

PURCHASING CARD USER'S GUIDE

1. OVERVIEW OF THE PURCHASING CARD (P-Card) PROGRAM

1.1 Purpose

This program is designed to dramatically improve efficiency in purchasing low dollar goods and services for University use from suppliers that accept the MasterCard credit card. Some examples of target purchases intended for this program include:

| | |
|-----------------|--|
| Books/DVDs | Computer Software and Accessories |
| Planners | Maintenance and Repair Materials |
| Office Supplies | Seminar/Conference Registrations |
| Subscriptions | Reprints of Journal Articles (in the U.S.) |

The P-Card may not be used to make personal purchases.

1.2 Benefits

The use of this P-Card will:

- Allow employees to obtain goods and services much faster and easier
- Greatly reduce paperwork and processing time for your department, as well as for the Purchasing and Accounts Payable Departments
- Enable employees to be more efficient and to focus on the value-added aspects of their jobs
- Provide cost savings through consolidated payment (one payment to the issuing bank, versus multiple supplier payments)

Important benefits for suppliers:

- Receiving payment in as few as three business days
- Elimination of invoicing and collection activities

1.3 The Credit Card Company

Credit cards will be issued from the bank with whom the University has contracted. Management reports and other usage information will also be provided by the contracted bank.

Note: All payments are made to the issuing bank electronically through the University's Accounting Services Department. Your default account will be charged weekly from the downloaded information received from the bank.

2. WHERE TO GET HELP

In most situations, individual cardholders will deal with the Purchasing Card Coordinator or directly with the issuing bank.

2.1 Issuing Bank

To report a lost or stolen card or for assistance and information, call:

Customer Service: 1-800-316-6056

Fax: 1-847-622-2495

Note: The cardholder must call the issuing bank immediately upon discovering that the card has been lost or stolen. Help is available 24 hours a day. Also, call the Purchasing Card Coordinator as early as possible on the first available business day during normal business hours at ext. 7113.

3. CARDHOLDER POLICIES AND PROCEDURES

3.1 Keeping Your Card Secure

Always keep your P-Card (credit card) in a secure place. Just as you would your personal credit card.

3.2 Sales Tax Exemption

It is the responsibility of the cardholder to ensure that no sales tax is charged when making a purchase with the P-Card. If you are charged tax in error, you must request a credit from the vendor as soon as possible after discovering the error. If the vendor cannot, or will not, remove the tax, note it on the receipt and monthly purchasing card statement.

The second embossed line on your P-Card reads “SALES TAX EXEMPT 12179945-002-STC.” The University is usually exempt from ALL sales tax, even when purchasing items from out-of-state suppliers, because the application of sales tax is determined by the location of the buyer, not the seller. A copy of the “**Utah State Tax Commission Exemption Certificate**” is attached, should the supplier require a copy for their files.

3.3 Limitations on Cards

ALL PURCHASES MUST BE FOR OFFICIAL UNIVERSITY BUSINESS PURPOSES ONLY

Your P-Card cannot be used to purchase items that exceed your single transaction limit or items on the “Restricted Items” list.

3.4 Purchasing Card Limits

| | |
|---------------------------------|--|
| Single Transaction Limit | <u>Up to \$1500</u> (including shipping, handling, etc.) |
| Single Travel Transaction Limit | <u>\$7000</u> |
| Monthly Total Limit | <u>\$7000</u> |

3.5 Restricted Item List

P-Cards are not to be used to purchase the following restricted items:

- Advertisements for personnel recruiting (staff or academic)
- Alcoholic beverages
- ATM withdrawals (**only available for pre-authorized foreign and/or group travel**)
- Construction/remodeling (contracted)
- Controlled substances (prescription drugs, narcotics, etc.)
- Donations
- Equipment items exceeding \$1500
- Ethyl alcohol
- Fines, late fees or penalties
- Firearms
- Furniture (i.e., bookcases, chairs, desks, file cabinets, modular furniture, tables, etc.)
- Gasoline (for personal vehicle)
- Interest/finance charges
- Lobbying costs
- Lodging or housing (unless authorized for travel)
- Maintenance agreements exceeding \$1500 per year
- Professional services (i.e., speakers, consultants, honorariums, independent contractors, performers, etc.)
- Radioactive isotopes
- Split transactions (vendor makes two charges to keep under a limit)
- Student tuition, scholarships or stipends
- Telephone equipment or installation on campus (regular or cellular)
- Travel (unless authorized for travel)
- Tuition for employees
- Computers (i.e., desktops, laptops, netbooks, etc.)

Note: Unless authorized for travel, there is a Merchant Category Code [MCC] restriction on all University P-Cards that specifically restricts the purchase of automobile rentals, airline tickets, cash advances and hotels/motels.

P-Cards may be used to purchase the following items provided the purchases comply with policy restrictions (See PPM 5-25j).

Awards
Gifts

Flowers
Food and Business Meals

Note: Food purchases (restaurant or grocery) made in accordance with the above referenced policy must “be documented by a receipt, list of participants, meeting purpose, and are subject to supervisory approval.” This information may be documented on the receipt or on the optional “**Purchasing Card Hosting Documentation Form**” (attached).

3.6 Automatic Renewal

A new P-Card will be issued prior to your card’s expiration date. The new card will be issued by the Purchasing Card Coordinator. If you do not receive a card before your current one expires, please contact the Purchasing Card Coordinator at ext. 7113.

3.7 Changing Card Limits & Updating Cardholder Information

The monthly limit on your card may be changed by your immediate supervisor submitting a written request to the Purchasing Card Coordinator. The request must be reviewed and approved by the Director of Purchasing. The default account may be changed by the Responsible Person (RP) submitting a request. Other changes to cardholder information, such as a name, campus address, phone extension, etc., may be requested by the cardholder.

3.8 Termination of Employment

Your card remains the property of the issuing bank and must be surrendered to the Purchasing Office or your supervisor along with required paperwork (statements w/supporting documentation) prior to termination.

Note: The cardholder or reconciler should contact the Purchasing Card Coordinator, or his/her assistant, five days prior to termination to schedule an appointment to complete the sign-out process.

3.9 Change of Reconciler

If for any reason it becomes necessary to change your reconciler, the supervisor should notify the Purchasing Card Coordinator immediately with the name of the replacement.

4. HOW TO USE THE PURCHASING CARD

The cardholder is the authorized person to make purchases with the card. **Giving your card or card number to another person to make a purchase, or using someone else's card, may result in disciplinary action (including, but not limited to, revocation of your card and/or termination of employment).**

4.1 Purchases in Person

- A. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.
- B. Determine whether the P-Card is the most appropriate tool to use for the purchase (check the list on page 3 to make sure it's not a restricted item and determine whether a state contract is available).

Note: Remember that the P-Card is not intended to be the best available tool for absolutely everything your department purchases.

- C. Be certain that the total amount (including all shipping, handling, postage, freight, etc.) will not exceed your card's single purchase limit.
- D. Determine that the price quoted is the best you can obtain, including discounts.
- E. Ensure that no sales tax is charged.
- F. Obtain an **itemized** receipt at the time of purchase. Sign the receipt and place it in a secure location. Receipts need to be verified and attached to the monthly statement.
- G. The purchase **must** be recorded with complete description on the "**Purchasing Card Transaction/Reallocation Log**" form (attached).
- H. To Have Items Shipped:
If you are not picking up the goods, remember to give the supplier your name, phone number, and complete delivery instructions per the following example:

_____ (your name)
MasterCard Purchase
_____ (your M/C) University Circle
Ogden UT 84408- _____ (your M/C)

If this is not done correctly, the shipment may be opened for inspection at Receiving or returned to the supplier as undeliverable.

I. When receiving the goods, always retain all boxes, containers, special packaging, packing slips, etc., until you are certain you are going to keep the goods. It is the cardholder's responsibility to inspect the goods upon arrival.

4.2 Purchases by Phone, Fax or Mail

Follow the applicable instructions for making purchases in person, including shipping/delivery instructions.

Phone: Use the **“Purchasing Card Telephone Order”** form, (attached) to make purchases by telephone (this form is necessary in case an itemized receipt is not received). If the supplier requires a PO number in addition to your credit card number, give them the number: “MST- _____” (the last four digits of your card number).

Fax: Retain a copy of the order form and fax confirmation (if available) for your records. You are urged not to mail the original to the company to prevent a duplicate order. If the company requires that the original be sent, be sure to clearly mark it “confirmation” and “order placed by fax.”

Mail: Retain a copy of the order form and the address to which it was mailed. Request that a receipt be sent to you for your records.

4.3 Returns, Damaged Goods, Credits

If goods purchased with a P-Card need to be returned, the cardholder should work directly with the supplier. Here are some pointers to make it easier:

- A. Always retain boxes, containers, special packaging, packing slips, etc., until you are certain you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- B. Read all enclosed instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
- C. Many suppliers require you to obtain a “Return Authorization” number before they will accept a return. If you neglect to get this number when it is required the package may be refused and/or no credit issued to your account.
- D. In some cases there may be a restocking fee (usually a percentage of the purchase price). If the supplier is completely responsible for the error or problem, you should not have to pay this, or any other fee. You may use the P-Card to pay this fee as long as it does not exceed any of your limits. However, in cases where the cardholder is responsible for an error, they may be required to personally pay for excess charges

caused by a duplicate order (including payment of the full order if it cannot be returned, or payment of a restocking fee).

- E. If you need help in packing goods for return, limited assistance may be available through the Shipping Department within Receiving at ext. 6296.
- F. Lastly, make sure that the charge for the returned item(s):
 - 1) never appears on your monthly statement, or
 - 2) is credited properly

If there is a discrepancy, refer to “Disputed Transactions” (section 6) for instructions on how to resolve the problem.

Note: All returned goods must show as credits on the p-card statements.
Cash refunds are not permitted.

4.4 Travel and Travel Related Purchases

- A. If authorized to use the P-Card for travel, follow all policies and procedures outlined in PPM 5-32.
- B. ATM usage is available for foreign travel for per diem expenses and/or group travel for per diem or meal expenses. This requires pre-authorization from your supervisor and the appropriate vice president.
- C. If authorized to use the P-Card to purchase airfare for spouse or significant other while on University business, **the cost of the airfare must be reimbursed to the Cashier’s Office within 10 days of the purchase.** Include the reimbursement receipt with all other trip receipts.

5. PURCHASING CARD STATEMENTS

Statements are available on a monthly basis via the web @ <https://www.paymentnet.jpmorgan.com>. The cardholder, reconciler and supervisor have access to view and/or print statements. **It is the cardholder’s responsibility to obtain a copy of their statement for each month, even if transactions have not been made.** This allows the cardholder to check for possible fraudulent activity on their p-card.

5.1 Verifying Statements

- A. At the beginning of the month, Cardholders are to print and verify their monthly statement against the receipts that have been collected for the previous month. There should be a backup document for each charge that appears on the statement. When this process has been completed, the cardholder should sign the statement and forward all the paperwork to their reconciler.
- B. Reconcilers should review the statement and verify that all supporting documentation is attached. Once the verification is completed, the reconciler must sign the statement

and forward to the Responsible Person (RP) for review and signature. In most cases, the RP is the immediate supervisor. **This reconciliation process must be completed within 30 days of the statement end date.** Statements are to be retained (**with all the backup documentation attached**) in your department and/or archives for four (4) fiscal years.

Note: The three signatures (cardholder, reconcile and supervisor) are required on all statements, unless the supervisor and reconciler are the same person.

- C. To reallocate funds to a different account(s), use the “Purchasing Card Transaction/Reallocation Log” form: (attached or @ <http://departments.weber.edu/purchasing>)
- 1) fill in all the necessary information
 - 2) obtain the signature of the person responsible for the account(s)
 - 3) send a copy to Accounting Services at mail code 1014
 - 4) attach the original copy to your statement

5.2 Audits on Statements

- A. Periodically the Internal Auditor will do an audit on your p-card purchases. The Cardholder or Reconciler will provide the auditor with the statements and all the necessary backup documentation needed for the audit. The auditor will verify that the cardholder is following all p-card policies and procedures.

Upon completion of the audit, the auditor will report the findings to the cardholder, reconciler and responsible person. If the audit findings indicate sufficient lack of cardholder understanding of correct policy and/or procedures, Internal Audit will request Purchasing to temporarily suspended usage of the card until the cardholder attends a purchasing card training session. The card will be reactivated when the training has been completed.

- B. If misuse or abuse is suspected, the processes identified in PPM 5-25 i, Appendix I, will be followed.

6. DISPUTED TRANSACTIONS

6.1 Dispute of Statement Item

If there are any discrepancies (i.e., charges not recognized or incorrect charges), the transaction may be disputed by submitting a **“Dispute Form”** (attached) to the issuing bank within 30 days after the statement’s closing date.

While investigating the dispute, the bank will issue a credit to the P-Card account in question for the disputed amount. When the investigation is complete, you will be notified by the bank of the decision.

6.2 Dispute with Supplier

If you have a problem with a supplier concerning defective merchandise and you are unable to obtain satisfaction directly from the supplier, notify the issuing bank. Use the “Dispute Form” mentioned in Section 6.1. Be sure to describe the problem and all the efforts you have taken to resolve it. The bank will assist you in every way possible.