



**KENNESAW STATE**  
UNIVERSITY



## **PURCHASING CARD (P-CARD) PROGRAM PROCEDURES MANUAL**

*Effective 03/01/2026*

\*Updates to the P-Card Manual are highlighted in gray

# Kennesaw State University Purchasing Card Program

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## I. KENNESAW STATE UNIVERSITY PURCHASING CARD PROGRAM OVERVIEW

The State of Georgia Purchasing Card program streamlines payments for goods and services for State business. The P-Card Program is the only charge card program authorized for use by State Agencies, units of the University System of Georgia (USG), and technical colleges within the Technical College System of Georgia. The State Programs Director approves all participation in the program. This university, like all other state and local government entities, is responsible for implementing P-Card procedures and ensuring compliance with set procedures.

Per the State Accounting Office, the purchasing card (P-Card) may be used as the method of payment for approved purchases under \$5,000, up to a cardholder's single transaction limit (STL). Point of sale transactions include purchases made at a physical store, in person, online, or over the phone. This policy can be found on the State Accounting Office website at [www.sao.georgia.gov](http://www.sao.georgia.gov).

Regardless of the amount, all planned, routine or non-urgent purchases must be pre-approved; and approvals must be obtained **prior** to completing the purchase.

The Kennesaw State University (KSU) Purchasing Card Procedures Manual incorporates the Statewide Purchasing Card Policy, the Board of Regents (BOR) Purchasing Card Policy, and the KSU Purchasing Card Policy:

**DOAS** (GA Department of Administrative Services) [Purchasing Card Policy](#)

**BOR** (Board of Regents) [Purchasing Card Policy](#)

**KSU** [Purchasing Card Policy](#)

## II. Issuance and Control of the Purchasing Card

Prospective Cardholders, Approving Officials, Fiscal Approvers, KSU's CBO/CFO (*defined as the role responsible for the fiscal functions of the University; primarily responsible for all financial-related activities including, but not limited to, accounting, finance, budgets, etc.*), and any program/system users must meet all training requirements covering KSU Purchasing Card Procedures. All Cardholders and Approving Officials, and Fiscal Approvers must complete the required training **prior** to receiving the P-Card, access to an account number, and/or access to WORKS®.

### A. Eligibility Requirements & Request Process

#### 1. Cardholders

Cardholders are limited to one active Purchasing Card (P-Card). Cardholders must be

permanent full-time or part-time KSU employees whose job requires the use of a Purchasing Card. Cards cannot be issued to temporary employees, student assistants, employees of the University's Foundations or Associations, or in the name of a department to be shared.

All requests for a P-Card (new and renewals) require the approval of the User's Supervisor, Department Head, Fiscal Approver (if applicable), KSU's Purchasing Card Administrator, and KSU's CFO. Requests for a P-Card are submitted through KSU Connect (Job Aid PC1).

O.C.G.A. §50-5-83(b)(12) requires "Employees hired for job positions for which purchasing cards are issued shall be subjected to criminal background checks before hiring and a credit check shall be completed by the hiring department or agency on all employees to whom a purchasing card is issued, prior to issue".

Effective April 1, 2017, both a credit check and a background check are required for all new cardholder requests. Background checks are highly recommended by the State's Department of Administrative Services but not required for renewals. Accordingly, KSU will conduct credit checks only for renewal of the P-Card, unless other prevailing circumstances suggest that a background check may be prudent. This process is initiated with Human Resources (HR) once a fully approved request is received by Purchasing Card Administration. The response received from HR is either 'Approved' or 'Disqualified'.

Following an 'Approved' status from HR, training information will be forwarded to the prospective Cardholder.

When all required items are secured, the card will be ordered from Bank of America/Merrill Lynch® with a pre-set cycle limit (CL) and single transaction limit (STL). The Cardholder will be notified when the Purchasing Card is available to pick up. A valid photo ID must be presented at the time of pickup. The Cardholder must also sign the Kennesaw State University Purchasing Card Agreement before the card will be released.

The Cardholder will contact Bank of America to activate the card/account and obtain an associated PIN. (Information needed for card activation will be provided to the Cardholder at the time of card pickup.)

## 2. Approving Officials

Approving Officials are required to obtain access to the Works® system prior to the issuance of a purchasing card to the Cardholder. This access may be obtained by submitting a request for access through KSU Connect (Job Aid PC1). Training information will then be sent to the Approving Official. Upon completion of training and submission of the completed Approver Card Program Agreement Form, the Approving Official is added to the Works® Payment Manager System.

## B. Cardholder and Approving Official Responsibilities

All Cardholders and Approving Officials are acting as purchasing agents for the State of Georgia and the University. Both participants must have a minimum understanding of State Procurement laws and the requirements of the [Georgia Procurement Manual](#). Sufficient internal controls must be established and implemented to ensure that the Cardholder's Approving Official reviews and signs off/approves all transactions processed by the Cardholder, which include confirming accounting allocations and supporting documentation.

Segregation of duties is required between processing transactions (*Cardholders*) and the approval of transactions (*Approving Officials*). No cardholder shall be his/her own reviewer/approver. Approving Officials shall not approve transactions for their own business expenses (i.e., conference, registrations, memberships, supplies, etc.). The Approving Official's manager or Fiscal Approver will need to approve any transactions for the Approving Official.

Works® Recertification (October) and Training (April and May) are required annually for all Program/System Users (including Cardholders, Approving Officials, Fiscal Approvers, and Administration) to maintain the P-Card and/or access to the Works® Payment Manager system.

Cardholders must strictly observe their approved/assigned monthly Cycle Limit (CL) and Single Transaction Limit (STL) profile.

It is the responsibility of the Cardholder and Approving Official to ensure that the P-Card is used for authorized University business only; and that no other person(s) in the Department and/or University can use the card, the card number, login information, or passwords associated with the Cardholder.

Any changes to a Program User's status should be reported to the Purchasing Card Administrator immediately to update the User's settings in Works and the User's file. This can include:

- Change of Department
- Change in position, role, or title
- Leaves of Absence (LOA)
- Termination, resignation, and/or retirement

Should an Approving Official be on leave, or otherwise unavailable to approve transactions, another trained Approving Official (already designated with the same responsibilities) may assume those duties temporarily. This action may also be accomplished for a long-term period **if** a Signature Delegation Authority Form is approved and on file with the Office of Fiscal Services (OFS).

## C. Spending Limits and Utilization

It is the responsibility of the Purchasing Card Administrator to establish appropriate card limits for each Cardholder based on the University's P-Card Plan that was approved by DOAS on 04/01/2017 and any subsequent amendments.

1. As a standard practice, purchasing card transactions (regardless of the number of items ordered) will be limited to a **\$1,000.00** single transaction limit (**STL**), unless a higher limit was approved with the P-Card Plan or the Cardholder has an approved DOAS/OPB waiver granting a higher STL.
2. The Purchasing Card Administrator will analyze Cardholder activity annually (or anytime throughout the fiscal year) to determine whether spending limits are consistent with card usage and job responsibilities. Inactive accounts (those with little or no activity) may be reduced or deactivated to meet DOAS guidelines.
3. Temporary increases in Cycle Limits (**CL**) and/or Single Transaction Limits (**STL**) above the approved P-Card Plan limits must be approved by the CFO, USG, and DOAS.

Effective March 1, 2022, and in accordance with the State Entity's internal approval process, Card Program Administrators can make temporary adjustments in the Bank of America Works® Payment Manager system to individual cardholder limits greater than or equal to those established and approved in the State Entity's approved P-Card plan for single transaction limits (STLs) up to \$4,999.99 and cycle limits (CLs) up to \$24,999.99. Any increases above these dollar thresholds or the amounts approved in the State Entity's P-Card plan (whichever is less) require written approval from SPD.

To request a temporary increase, the Cardholder must complete the [P- Card DOAS Special Approval Form](#) and forward it to the Purchasing Card Administrator for review and submission to DOAS and OPB, if applicable.

Any temporary limit increases must be returned to the cardholder's original profile.

- For STL increases, within 5 days of the temporary increase to allow for the transaction to post
  - For CL increases, before the first day of the following cycle to allow for the transactions on the temporarily increased cycle to post. (e.g., If a CL was increased on the 15th and the last day of the cycle is the 27th, the CL should be returned to the cardholder's original CL on the 28th.)
4. Any expenditure with one supplier, or multiple suppliers, for the same product or products that a Cardholder or Department/College anticipates will exceed \$25,000, the small purchase threshold, within a fiscal year should not be purchased using

the KSU Purchasing Card. Please contact the Office of Fiscal Services for assistance with these purchases.

For more information, visit the [KSU Competitive Solicitation Policy](#).

#### **D. Lost, Stolen, or Misplaced Cards**

To protect the University's interest, misplaced, lost, or stolen purchasing cards must be reported immediately to Bank of America Merrill Lynch® by calling 1-888-449-2273. These instances should also be reported to the Purchasing Card Administrator at 470-578-2949 or [pcard@kennesaw.edu](mailto:pcard@kennesaw.edu) so the card can be suspended until located or replaced.

To report a fraudulent transaction on your purchasing card, contact Bank of America Merrill Lynch® Customer Service at 1-888-449-2273. The bank will request pertinent information regarding the transaction, cancel the current card, and order a new card for the cardholder. Once Bank of America Merrill Lynch® has been notified, the Approving Official should also be notified along with the Purchasing Card Administration. The Cardholder will be notified as soon as the replacement card arrives.

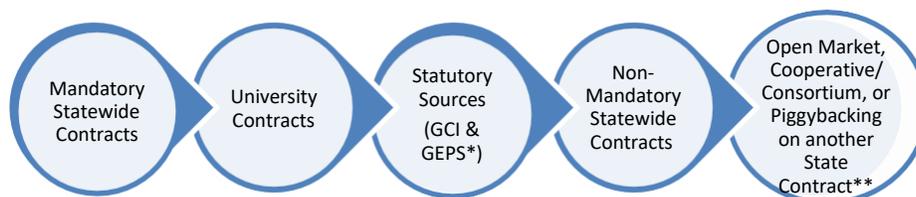
The administrator is responsible for immediately reporting all fraudulent charges to the State Purchasing Card Program Manager. Program administrators can contact SPD's purchasing card team for additional assistance if needed in cases of fraud by emailing [cardprograms@doas.ga.gov](mailto:cardprograms@doas.ga.gov).

### **III. Transaction Processing and Monthly Statement Reconciliation**

#### **A. Making a Purchase/Processing Transactions**

1. Make sure the transaction is consistent with the applicable rules for Purchasing Card usage. This includes obtaining two approvals (Approving Official and Fiscal Approval) before initiating the purchase. Pre-approval is required for all purchases, regardless of amount or funding source, that are planned, routine, and non-urgent. Prior approvals must show that the purchase is University related, allowable, and appropriately budgeted.
  - [Prior Approval Request via KSU Connect \(Electronic version\)](#)
  - [P-Card Prior Approval Form \(Paper version\)](#)
2. The State requires purchasing from existing Statewide or University contracts for products and services when they are available, rather than pursuing a purchase with a non-contracted supplier. The State's [Order of Precedence](#) for purchasing is outlined below.

- [Mandatory Statewide Contracts](#) – State entities, including state universities, must use these contracts unless State Purchasing Division (SPD) has granted a waiver.
- [State Entity/University Contracts](#) - i.e., an existing contract between the University (State entity) and a supplier.
- [Statutory Mandatory Sources](#) – There are two mandatory statutory sources for products designated as mandatory (not applicable to preferred products).
  - 1) Georgia Correctional Industries (GCI) <https://www.gci-ga.com>
  - 2) Georgia Enterprises for Products Services (GEPS) [www.georgiaenterprises.com](http://www.georgiaenterprises.com)
- [Convenience Statewide Contracts](#)  
 GEPS Preferred Products, Pre-Approved Piggyback Purchases Pre-Approved Consortia, Open Market Purchases



3. Transactions may be processed online, by phone, fax, or in-store (point of sale). Please note that some Statewide contracts specify in-store purchases only or online ordering only. Suppliers should be made aware of KSU's [Tax Exempt](#) status before processing any transaction.
4. Suppliers should be advised that all orders must be shipped before they bill any costs to the KSU purchasing card. Billing for partial orders or back orders is not permitted, and additional/separate invoices should not be sent to KSU's Accounts Payable department.
5. Verify the total amount to be charged with the supplier. All discounts, fees, service charges, and shipping/handling charges must be listed as a separate line item on the receipt and must be clearly identified.
6. To minimize delivery issues, it is important to utilize the following options when placing orders: Cardholder **office address/shipping location:** (i.e. US Postal Service, Fed-Ex, UPS, DHL, etc.):

**Kennesaw State University**  
**Building Name and Room**  
**# Street Address**  
**Kennesaw, GA 30144 or Marietta, GA 30066**

KSU **Billing** Address:  
**Procurement Card Administrator**  
**Kennesaw State University**  
**3391 Town Point Drive, NW –**  
**Suite 3700 Kennesaw, GA 30144**

**All Ship-To addresses must be official Kennesaw State University locations** and cannot be that of a personal/home/off-campus address unless prior approval is received from the P-Card Administration unit or the College/University Purchasing Officer (CUPO) or designee.

7. The Cardholder must retain receipts and other documentation for record-keeping and reconciliation purposes. Copies of all receipts/invoices, proof of delivery, and other supporting documentation for the purchase should be attached to the corresponding Purchasing Card Monthly Statement Detail Report for review by P-Card Administration.

## **B. Approving Transactions in Works® Payment Manager System**

Works® is a web-based technology that connects payment management automation with the global Visa® payment network.

<https://payment2.WORKS®.com/WORKS®/session>

When a transaction posts to a Cardholder's account, the Cardholder will receive a system-generated email notification of pending approval. Each transaction is to be verified and signed off in Works® by both the Cardholder and the Approving Official. (See [Job Aids PC02 and PC04](#)). Once the Cardholder signs off, the Cardholder should notify their Approving Official to act.

Approvals (signoffs) in the Works® system certify the approval of all transactions associated with that Cardholder's account by both the Cardholder and the Approving Official. It is recommended that approving officials create a system to ensure that they are knowledgeable about the details of the purchase before signing off in Works®.

## **C. Paying the Bill**

KSU P-Card Administration is responsible for making payments to **Bank of America Merrill Lynch®** which covers the activity for all Cardholders during that billing cycle.

Under no circumstances should a Cardholder or Departmental Representative initiate a payment to Bank of America Merrill Lynch®.

## **D. Record Keeping and Supporting Documentation**

To facilitate reconciliation and approval of the Cardholder's Monthly Statement Detail Report, it is MANDATORY that cardholders retain supplier documentation for purchases.

### **1. Prior Approvals**

All approved purchases must be pre-approved (at a minimum) by the Cardholder's designated Approving Official and Fiscal Approver prior to the Cardholder processing the transaction. The prior approvals can be secured electronically or in paper form (if/when approved by P-Card Administration). The approval request ID must be entered into the transaction comment in the Works® system, or the paper form must be submitted with the Cardholder's monthly packet.

- [Electronic Prior Approval Request via KSU Connect](#)
  - <https://fiscalservices.kennesaw.edu/procurement/forms.php>
- The paper prior approval form should only be used when the Approving Official or Fiscal Approver does not have access to KSU Connect. Paper forms must be signed via DocuSign, and the Certificate of Completion must be included with the monthly packet.

### **2. University Special Approvals**

Some university administrative departments require prior purchasing approvals to ensure compliance with the university's standards and infrastructure. These Departments include, but are not limited to:

- Brand Awareness
- Contract Compliance & Legal Affairs
- EHS (Environmental Health & Safety)
- Facilities
- Financial Compliance
- Human Resources (training)
- Public Safety
- University Information Technology Services (this also includes Audio-Visual)

Information on the special approvals and the requirements associated with each can be found on each Department's web pages.

Transactions missing a University Special Approval will be tracked, and the documentation provided to the respective departments monthly. The approving department will determine what, if any, action will be taken.

### 3. DOAS Temporary Special Approval Requests

Cardholders who have requested temporary spending limit exceptions or the use of a "Crowdsourcing" vendor for research surveys only.

### 4. Proof of Purchase

Acceptable proof of purchase includes original receipts and/or electronic receipts, and should include the following information in accordance with the [DOAS Statewide Purchasing Card Policy](#):

- Supplier name and location
- Line-item details, including quantity, description, unit price, and total price
- Invoice number and date
- Line showing discounts, S&H charges, and/or service fees (*if any*)
- Line showing no sales tax
- Method of Payment

### 5. Proof of Delivery

The Cardholder must retain receipts and other documentation for record-keeping and reconciliation purposes. All receipts/invoices, proof of delivery, and other supporting documentation for the purchase should be attached to the corresponding Purchasing Card Monthly Statement Detail Report.

### 6. Missing Receipts/Invoices

The Cardholder is responsible for contacting the Supplier to obtain copies of any missing invoices/receipts. If one cannot be obtained by contacting the Supplier, the **Missing Receipt Form** may be prepared with the necessary information and signed by **both** the cardholder and supervisor/approving official. The Missing Receipt Form can be found at the following link: <https://fiscalservices.kennesaw.edu/procurement/forms.php>. As a matter of internal control, the Missing Receipt Form should only be used for a maximum of three (3) times a Fiscal Year.

### 7. Credit Memos

Credit memos and/or receipts are also required as supporting documentation with the Monthly Statement Detail Report to support any credit transactions processed.

## E. Reconciling Monthly Statement Detail Report

Notices will be emailed each month with date ranges, monthly deadlines, and other information as it pertains to the current cycle. This information will also be posted on the Works® system home page as an "announcement."

The **Monthly Statement Purchasing Card Packet** should consist of the following documents and should be assembled by transaction to align with the Statement Detail

Report:

- Statement Detail Report with the specified date range from Works®
- Comments justifying each transaction (including the prior approval request number)
- Copy of the approved P-Card prior approval form
- Supporting documentation, including a detailed receipt/invoice
- University pre-approvals (if required)
- Packing slip/proof of delivery
- Other documentation where required by the Cardholder's Department

**Note:** Internal submission deadlines set by the individual Departments should be followed, if they are earlier than those set by the Purchasing Card Administrator.

For additional guidance on how to print statement reports, allocate/approve transactions, and assembling preparing the Monthly Statement Detail Report, please use the [Job Aids](#) listed under Purchasing Card (P-Card).

All Purchasing Card statements and documentation records must be retained by the University for seven (7) years. Cardholders (or Departments) must keep a PDF file copy of the documents for one year after the statement submission.

## **F. Resolving Errors and Issues**

Errors and problems with merchandise/services provided by a Supplier may occasionally arise and is the Cardholder's responsibility to initiate action to resolve such issues. Any errors and/or issues should be handled directly with the Supplier, not Bank of America; unless in cases of fraudulent activity/charges.

Examples can include:

- Lost or misrouted items
- Incorrect quantities
- Billing issues
- Defective items
- Services not performed to satisfaction or as contracted

The Cardholder is responsible for checking any incoming order as soon as received to ensure the product received matches what was ordered in terms of quantity, description, and quality and/or that service requirements were met to satisfaction.

When appropriate, the Cardholder should ask the Supplier to provide a credit to the purchasing card account, or corrective action of the order. Under no circumstance should there be a direct cash/check refund, account credit, or gift card from suppliers to clear up credit/problem transactions. Cardholders should note in Works® issues and keep a record of all communications with the supplier.

If a Cardholder is unable to resolve the problem directly with the Supplier, the Cardholder should then file a dispute with Bank of America Merrill Lynch®.

Note: All Bank of America Merrill Lynch® disputes are to be filed within 60 days of the transaction date. Do not continue to use Suppliers who have not resolved errors within 30 days of the cycle date following the error or dispute.

## **G. Sales Tax**

O.C.G.A. 48-8-3 exempts purchases made by State agencies, universities, colleges, and technical colleges from State Sales and Use Tax. This includes all purchases that are:

- Made with Georgia-based suppliers (including online, in-store, and phone).
- Made with out-of-state suppliers but will be shipped into/received in the State of Georgia.

The requirement for out-of-state suppliers to charge Sales Tax on shipments to purchasers in the State of Georgia does not apply to tax-exempt State Entities. The Cardholder is responsible for providing out-of-state suppliers with a copy of the [Sales Tax Exemption Form](#) (ST-5) before placing an order.

In the event a Supplier charges sales tax, the Cardholder should contact the Supplier to obtain a credit to be processed for the sales tax charged. Sales tax issues are not to be disputed with the Bank of America. In addition, credits are not to be obtained by any method other than a credit to the original purchasing card.

If a Supplier refuses to issue a credit for tax or does not issue a credit within the next billing cycle, please notify the Purchasing Card Administrator concerning attempts made about sales tax billed. Do not place any further orders with that Supplier. If a supplier refuses to remove taxes and no other suppliers are available to make the purchase, the taxed amount must be itemized on the invoice in currency, not percentages.

[KSU's Tax Exempt Form](#)

## **H. Restocking Fees**

When goods are returned through no fault of the Supplier, the Supplier may charge a restocking fee. If this occurs, reference the transaction number for the restocking fee to the transaction number of the original purchase in Works®, and request a detailed invoice/receipt from the Supplier that reflects the transaction.

## **I. Returns/Exchanges**

Cardholders are responsible for any returns and/or exchanges associated with transactions processed with a P-Card and are responsible for confirming that proper credit is issued, or a new item is received.

## **J. Surcharges, Convenience Fees, and Service Charges**

Many suppliers charge a credit card processing fee or convenience fee for accepting credit cards including the P-Card. These types of fees are strictly regulated by Visa and MasterCard (also called the Associations). These must be clearly labeled in the documentation as the amount and include which fee was charged.

The following sections are meant to provide information on the basic guidelines provided to suppliers (often referred to as merchants by Visa) by the Associations. This is not inclusive of all Visa's rules.

### **Surcharges**

According to Visa Core Rules and Visa Product and Service Rules ("Visa's rules") available on Visa's website, credit card surcharges are allowed but cannot be more than the amount the supplier's bank charges them for processing the transaction. Also, the supplier cannot charge both a surcharge and a convenience fee, explained below.

The maximum allowable surcharge is established by the supplier's card provider for the card acceptance program and must be shown as a line item on the details invoice or receipt.<sup>1</sup> Whenever a supplier charges a surcharge, the following rules apply:

1. The supplier must have provided the card provider at least 30 days' notification of the intent to impose surcharges.
2. The fact that the supplier imposes these charges must be clearly posted on the door and at point-of-sale for physical locations and on websites when sales are made via the internet and inform the customer:
  - a. Of the exact percent of the surcharge,
  - b. That it is being assessed by the supplier and is only applicable on credit transactions, and
  - c. That it is not greater than what the supplier pays to the merchant card provider for the p-card program.

### **Convenience Fees**

Convenience fees for certain transactions can be paid if they are charged in compliance with Visa rules. The State of Georgia P-Card and other accounts are Bank of America Visa accounts; therefore, Visa regulations apply.

Convenience fees are allowed if they are charged in compliance with Visa rules. For

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<sup>1</sup> As of the February 1, 2026, the current merchant card provider for the p-card program is Visa, and Visa guidelines establish a 3% surcharge.

merchants who offer an alternate payment channel (i.e., mail, telephone, or e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the supplier chooses to assess a convenience fee to its customers, the merchant must adhere to the following rules.

The fee charged is for a bona fide convenience of using an alternative payment channel outside the supplier's normal business practice.

The fee

1. Must be disclosed to the customer as a charge for the alternative payment channel convenience.
2. Is applied only to transactions that are not face-to-face.
3. Must be a flat or fixed amount, regardless of the amount of the payment due.
4. Is applied to all forms of payment products accepted in the alternative payment channel.
5. Is included as part of the total transaction amount.
6. Cannot be added to a recurring transaction.
7. Is assessed by the supplier that provides the goods or services to the cardholder and not a third party.

The customer must be given the opportunity to cancel prior to the completion of the transaction.

## Service Charges

A service fee may only be charged by a supplier in countries specified by Visa and for specific purposes.

If a supplier charges a service fee, that supplier must follow Visa's requirements.

Merchants or suppliers located in the United States, and which have the following MCC Codes are permitted to charge a service fee provided Visa's rules for Merchants are followed:

- 8211 (Elementary and Secondary Schools)
- 8220 (Colleges, Universities, Professional Schools, and Junior Colleges)
- 8244 (Business and Secretarial Schools)
- 8249 (Vocational and Trade Schools)
- 9211 (Court Costs, Including Alimony and Child Support)
- 9222 (Fines)
- 9311 (Tax Payments)
- 9399 (Government Services [Not Elsewhere Classified])

#### **IV. Review and Monitoring**

The State of Georgia and DOAS State Purchasing Division expects every Cardholder and approving official to adhere to the policies and procedures that govern the State purchasing card program. Failure to do so may result in disciplinary action up to, and including, employment termination and criminal prosecution ([State P-Card Policy](#) – Legal Issues).

Kennesaw State University is required to set up internal controls to ensure compliance with State rules regarding the use of P-Cards. Non-Compliance, as it relates to the policies and procedures governing the use of purchasing cards, is monitored, and the action taken is dependent upon the type of finding. Findings of deliberate improper usage or questionable transactions may result in an immediate suspension of card privileges pending a review to determine if further action is appropriate.

Non-Compliance issues fall under O.C.G.A 50-5-80, O.C.G.A. 50-5-83, and the Policies and Procedures set by UGS/BOR, DOAS, and KSU.

#### **V. Process Review and Compliance**

The DOAS State Purchasing Office of Process Improvement and the DOAS Program Manager will review various reports provided by Bank of America Merrill Lynch® monthly to ensure that purchasing card transactions appear within reasonable parameters. In addition, random reviews of Cardholder Monthly Statement Detail Reports and appropriate business purposes will be conducted by the State Purchasing Office of Process Improvement.

Per the State P-Card Policy, the university must establish internal controls surrounding card use.

Thus, the university's P-Card Administration unit performs monthly reviews of cardholders' statements to ensure that program policies and guidelines are being followed. A secondary purpose for conducting reviews is to identify opportunities for improvement within the Purchasing Card Program.

The Purchasing Card Administrator analyzes transaction data to ensure that purchasing policies and procedures are being followed. Areas reviewed can include split transactions, monthly purchases over cycle limits, sales tax, unusual transaction patterns, eVerify requirements, transaction declines, and disputes, use of non-standard suppliers for standard purchase transactions, sign-off approvals by the Cardholder and Approving Officials, missing transaction comments, and Supplier spending.

## VI. Legal and Administrative Issues

Under [HB 1113](#) any misuse, including inadvertent use (such as mistakenly using a Purchasing Card for a personal purchase) is a violation of law and must be reported to the Chief Institutional Auditor at KSU by the Office of Procurement and Payments and to the Department of Administrative Services (DOAS).

Please be aware that Bank of America Merrill Lynch® will provide corporate liability protection under Visa®'s Liability Protection Coverage; however, certain conditions apply. The principal condition is that the employee has been terminated and Bank of America Bank Merrill Lynch® is notified of the termination within TWO DAYS of its occurrence. Bank of America Merrill Lynch® will rely on and shall be protected in acting on issuance requests or other requests or instructions which the bank believes to be genuine and to have been signed by the State of Georgia Purchasing Card Program Manager.

### A. E-Verify

The Georgia Security & Immigration and Compliance Act O.C.G.A. §13-10-91 requires suppliers to file an affidavit that the supplier and its subcontractors have registered and participate in the federal work authorization program known as E-Verify. This program is intended to ensure that only lawful citizens or lawful immigrants are employed by the supplier or subcontractor. All State Entities are required to obtain this signed and notarized affidavit from suppliers prior to entering into any service contract \$2,500.00 or greater involving the supplier's physical performance of services within the State of Georgia. The State of Georgia Attorney General's Office has interpreted this to include one-time Purchasing Card transactions for services.

- The E-Verify Affidavit may be emailed; however, the notarization must be visible.
- [E-Verify FAQs](#)
- For Purchasing Card transactions that meet this definition, the cardholder is responsible for ensuring receipt of this affidavit. A copy of this affidavit must be included with all transaction documentation when using the Purchasing Card and submitted with the Monthly Statement Detail Report.
- Services include, but are not limited to, advertising, printing, and labor of any kind.
- [E-Verify Affidavit for Sole Proprietor](#).

### B. Declared Emergencies and Natural Disasters

The Georgia Procurement Manual (GPM) grants authority to forego standard procurement requirements for needs arising from unforeseen causes. In cases involving the welfare of the public, extreme weather conditions, or officially declared emergencies, the P-Card Program Administrators are allowed to obtain after-the-fact approvals for exceptions to the Policy.

The Program Administrator must submit Form SPD-PC003, [Special Approval Request](#), to notify the State Cards Program Director and OPB within 72 hours of any actions taken in response to these emergencies and the nature of actions taken.

Documentation for transactions must follow guidelines for emergency purchases as contained in the Georgia Procurement Manual, including the use and retention of Form SPDNI004, [Emergency Justification Form](#), available in the SPD Official Forms section of Agency Resources on the State Purchasing Division website.

Key personnel responsible for implementing a State Entity's response to emergencies must know how to contact the State Entity's APO/CUPO, the Card Program Administrator, and the backup Card Program Administrator.

### **"Emergency" vs. "Urgent" Purchases**

Based on an interpretation of law and policy, **emergency purchases** are typically limited to the following situations where failure to act immediately would result in one or more of the following:

1. Prolonging risk to the life, health, or safety of KSU Students, Faculty, and/or Staff
2. Further and/or immediate damage to KSU/State Property
3. A major service disruption
4. Loss of ADA accessibility
5. A necessary service being threatened with material damage or suspension

## Appendices

### Appendix A – Audit Reviews

#### A. Fraud (TIER 1)

NON-COMPLIANCE	DEFINED
Personal Purchases	Use of P-Card for: - Non-University items - Purchases for personal gain.
Willful Intent to Disregard Purchasing Rules	

#### TIER 1

For any transaction (purchase) that includes a willful intent to disregard rules that result in cardholder abuse or misuse (e.g. would include knowingly making personal purchases), the P-Card will immediately be suspended, and the circumstances of the transaction determine the appropriate actions, which could include termination of employment and criminal penalties.

When intentional cardholder abuse or misuse is suspected, the department must immediately notify the P-Card Program Manager and the Chief Institutional Auditor.

#### B. Non-Compliance Issues (TIER 1 and TIER 2)

NON-COMPLIANCE	DEFINED
Purchase of Assets or Inventoried Items	Purchase of: - Equipment priced at \$3,000 per unit or greater.
Exceeding Set Limits (CL and STL)	Processing transactions that knowingly exceed a Cardholder's set limits (CL and STL) either by the Cardholder or Supplier.
Split Purchases	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 or Cycle Limits or bid requirements.
<b>ACCIDENTAL</b> Personal Purchases	Use of P-Card for: - Non-University items - Purchases for personal gain.

Missing Required Prior Approvals	-Not securing required approvals prior to initiating a transaction. -Initiating a prior approval request after a transaction has been processed. -Processing transactions that are not authorized by the Approving Official.
Purchase of Prohibited or Restricted Items	<i>(See Appendix B – Prohibited Purchases)</i>
Sharing Card or Card Information	Sharing card numbers or card information for use is not allowable. Transactions should be processed by the Cardholder only, as cards are not issued to a Department or College.
Habitual Use of Missing Receipt Form	Habitual use is defined as more than three (3) times in one Fiscal Year.
Failure to complete the Annual Training and/or Recertification Process	The failure to comply with the requirements of the annual training and the recertification process can result in the temporary suspension of card use and/or Works access until processes are complete.
Missing Sign-Off Approvals in Works	Cardholder and/or Approving Officials not signing off on (approving) each transaction in the Works system.
Missing Detailed Comments in Works	These details should provide the Who? What? and Why? for every purchase; this includes the Prior Approval Request ID number.

## Non-Compliance Finding Outcomes:

### TIER 1

For any transaction (purchase) that indicates a willful intent to disregard rules that result in cardholder abuse or misuse (e.g. would include knowingly making personal purchases), the P-Card will immediately be suspended, and the circumstances of the transaction will determine the appropriate action, which could include termination of employment and criminal penalties.

When intentional cardholder abuse or misuse is suspected, the department must immediately notify the P-Card Program Manager and the Chief Institutional Auditor.

### TIER 2

The following actions will be taken upon discovery of unintentional Non-Compliance Findings during the Fiscal Year:

1<sup>st</sup> notice > Cautionary Notice

2<sup>nd</sup> notice > Cautionary Notice

3<sup>rd</sup> notice > Suspension of Card for 2 weeks and additional training for Cardholder and/or

Approving Official

4<sup>th</sup> notice > Suspension of Card for 30 days

5<sup>th</sup> notice > Suspension of Card for a minimum of six (6) months and:

- 1) Additional training for the Cardholder and Approving Official
- 2) Disciplinary action, up to and including termination of employment depending on the severity of the action.

All non-compliance findings will be sent to the Cardholder, Approving Official, and Fiscal Approver (if applicable).

Each instance can include disciplinary action, up to and including termination of employment; and is reportable to Internal Audit and the Board of Regents (BOR), pursuant to Georgia Law HB1113.

If no malfeasance, fraud, or theft was involved in the temporary suspension of a P-Card, the Cardholder's Approving Official may request reinstatement by sending an email to **pcard@kennesaw.edu**. Reinstatement also requires the approval of the Director of Procurement and the Chief Financial Officer (CFO).

**C. Administrative/Clerical Errors (TIER 3)**

<b>ADMINISTRATIVE/CLERICAL ERROR</b>	<b>DEFINED</b>
Missing Receipts/Proof of Delivery	Missing receipts/invoices or packing slips/proof of delivery documentation.
'Urgent/Non-Routine/Unplanned' Purchases	Classifying transactions as 'Urgent/Non-Routine/Unplanned' that do not include justification.
Response Time	Untimely responses (more than 5 business days) to P-Card Administrations' requests for documentation or more information.
Not using ePro Requisition System	Processing transactions that should have been procured using the ePro Requisition system (PO).
Sales Tax	Missing documentation supporting corrective action on the payment of Georgia Sales Tax.
Late Statement	Statement is submitted after the due date.

Administrative errors are issues that are deemed procedural in nature.

**TIER 3**

The cardholder will receive a cautionary email with the supervisor/approving official and business manager copied.

Note: An accumulation of three (3) administrative/clerical error findings of the same type or nine (9) of any type in a fiscal year will result in non-compliance (TIER 2)

finding being issued.

#### **D. Appeals Process**

Cardholders and/or Approving Officials may appeal notices of Administrative Errors and Non-Compliance Findings by submitting an email to P-Card Administration at **pcard@kennesaw.edu**. Appeals are to be initiated within ten (10) business days of the notice, and should include documentation that supports the appeal of the findings of the P-Card Administrator. A response to the appeal will be issued within five (5) business days if more levels of review are not necessary.

## Appendix B – Prohibited Purchases

The following types of purchases are prohibited either by the Official Code of Georgia Annotated (O.C.G.A.) or to meet reporting requirements of the State or specific State Entities.

In general, the purchasing card may be used for equipment under \$3,000 (*Small Value Property-SVP limits*) and other goods and services costing less than \$25,000 (including shipping) when not prohibited by Federal, State, and KSU guidelines. This applies to both planned and unplanned purchases.

All purchases are to be made in accordance with established University policy and must be for expenses associated with official University business. Only the Cardholder can charge the expense. Use of the purchasing card for unauthorized, inappropriate, or personal items may result in penalties as indicated in this manual in Section V – Review and Monitoring.

### A. Personal Purchases

Cardholders and other program personnel are prohibited from using the Purchasing Card for the purchase of any goods or services not directly or indirectly related to official State of Georgia business. Intentional use of or approval for the use of the card for personal purchases will result in immediate card suspension and disciplinary action, up to and including termination from State employment and criminal prosecution.

1. The Official Code of Georgia, annotated (O.C.G.A.), §50-5-80 states that any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor.
2. A person who knowingly uses state funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison.
3. 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 purchases.

### B. Split Purchases

O.C.G.A. §50-5-69 requires competitive bidding for all open-market purchases anticipated to be \$25,000 or more. However, policy requires the Single Transaction Limit (STL) for approved purchases be set at under \$5000 (i.e., \$4,999.99 or less) or up to the cardholders STL.

A Split Purchase is the 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 or Cycle Limits or bid requirements.

In such cases, a **DOAS Special Approval Request Form** must be completed and approved for a limit increase **prior** to processing the transaction(s).

Cardholders are prohibited from splitting a transaction between two or more

transactions on a single account/card number, two or more transactions on multiple accounts, or two or more transactions using the P-Card and a Purchase Order (P.O.) in order to circumvent competitive solicitation requirements or the STL. *(Refer to the [GPM](#) for complete information on bid requirements and procedures.)*

### C. Restricted and Prohibited Purchases

Please reference the table on the next few pages for examples of prohibited purchases. **This list is not all-inclusive.** Transactions made with institutional funds for institutional purposes can be reimbursed by grant/gift funds from the Foundation without violating O.C.G.A §50-5-83 or the State P-Card Policy. Per the Associate Vice Chancellor, Fiscal Affairs – Accounting & Reporting, BOR, “Although the original funding source associated with the funds utilized for this purchase may have been provided by one of the College/University’s foundations through a grant, gift, etc., the expenditure is being made with institutional funds for institutional purposes.” If there are questions associated with a purchase, please email [pcard@kennesaw.edu](mailto:pcard@kennesaw.edu).

CATEGORY	EXAMPLES
Alcoholic Beverages / Drugs / Tobacco	Including prescriptions, OTCs (over-the-counter medicines), and First Aid Kits that contain over-the-counter medicines.
Animals	<i>*Exception allows for these types of purchases within the College of Science and Math specifically intended for use in classroom, lab, and/or instructional/research settings.</i>
Assets	Any tangible item that is valued at \$3,000 or above. The total amount of the purchase includes shipping/freight fees and installation fees and is not limited to equipment, IT/AV hardware, fixtures/signs, and furniture.
Awards/Recognition (Employees)	Seek alternative funding source (i.e.: employee donations or collections, Foundation, etc.)
Awards/Recognition (Student)	Performance-Based awards allowable up to \$75.00.
Awards/Prizes (Student)	Prizes, Door Prizes, etc. allowable up to \$50.00 and only purchased via the following funding sources: 12000, 13000, 20000
Break Room Supplies for Employee Use	Coffee, coffee supplies, plates, cutlery, etc.
Car/Van Rentals	Car/van rentals must be secured using the Mandatory Statewide Contract and direct billed to the University. Regardless of the use of the rental including use for student activities, and includes all expenses related to car/van rentals.
Cash Advances	Including those received through teller machines, banks, or as “cash back” at the time of transaction.
Chamber of Commerce Memberships/Dues	See <a href="#">USG Business Procedures Manual</a>
Conference Meals and Events – Employees	Unless all-inclusive (not a separate selection) with the registration fees.
Construction, Infrastructure Repairs, or Renovation	No labor charges are allowed
Data Plans, Software, or Applications (apps) for <u>Non-State Entity</u> issued devices	Including personal smartphones, laptops, computers, and tablets, even if utilized for University business.
Decorations	Including holiday and special event decorations for offices or employee work areas

Employee Travel	Including airfare, lodging, car rentals, airport shuttles, taxis, meals, special events, entertainment, parking, and other travel-related incidentals. <i>See <a href="#">Concur TMS</a></i>
Firearms or Explosives	Firearms or Explosives
Flowers/Plants	<i>Exception for artificial flowers/plants for common and/or reception areas</i>
Food Services/Orders – <b>Employees</b>	No exceptions
Fuel	Including fuel for University/State-owned vehicles and Rental vehicles
Furniture	Furniture purchases can only be made via Purchase Order and from the Statewide Contracts managed by the Department of Administrative Services (DOAS).
Gift Cards, Gift Certificates, Debit Cards, Calling Cards, Pre-Paid Cards, or similar products	Including for students and/or non-employees
Graduation Cords/Stoles for students	Approval from Financial Compliance should be obtained.
Greeting Cards	Including cards expressing holiday wishes, sympathy, birthday, wedding, retirement, congratulations, best wishes, get well, etc.
Installment Payments	Installment Payments
Insurance Payments	Travel Insurance Payments should be processed via ePro or Payment Request.
KSU Interdepartmental Payments	Including The Commons, KSU Bookstore, KSU Mall, KSU Catering, KSU Printing, and KSU hosted/sponsored events.
KSU Foundation / KSU Athletic Association	<b>Exception:</b> A few specific Department IDs and Foundation Accounts have been pre-approved to reimburse P-Card transactions for institutional purposes only.
Leases	Including operating or capital leases for equipment, rentals, and property.
Maintenance/Service Agreements	Not allowed if they require a signed contract
Notary & Other Licenses	Unless for the use of University-related business or required for employment (notary stamps, training, and/or licenses)
Personnel or Professional Services	All services. Please submit the contract or terms and conditions to CMS for review and work with Procurement for the best method of payment.
Radioactive Isotopes	Radioactive Isotopes
Rentals	Greater than 90 days
Repairs and Maintenance of State-Owned or Rental Vehicles	Refer to DOAS Office of Fleet Management Exception for washing/detailing services on University-owned vehicles
Retreat Expenditures	Must process using ePro due to contract requirements including deposits, final payments, insurance, E-Verify, and terms & conditions
Services	All services. Submit the contract or terms and conditions via CMS for review and obtain approval from the P-Card office prior to moving forward.
Technology, including multimedia products and services	Computers, laptop computers, monitors, printers (including combo printer/scanner/copier/fax), scanners, servers. Including data plans,

	<p>projectors, screens, software, or applications (apps) for non-State Entity issued devices including but not limited to smartphones, laptop computers, and tablets.</p> <p>These types purchases are required to be secured using ePro as they are tagged/inventoried items.</p>
Transportation - Bus/Charter Rentals	Must process using ePro due to contract requirements including deposits, final payments, insurance, E-Verify, CDL requirements, and terms & conditions
Used Equipment	The Georgia Procurement Manual does allow for the purchase of used equipment/goods. As antiques are not separately covered, they are covered as used goods.
Utilities	Including electricity, gas, water, etc.
Vehicles	Including autos, golf carts, mowers, etc.
Warehouse Memberships	Including Sam's, Costco, BJ's Warehouse, Amazon Prime, etc.

## **GLOSSARY**

<b>Approving Official</b>	Person designated to approve a Cardholder's transactions, both prior and post-purchase. An Approving Official can be a Department Head, Budgetary Owner, Business Manager, or person serving in a Fiscal role.
<b>Card Abuse</b>	Using the card for non-State business use transactions ( <i>e.g., personal purchases</i> ).
<b>Card Fraud</b>	Wrongful or criminal deception use of a card intended to result in financial or personal gain.
<b>Card Misuse</b>	Use of the card for legitimate purchases, but for goods/services that are prohibited on a purchasing card by State or internal policy ( <i>e.g., purchase of fuel for a State vehicle</i> ).
<b>Chief Financial Officer (CFO)</b>	The CFO is responsible for the fiscal functions of the agency, college, or technical college in accordance with General Accepted Accounting Principles (GAAP) and Governmental Accounting Standards. The CFO has primary responsibility for all financial-related activities including but not limited to accounting, finance, budget, etc. The CFO may have different titles in some state entities.
<b>Convenience Fee</b>	A flat amount charged by a merchant when a credit card is not the normal method of accepting payment. ( <i>See Section II.L. – Supplier Credit Card Processing Fees.</i> )
<b>Cycle (Credit) Limit (CL)</b>	Mandatory spending limit that restricts the total value of purchases a cardholder can make in one billing cycle. The cycle limit cannot be more than \$25,000 without prior, written approval from the State Cards Program Director and OPB.
<b>Merchant Category Code (MCC)</b>	A system of four-digit codes, maintained by the networks ( <i>e.g. VISA</i> ), used to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.

<b>NIGP Codes</b>	Codes set by the National Institute of Governmental Purchasing (NIGP) that allow the State to classify the dollar amount of purchases of goods and services. Using these codes for reporting, they allow a greater insight into where tax dollars are being spent, and where contracts could help improve efficiency and save money.
<b>Open Market Purchase</b>	Purchases made with a supplier that are neither on mandatory or convenience statewide contract, state entity contract, or other statutory source provided in Levels 1 – 4 in the Purchasing Order of Precedence.
<b>Personal Purchase</b>	Non-work-related goods or services purchased solely for the benefit of the cardholder, the cardholder’s family, or other individual(s). This does not include goods or services purchased for communal use at a work site and available to all employees (e.g. paper towels, tissues).
<b>Point of Sale Purchase (POS)</b>	Purchases made at a physical store, in person, online, or over the phone.
<b>Separation of Duties</b>	Delegation of roles associated with the Purchasing Card Program. This includes acts of ordering cards, making transactions, review/approval of transactions, and submitting payment for the University.
<b>Single Transaction Limit (STL)</b>	Mandatory spending limit that restricts the amount of a single purchase regardless of the Cycle Limit (CL) on the card.
<b>Split Purchase</b>	The 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 or Cycle Limits or bid requirements. This is prohibited by the Statewide Purchasing Card Policy.
<b>Statewide Contracts (SWCs)</b>	Contracts established by the Department of Administrative Services (DOAS) for the benefit of both State and Local government entities throughout Georgia. These contracts benefit State and Local government by providing convenience and competitive pricing. Contracts include commonly used commodities such as office supplies, office furniture, motor vehicles,

temporary staffing, building supplies, and other commodities and services.

*Mandatory SWC*

Contracts that have been designated by the State Purchasing Department as mandatory. All state entities must use these contracts to purchase negotiated goods and services unless SPD grants a written waiver. Purchases from mandatory contracts are not limited by dollar amount or the state entity's delegated purchasing authority.

*Convenience SWC*

State entities may, but are not required to, use a Convenience contract; but are highly encouraged to use the contracts as they offer several benefits in terms of saving time and ensuring compliance with procurement rules.

**Surcharge**

A percentage of the transaction amount charged by the merchant to cover the costs of processing credit card transactions. *(See Section II.L – Supplier Credit Card Processing Fees.)*

**Unplanned / Non-routine / Urgent purchases**

Expenses that are not expected in advance or are irregular in the standard course of the Entity's normal operation. These instances could include but are not limited to, a part due to a plumbing emergency, services needed for a repair, fans needed during an HVAC outage, a tool needed for an immediate repair, and repair/replacement of a lock.

**Works® Payment Manager**

On-line card management and reconciliation system provided by Bank of America. Card Program Administrators use this tool to order and cancel cards, set spending limits, and assign allowable Merchant Category Codes (MCC). State Entities not using Team Georgia Marketplace use this online tool to reconcile transactions.