

Policies and Procedures

Chapter S7 - General Finance Provision

S7.2 Purchasing Cards and Standard Fleet Fuel Cards

Responsible Administrator
Vice President of Administration

SCTCC follows Minnesota State policy 7.3 Financial Administration; Procedure 7.3.3 Purchasing Cards; Part 7 – Responsibility and Accountability; Subpart A – Cardholders and Fleet Card Users
<https://www.minnstate.edu/board/procedure/703p3.html>

I. Purpose

The purpose of this policy is to ensure that state employees and other users authorized by the agency to conduct state business (hereinafter together referred to as authorized users) use the Purchase and/or Fleet Card appropriately.

Purchasing cards provide the college with a cost effective, convenient and streamline method of purchasing items, thereby reducing the volume of individual vendor payments processed by the college. Reports on the cardholder activity enable the college to capture information necessary to better manage agency purchasing activities.

II. Definitions

- A. Purchasing Card.** Purchasing card means either an individual card or fleet card, as defined below.
- 1. Individual Card.** An individual purchasing card is a card in the name of the college and in the name of a state employee for which the agency is liable to the card issuer for all charges made in connection with the purchasing card issued to the named individual.
 - 2. Fleet Card.** Fleet card means a purchasing card in the name of the college assigned to a specific state-owned or leased vehicle in which the agency is liable to the card issuer for all charges made in connection with the purchasing card. A fleet card may be used for appropriate purchases by any individual authorized to use the vehicle to which the card is assigned. Vendor-specific gasoline cards are prohibited. Use of a fleet card program that manages all tax exemptions is encouraged.
- B. Cardholder.** Cardholder means a state employee who is issued an individual card and agrees to abide by this procedure and any additional procedures established by the college. Contractors, contract employees, and student workers are ineligible to be cardholders but may be authorized to use fleet cards.

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- C. Card administrator or coordinator. The individual within the college who coordinates the Purchasing Card program for the agency and acts as the agency's intermediary in correspondence with the card issuer.
- D. Third party finance servicer transactions. A third party finance servicer transaction, for purpose of this procedure is defined as one that used an intermediary financial servicer such as PayPal, eBay or Amazon Marketplace.

III. Procedures for an Individual Card

Procedure. The agency may establish an individual card in the name of the college with a financial institution provider (card issuer) for official college business only per Minnesota State Colleges and Universities System Procedures 7.3.3. No retail store, or vendor-specific cards are permitted. The college must receive monthly statements from the financial institution provider. The agency establishes the following procedures and forms for implementing and monitoring the individual card program that includes, but is not limited to, the following:

1. A dollar limitation on the individual card.
2. A dollar limitation of purchasing authority per assigned cardholder per transaction made with the individual card.
3. A dollar limitation of purchasing authority per assigned cardholder for the total of all charges made during each monthly billing cycle.
4. Merchant category blocking.

A. Encumbrance.

Funds for the individual card program must be encumbered. The funds must be encumbered prior to incurring the obligation and can be done per purchase for the individual card program.

- #### B. Delegation of authority.
- Each cardholder must be specifically delegated the authority to obligate St. Cloud Technical & Community College (SCTCC) to a specified dollar limit of the purchasing card. This delegation must be in writing and must require ongoing compliance with applicable statutes, rules, and board policies. See System Procedure 1A.2.2, Delegation of Authority.

IV. Procedures for a Fleet Card

A. Fleet Cards Assigned to Vehicles

A Fleet Card will be issued to each on-highway vehicle in the agency fleet.

The Fleet Cards are to be used for retail purchases of fuel used in state vehicles.

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Each authorized user will be assigned a PIN number, which must be used to authorize purchases with the Fleet Card. Each PIN number is unique and needs to be kept confidential.

B. Fleet Cards Assigned to Locations

Fleet Cards may be issued to locations. "Location-assigned" cards may be used for fuel for miscellaneous equipment such as movers, chainsaws, tractors and other off-highway work equipment. "Location-assigned" cards may also be used for fuel for on-highway usage such as short-term rental vehicles.

Each person authorized to purchase fuel will be assigned a PIN number, which must be used to authorize purchases on the Fleet Card. Each PIN number is unique and must be kept confidential.

VI. Authorized Card Use.

A. Individual Card

Individual cards may be used to purchase eligible merchandise or services required in association with the duties or responsibilities of the cardholder. Unauthorized and inappropriate use is addressed in section VII.

A purchase made with an individual card may be made in-store, by U.S mail or by electronic means such as telephone, fax or internet. A purchase order is required to be completed **prior** to any purchase with the individual card.

A limited number of designated individual card holders may be authorized to purchase electronic equipment (computers, projectors, etc.) with the individual card. The required purchase order will be used to add the equipment to the inventory module.

B. Fleet Card

A fleet card may be used only to pay vehicle expense related to the specific state-owned or leased vehicle to which it is assigned. All merchant types other than service stations must be blocked from card usage. No personal use is permitted.

A driver authorized to use a fleet card is personally liable for any unauthorized use of the fleet card made during the time the driver is authorized to use the vehicle.

Acceptable purchases using a fuel card are **FUEL ONLY**. Fleet Cards have four types of controls:

- transaction dollar limit,
- driver id number,

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- attempts at the pump, and
- daily number of transactions limit.
See **section IX. Card Spending Limits.**

Fuel Purchases

- Fuel purchases are restricted to self-service fuel of the type and grade specified by the vehicle manufacturer.
- E85 (85% ethanol, 15% gasoline) for flex-fuel vehicles when available.
- Blended-for-the-season diesel fuel in diesel powered vehicles.

VII. Unauthorized and/or Inappropriate Card Use.

Individual cards must not be used to purchase items for personal use or for non-college purposes, even if the cardholder or fleet card user intends to reimburse the college.

An individual cardholder or fleet card user who makes an unauthorized purchase with the card or uses the card in an inappropriate manner may be subject to disciplinary action, up to and including termination, as well as, revocation of the individual card, criminal prosecution, and restitution of the unauthorized use.

A. Individual Card Prohibited Use

Cards must not be used for purchases in the following categories:

1. Food and beverages for an individual employee;
2. Alcoholic beverages except for academic course work;
3. Cash or cash advances;
4. Items for personal use;
5. Employee relocation expenses;
6. Expenses required to be reimbursed under System procedure 5.19.3, Travel Management (including gasoline for personal vehicles);
7. Sensitive items as defined in System Procedure 7.3.6, Capital Assets (including weapons of any kind) except as provided in Section VI, Authorized Card Use above, or
8. Items for non-college purposes.

B. Fleet Card Prohibited Use

The Fleet Card shall not be used for any non-state business purpose.

1. Examples of prohibited purchases include:
 - Food or other personal items.
 - Pre-paid services such as coupon books for car washes or other vehicle services.
 - Bulk fuel of any kind.
 - Aviation fuel.

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2. Examples of prohibited practices include:
 - Splitting a purchase into more than one transaction to avoid exceeding an established purchasing limit. However, fuel may be purchased for other than the vehicle to which the card is assigned (e.g., small engines, snowmobiles, all-terrain vehicles, lawnmowers) as long as the purchaser makes a separate transaction or it is clearly marked on the receipt with the fuel's intended use.
 - Using the Fleet Card to circumvent the use of state contracts, purchasing laws, rules, policies or procedures.

C. Card Use Allowed Only when Specifically Authorized

Specifically authorized and designated cardholders may execute purchases listed in this subpart that comply with applicable system and agency procedures, and any applicable grant agreement. Where required by applicable system or agency policies and procedures, prior approval must be granted before executing the purchase.

1. Travel-related expenses (by cardholder). An authorized card may be used for all travel-related expenses of the cardholder except for food and beverages. Examples of allowable expenses include: airfare, room and related taxes, vehicle rental, gasoline for a rented vehicle and parking while in travel status.
2. Travel-related expenses (for persons other than cardholder). Authorized cards may allow for a cardholder to make arrangements for transportation for another individual or group of individuals.
3. Food and nonalcoholic beverages for members of athletic teams.
4. Food and nonalcoholic beverages for student activities, including travel, in compliance with system and agency procedures.
5. Food and nonalcoholic beverages for business meetings. Parameters for food and beverages at business meetings are set out in System Procedures 5.20.1, Part 2, Subd. C, paragraphs (1), (2), (4), (5), (6), (7), Special Expenses.
6. Food and nonalcoholic beverages that will be paid for with grant funds if allowed by a grant agreement.
7. Conference and seminar registration.

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8. Entertainment and recreation. Use of purchasing cards for entertainment and recreation is prohibited except that authorized cards may allow for entertainment and recreation purchases for:
 - a. student activities that will be paid for with student activity funds;
 - b. activities that will be paid for with grant funds as authorized by the grant agreement; or
 - c. academic activities that will be paid for with course fees.

9. Third Party financial servicer transactions. The use of a third-party financial servicer is discouraged and should only be used in cases where it is the only means to make a valid authorized state business purchase. These purchasing card transactions:
 - a. must be for the exact amount of the purchase price from the vendor.
 - b. must be for a single purchase and only at the time you make the purchase.
 - c. must be documented by a receipt from both the financial servicer and from the merchant providing the product. Both receipts must be kept together and with the purchasing card log.

D. Consequences of Improper Use of Fleet Card

Contrary Use. If a card is used in violation of this policy, the authorized card user shall report the matter to the agency Fleet Card program administrator no later than the next business day at 320-308-5479. In the case of prohibited purchase or use, the card user shall immediately reimburse the agency for the prohibited purchase. There may be situations where such reimbursement may not be warranted, in which case the agency will assess and resolve the matter on a case-by-case basis.

Fraud. Pursuant to Minn. Stat. §609.456 subd. 2, all suspected fraud with the state's fleet card must be reported via a memo to the Office of the Legislative Auditor (OLA). This requirement includes those instances when the state-owned fleet card account number has been compromised and unauthorized use of the account is discovered either by the servicing contract vendor or a state employee.

In the event the vehicle breaks down, call the St. Cloud Technical & Community College maintenance office (320-308-3382) during business hours. For nights and weekends, call the Maintenance Supervisor at (320-249-0276). They will give you instruction on what to do with the vehicle.

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VIII. Encumbrance of Funds for Fleet Card

Follow normal encumbrance procedures. The vendor number that is to be used is 0000226185-005.

IX. Fleet Card Spending Limits

Cards are limited to a reasonable number of transactions daily with a preset dollar limit per transaction. These limits are set based on typical needs for normal vehicle operation. Limits will be reviewed on a regular basis and adjusted accordingly if needs and economic conditions dictate. The limits for St. Cloud Technical & Community College vary based on need.

If your transaction is declined for any reason, please call 320-308-5479 immediately for assistance. If there is no answer, call 320-308-6158.

X. Late Fees and Finance Charges

Late fees which occur because the cardholder did not submit a monthly statement and required documentation to the Business Office in a timely manner are the responsibility of the cardholder. The cardholder must reimburse the college within one billing cycle from the date of the late fee or finance charge. Reimbursement may be made by cash or personal check to the Business Office. If payment is not received within one billing cycle, the card will be inactivated until the fees and finance charges have been repaid in full.

XI. Returns and Exchanges

If any item purchased with a purchasing card is unacceptable or not allowable, arrangements must be made for a return for credit or an exchange whenever feasible. A cash refund or check is prohibited unless the vendor insists that a refund must be by cash or check. In such cases, the funds must be deposited immediately with the college. If a refund is issued in the form of a check, the check must be payable to St. Cloud Technical & Community College.

XII. Responsibility and Accountability

A. Cardholders and Fleet Card Users

Each individual cardholder or fleet card user has the following responsibilities:

1. Safeguard the purchasing card and card account number at all times; lost or stolen purchasing cards must be reported immediately in accordance with college or system procedure.
2. Keep purchasing cards in a secure location at all times.
3. Do not allow anyone else to use the purchasing card or card account number.
4. Obtain and retain itemized receipts in an acceptable form for goods and services purchased. The original receipts should be readily available during the payment process to assist in verifying correct payment. Examples of acceptable forms include: itemized receipts/order confirmations delivered to the employee

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electronically, copies, faxes, or original paper receipts. Copies of purchasing card bills are not acceptable forms of receipts. A card user may be allowed to file an "Affidavit in Lieu of Receipt" if the receipt is lost or not obtained. The "Affidavit in Lieu of Receipt" is available from the business office. The completed form must be notarized. Use of affidavits in lieu of a receipt is discouraged.

All credits, including returns, must be documented with itemized receipts referencing the original purchase and purchase date. For internet purchases, the print out of the order confirmation showing the details, the email confirmation or the shipping document showing what was purchased, the quantity and the price paid shall suffice as an acceptable form of an itemized receipt.

5. Review individual card transactions to ensure accuracy, authenticity and compliance with system and college policies and procedures. Reviews must occur within five (5) days of issuance of the monthly cardholder statement. Proper documentation must be attached to the monthly statement or transaction. The authorized user must sign or electronically approve that the goods or service have been received.

Submit the individual card statement and documentation to the employee's supervisor or authorized reviewer for approval. For fleet cards, each billing cycle all receipts must be sent to the business office along with an approved copy of the invoice to expedite payment.

6. Surrender the individual card and corresponding support documentation to the Card Administrator or Coordinator prior to separation from the college or as otherwise requested. For fleet cards, ensure the card is returned or stored in accordance with policy.
7. Take any other steps necessary to ensure that the purchasing card is used only for authorized purposes.

B. Fleet Card Reconciliation Process

The agency will reconcile Fleet Card invoices with purchase receipts. This reconciliation may be conducted on a spot basis, with all or an appropriate sample percentage of transactions reconciled each month, based on the volume of transactions. If a sampling is used, the appropriate sample percentage will be determined by the agency in accordance with agency audit requirements.

In addition to sample reconciliation, exception reporting will be done. Exception reconciliation will take place for purchases that fall outside of normal purchasing. Some examples of exception reporting include:

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- Incorrect fuel type.
- Purchases exceeding the tank capacity.
- Incorrect odometer tracking.
- Purchases outside of the normal range of travel.
- Purchases of food and related items.
- Purchases of personal items.

C. Supervisors or Authorized Reviewers

A supervisor or authorized reviewer of a cardholder is responsible for reviewing cardholder expenses and ensuring compliance with this procedure. Duties include:

1. Approving employees for participation in the purchasing card program.
2. Reviewing purchases to ensure they meet objectives, are within restrictions placed on the card and are deemed necessary.
3. Reviewing purchases to ensure card has not been used for unauthorized or inappropriate purchases.
4. Identify and track cash equivalents purchased with purchasing cards. Cash equivalents include but are not limited to gift cards, bus passes and parking vouchers.
5. Responding to misuse of the card by the cardholder.
6. Ensuring closure of purchasing card at the time of the employee's separation from employment or removal of purchasing card authority.
7. In a timely manner, submit the individual card statement and documentation with evidence of review to the business office for payment processing. For fleet cards, complete the necessary purchase documentation log or submit receipts in accordance with section XII.A, 4-5.

D. Business Office

The business office is responsible for reviewing cardholder expenses and ensuring compliance with this procedure. Duties include:

1. Review submitted statements to ensure accuracy and appropriate approvals.
2. Identify additions to equipment that requires inventory controls.

E. Agency Fleet Card Program Administrator

Participating agencies must designate Fleet Card program administrators for each Fleet Card account. Agencies must report the names of their Fleet Card program administrators, along with contact information (address, phone, fax, e-mail) to the Fleet Card program manager at the Department of Administration's Fleet and Surplus Services office. The agency Fleet Card program administrator is responsible for overall administration of the program consistent with the statewide plan and the agency's approved plan. An agency may delegate the Fleet Card program administrator duties to

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multiple persons based on the agencies structure and business practices, but the delegation must be outlined and authorized in the agency's policy. St. Cloud Technical & Community College's Fleet Card program administrator can be reached at 320-308-5479.

Fleet Card Program Administrator duties: The duties of the Fleet Card program Administrator include:

1. Creating account(s) and account access so that card requests and changes may be managed and monitored.
2. Administering card policy and train card users so that cards are properly used.
3. Monitoring card usage, including reviewing and reconciling invoices per agency reconciliation practices so that Fleet Card bills are paid in a timely manner and the agency receives available rebate incentives.
4. Encumbering adequate funds for anticipated Fleet Card purchases to ensure that the agency's use of the Fleet Card complies with the MAPS Point of Entry (POE) document and the *Department of Finance and Department of Administration Operating Policy and Procedure 3016.00, Credit Agreements – Purchasing Card and Fleet Card*. **This will be done by the Administrative Assistant of each department.**
5. Ensuring the proper retention and storage of receipts and the ability to retrieve receipts for business needs, including audits.

F. Audit

Periodic reviews will be conducted for proper card use. Purchasing card records are subject to audit from time to time.

G. Records Retention

Purchasing card records must be maintained in accordance with record retention schedules and other applicable requirements. For fleet cards, the authorized storage location for receipts is attaching the receipt to the original Purchase Order that has paid the charges on the receipt. The fleet card program administrator is responsible for the proper retention of fleet card receipts, including producing these records for audits.

College President: *Jane Kloos*

Date: *7-8-2024*

Date of Adoption:

Date of Implementation:

Date repealed or replaced:

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S7.2.1 Standard Fleet Fuel Card Procedure

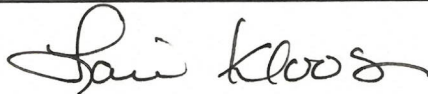
Reconciliation Process

Each month, a statistically appropriate sampling of agency fleet (or card) transactions will be selected randomly for reconciliation.

Transactions shall be reviewed and reconciled with paper receipts, to verify that all transactions are legitimate, appropriate, and should be paid by the agency. Agencies are required to document that reconciliation has occurred. This reconciliation shall be completed within a reasonable amount of time.

In the event that an issue or problem is discovered during the reconciliation process, agency Fleet Card program administrators will attempt to resolve the issue, working with others as necessary to help resolve the issue, including the vendor, human resources, the purchaser and the Department of Administration's Fleet and Surplus Services.

College President:



Date:

7-8-2024

Date of Adoption:

Date of Implementation:

Date repealed or replaced: