)" form (if it is a new approving official), which indicates the maximum dollar amount for each single transaction and a total monthly dollar amount. All P-Card forms are available at MYECC. The Vice President, Administrative Services, or his/her designee, will review the Cardholder application documents and will approve or reject the applicant based on Policy/Procedure guidelines.
- 5.2. To request a temporary increase or modification to the P-Card limits, the Division Director must first approve the District's Purchase Card Modification/Increase form.
- 5.3. The P-Card Policy and Administrative Procedure are supplements to the District's procurement process. As with other procurement methods, the following conditions must be met when using the P-Card:
- 5.3.1. The P-Card should be used whenever possible in-lieu of petty cash, emergency purchase orders, or purchase requisitions when the item or group of items up to \$5,000. Items should always be purchased at the lowest available cost that also meets the Divisions present needs.
- 5.3.2. Each transaction may be comprised of multiple items, but the total, including tax, shipping and miscellaneous fees, cannot exceed the transaction dollar limit for that assigned P-Card. If this limit is exceeded, the transaction will be declined by the card-issuing bank.
- 5.4. All charges must be supported by receipts or some written documentation evidencing the transaction amount, type, and date, which must be uploaded to the card-issuing bank's online access system.
- 5.5. The following information shall be provided by P-Card users for approval of allowable business expenses:

For general purchases, material goods and supplies, vendor information

- The identity of the individual(s), vendor(s), or supplier(s);
 - The business purpose for the expenditure; and
 - An original/scanned itemized receipt must be included.
 - A packing slip or invoice for goods shipped to the cardholder.
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- Sales tax must be paid for all purchases of tangible goods (not for services). In the event that the receipt shows tax was not charged for tangible goods, the Cardholder must notify the Purchasing Unit. Please make a notation on the receipt and statement so the Purchasing Unit can pay the appropriate tax.

- Cardholders must ensure that sufficient funds are available on the P-Card prior to making purchases. The Dean/Director/Approving Manager can assist the Cardholder in verifying available funds.
- 5.6. Cardholders shall follow all applicable Department policies and procedures, in addition to the terms of this Administrative Regulation.
 - 5.7. Division Deans/Directors/Approving Manager are responsible for overseeing the Policy for their respective Divisions. In addition to the requirements of section 6.3 below, Division Deans/Directors/Approving Manager shall review and approve all Cardholder purchases via a monthly summary report.
 - 5.8. The Vice President, Administrative Services and the Fiscal Services Division will conduct periodic review of the Policy in conjunction with card use.

6. Cardholder Duties

- 6.1. Budgetary Requirements – each cardholder and Division Deans/Directors/Approving Manager must ensure that the appropriate funds are allocated in the Division’s budget before making any purchases. Divisions should coordinate with Fiscal Services to ensure that funds have been encumbered in the Division’s account. Divisions are responsible for ensuring that purchases do not exceed the budgeted amount allocated for a specific purchase or group of purchases.
- 6.2. Coding of General Ledger (GL) Accounts – each cardholder shall be responsible for coding individual lines with the appropriate GL accounts. Cardholders may accomplish this task through the online card access system. GL accounts will be pre-programmed in the online system.
- 6.3. Monthly Review and [Reconciliation](#) – each cardholder and/or approving manager must match receipts with purchases.
- 6.4. Ensure Delivery and Return of Items – each cardholder must ensure that all items ordered online have been received. For items that need to be returned, each cardholder must ensure that the item is timely returned and credit for the return is properly posted.
- 6.5. Card Holder Audit – each cardholder and/or approving manager shall conduct regular periodic audit of all purchases to ensure these purchases were authorized.
- 6.6. Fiscal Service/Purchasing Audit – Fiscal Services and/or Purchasing and Risk Management Divisions will conduct monthly random audits of purchases made to ensure compliance with the P-Card policy and procedures.
- 6.7. Timely Dispute of Items – if an unauthorized purchase was made, the cardholder is required to report the unauthorized purchase immediately to the card issuer.
- 6.8. Update Card Profile or Status – if there are any changes in cardholder’s information, the

online cardholder status must be immediately updated.

- 6.9. Report of Lost or Stolen Card or Incidents of Fraud – if the card is lost, misplaced, stolen or unauthorized purchase/fraud/identity theft was committed; the cardholder is responsible for reporting it immediately to the card issuer, the Program Administrator and/or Division Deans/Directors/Approving Manager upon discovery.
- 6.10. Renewal of Cards – P-Card may contain an expiration date on the card. If so, the cardholder is responsible coordinating with the Program Administrator so that the Program Administrator may immediately renew the card and request that a new card be issued.
- 6.11. Surrender of Card – each cardholder shall be responsible for surrendering his or her card upon resignation, retirement, termination or otherwise discontinuance of employment with the District.
- 6.12. Online Purchases – cardholders have the option of purchasing items through online retailers or distributors. The District Purchasing Division has a list of approved online retailer/distributors from cooperative purchasing organizations. Cardholders' first option should be to order through these approved online retailers/distributors. Only if the item is not available from these approved online retailers/distributors may cardholders elect to purchase items from other online retailers.
- 6.13. Ensure Accuracy of Orders – cardholders shall be responsible for ensuring that all items, accessories, subparts, model numbers, part numbers, etc. are accurate. Cardholders must ensure that all applicable taxes, shipping and handling, hazardous materials fee, special instructions, etc., are included in the order and pricing. Cardholders shall provide detailed shipping and delivery instructions and shall be responsible for tracking shipment of the items.
- 6.14. Compliance of the P-Card Policy and Procedures – cardholders must, at all times, comply with the District's P-Card policy and procedures.

7. Invoicing

- 7.1. Information Technology Services (ITS) Responsibilities – ITS shall be responsible for creating, implementing and maintaining a bridge or electronic interface of the District's ERP system and the card issuing bank's online access system.
- 7.2. Accounts Payable Responsibilities – Accounts Payable shall ensure that invoices from the card-issuing bank are timely and properly processed and that individual transactions have the appropriate documentation and receipts. Accounts Payable shall check to make sure that individual lines were properly coded.
- 7.3. Los Angeles County Office of Education (LACOE) – Accounts Payable and/or Fiscal Services Division shall ensure that all LACOE designated auditable GL accounts paid using the P-Card shall have the required back-up documentation for audit purposes.

Documentation must be readily available for review upon request.

8. Board of Trustees Reporting

- 8.1. Fiscal Services shall create a monthly report specifying the purchases using the P-Cards. The monthly report must have the ability to be revised at any time based on reporting format requirements by the Board of Trustees, the campus community or any member of the public requiring transparency. The report shall be included as an attachment in the Board agenda package for each Board meeting for ratification by the Board of Trustees.

9. Restrictions:

- 9.1. Cardholders are strictly responsible for keeping records (original/scanned) of each transaction and must complete the monthly reconciliation within 30 days of receipt of the Cardholder Statement of Account.
- 9.2. Purchases cannot be split to circumvent single or monthly purchase limit restrictions. Failure to abide by this restriction may result in disciplinary action and/or loss of card use.
- 9.3. Use of the P-Card is not intended to replace effective procurement planning which enables volume discounts. Use of the P-Card for purchases where the District's Purchasing Division has negotiated group-buying contracts is strictly prohibited. Failure to abide by this restriction may result in disciplinary action and/or loss of card use.
- 9.4. Use of the P-Card for purchases of items in the District's warehouse is discouraged unless better pricing is available. Cardholders shall check with the warehouse first before purchasing warehouse materials or supplies. Failure to abide by this restriction may result in disciplinary action and/or loss of card use.
- 9.5. The P-Card cannot be used to purchase computer equipment, software, or telecommunication products, including phones and cellular phones. With the exception of the Information Services Department, District P-Cards, Credit Cards or Petty Cash shall not be used to purchase any electronic items. Failure to abide by this restriction may result in disciplinary action and/or loss of card use.
- 9.6. Please note: Information technology consumable items: flash drives, toner cartridges, diskettes, zip disks, CDs, DVDs, tape cartridges, and paper are considered supplies and do not require Information Technology Department prior review and approval. If there is a question as to application of this restriction, contact the Purchasing Division before using the P-Card.
- 9.7. During a declared emergency, the P-Card transaction limits for all cardholders participating in the emergency may be modified to allow cardholders the ability to make necessary purchases as required to continue operations, and to ensure the District can obtain reimbursement from regulatory agencies. Once the initial emergency is declared over by the District's Board of Trustees, all dollar limits and restrictions shall revert to

the original cardholder dollar threshold limitations.

10. Prohibited Purchases

The following is a **non-exhaustive list of prohibited purchases** which includes commonly purchased goods or services considered personal in nature, and not part of the District's business:

- Alcohol
- Cellular telephone charges (unless specifically pre-approved by Division Director)
- Computers and computer software (unless pre-authorized)
- Day-care for children or pets
- Drugs including marijuana
- Expenses relating to the Cardholder's spouse or companion
- Fees for upgrades of airline tickets, hotel rooms or auto rentals
- Gifts, Flowers, Gift Cards, party supplies, cake, holiday parties, birthday parties, retirement parties (unless approved by the District Manager)
- Goods or services not directly related to job responsibilities
- Grooming, nail salon, hair salon, massage or spa expenses
- Guns, weapons , ammunition and explosives
- Headphones on airlines
- Health Club fees
- Home telephone and internet charges
- Internet connectivity and associated internet items for non-company purposes or personal use
- In-room bar bills
- Laundry service (excepting for trips of 3 days or more)
- Movies (either in-room or at the theater)
- Personal travel during a business trip
- Political or charitable contributions
- Prescription or Over-the-Counter drugs
- Sporting events
- Telecommunications/telephone equipment and services
- Tobacco products
- Traffic citations (i.e., parking tickets or fines)
- Utilities
- Any illegal or adult entertainment activities

The District, at its sole discretion, may apply other restrictions.

The Purchasing Card Procedure shall be updated as needed by the District's Vice President, Administrative Services and/or the District's Purchasing and Risk Management Division.

EL CAMINO COMMUNITY COLLEGE DISTRICT
ALLOWABLE - AND - PROHIBITED P-CARD PURCHASES

PURCHASE TYPE	DESCRIPTION	CATEGORY
ASSOCIATION DUES, PROFESSIONAL OR INDUSTRY MEMBERSHIPS	Dues may be charged if related to District business and with approval from Supervisor/Manager or Director.	ALLOWABLE
COMPUTER AND TELEPHONE ACCESSORIES	Information technology and telephone consumable items for District Business: flash drives, toner cartridges, diskettes, zip disks, CDs, DVDs, tape cartridges, mouse, keyboards, USB peripherals. and paper DO NOT require Information Technology Department's pre-approval.	ALLOWABLE
DISTRICT SPONSORED EVENTS	Items necessary to conduct a District sponsored event including food.	ALLOWABLE
GENERAL SUPPLIES	Items for District business not prohibited or in conflict with negotiated discounts such as Complete Office under an on-line ordering, blanket purchase order system.	ALLOWABLE
PROFESSIONAL DEVELOPMENT	Allowable with approval from Supervisor/Manager or Director.	ALLOWABLE
SEMINARS, CONFERENCES WEBINARS, TRAINING	Seminars, training, books, etc., that have been pre-approved by the Director or Manager and budgeted for by the Department.	ALLOWABLE
SUPPLIES FOR DISTRICT MAINTENANCE AND REPAIRS	Maintenance and repair supplies, including maintenance tools and janitorial supplies, if not under a blanket Purchase Order <u>or</u> Discounted Agreement.	ALLOWABLE

PURCHASE TYPE	DESCRIPTION	CATEGORY
DISTRICT BUSINESS MEALS	Purchase of food for business requirements such as meetings, interviews, etc. Receipts including the names and affiliations for all members of the party whose meals are paid for using the purchasing card, and then state the business purpose for the expense. You must include an itemized receipt showing food and beverage items purchased, rather than the receipt showing only the total. The use of the P-Card for catering services is generally prohibited, as it is considered a	ALLOWABLE
EMERGENCY SERVICES (NON-CONSTRUCTION)	One-time emergency services needed to abate an existing or imminent emergency that has potential risk to health, safety and destruction of District property.	ALLOWABLE
CAPITAL EXPENDITURES (Construction)	Also considered as minor construction and may require bonds, insurance, a signed contract, and other requirements. These may not be purchased with a P-Card.	PROHIBITED
DISTRICT BUSINESS TRAVEL	District travel related purchases including airline tickets, hotel accommodations, car rentals, business meals, etc. Employee shall use their own credit card for any personal expenses, such as personal phone calls, video rentals, etc.	ALLOWABLE
CHEMICALS AND HAZARDOUS MATERIALS	Hazardous materials (Chemicals, Compressed Gases, Toxins, Radioactive, Hazardous And Controlled Substances). Note: Janitorial and cleaning supplies CAN BE purchased	PROHIBITED
CLUB DUES AND CONTRIBUTIONS	Health club dues, contributions to any political party, religious party, etc. No personal related memberships.	PROHIBITED

PURCHASE TYPE	DESCRIPTION	CATEGORY
COMPUTERS	Purchases require Information Services (IS) pre- approval. Examples include: desktop, notebook and tablet computers (PCs); monitors; printers; scanners; hard drives; PC memory.	PROHIBITED
COMPUTERS (NON-NETWORKED)	Non-networked computer hardware and software such as MAC's and tablets, IPADS.	PROHIBITED
COMPUTER SOFTWARE	Software purchases require a requisition approved by IT to ensure software is tested and approved for compatibility with District's network.	PROHIBITED
PROFESSIONAL SERVICE FEES	Legal, Engineering, Architectural, and other similar fees.	PROHIBITED
CONTRACT SERVICES	Purchase orders are required for contract service providers.	PROHIBITED
ENTERTAINMENT	Movies, Sporting Events. Adult Entertainment.	PROHIBITED
GIFTS, PARTIES OR SPECIAL OCCASSIONS	Items such as flowers. birthday cards. cakes, special occasion items, holiday parties. birthday parties, retirement parties, - excepting for those expenses that are approved as "business related".	PROHIBITED
LEASES	Term contracts or agreements with a Supplier for over 30 days are to be completed via an agreement and purchase requisition.	PROHIBITED
MAINTENANCE/REPAIR	All facilities, building, construction, electrical, plumbing, maintenance and repair - <i>does not include emergency repairs.</i>	PROHIBITED

PURCHASE TYPE	DESCRIPTION	CATEGORY
MAINTENANCE/REPAIR BOND FUNDED	As previously approved by the Area Vice President, maintenance/repair services generally require bonds, insurance, and a signed contract; therefore, these services are not purchased with a P-Card.	PROHIBITED
SERVICE PROVIDERS	Examples: cleaning, garment and laundry services; photographic studios, barbers, beauty shops; funeral services and crematories; dating and escort services; tax preparation services; debt, marriage and personal counseling services; babysitting, massage parlors, and health and beauty spas.	PROHIBITED
UTILITIES	Telephone, power, gas, cable, internet and water.	PROHIBITED