

NORTHERN
New Mexico College



Procurement & Payment Card (P-Card)

Policy 7725

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1.0 Purpose

This policy is to establish a formal and consistent process and internal controls for the use of a P-Card to simplify procurements and payments for the Northern New Mexico College (College).

2.0 Applicability

This policy is applicable to all College staff who request to utilize the P-Card for the procurement of goods and services and payment. For the purposes of this policy an allowed P-Card User includes only those staff and faculty permanently employed by College, and excludes students, temporary employees, volunteers and appointed non-salaried members.

- A. Misuse of the P-Card may result in revocation of use privileges, reimbursement to College for noneligible procurements/payments and/or disciplinary action up to and including termination of employment.
- B. No manager, supervisor or person employed in a higher administrative roll or rank than the P-Card User may direct the use of the card that is contrary to policies and procedures. Any employee asserting this authority may be subject to disciplinary action including but not limited to termination of employment.

3.0 Process

College staff shall follow the established procedures to ensure the proper accounting and safeguarding of financial resources.

- A. Procurements and payments made with the P-Card will be accounted for in a manner which is consistent with applicable laws, statutes and administrative codes.
- B. To safeguard P-Card procurements and payments the College has established a written process detailing the formal control structure that will be used to record allowable procurements and make payment to vendors efficiently and timely.

4.0 Definitions

- A. Accounting System: The Northern New Mexico College's Enterprise Resource Planning (ERP) system that consists of a number of integrated modules including general ledger and accounting related functions to record financial transactions and is maintained as the official book of record for accounting purposes.
- B. Chief Financial Officer (CFO): The position within the College who has authority for the daily financial activities of the institution, and who has the authority to establish, implement and direct fiscal activities and internal controls as needed.
- C. Chief Procurement Officer (CPO): The position within the Procurement Office assigned as the lead buyer/approver of all procurements and payments for the College. The CPO will make the final determination for the use of the P-Card for procurements and payments regardless of a business unit's request to make such purchases and payments via the P-Card. The CPO may assign procurement and payment authorization to staff reporting directly to that position.
- D. Expenses - Eligible: Goods and services eligible to be procured and/or paid with the P-Card are travel, supplies, non-capital equipment, services not requiring a contract and subscriptions

and dues. The P-Card may be used to make payments where the vendor accepts payments using this method even though there is an established purchase order for the product/service (i.e. utility payments, etc.). The CPO is responsible for determining procurements and payments eligible for use with the P-Card.

- E. Expenses - Ineligible: Intended purchases that are for non-College use and/or benefit, personal, cash advances, capital outlay unless approved by the Chief Financial Officer or designate, fuel for personal vehicles, compensation, personal entertainment and alcohol. The P-Card Administrator and/or CPO will publish a listing of all procurements ineligible to be made with the P-Card.
- F. Fiscal Agent: The contractor providing the procurement and payment bank card for the College. The services include are but not limited to documentation, reporting, interface files, Fiscal Agent's electronic, and web based monthly billing statements and transaction activity viewing, transaction processing and all directly related services expressly stated in the Fiscal Agent's proposal.
- G. Fly America Act: The Act mandates the use of U.S. flag carriers when traveling on funds provided by the federal government unless permitted exceptions exist. U.S. flag carriers are airlines owned by an American company. The choice to "Fly America" is made regardless of cost or convenience. Federally sponsored trips must utilize U.S. flag carriers at the lowest available rates; federal regulations prohibit the charging of business class or first-class air travel to federally sponsored projects.
- H. Merchant Category Code (MCC): A four-digit number assigned to a business by MasterCard or VISA when the business first starts accepting one of these cards as form of payment. The MCC is used to classify the business by the type of goods or services it provides.
- I. P-Card Accountant: The position within the College Business Office that is responsible for reviewing and reconciling P-Card transactions. This position may assist with training P-Card users.
- J. P-Card Administrator: The position(s) within the College that has been designated to oversee the P-Card program including but not limited to maintaining and/or assigning custody, user training and authorization, card spend limits, security and liaison with the Fiscal Agent. **The P-Card Administrator does not have P-Card use privileges.**
- K. P-Card User: A position within the College that has been assigned and is authorized to make procurements and payments using the P-Card. A P-Card User may be located within the College Business Office and/or within a department.
- L. Procurement Code: The New Mexico Procurement Code (Code), Sections 13-1-28 through 13-1-199 NMSA 1978, as amended.
- M. Vice-President for Finance & Administration: The position within the College who has signatory authority for any financial contracts. This position may assign or designate certain signatory authority for efficiency and operational purposes.

5.0 P-Card Program Management Structure & Responsibilities

- A. P-Card Administrator is responsible for:
 - i. Maintaining an inventory log of P-Cards/P-Card Users and other relevant data

- ii. Assigning custody and distribution of cards to P-Card Users
 - iii. Training staff on the use of the P-Card
 - iv. Assist the P-Card Accountant and/or CPO with reconciliations
 - v. Updating and maintaining listing of eligible and ineligible P-Card goods and services
 - vi. Liaison with the Fiscal Agent
 - vii. Set card limits
 - viii. Maintaining required bank balances
- B. P-Card Accountant is responsible for:
- i. Training staff on the use of the P-Card
 - ii. Determination of P-Card procurements accounting classification
 - iii. Determination of P-Card expense reports
 - iv. Complete monthly P-Card reconciliations
 - v. Prepare P-Card journal entries for entry into and/or approval within the Accounting System
 - vi. Assist the P-Card Administrator on updating and maintaining listing of eligible and ineligible P-Card goods and services
- C. P-Card User is responsible for:
- i. Maintaining custody and security of their issued P-Card
 - ii. Creating and submitting P-Card use transaction requests for approval by the CFO, CPO or designate that are within the NNMC existing procurement policies and procedures
 - iii. Securing approved procurements with the P-Card
 - iv. Securing approved payments with the P-Card
- D. Chief Procurement Officer is responsible for:
- i. Determination of P-Card procurements
 - ii. Determination of P-Card payments
 - iii. Compliance with the New Mexico Procurement Code, public laws, statutes and administrative codes that directly impact procurement and payments
 - iv. Works with the P-Card Administrator on updating and maintaining the listing of eligible and ineligible P-Card goods and services
- E. Chief Financial Officer is responsible for:
- i. Approval of P-Card Users and their duration for using the card
 - ii. Approval of monthly P-Card Reconciliations
 - iii. Review and administrative approval for P-Card journal entries for entry into the accounting system
 - iv. Determination of personnel action with regards to misuse of P-Card
 - v. Annual review and update, if needed, of the College P-Card Policy and Procedures

6.0 Procurement/Payment Determination Procedures

All procurements for tangible goods and services will be formally made using existing procurement methods following the College's Procurement Policy. Departments will submit to the Central Purchasing Office/Buyer a Purchase Request (PR) in accordance with established procedures and processes.

- A. The PR will contain all supporting documentation including the source of funding to be used in the procurement
- B. The PR must specify to utilize the P-Card as the preferred method for the procurement and payment
- C. The Chief Procurement Officer (CPO) or designee, will determine the final procurement and payment method, which may or may not be with the use of the P-Card
- D. The CPO will direct and authorize Accounts Payable or designee regarding payment utilizing the P-Card

References & Links

State of New Mexico Links

- 1) Per Diem and Mileage Act 10-8-1 – 10-8-8 NMSA 1978:
<https://nmonesource.com/nmos/nmsa/en/item/4364/index.do#!fragment/zoupio-Toc179193639/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYB2ATg54DMANgE8AIABpk2UoQgBFRIVwBPaAHJ1EiITC4Ei5Ws3bd+kAGU8pAEJqASgFEAMo4BqAQQByAYUcTSMAAJaFJ2MTEgA>
- 2) Travel and Per Diem; 2.42.2 NMAC:
<https://nmonesource.com/nmos/nmac/en/item/18059/index.do#!fragment/zoupio-Toc178589724/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYB2ADgFYeATi4AmACwBKADTJspQhACKiQrgCe0AOSapEQmFwJlqjdt37DIAMp5SAIQ0AIAKIAZZwDUAggDkAws5SpGAARtCk7BISQA>
- 3) Governmental Conduct Act 10-16-1 et seq., NMSA 1978:
<https://nmonesource.com/nmos/nmsa/en/item/4364/index.do#!fragment/zoupio-Toc179194286/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYB2ATg54AsAJgAcANgCUAGmTZShCAVEhXAE9oAck1SlhMLgTLVG7bv2GQAZTykAQhoBKAUQAyZgGoBBAHIBhZyISMAAJaFJ2CQkgA>
- 4) New Mexico Procurement Code, 13-1-28 through 13-1-199 NMSA 1978:
<https://nmonesource.com/nmos/nmsa/en/item/4378/index.do#!fragment/zoupio-Toc175762167/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYB2AVi4DYATB35cAIABpk2UoQgBFRIVwBPaAHJ1EiITC4Ei5Ws3bd+kAGU8pAEJqASgFEAMo4BqAQQByAYUcTSMAAJaFJ2MTEgA>
- 5) Public Records Act, 14-3-1 through 14-3-24 NMSA 1978:
<https://nmonesource.com/nmos/nmsa/en/item/4383/index.do#!fragment/zoupio-Toc179276016/BQCwhgziBcwMYgK4DsDWszlQewE4BUBTADwBdoAvbRABwEtsBaAfX2zgEYB2ATgCYuANgAMHQQEoANMmylCEAlqJCuAJ7QA5BskRCYXaiUr1WnXoMgAynIIAhdQCUAogBknANQC CAOQDCTyVlWACNoUnZxcSA>

Federal Procurement Links

- 6) Federal Uniform Guidance: <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200#200.317>
- 7) Fly America Act, Public Law 93-263, 49 USC 40118: <https://www.govinfo.gov/app/details/USCODE-2011-title49/USCODE-2011-title49-subtitleVII-partA-subparti-chap401-sec40118/context>