

# Small Purchase Charge Card (SPCC) and Gold Card

Required Cardholder and Approver Training

*Updated April 2020*



UNIVERSITY OF  
MARY WASHINGTON

Procurement Services

## Introduction & Purpose

- ▶ The University of Mary Washington participates in the state's Small Purchase Charge Card (SPCC) Program. This program allows for the University to have corporate charge cards, currently issued by Bank of America, which streamline the procedures for procuring and paying for small dollar goods and services and reduces the volume of accounts payable transactions.
- ▶ All SPCC and GOLD Cardholders and their Approvers are required to participate annually in a course with a pass/fail quiz for this program. Prior to May 31 of each year, DOA requires each agency to certify that all its Cardholders and Approvers have completed the mandatory annual education.
- ▶ This educational opportunity is meant to prepare and protect you, the University, and the Commonwealth of Virginia from negligent or fraudulent use of the SPCC or GOLD Card.

# Overview

- ▶ UMW is a public sector nonprofit institution assisted by the State. Therefore, we receive a more critical review on our purchases.



- ▶ We must ensure that all business expenditures are necessary and are incurred at a reasonable cost because we are stewards of the taxpayer's money.
  - ▶ **Business Expenditure** = an expenditure that is directly related to the operation of a functional area in the fulfillment of its stated mission or objective as part of the University.

# Contact Information

## UMW Program Administrators Procurement Services

▶ **Michelle Pickham**

SPCC Program Administrator

[mmiller8@umw.edu](mailto:mmiller8@umw.edu)

(540) 654-2260

▶ **Lindsay Fare**

Backup SPCC Program Administrator

[lfare@umw.edu](mailto:lfare@umw.edu)

(540) 654-1057

## Bank of America Card Provider

▶ **Customer Service**

(888) 449-2273

▶ **Online Reconciliation “Works”**

<https://payment2.works.com/works>

# SPCC vs. GOLD Card

	SPCC	GOLD Card
Maximum State-Mandated Limits	Single Transaction: \$10,000 Cycle Limit: \$100,000	Single Transaction: \$50,000 Cycle Limit: \$250,000
Purpose	To streamline the process for small dollar goods/services	To optimize the Commonwealth's participation in electronic commerce - accomplished by allowing higher limits
Who is eligible?	Employees approved by Procurement Services and their supervisor	Full-time classified employees that the agency head deems to be familiar with procurement regulations

- ▶ All cards expire 3 years from issue date
- ▶ Having a SPCC or GOLD Card does not appear on personal credit reports

# Chip & PIN Cards

- ▶ All SPCCs and GOLD Cards now include Chip and PIN technology. These cards are issued with a microchip that provides enhanced fraud protection and increased global acceptance. Cards still have magnetic strips for merchants not yet chip-enabled.
- ▶ When you get your SPCC, you need to create a personalized, unique 4-digit PIN for your card.
- ▶ Your 4-digit PIN may be necessary to complete a transaction at chip-enabled merchants. Access your PIN by visiting the secure Online PIN Check website at [baml.com/PINCheck](http://baml.com/PINCheck).



## Important PIN Information

- ▶ One-time registration is required.
- ▶ Memorize your PIN and keep it **confidential**.
- ▶ If an email or website asks for your PIN, **decline** and **report** to both your Program Administrator and Bank of America.
- ▶ **ONLY YOU** have access to your PIN - the Program Administrators do not know and cannot access your PIN number.

# Chip & PIN Cards

To use your Chip & PIN card at a merchant store, follow these steps:

- Step 1 - Insert card face up in a chip-enabled point-of-sale (POS) terminal. Leave the card in place during the transaction.
- Step 2 - Follow prompts to complete your purchase. In most cases, you'll be asked to enter your 4-digit PIN.
- Step 3 - Remove your card from the terminal once your transaction is complete.
- Step 4 - Hold onto your original purchase receipt for your payment card file.

# Third Party Payment Processors

Third-party payment processors (PayPal, Square, etc.) allow suppliers to accept card payments without needing their own merchant account by allowing the use of the processor's merchant account and terms of service. The cost of utilizing third-party processors is much lower than a typical merchant bank.



While DOA does not prohibit the use of third-party processors, they DO NOT allow cardholders to store their full 16-digit card number with these processors.

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Amazon Pay is an online payment service that allows the option of paying a supplier utilizing an existing Amazon account. Unlike the above-identified third-party processors, Amazon Pay does not identify the original supplier or provide a detailed description of the transaction in Works or on the card statement. Therefore, these purchases could be pulled for auditing by DOA more frequently to determine the appropriateness of the transaction.

Most suppliers and third-party processors accept VISA as a form of payment, so Cardholders should be paying for their goods or services using this VISA option. Amazon Pay and other payment options are strictly prohibited.



# Mobile Payment

With the number of mobile devices that store card information steadily growing, the Department of Accounts has established that Cardholders are NOT allowed to store their card number on any mobile device - personal or business - nor utilize any type of mobile payment or digital wallet service such as Apple Pay, Google Pay, Samsung Pay, Amazon Pay, etc.



# Cardholder Responsibilities

Cardholder responsibilities include, but are not limited to:

- ▶ Ensuring purchases comply with:
  - ▶ State Procurement Regulations
  - ▶ UMW Policies and Procedures
- ▶ Ensuring transactions are within your set limits
- ▶ Processing proper monthly online reconciliation of billing cycle transactions

# Obtaining Your SPCC

Prior to obtaining your SPCC, you must complete the prerequisite steps:

- ▶ Complete and return to the Program Administrator:
  - ▶ For SPCC (issued and managed by the University):
    - ▶ SPCC Request Form
    - ▶ Cardholder/Approver User Agreement Form
    - ▶ Delegated Purchasing Authority Form
    - ▶ Current employee EWP indicating purchasing need for position
  - ▶ For GOLD Cards (issued and managed by DOA):
    - ▶ GOLD Card Application
    - ▶ GOLD Card Employee Agreement
    - ▶ Current employee EWP indicating purchasing need for position
- ▶ Complete the required course and quiz with a passing score. Let the Program Admin know when this is complete. The same course applies to both SPCC and Gold Cards.

## Ordering & Activating Your SPCC

Once you have completed all forms and required coursework, the Program Administrator will order your SPCC. The PA will notify you when the SPCC arrives and is available for pickup with the following activation instructions:

- ▶ Activate your card by calling the number on the sticker attached to your SPCC.
  - ▶ Use activation code (sometimes referred to as the verification ID) 215 + your 6-digit birthdate (e.g. June 29, 1987; activation code: 215062987).
  - ▶ If asked, the phone number associated with the account is (540) 654-1127

# Securing Your SPCC

Keeping your card electronically and physically secure is important in mitigating risk of fraud, loss, or theft.



- ▶ Secure your card at all times.
  - ▶ Don't take your card home with you in your personal wallet.
  - ▶ Secure your card at your desk in a locked drawer.
- ▶ Do not let others use your card. Card sharing will result in revocation of your card.
- ▶ Do not share your PIN with anyone.
- ▶ Never write, fax, mail, print, or email your full card number, PIN, CVC Code, or expiration date. Never make a photocopy of your card.
- ▶ When purchasing via the internet, ensure you are using a Secured Socket Layer (SSL) Site. This is the standard security technology establishing an encrypted link between the web server and the browser.

# Using Your Card Securely

When is it OK for you to give your full card number?

Online/Web	Over the Phone	In-Person /OTC	Fax	Email	Mail
					

You should **NEVER** write down and Fax, Email, or Mail your full card number to **ANYONE**.

# Card Spending Limits

The Program Administrator will set the limits on the SPCC to the appropriate level based on your buying needs as indicated by historical departmental spend. The state-mandated maximums for spending limits on the SPCC is \$10,000 per transaction (i.e. single transaction limit "STL") and \$100,000 monthly credit limit (i.e. cycle limit "CL"). The University sets its own maximum *standard* cycle limit at \$25,000 unless there is a documented need otherwise.

Standard Spending Limits for the University include the following:

- ▶ \$500 STL / \$1,000 CL
- ▶ \$1,500 STL / \$5,000 CL
- ▶ \$3,000 STL / \$10,000 CL
- ▶ \$5,000 STL / \$25,000 CL
- ▶ \$10,000 STL / \$50,000 CL

# Card Limit Increases

If you need to make a purchase that is over your single transaction or monthly credit limits, you can request a limit increase by contacting your Program Administrator.

- ▶ Fill out the online form for [SPCC Profile Change Requests](#), or
- ▶ Email your Program Administrator stating the need for an increase, the amount you need increased to, and the time limit you need the increase for.

## Types of Limit Increases

- ▶ **Temporary Increase:** Increase needed for a short amount of time to accommodate one or more upcoming transactions. Temporary Increases can be granted for up to 2 weeks' time.
- ▶ **Permanent Increase:** There is a documented need to make frequent purchases above the Cardholder's current set limits.

**Gold Card:** Gold Cardholders must contact the Program Administrator with the business need for the increase, the amount of the increase needed, dates needing the increase, and their Supervisor's approval for this increase. The increase request is then sent by the Program Admin to DOA for approval and account management.

Make sure you know what your limits are. You can check what your limits are by looking on your Works account or contacting your Program Administrator.

# Order Splitting

**Order Splitting** is an attempt to purchase more than what your Single Transaction Limit (STL) allows at one time. Order Splitting is **PROHIBITED!** Examples of this violation include, but are not limited to:

- ▶ Breaking one order into smaller/multiple transactions
- ▶ Visiting multiple stores in one day to buy the same/similar goods
- ▶ Authorizing a vendor to break up your transaction into amounts within your STL

DO NOT authorize any charges over your card's limits. Purposefully exceeding your limits or breaking a transaction into multiple orders may result in suspension and/or revocation of your card.



*Scenario: Your single transaction limit is \$1,500. The items you need to purchase total \$2,000 at \$1,000 for each item. You break up the transaction into two parts. This is order splitting and is prohibited.*

# Sales and Use Tax

UMW is exempt from Virginia Sales Tax. It is the Cardholder's responsibility to be aware of a merchant's tax exempt policy/procedure prior to processing an order.

Provide the vendor with the tax exempt number and form. The University's [Tax Exempt Certificate](#) can be found on the UMW Finance Page.

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If VA sales tax is charged, you must make every effort to obtain a refund from the vendor. If you have any issues getting a refund, contact your Program Administrator. If you cannot get the tax refunded, you will be required to pay back the tax amount to the University Cashier's Office.

If tax is charged from an out-of-state vendor, UMW is allowed to pay.



# Card Restrictions

DOA automatically restricts certain categories of purchases from being used on the SPCC:

- ▶ Travel (airlines, railways, taxis, buses)
- ▶ Car Rental (*APGOLD Card allowed only*)
- ▶ Gas/Oil
- ▶ Restaurant/Food
- ▶ Accommodations (Hotels) (*APGOLD Card allowed only*)

Possible exceptions to the restrictions on the SPCC include:

- ▶ Travel
- ▶ Restaurant/Food

Temporary Lifts can be granted by the Program Administrator for up to 2 weeks.  
Permanent Lifts must be approved by DOA.

# Restricted Funding Sources/Disallowed Purchases

Check that your purchase is allowable by the University and the funding source you are using.

The SPCC may not be used for purchases using the following fund sources:

- ▶ 8XXX funds (except 89xx)
- ▶ 1117 funds (ETF)
- ▶ Local/Non-State Funds

*Fund Source information can be found on the [UMW Finance Website](#).*

Grant transactions must follow Procurement SPCC regulations, as well as any rules stated within the grant itself.

Know the difference:

- ▶ **Prohibited** - Card will not automatically restrict purchase, so responsibility is on the cardholder to know the policy.
- ▶ **Restricted** - Controls are in place to restrict the purchase automatically.

# Disallowed Purchases

## Restricted Purchases

(check guidelines)

- ▶ Travel (airlines, railways, taxis, buses)
- ▶ Car Rental (*APGOLD Card allowed only*)
- ▶ Gas/Oil
- ▶ Restaurant/Food
- ▶ Accommodations (Hotels) (*APGOLD Card allowed only*)



## AP Gold Card Only

- ▶ Car Rental
- ▶ Hotel Accommodations
- ▶ Gift Cards or other cash equivalents



## Never Allowed

- ▶ Flowers
- ▶ Fraud
- ▶ Charges associated w/ staff functions (cake, balloons, etc.)
- ▶ Alcohol
- ▶ Personal shopping
- ▶ Retail Club memberships (Amazon Prime, BJ's, Costco, Sam's Club, etc.)



## Frequent Flyer Miles and Hotel Rewards

- ▶ NOT allowed for personal use
- ▶ Refer to [CAPP Topic 20355](#)
- ▶ Travel credit, reduced rates, or free services received from public facilities (examples include but are not limited to: airline, car rental agencies, motels, hotels, etc.) for whatever reason, accrue to the Commonwealth.

# Card Suspension

The SPCC Program Administrator and Bank of America may suspend a card if:



There is evidence of non-compliance



Cardholder is on extended leave\* such as disability, medical, etc.



Cardholder is a 10 month employee\*. The card may be reinstated upon return.

\* Contact the Program Administrator if there are changes to employee's status with dates as applicable

# Vendor Selection

- ▶ UMW has a goal to spend at least 42% of its discretionary funds with DSBSD-certified Small (including Micro) and otherwise Diverse Businesses (Woman-, Minority-, Disabled Veteran-Owned, etc.). To support this goal, University Cardholders are responsible for selecting appropriate vendors for all small purchases, regardless of procurement method (i.e. eVA, over-the-counter, etc.)
- ▶ As of July 3, 2019, Executive Order 35 requires that the University award purchases up to \$10,000, unless on an existing contract or exempt per the University's Small Purchase Procedures, to a DSBSD-Certified Micro business if that Micro business meets your needs and is within 5% of the cost of another non-certified business. If a Micro business is not used and the purchase was not made on a contract and is not exempt from competition, the payment card file must document the reason why.
- ▶ Visit the [Certified Business Quote Requirements](#) page on the Procurement Website for more information.

# eVA Entry Requirements

Transactions must be placed into eVA before Contractors perform any work. Only transactions that are made over-the-counter or are exempt per the University's Small Purchase Procedures, do not require eVA entry.

- ▶ ALL non-exempt SPCC purchases must be entered into eVA as PCOs (Purchase Card Orders).
- ▶ It is the Cardholder's responsibility to ensure transactions are entered into eVA.



If a transaction is made outside of eVA and the good/service is NOT on the exemptions list, a confirming order in eVA must still be completed.

# Past Due Invoices

Prompt Pay - Invoices must be paid in 30 calendar days from the date UMW receives the goods/services or proper invoice, *whichever is later*, unless the contract dictates otherwise.



Cardholder's are not allowed to pay a late invoice without prior permission from DOA.

All late payments must be approved by DOA through a late pay request by the SPCC Program Administrator. In the event that a Cardholder is faced with a late payment situation, contact your SPCC Program Administrator by:

- ▶ Submitting the online Late Payment Request Form, or
- ▶ Sending an email with the invoice attached and an explanation of the situation

You may continue with your payment **ONLY** once the PA provides you with DOA's approval.

# Credit or Return

If you find an error in your transaction or need to make a return, contact the vendor immediately. The vendor must apply a credit back to your SPCC. You cannot accept “store credit.” Contact the Program Administrator for guidance if the vendor will not refund your SPCC or will only authorize a store credit.

It is the Cardholder’s responsibility to know the vendor’s return policy.

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If you and the vendor cannot resolve an issue regarding a credit or return, contact the **Bank of America** and file a dispute.

Be sure to document all communication with the vendor including:

- ▶ Name and title of the individual you spoke with
- ▶ The date and time of communications
- ▶ Notes on the discussion
- ▶ The vendor’s suggested course of action



# Canceling a Card

## Why would I need to cancel my card?

- ▶ Termination/Separation of Employment
- ▶ Change in job duties or moving to a department where the SPCC is not needed
- ▶ Card is not actively utilized
- ▶ As decided by the Program Administrator

## How do I cancel my card?

- ▶ Contact the Program Administrator for out-processing and account closeout steps

## What if my card is lost, stolen, or compromised?

- ▶ Immediately contact Bank of America and the Program Administrator

# Online Reconciliation Basics

The University uses the Bank of America Works Online Reconciliation Tool for all SPCC transactions.

Transactions must be FOAP-allocated and signed off on by both the Cardholder and Approver around the 22<sup>nd</sup> of each month for the previous month's billing cycle.

- ▶ Cardholder and Approver will receive system-generated notifications that transactions are posted for reconciliation in Works. This notification *may be delayed* and should not be relied on for deadlines.
- ▶ Cardholder and Approver are encouraged to perform regular weekly sign off to ensure all transactions are coded and reconciled in a timely manner.
- ▶ Enter prepay start and end dates for allowed prepayment expenditures.
- ▶ Use the comments section to note use of a contract, purchase order, required certified-business quotes, and any other supporting documentation needed for the transaction.



Cardholders and Approvers must log into the Bank of America Works application to electronically sign off on transactions.

# Online Reconciliation

Below is a basic overview of the reconciliation process:

- ▶ Keep all documentation for each transaction together for the payment card file. Documentation includes any required approvals, certified-business quotes, purchase orders, invoices, original receipts, and any other supporting documentation.
- ▶ Electronically FOAP-allocate and sign off on transactions (receipts and supporting documentation can be uploaded to Works attached to each transaction).
- ▶ Reconcile the Cardholder Billing Statement
  - ▶ Check that all transactions in the payment card file appear on the Billing Statement and match the pricing on the receipts.
- ▶ Submit your payment card file, with the Billing Statement included, to your Approver for review prior to their electronic sign-off to replenish Cardholder's funds.
- ▶ Keep the payment card file in a safe location (must be kept for a minimum of three (3) years). These records are subject to review by UMW officials and outside auditors.

# Approver Expectations

**As an Approver, you are expected to:**

- ▶ Complete the mandatory annual coursework along with your Cardholder(s)
- ▶ Sign-off on charges as needed and match receipts to the documentation
- ▶ Monitor your Cardholder's single transaction and cycle limits for appropriateness
- ▶ Report the following to the Program Administrator:
  - ▶ Non-Compliance
  - ▶ Potential fraud
  - ▶ The need for card suspensions/cancellations/destructions

# Approver Responsibilities

The **Approver** is equally responsible for ensuring compliance.

## What are you looking for?

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- ✓ All purchases are valid business expenses, and appropriate FOAP was used to allocate.
- ✓ Reconciliation is supported with sufficient documentation
- ✓ All orders are in compliance with Procurement and state regulations, policies, and procedures
- ✓ There are no split charges and limits aren't exceeded
- ✓ Merchandise purchased with the card has not been returned for store credit
- ✓ State sales tax was not charged. If so, the refund was processed and documented.

# Approving Transactions

After reviewing the Cardholder's documentation:

1. Log into Bank of America Works
2. Approve/ Sign-off on transactions to replenish spend

Make sure that amounts match between the Cardholder Billing Statement and the supporting documentation



Ensure that all transactions listed on the Cardholder's Billing Statement are accounted for in the supporting documentation and validate that the receipts are original



Question any receipt that doesn't appear to be original or any other supporting documentation that may not seem right or appropriate



Ensure all transactions are compliant with state and UMW Procurement regulations, policies, and procedures.

# Beat the Sweep!

The “sweep” is when UMW’s accountant prepares all billing cycle transactions to be processed against their proper FOAPs.

If the transactions aren’t properly FOAP-allocated by the 22<sup>nd</sup>\* of each month, payments cannot be posted accurately to budgets, creating inaccurate reporting of spend. The UMW accountant must manually allocate these transactions to a default FOAP in order to prepare the payment to Bank of America. Sweeping the transactions creates unnecessary manual work for the UMW accountant.

Cardholders and Approvers are considered non-compliant if transactions are swept. If Cardholders and Approvers are swept too many times, cards may be suspended or revoked.



\* The Sign-Off Deadline is on or around the 22<sup>nd</sup> of each month. Visit the Procurement Services web page for a list of [Billing Cycle and sign off deadline dates](#).

# Beat the Sweep!

Tips to avoid being swept for Cardholders and Approvers:

- ▶ Sign off on transactions regularly
- ▶ DO NOT WAIT for Works to send you an email alerting you that transactions are waiting for sign off as the email from the system is most often delayed. Instead, regularly check your Works account for posted transactions that require allocation and sign off.
- ▶ Notify the Program Administrator of:
  - Upcoming absences due to vacations, sabbaticals, extended or temporary leave, changes in chair appointments, etc. that may coincide with sign off deadlines
  - Problems with FOAP allocation or GL segment validation
- ▶ **Cardholders:**
  - Don't wait until the last minute to allocate/sign off since your approvers need to review your transactions and sign off too
  - Communicate with your Approver if there may be an issue with signing off prior to the deadline, or if you have any last minute pending transactions.
- ▶ **Approvers:**
  - Develop a process of communication for yourself and your cardholder(s) to ensure that transactions are reviewed and signed off in a timely manner
  - Before COB on the sign off deadline date, double check Works one more time for any transactions in your queue awaiting final sign off. Make sure your filters show the previous billing cycle for all groups you are approver on and show the correct dates.

# Disputing a Transaction

Situation	Actions Required
<ul style="list-style-type: none"><li>Cardholder has <u>disputed</u> a charge that is still being investigated and in the process of being resolved</li></ul>	FOAP Allocation: <b>REQUIRED</b> Sign Off: <b><u>NOT REQUIRED</u></b>  Let your Program Administrator know you are disputing a charge
<ul style="list-style-type: none"><li>Cardholder made an authorized transaction but a <u>return/credit</u> has been requested</li></ul>	FOAP Allocation: <b>REQUIRED</b> Sign Off: <b>REQUIRED</b>

All transactions should be signed off within 30 days.

A transaction can be disputed within 60 days of the billing cycle close date.

# Disputing a Transaction

Pricing discrepancies between documentation and Billing Statements must be documented and resolved.

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**Dispute unauthorized charges or charges forced by the vendor that you did not approve.**

If you are unable to resolve a dispute with the vendor, contact Bank of America. Provided the notification is made within 60 days of the charge, Bank of America will investigate and assist in resolving the dispute on the Cardholder's behalf.

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If charges appear to be fraudulent, contact Bank of America and the Program Administrator *immediately*.

Sales Tax cannot be disputed.



# Most Common Mistakes

SPCC Information is emailed/faxed/written down

Card is shared with others for purchasing

(Un)intentional order splitting

VA sales tax paid and not credited back

Missing original receipts or other required documentation

Required eVA entry not completed or entered incorrectly

Transactions are swept due to miscommunication between Cardholder & Approver

Missing required Certified-Business quote or justification on a purchase which requires one

Approval missing for transactions that require special permissions (e.g. Travel pre-approval, DOA past-due invoice, etc.)

# Name and Location Changes

Whenever a name is changed legally due to marriage, divorce, etc., you must provide legal proof to Human Resources before the Program Administrator can authorize the change on your SPCC.



Record Retention - if a Cardholder moved to a different location on campus, they must take their SPCC records with them. If a Cardholder leaves the University, those records must be left with their last supervisor. SPCC records must be retained for three years.

# Congratulations!



You have completed the review portion of the online SPCC Course.

Please complete the [Small Purchase Charge Card \(SPCC\) and Gold Card Quiz](#) next. You must complete with a passing score for this requirement to be marked as completed.

Contact the SPCC Program Administrator or Procurement Services if you are having trouble accessing the quiz.