Office/Contact: Accounting Office
Source: SDBOR Policies 5.4 and 5.21
Link: https://public.powerdms.com/SDRegents/documents/1722917; https://public.powerdms.com/SDRegents/documents/1722955

SOUTH DAKOTA STATE UNIVERSITY
Policy and Procedure Manual

SUBJECT: Procurement Cards
NUMBER: 5:6

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1. Purpose

   This policy and its procedures set forth the conditions for when procurement cards may be used for University purchasing and the procedures for making such purchases.

2. Policy

   a. The University Accounting Office is responsible for issuing procurement cards upon request. Only the approved cardholder whose name is embossed on the card is authorized to make purchases with the card.

   b. Procurement cards may be used for the purchase of supplies, small equipment needs, and many services in the amount of $4,000 or less. Purchases may be for state contract items as well as non-contract items and must comply with SDBOR Policy 5.4 and all applicable state laws.

      i. Charges to procurement cards may not be split in order to avoid exceeding the $4,000 individual transaction limit.

   c. Procurement cards may not be used for cash advances, travel expenses, computing or consulting services, fuel (petroleum), standard merchant category exclusions (liquor stores and jewelry stores), computer related hardware or software, or for personal use.

   d. The default expense account code of 755988 Procurement Card Purchases will be used for non-service purchases unless a specific expense account code has been noted as a replacement. Services must be coded separately using the proper expense account code for each service transaction.

   e. Cardholders are responsible for retaining all invoices, sales slips, register receipts, and procurement card slips for submission to the Accounting Office. If the purchase was made through a telephone order, cardholders must request a fax or email confirmation receipt. The amount charged to the procurement card must match the documentation exactly. Documentation should include detail of what was purchased and the amount clearly stated and should show that sales tax was not charged. All sales receipts/ documents must also include a short explanation of the purpose or use of the items.

f. All purchases made using procurement cards are tax exempt. If tax has been assessed, the cardholder is responsible for contacting the vendor and having the tax credited to the account. Documentation for the credit must also be submitted with the receipts for that month to the Accounting Office. If the vendor will not issue credit for the sales tax charged, the cardholder will be responsible for the payment of the tax.

g. If an item is returned, a credit must be shown and supporting documentation must be submitted to the Accounting Office with the monthly statement. If there is an unauthorized purchase, the cardholder will be responsible for payment of the charge.

h. Cardholders who observe fraudulent charges on their card should immediately call the bank through which the card is issued to find out the appropriate course of action to take.

i. Cardholders are responsible for turning in their monthly statements to the Accounting Office in a timely manner with the appropriate documentation attached.

j. Cardholders who have turned in their monthly statements late, have unallowable charges, or are missing documentation will be sent a written communication the first time it happens. For the second occurrence, written communication will be sent to the cardholder and their supervisor. The third occurrence may result in the card being canceled.

k. In the event cardholders have a disputed charge on their card (e.g., unallowable charge, sales tax or missing documentation), they will be notified by the Accounting Office via email. The dispute must be corrected within thirty (30) days. If cardholders are unable to settle the dispute, they may be personally responsible for the disputed amount.

l. In the event a procurement card is canceled, all outstanding issues must be resolved within thirty (30) days. The University is authorized to withhold the amount of unresolved transactions from the cardholder's paycheck per SDBOR Policy 5.21.

m. In the event a procurement card is lost or stolen, cardholders must immediately notify the bank through which the card is issued as well as the Vice President for Finance and Budget, successor, or designee.

3. Procedures

a. Statements for procurement cards are mailed directly to cardholders after the billing cycle is complete on the third (3rd) day of each month. Upon receipt, cardholders must immediately reconcile their statement and turn it into the department bookkeeper. Cardholders must review the activity on the card.

i. On the statement the new balance, minimum due, and previous balance always show zero on every statement. This does not mean there were no purchases. If a statement is received, this indicates that some sort of activity took place on the card.

ii. No statements will be sent if no activity occurred during the month.

iii. If cardholders have not received their statements by the fifteenth (15th) of the month and they are aware charges were made, the cardholder will immediately

call the bank through which the card is issued and request a copy of the statement be faxed or emailed to them as soon as possible.

b. Cardholders and their supervisors must sign the statement and attach all required supporting documents, retaining copies for their own office for future reference if a problem arises. The statement must have the appropriate index number(s) listed and expense account(s), if applicable. Statements shall be remitted to the Accounting Office by the eighteenth (18th) of each month.

4. Responsible Administrator

The Vice President for Finance and Budget, or designee, is responsible for the annual and ad hoc review of this policy. The University President is responsible for approval of this policy.

SOURCE: Approved by President on 08/11/2014. Revised; Approved by President on 07/29/2021. Revised 01/30/2024 (clerical).