



Northern Essex Community College

**Office of
Administration & Finance/
CFO**

**P-Card Policy &
Procedures Manual**

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CHAPTER 1

INTRODUCTION

Welcome to the Northern Essex Community College Procurement Card Program (NECC *P-Card*). The *P-Card* is a procurement tool, which offers an alternative to the existing college procurement payment process and provides an efficient and effective method to purchase and pay for consumable commodities of a low dollar value, as well as travel expenses, when pre-approved.

This User Guide outlines the benefits of the *P-Card* program to you (the cardholder) as well as to your department and the college. It also provides you with the information that you will need to use the card. The *P-Card* concept is designed to delegate authority and responsibility, while enabling you to quickly and conveniently make small purchases of approved commodities and travel expenses directly from those vendors that accept the credit card.

The benefits of the NECC *P-Card* to you and the college are significant:

Benefits to the Cardholder:

- Eliminates the need for payment authorizations, requisitions and purchase orders for small purchases.
- Allows you to obtain small purchases of consumable supplies much faster and easier than with the traditional purchase/payment methods.
- Significantly reduces workload related to the purchase and payment of consumable supplies.
- Allows you to be more efficient, thereby enabling you to better focus on the value added aspects of your job.
- Reduces the cycle time from need determination to receipt of order by eliminating the process of adding a vendor into the vendor master file.
- Eliminates the need for out of pocket expenses for travel bookings well in advance, and reduces need for travel advances.

Benefits to the College:

- Enables Procurement and Accounts Payable to focus on more value added activities such as the creation of improved contracts and the timely processing of invoices and payments.
- Dramatically reduces the number of purchase orders, invoices and checks, resulting in lower processing costs and associated cost.
- Reduces the number of vendors in the college' Vendor File.

The *P-Card* is designed to be used for purchases of consumable supplies related to college business only, as well as business travel. ***Use of the card for personal purchases is strictly prohibited.*** The Procurement Department and Accounts Payable Department is responsible for monitoring the effectiveness of the *P-Card* Program. If you have any questions regarding the program, or the appropriate use of the *P-Card*, please contact the college *P-Card* Administrator , Donna Ashbrook at x3811.

How It Works:

The *P-Card* simplifies the process for the purchase and payment of goods. Procurement authority is delegated to the authorized cardholder, thus enabling the cardholder to order materials directly from the supplier. When the goods are received, the cardholder saves the packing list , itemized receipt (or related documentation that is available from the vendor showing an itemized proof of purchase). Within 7 days of the transaction post date, the cardholder or designee must reallocate the transactions to the proper org number within CitiManager. The cardholder will reconcile the documentation to the monthly statement that can be viewed online at: <https://home.cards.citidirect.com/CommercialCard/Cards.html>. and send to their appropriate approver. Once approved, the statement with documentation is to be filed within their department for seven years for audit purposes.

The Authorization Criteria:

There are five authorization criteria built into the *P-Card* that are checked by the system when the vendor scans the card, or enters the cardholder's card number, at the point of sale. The following are the authorized criteria and the Maximum limits (Standards) that have been established by the college for *P-Card* use. All transactions are approved or declined (instantaneously) at the point of sale, based on the *P-Card* authorization criteria:

The *P-Card* Administrator may increase or decrease those standards that are flexible on the cardholder's card. The *P-Card* Administrator may decrease the single purchase limit for goods and services currently set at \$999.00 for an individual cardholder and for travel currently set at \$5,000. However, it may be increased beyond the Maximum Limit if justified and approved by the *P-Card* Administrator, the Vice President of Administration and Finance and/or designee.

Each time the card is used, it is counted as a transaction. If the transaction limits established for the card are exceeded, the card will be rejected. For example, the cardholder may make multiple purchases from the same vendor in a single day, as long as the total of the combined purchases from the vendor does not exceed \$999.00 or 20 transactions. Transactions to the same vendor against a single card for a period of 24 to 48 hours that cumulatively exceed the \$999.00 single purchase limit are considered to be questionable. This is called **Dovetailing**; splitting up transactions in order to get around the card dollar limit parameters, which is **prohibited**.

See your Card Application/Card Change form for the authorization limits assigned to your card. It is the cardholder's responsibility to ensure that the limits assigned to his/her card are not exceeded, and that there are sufficient funds in the org (Budget Account) in which the card is tied to.

The authorization process occurs through an electronic system that supports the *P-Card* processing services under the college's agreement with Citibank. In addition, Procurement and Accounts Payable have the capability to view a large selection of daily reports to effectively monitor the use of the *P-Card*.

Grant Accounts:

Not all grant accounts are appropriate for *P-Card* use. Check with the Grants manager for possible restrictions. Card applications against grant accounts must be approved by the grant manager. Note that the card expiration date may not exceed the expiration date of the grant account.

Restricted Commodities

The *P-Card* may be used for the purchase of most consumable commodities with the exception of those listed below. Use of the *P-Card* is currently restricted to the purchase of consumable supplies that are appropriate for the org number assigned to the *P-Card*. The *P-Card* Program may be expanded to include other types of commodities at a later date. Cardholders will be informed of any changes to policy, as they may occur.

Purchases of restricted commodities: all purchases that are inappropriate for the account assigned to your card, and any purchase that totals more than the approved single limit purchase (including shipping) must continue to be processed in accordance with established purchasing and accounting policies and procedures. Please keep in mind that absolutely no personal purchases are allowed.

Typical Purchase

- ✓ Books
- ✓ Conference Registrations/under \$1,000
- ✓ Business meals:
<http://facstaff.necc.mass.edu/wp-content/uploads/2012/07/Approved-travel-policy.pdf>
- ✓ Office Supplies (current office supply vendor contract incorporates credit card)
- ✓ Permits/ fees/ Licenses
- ✓ Subscriptions
- ✓ Travel (meals, travel tickets, hotel, car rental etc.)
<http://facstaff.necc.mass.edu/wp-content/uploads/2012/07/Approved-travel-policy.pdf>

Restricted Business/Commodities

The *P-Card* is not to be used for the following restricted commodities: **(Not to be intended as an comprehensive list. If you have any questions, please call *P-Card* Administrator, x3811)**

- Adult Entertainment
- Cell phone/Telecommunication Equipment
- Computer system. Laptops/ tablets/ iPads etc.
- Copiers
- Construction and renovation services/ material
- Consulting/ Professional services
- Donations
- Fines, late fees/ penalties
- Food - Prior approval from Vice President needed
- Gift Cards
- Furniture (office and laboratory)
- Honorarium
- Items being purchased from capital money
- Medical or Dental supplies or expenses
- Money Orders
- Personal items (i.e. clothes) or services (dry cleaning
- Prescription drugs and controlled substances
- Radioactive or Hazardous materials (personal)
- Space heaters
- Temporary help
- Tobacco products

Contract Compliance

While the *P-Card* is a procurement tool, it does not signal a change in policy regarding compliance with the use of college contract suppliers. If the desired item is available on an established College, State, or MHEC contract, it should be purchased from the contract vendor.

SUPPORT AND ASSISTANCE FOR P-CARD	
<p>P-Card Administrator & Training Donna Ashbrook: dashbrook@necc.mass.edu phone: 978-556-3811 FAX: 978-556-3125.</p>	<p>Procurement Beth Donovan procurement@neccmass.edu phone:978-556-3940</p>
<p>Accounts Payable: Kim Ortiz accountspayable@necc.mass.edu phone: 987-556-3929 FAX 978-556-3125</p>	<p>CitiBank: To report lost or stolen card: 1-800-248-4553</p>

Placing orders and shipping goods

The *P-Card* may be used to purchase consumable supplies in person at the supplier site, on-line, over the phone or by mail. Prior to placing the order, check with the Procurement Department for a list of Contract Suppliers for the product you need to order.

When placing your order, please be sure to provide the vendor with the following information:

- Identify yourself as a Northern Essex Community College employee. State that you wish to make a college purchase using a NECC designated *P-Card*
- **State that the college is tax exempt and give the vendor the college's tax exempt number which is listed on the front of the card (999-089-547)**
- Provide your name (cardholder name)
- Give your *P-Card* Number (located on the front of the card)
- Furnish the expiration date of your card
- State the appropriate contract that the purchase is being made against (college, State, or MHEC), if applicable, to insure that you will receive contract pricing
- State the quantities and descriptions of the consumable supplies that you require
- Furnish any other information that is necessary to make the purchase
- Verify the total cost of the purchase with the vendor

Shipping Instructions:

All items purchased using a college *P-Card* MUST be shipped to the college. **Under no circumstances shall an item be shipped to a cardholder's home address.**

IMPORTANT:

See **Chapter 2 (page 5) P-Card Record Management**, for details on how to record and reconcile cardholder transactions.

Transactions won't go against your Card until vendor Ships:

Please note that, by law, vendors are not permitted to bill your credit card for purchases until the items have been shipped. In most instances your account will be debited within 48 hours after the vendor ships your merchandise.

Responsibility for Receipt of Goods:

The cardholder is responsible for ensuring receipt of goods and follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.

Make sure you save your documentation:

Upon receipt of your goods, keep the documentation received from the vendor (typically a sales receipt or packing slip) for later reconciliation.

Responsibility for Returning Item(s):

Item(s) should be returned directly to the vendor by whichever means the vendor requires. The cardholder is responsible to see that proper credit is posted for any returned item(s) and that evidence of the return is maintained. (See below).

How to Dispute a Transaction

The cardholder is responsible for following up with the vendor for any erroneous charges, disputed items or returns within 7 days of receipt of the cardholder statement. A cardholder may dispute a charge that appears on his/her monthly credit card statement. Disputed charges can result from failure to receive goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way. If the cardholder is unable to reach agreement with the vendor, the next step is to contact:

Donna Ashbrook x 3811 P-Card Administrator
Accounting & Finance Department

All disputed transactions must be submitted via email to the *P-Card* Administrator as soon as possible. There is a 60 day window from the statement date to dispute the

transaction with the Citibank. Your request will be sent directly to the Citibank for review. When Citibank has completed its investigation, the cardholder will be informed of the outcome and resolution.

The cardholder may also dispute charges manually. To initiate a manual dispute, the cardholder must contact Citibank Customer Services **1-800-248-4553**. They will require the cardholder to fill out a cardholder dispute form and fax it to them within 30 days of the first statement on which the disputed charges appears.

Credit Card Administration

How to Activate Your *P-Card*/Authorized User:

You must telephone Citibank at the number indicated on the *P-Card* to activate your credit card before use. Citibank will verify your identity to ensure that you are the legitimate cardholder. The activation passcode is the last four digits of the cardholder's SSN#. Remember that only the cardholder is authorized to use the *P-Card*. You are responsible for all activity against the card and may not share your *P-Card* with anyone.

How to Acquire a *P-Card*:

Only employees of the college, who are designated by the Vice President of Administration & Finance/CFO (the individual who has fiscal responsibility for the card account), may be permitted to receive a *P-Card*. An individual may only receive his/her card after a completed *P-Card* Application/Change Form has been signed by the applicant, the *P-Card* Administrator, and the Supervisor, and attend a formal *P-Card* Training Session, and sign the Employee *P-Card* Agreement form. The cardholder is expected to read the *P-Card* Policies and Procedures. Prospective cardholders must be present at cardholder training and may not send a proxy.

Department Org Number:

Each *P-Card* Application/Change form will bear one department org number. The department org number will be associated to that particular card, against which all the *P-Card* charges will be made.

How to Cancel a *P-Card*:

To cancel a *P-Card*, a written request must be made to Donna Ashbrook *P-Card* Administrator in the Procurement Department, along with a visit to the *P-Card* administrator to turn in the card to be destroyed.

Renewal of Existing *P-Cards*:

A renewal *P-Card* will be sent automatically to the college *P-Card* Administrator 30 days prior to the expiration date of the card. The *P-Card* Administrator will contact you to

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schedule a time to pick up your card. All renewal cards will need to be activated by calling the number on the front of the *P-Card*.

How to Report Lost or Stolen *P-Cards*:

It is the responsibility of the cardholder to immediately report a lost or stolen *P-Card*. A cardholder must report a lost or stolen *P-Card* by phone directly to the Citibank at 1-800-248-4553 and to Donna Ashbrook *P-Card Administrator* at x3811, at the time of the occurrence.

Verbal reports of lost or stolen *P-Cards* must be followed up in writing within 24 hours to the *P-Card Administrator*. The cardholder shall also send a copy of the notification to the *P-Card Administrator* as well as to the Supervisor who is responsible for the Default Account assigned to the card. (See your Card Application/Card Change form.)

A replacement card will be sent within 48 hours of notification.

P-Card Security:

Only authorized cardholders may use the *P-Card*. Cards and card numbers must be safeguarded by the cardholder against use by unauthorized individuals within or outside the college.

Improper use of the *P-Card*:

The *P-Card* represents the college's trust in you and your empowerment as a responsible employee of the college to safeguard and protect the college's assets. As a cardholder, you assume the responsibility for the protection and proper use of the *P-Card*.

The following situations are a few examples of "misuse" of the *P-Card*:

Personal misuse categories:

- Purchases using the card for the sole benefit of the employee.
- Assignment or transfer of an individual's card to another person.
- Use of a *P-Card* by a suspended or terminated employee.

Administrative misuse categories:

- Lack of proper and timely reconciliation of the individual cardholder's account.
- Use of card in direct violation of acquisition goals (example: neglecting to use the *P-Card* for commodities available through contracts or preferred suppliers).
- Use of card to purchase restricted commodities.

P-CARD POLICIES & PROCEDURES

- Use of card in excess of assigned cardholder limits, or available budget. Use of the card after the expiration date of a grant or contract, or for purchase(s) that are inappropriate for the org charged.

Consequences of Misuse:

Misuse of the *P-Card* will be handled promptly and uniformly for all cardholders. The following actions will be taken:

- A formal written warning will be sent to the individual cardholder and a copy will be sent to their *Supervisor* assigned to the *P-Card* (the individual to whom the *cardholder* reports). The letter will include a warning of *P-Card* revocation pending further investigation and/or misuse.
- The *Supervisor* will be advised of all instances of personal and administrative misuse, for appropriate action.
- Depending on the severity of misuse, disciplinary measures may include a reduction in the cardholder's authorization limits, the cancellation of the *P-Card*, or termination of employment and legal action in accordance with the terms and conditions of the cardholder agreement form.

P-Card Audits:

To ensure the continued success of the *P-Card* Program and to meet audit requirements of the college and various government agencies, periodic post audits will be made of the cardholder's *P-Card* account to determine that items purchased have been received, that proper records are being maintained, and that policies and procedures are being followed.

In the event a cardholder is contacted to supply additional back-up documentation, it is solely the cardholders' responsibility, not support staff, to promptly gather all information requested and forward the complete documentation within 10 business days.

Tax Exemption:

NECC is exempt from paying Massachusetts State Sales Tax. The tax-exempt number (999-089-547)* appears on the front of each *P-Card*. This number must be given to all vendors by the cardholder at the time of the transaction to exempt payment of state sales tax.

If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge with the vendor.

If a vendor requires a tax exemption certificate, it is the responsibility of the cardholder to request the certificate from Administration & Finance. If you have a current exemption form on hand, you may send it to the vendor directly.

* Send tax exemption certificate requests to
Procurement Department x3933

Cardholder Responsibilities

Purpose:

To establish the policies related to the proper use of the NECC *P-Card*.

Policy:

1. An employee must complete an NECC *P-Card* Application/Change Form and submit with the appropriate approvals to the *P-Card* Administrator.
2. All cardholders must attend a mandatory training session and a yearly training update.
3. All cardholders must sign and accept the terms and conditions of the Northern Essex Community College *P-Card* Cardholder Agreement Form.
4. All purchase transactions processed against the *P-Card* must be made by the individual to whom the card is issued. The cardholder is responsible for all activity against the card and may not share his/her *P-Card* with anyone.
5. All purchase transactions for non-restricted commodities cannot exceed the \$999.00 (cost of goods, including all delivery, shipping and/or special handling charges) transaction limit unless otherwise authorized.
6. Purchase transactions may not exceed the daily and monthly transaction limits assigned to the card unless otherwise authorized.
7. Purchase transactions may not exceed the available budget in the org number assigned to the card and must be appropriate for that budget (See Org/Index Codes) Purchases must be for the use and benefit of the college.
8. Purchases must be for the use and benefit of the college.
9. It is the cardholder's responsibility to ensure that adequate documentation is maintained for all transactions in accordance with the college record retention policy (see Chapter 2 below.)
10. It is the cardholder's responsibility to safeguard the security of the *P-Card*. Should the *P-Card* be lost or stolen, it is the cardholder's responsibility to report it immediately to the Citibank and the *P-Card* Administrator (see Credit Card Administration - Page 3)
11. It is the cardholder's responsibility as an agent of the college to ensure proper use of the college's tax exempt registration number (999-089-547) to Vendors.

12. It is the cardholder's responsibility to attempt to resolve a dispute with the vendor within fifteen (15) days of receipt of a disputed purchase. If a resolution is not possible, the cardholder should report the problem to the college *P-Card* Administrator as soon as possible. **Be advised there is a 60 day window from the statement date to dispute the transaction with Citibank.** The *P-Card* Administrator will report the dispute to Citibank (see Disputing a Transaction, Page 3).
13. Violation of these policies will result in action to be taken at the discretion of the dean, departmental director, or the Supervisor, depending on the severity of the violation, and in accordance with the college's MCCC/MTA, AFSCME contracts.
14. *Fraudulent use of the P-Card will result in actions being taken in accordance with the procedures established in this User Guide and the Cardholder Agreement Form.*

Purchase Incentives

There may be times that college purchases may result in cash or cash-like incentives. The cash and/or incentives are the property of the college and may not be used for personal gain. Examples of such incentives include, but are not limited to: rebates, gift cards, two-for-one purchases and spend rewards. The college recommends that cardholders not participate in these promotional offers. It is the responsibility of the cardholder's department to be assured that any monetary or cash incentive reward received as a result of an NECC purchase becomes the property of the college.

CHAPTER 2

P-Card RECORDS MANAGEMENT

Policies and Procedures

Each department may wish to assign an individual to be responsible for record retention, or if a cardholder so chooses, he/she may be responsible for his/her own records management. It is imperative that all cardholder's records be maintained in the same manner, as outlined herein, for ease of audit and reporting purposes.

The cardholder will maintain adequate documentation to support the legitimate business purpose of all transactions made with the *P-Card*. Keep in mind that the charges against the card will not be reflected in the cardholder's budget until 48 hours after the vendor has shipped the goods.

Should the person responsible for record keeping elect to deviate from the following procedures, and the Audit Review indicates that the *P-Card* records file does not have all the applicable cardholder statements and supporting documentation for the cardholder on file in the manner outlined herein, the Auditors will work with the cardholder(s) to insure that the errors are corrected. However, if the Auditors are unable to resolve the issue with the cardholder, the Auditor will make recommendations to the Vice President of Administration and Finance for appropriate action, which may include a reduction in the cardholder's spending/transaction limits, or the revocation of all *P-Cards* in question.

P-Card RECORD KEEPING REQUIREMENTS

It is strongly recommended that each department assign an individual to be responsible for records retention (hereinafter referred to as the P-Card Records Manager). That person should maintain a file for each cardholder keeping approved monthly statements with corresponding support documentation and file in chronological order to be kept for seven years.

CARDHOLDER’S REALLOCATION & RECONCILIATION OF STATEMENT

A. When the goods are received, the cardholder shall:

1. Save the supporting documentation (Itemized sales receipt, cash register receipt, vendor order form, packing list, etc.).
2. Within seven days of the transaction the cardholder or designee must reallocate transactions to the proper org number and index using Citimanager.
3. Reallocation is moving the transaction to the correct org number, e.g. Org #1002 = President’s Office. Index number (showing what kind of charge, e.g. JY=food).
4. The college will pay Citibank directly and charge the account assigned to your P-Card.

B. Upon receipt of the cardholder statement, the cardholder shall immediately:

1. Reconcile the statement to the supporting documentation by comparing the receipts, etc., to the cardholder statement.
2. The cardholder shall make note of any discrepancies between what appears on his/her statement and what was actually received. The cardholder should contact the vendor to resolve any outstanding issues (failure to receive goods, fraud, misuse, incorrect amounts, etc.). Most disputes can be resolved directly with the vendor. If the cardholder misplaces his/her supporting documentation (sales receipt, cash register receipt, vendor order form, packing list, etc.), he/she may contact the vendor to request a copy. Under no circumstances may the cardholder approve a statement without first obtaining all the supporting documentation that goes with it.
3. If the cardholder is unable to resolve the dispute with the vendor, he/she shall contact the P-Card Administrator, ASAP to discuss disputing the charge with Citibank.
4. Upon completion of reconciliation, the cardholder shall staple the supporting documentation to the cardholder statement and send to their Supervisor/Approver. This must be completed no later than five days after the 28th of each month.
5. **P-Card Approver/Supervisor or Designee:** Additionally, the statement must be reviewed by the cardholder’s supervisor. The supervisor must sign the statement as an indication of review/approval.

6. Must review each month’s statements which they are responsible for to ensure compliance with the P-Card’s Policies and Procedures.
7. *Should the cardholder fail to submit the reconciled cardholder statement and supporting documentation to the Records Manager (if applicable, many cardholders reconcile their own statement) within five calendar days from the statement billing date, the Records Manager shall so inform the Reporting Authority assigned to the cardholder’s account for his/her appropriate action.*

The cardholder shall keep track and may not over-expend his/her budget nor exceed the spending or transaction limitations assigned to the card.

C. The P-Card Records Manager or Cardholder shall, at a minimum:

- Review, briefly, the cardholder statements and supporting documentation to ensure that they are complete.
- Maintain all such records in a manner that allows for their timely retrieval, as required by external auditors, and by the Controller’s Office.
- All P-Card records are to be archived by the department records manager and put in secure storage for a seven-year period.
- Each cardholder shall reallocate transactions in Citimanager no later than seven days from the transaction posting date.

CHAPTER 3

BUSINESS/ENTERTAINMENT EXPENSES

Business Expense Policy

The Business Expense Policy applies to expenses incurred by a duly authorized college employee who incurs expenses in the process of conducting college business.

Allowable Business/Entertainment Expenses: All food purchases must have prior approval from the Vice President of Administration & Finance.

Takeout Food: P-Cards can be used for takeout food for meetings and events that are related to college business with prior approval from Vice President of Administration & Finance.

Following are some examples of appropriate use of the P-Card for take-out food:

- Groceries purchased from a local store for a seminar.
- Pizza purchased (and delivered) to a department for a group of students.
- Sandwiches and salads delivered (but not served) by a local deli for a business luncheon.

Restaurants: *P-Cards* can be used at restaurants for the following types of meetings:

- Employee candidate recruitment.
- Hosting official guests.
- Entertainment of institutional donors.
- Business Meetings

Record Keeping Requirements:

- Prior approval of the expenditure through normal administrative channels
- A written description of the Business Purpose of the event/meeting
- A list of participants and/or attendees including their title and business relationship and receipts.

CHAPTER 4

TRAVEL

Most *P-Cards* are approved for purchasing only MCC (Merchant Category Code) groups. If your *P-Card* has been approved for Travel Expenses, then the Travel MCC group will be included in your card profile. A *P-Card* Application/Change Form needs to be completed and signed by both the card holder and the *P-Card* Administrator in order to open a *P-Card* for travel.

To review the Travel Policy Guidelines visit the following website:

<http://facstaff.necc.mass.edu/wp-content/uploads/2012/07/Approved-travel-policy.pdf>

Pre-authorized Business Travel

Types of **pre-approved** allowable Travel Expenses include the following:

- Airlines
- Auto rentals
- Conference Registration Fees
- Hotels – Room charges, parking, internet service only
- Travel agencies/services, other travel: Steamship, Boat Rentals, Railroads, Commuter Rail, Taxis, Limousines, Parking Garages

Prohibited Expenses

- Room service
- Hotel services such as movie rentals, health club charges etc.

Before Traveling the Employee MUST:

1. Complete a Travel Authorization Form requesting for Authority to Travel.

After the Trip the Employee MUST:

1. Process their corresponding Travel Expenses.

Note: All out-of pocket expenses are reimbursed after the trip has been completed and the expenses have been approved.

Non-employee Travel – Visitors to NECC

P-Cards that have been approved for travel can be used to arrange travel for non-employees.

- Travel for candidates brought in for new faculty or administrative recruitment.
- Travel for visiting speakers and performers.

Limit card use to:

- Airfare
- Ground transportation (shuttle service)
- Basic hotel charges

It is recommended to order tickets directly or use a travel agent.

Record-keeping Requirements for Non-employee Travel

- Log in all payments
 - Vendor name and reservation confirmation numbers.
 - Include traveler's name, address and purpose of the visit to NECC.
- Attach original receipts to the *P-Card* statement.
- Expenses must be re-allocated to the appropriate expense account codes in Citi-Manager within 30 days of transaction post date.

Chapter 5

MASSACHUSETTS SALES TAX POLICY

Scope:

This policy addresses which payments to vendors are subject to the sales tax. The 6.25% (current 2012) Massachusetts sales tax applies to tangible personal property (e.g. equipment, furniture, cars, supplies, etc.) and to certain utility services, including telecommunications services. The Massachusetts sales tax on meals is covered by a separate policy.

General Rule:

As a general rule, the college is exempt from the Massachusetts sales tax on property and services purchased directly by the college and consumed in connection with college business. The authority for this exemption is contained in M.G.L., Chapter 64H, Section, 6(d), which provides an exemption for sales to agencies of the Commonwealth.

The college must provide the vendor with a Certificate of Exemption (Form ST-2), and a properly completed Exempt Purchase Certificate (Form ST-5).

Sales Tax and Other States:

Jurisdictions outside of Massachusetts (including states, cities, and counties) generally cannot impose their sales tax on the college for Sales shipped to and consumed within Massachusetts because the college does not have sufficient presence in other states to be subject to their tax law.

Personal Use:

Use of the college's tax exemption number for personal purchases is strictly prohibited.

GLOSSARY OF TERMS

Budget Administrator: The individual who has fiscal responsibility for the org assigned to the cardholder's *P-Card*.

Default Account:

The backup account assigned to each *P-Card* by the Budget Administrator's Reporting Authority, which will be charged for all transactions made against the *P-Card* until reallocation has been completed.

Dovetailing: The act of making a series of purchases to the same vendor in the same day, the sum total of which exceeds \$999.00, (or the approved amount) to circumvent the approved per transaction limit. This is contrary to established *P-Card* policy and is an audit issue.

Findings: Instances of non-compliance to *P-Card* policy that are documented by an audit against a cardholder's records.

MCC code (Merchant Category Code):

A code that is assigned to each vendor by the vendor's bank that identifies the general type of product/service that the vendor sells.

Non-State Appropriated Accounts:

Budget accounts not associated with state funding.

Post Audit: The periodic review of the cardholder records to further determine the appropriate use of the card and maintenance of records.

NECC P-Card Application/Change Form:

The form that is completed by the cardholder, the *P-Card* Administrator, and the Reporting Authority to apply for a *P-Card* or to modify an existing application form.

P-Card Cardholder Agreement Form:

The form that is completed by the cardholder after the *P-Card* training has been completed.

P-Card Administrator:

The individual in the Procurement Department who is responsible for overseeing the *P-Card* Program, and to whom *P-Card* problems and questions should be directed.

P-Card Reallocation:

Transactions charged to the appropriate org/index code.

P-Card Records Manager:

The individual who is responsible for maintaining departmental cardholder records (monthly statements and purchase documentation).

Procurement: The purchasing, leasing, renting, or selling of materials, services, equipment, or construction (as for a government agency).

Reporting Authority:

Usually the individual to whom the *P-Card* Administrator reports or designee. The Reporting Supervisor/Designee is also the individual with signatory authority for the cardholder.

Transaction: Each time the cardholder uses the *P-Card* that counts as a transaction.

Reallocation Definition: Moving the individual transaction to the appropriate org and index.

P-CARD NOTES: