

The University of Scranton Purchasing Card Policies & Procedures

1.0 Introduction.

1.1 The Purchasing Card (Visa) gives employees the ability to charge some types of purchases, eliminating the need for check vouchers, blanket purchase orders, and limited purchase orders. This will allow departments greater convenience, control, and flexibility and reduce the costs associated with initiating and paying for those purchases. The University Accounts Payable Department is responsible for managing the Program and each Academic or Administrative department is responsible for managing its Accountholder accounts.

1.2 There are many advantages of the Purchasing Card Program:

Easy, accurate ordering. Telephone or Internet orders may be placed directly with merchants at any time of the day, with no need to rely on others.

Automatic payment. Elimination of individual checks, no need for Blanket Purchase Orders, Limited Purchase Orders, check vouchers, or reimbursement. Electronic payment is made to Bank of America.

Control. Individual spending limits may be set by the number of transactions allowed per day, dollar amount per transaction, and monthly dollar limit. Card activity is monitored by the Program Administrator and Bank of America.

2.0 Definitions.

2.1 Purchasing Card: A charge card issued to an individual for the purpose of making authorized purchases on the University's behalf. The University will issue payment for charges made with the Purchasing Card.

2.2 Accountholder: A person to whom a University Purchasing Card has been issued. The Accountholder is accountable for all charges made with that Card. An Accountholder may or may not be a Reconciler.

2.3 Budget Supervisor: The person that is responsible for funds in a particular account. The Budget Supervisor designates an individual as an Accountholder and delegates limited authority to an Accountholder to charge against a particular account.

2.4 Reconciler: The person(s) assigned to reconcile an Accountholder's charges weekly. An Accountholder may be his or her own Reconciler, and a Reconciler may manage more than one Accountholder's account. A Reconciler may or may not be an Accountholder.

2.5 Program Administrator: University Accounts Payable Department employee responsible for administering the Purchasing Card Program for The University and acting as the main contact between The University and Bank of America.

2.6 Transaction/Charge Limit: A dollar limitation of purchasing authority assigned to the Accountholder for each total charge made with the Purchasing Card. This amount generally must not exceed \$2,500 per transaction. Departments may establish lower limits on a per Accountholder basis.

2.7 Monthly Spending Limit: A dollar limitation of purchasing authority assigned to the Accountholder for the total of all charges made during each monthly billing cycle. This amount generally may not exceed \$10,000. Departments may establish lower limits on a per Accountholder basis.

2.8 Works Report: A statement of account; a listing of all transactions charged to the Accountholder's Card account up to the end of the monthly billing cycle. Reconcilers will print this on-line statement monthly by using Works. Reconcilers will also view transactions weekly on-line using Works.

2.9 Default Account: The University account code assigned to an individual Accountholder's Purchasing Card. Only one default account can be assigned to any one Purchasing Card, however, charges can be reallocated on-line using Works. All charges made with the Purchasing Card will be posted based on criteria set by the following priority:

- Merchant Name
- Merchant Category Code (MCC)
- Accountholder Default Account Code

2.10 Support Documentation: A merchant-produced original or non-University document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount and the merchant's name and address (e.g. sales receipt, original invoice, signed and dated packing slip, credit receipt, etc.). Required support documentation for all transactions must include:

- Original invoices (or a copy showing full Visa credit)
- Signed and dated packing slip or receiving report
- Competitive bidding or sole source justification for purchases over \$5,000
- Properly approved documentation for agency/grant purchases

2.11 Preferred Merchant: A merchant that has offered special pricing or terms to The University.

3.0 Receiving the Purchasing Card.

3.1 A complete Purchasing Card Application must be submitted online for each prospective Accountholder. An account request key will need to be to request a Purchasing Card. The Budget Supervisor must approve and forward to the Program Administrator. If the prospective Accountholder is either an undergraduate or graduate student or a temporary employee, written justification for that employee's need to have a card must accompany the application form.

3.2 Any full-time employee is eligible to receive a Purchasing Card if they are approved by their Budget Supervisor.

3.3 All prospective Accountholders and Reconcilers must attend a training session and sign an Accountholder Agreement Form and Reconciler Agreement Form to be eligible to receive a Purchasing Card.

4.0 Authorized Card Use.

4.1 Accountholders are authorized to use the Purchasing Card to purchase any merchandise or services required as a function of their duties at the University **with the exception of the following:**

- Furniture (unless pre-approved by Purchasing)
- Office supplies (unless pre-approved by Purchasing)
- Items for personal use

- Items for non-University purposes
- Alcoholic Beverages
- Cash advances, traveler checks, wire transfers, money orders
- Printed materials
- Computer and software (unless pre-approved by IT Services)
- Capital equipment
- Contracting
- Financial, personal/consulting services
- Any purchases prohibited by University policy or not related to University business

4.2 Only the Accountholder whose name is embossed on the Purchasing Card is authorized to use the Card and is responsible for ensuring that all charges made with the Card are in compliance with these Policies and Procedures. Card sharing is prohibited.

4.3 The total value of any one charge made with the Purchasing Card may not exceed the single transaction limit stipulated on the Purchasing Card Application. Merchants must not split transactions in order to circumvent the transaction limits. It is not acceptable to make multiple charges in the same day to the same merchant in order to exceed limits set by the Budget Supervisor. In the event a purchase is to be made that exceeds the single transaction limit, transaction limits can be temporarily increased by the Program Administrator who will notify the Budget Supervisor. Permanent changes will require written approval from the Budget Supervisor.

4.4 Selected Accountholders may be authorized to use their Purchasing Card for travel under the following conditions:

4.4.1) Travel is authorized University business travel.

4.4.2) All University policies relating to travel as outlined in the Travel Policy are followed.

4.4.3) Purchasing Card charges must be reported on the Travel Expense with other business related to the trip. If there are no other expenses to be reported, a Travel Expense Report must still be completed and included with the Works Reports. The Travel Expense Report should describe the business purpose of travel and is required by both University Policy and IRS requirements.

5.0 Unauthorized and/or Inappropriate Card Use.

5.1 The Purchasing Card must never be used to purchase items for personal use or for non-University purposes even if the Accountholder intends to reimburse the University.

5.2 An Accountholder who makes an unauthorized purchase with the Purchasing Card, as defined in Section 4.0, or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action including possible card cancellation, personal payment for unauthorized charges, termination of employment at the University of Scranton, and criminal prosecution.

5.3 Failure to review weekly transactions and forward Works Reports to Purchasing within the time frame allowed will be subject to Card cancellation.

6.0 Making a Purchase with the Purchasing Card.

6.1 Consult the Preferred Merchant listing located on the Purchasing Department's preferred vendor contracts. The Accountholder should purchase from preferred merchants whenever possible to take advantage of pricing and terms negotiated on a University-wide contract basis.

6.2 Confirm that the selected merchant accepts Visa. If not, choose another merchant or submit a requisition to Purchasing so that the purchase can be made via a Purchase Order. If in the course of using the Card, a merchant would like to become a credit card member, please contact the Program Administrator.

6.3 In most cases, The University is exempt from Pennsylvania Sales and Use Taxes. However, there are some cases where taxes apply when purchasing construction-related materials and supplies. (See Purchasing Policies & Procedures on Payment of Sales and Use Tax.)

When using the Card, it is the responsibility of the Accountholder to notify merchants that Pennsylvania Sales and Use Taxes should not be charged. The University of Scranton's **tax exempt number 75-08706-2** is printed on our Purchasing Card. Accounts Payable can also provide a sales tax exemption certificate to merchants upon request.

In the event that a merchant includes Pennsylvania Sales Tax as part of the charge, it is the Accountholder's responsibility to contact the merchant for credit. If unsuccessful, the Reconciler should provide the amount of the **Tax Overpaid** on the Works transaction screen so the University can file for a refund. Tax overpaid must be reflected on the receipt in order to file for a refund. Please note that tax refunds will be credited to The University's general account and will not be applied to your individual budget.

6.4 When making a purchases via telephone, mail order, Internet, etc., Accountholders should give the merchant the account number embossed on their Card along with the Card Verification Value (CVV) number (3-digit number found on the signature panel on the back of the Card), the University's Tax Exempt number, and direct the merchant to include the following on the shipping label and/or packing slip:

- Visa purchase
- Accountholder name and phone number
- Department name
- Complete campus delivery address including building name and room number (800 Linden Street is not a delivery address)

Please note the billing address for all Cards is as follows:

(Name imprinted on Card)
800 Linden Street
(Department Name imprinted on Card)
Scranton, PA 18510

Accountholders are encouraged to receive their own shipments; however, if someone on campus will be receiving a shipment on the Accountholder's behalf, the Accountholder should notify the receiver in advance. Whether the Accountholder or a designated person receives the shipment, the Accountholder is responsible for obtaining all signed documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for support documentation. In the event a receipt is lost or missing, it is the responsibility of the Accountholder to contact the merchant for an original receipt.

6.5 In the event a Card is declined, please contact the Program Administrator.

7.0 Merchandise Returns and Exchanges.

7.1 The Accountholder is responsible for contacting the merchant when merchandise purchased with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.

7.2 If merchandise is returned for credit, the Accountholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. Most errors can be resolved by requesting a credit directly with the merchant. Receiving cash or checks to resolve a credit is prohibited.

7.3 If merchandise is to be exchanged, the Accountholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

8.0 Record Retention.

8.1 Accountholder Responsibility: The Accountholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the Purchasing Card and verifying that the documentation complies with the requirements for support documentation. All documentation must be merchant-produced original documents. In the instances where original invoices cannot be obtained, then a copy of the invoice showing full VISA credit will be acceptable.

8.2 Reconciler's Responsibility: It is the Reconciler's responsibility to assure that support documentation and the corresponding Accountholder Works Report is retained within the department. Reconcilers will be required to forward their monthly report and support documents to the Program Administrator by the 15th day of the following month. The Program Administrator will arrange for pickup, if needed, and long-term storage of the support documents.

University Funded Purchases will be retained for no less than 7 years after the year in which the documentation is received.

Grant Funded Purchases will be retained until notification is received from the Grant Accountant to do otherwise.

8.3 Whenever possible, Accountholders should not be their own Reconcilers. In instances where the Accountholder is his or her own Reconciler, an additional signature will be required by either the Budget Supervisor or the immediate supervisor. The Budget Supervisor or immediate supervisor must sign the monthly Works Report. The signed Works Report must be forwarded to the Program Administrator.

9.0 Accountholder Verification of Charges.

9.1 Accountholders are accountable for all charges made with their Purchasing Cards and are responsible for checking all transactions against the corresponding support to verify accuracy and propriety. The Reconciler is responsible for reviewing each transaction. Accountholders will perform this function if they are Reconcilers.

9.2 For a charge to be supported there must be adequate support available so that the Reconciler can ascertain that the purchase is valid and the Accountholder is accountable for that purchase.

9.3 For a discrepancy associated with a charge, any one or more of the following situations may exist:

- Insufficient supporting documentation
- One or more of the criteria for authorized card use set forth in Section 4.0 have not been met
- The Accountholder disputes the charge (See Section 11.0).

All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the support documentation and/or Works Report. Accountholders are accountable for all discrepancies

9.4 Each Accountholder and Reconciler will be given a password to view and approve the details of each transaction through Works. Works will notify Accountholders and Reconcilers based on the preferences set (weekly or daily) by e-mail when transactions have been listed against their account. Reconcilers will have five (5) working days after e-mail notification to review and approve a transaction(s) and will have the option to change accounting code(s) on-line before the charges are posted against their budget. Reconcilers will review transactions in Works. If no action is taken by the Reconciler within this 5-day period, the transaction will automatically be charged against the default account. The Reconciler will also print their Works Report monthly. Failure to review charges on-line will result in card cancellation.

9.5 If a particular charge or credit does not appear on Works within 30 days after the original charge was made, the Accountholder must notify the Merchant. If the charge or credit does not appear within 60 days after the original charge was made, the Accountholder should notify the Program Administrator.

9.6 Reconcilers have until the 15th day of each month to return signed approved Works Reports to Purchasing.

9.6.1) Gather original packing slips, receipts, and invoices identified on the Report.

9.6.2) Match slips and receipt to the charges listed on the Report to verify there are no billing errors. The packing slips, receipts, and invoices must be in order according to the Works Report charges.

9.6.3) Attach receipts to the Works Report. **DO NOT SEND COPIES OF RECEIPTS SINCE THE UNIVERSITY MUST RETAIN ORIGINAL RECEIPTS FOR AUDIT PURPOSES.**

9.6.4) If the Accountholder is his or her own Reconciler, the Budget Supervisor or immediate supervisor must sign and date the Works Report.

9.6.5) Return the approved Works Report with original receipts to Purchasing by the 15th of each month. If your Works Reports are not returned to Purchasing, you will receive an e-mail requesting the information. Your Purchasing Card privileges may be revoked if you fail to return the Works Reports and receipts within the specified time frame.

10.0 End of Fiscal Year Transactions.

10.1 During the last three (3) weeks of May, Reconcilers are required to review and approve charges daily. It is important Reconcilers access Works daily to ensure budgets are charged correctly. Transactions will be posted to Banner daily. Accountholders and Reconcilers will receive daily e-mail messages from Bank of America when charges are posted in Works.

10.2 All charges posted May 31 on Works will be considered received and will be charged to the current fiscal year. Charges posted after June 1 will be charged against the next fiscal year. It is the Accountholder's responsibility to evaluate budgets before placing orders to determine if there are sufficient funds to cover the charges. Based on past experience, Works usually posts charges within 2-3 days after a charge is made, but sometimes postings appear as much as a week after a credit card charge is made. When making a purchase to be delivered after June 1, it is suggested to ask the merchant to hold the charge until after June 1 or place the order after June 1. By law, merchants are not allowed to submit credit card charges until the merchandise is actually shipped; Accountholders should ask merchants about their policy before placing an order near year-end.

11.0 Accountholder Charge Dispute Resolution.

11.1 Occasionally, billing errors may occur. For example, sales tax may have been charged, or charges may appear for goods and services not received. Incorrect amounts may be charged, credits may not have been processed, or fraudulent charges may be billed to the Card. Also, by law, merchants may not bill for purchases until merchandise has shipped.

11.2 If an incorrect charge appears in Works, the merchant should be contacted to report the error. Most errors can be resolved by requesting a credit for incorrect charges. Credits should be reflected within 30 days in Works.

11.3 If the Accountholder is unable to resolve the dispute directly with the merchant, the Reconciler must dispute the charge on-line in Works within 60 days of the transaction date in Works.

11.4 If the Accountholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Works on which the disputed charge appears.

12.0 Review of Accountholder Transactions.

12.1 The Accounts Payable Department and/or the Internal Auditor, to ensure compliance with these Policies and Procedures, will review the transactions on the Accountholder's Works Report. This review will test a sample of transactions from each Report to verify that each of those transactions is supported by adequate documentation and meets all the criteria for authorized card use set forth in Section 4.0. Questionable transactions will be especially scrutinized.

12.2 For questionable transactions or transactions that lack adequate support documentation, the Accountholder will be contacted to obtain an explanation, supporting documentation and/or reimbursement. Questionable charges for which satisfactory explanations or documentation cannot be obtained will be deemed unauthorized and/or inappropriate (see Section 4.0 and Section 5.0).

12.3 If during the review process, serious irregularities are detected, the Budget Supervisor will be notified.

12.4 After the review process is complete, the Accountholder Works Report and corresponding support documentation are to be filed within the department per the record retention requirements set forth in Section 8.2 of these Policies and Procedures.

13.0 Purchasing Card Security.

13.1 It is the Accountholder's responsibility to safeguard the Purchasing Card and Purchasing Card account number at all times.

13.2 Accountholders must keep their Purchasing Cards in a secure location at all times.

13.3 Accountholders must not allow anyone else to use their Purchasing Cards and/or Purchasing Card account numbers. Card sharing is prohibited.

13.4 Accountholders must not write their Purchasing Card account numbers where others can easily see them.

14.0 Lost, Stolen, or Damaged Purchasing Card.

14.1 If a Purchasing Card is lost, stolen or damaged, the Accountholder must notify the Program Administrator immediately between 8:30 AM and 4:30 PM. If after hours, Bank of America must be contacted at (888) 449.2273. Representatives are available 24 hours a day.

14.3 After the above notification procedures have been completed, a new Purchasing Card will be issued within one (1) week to the Accountholder by the Program Administrator.

14.3 A Purchasing Card that is found after it has been reported lost or stolen must be destroyed by cutting it in half. The same procedure applies if a card is damaged. Both card halves must be forwarded to the Program Administrator.

15.0 Accountholder Account Maintenance.

Whenever any personal or departmental information contained on a Purchasing Card Application changes, an Accountholder Account Change Form must be completed and then signed by the budget supervisor for the default account listed on the Purchasing Card Application. The completed Accountholder Account Change Form is then to be forwarded to the Program Administrator.

16.0 Accountholder Transfer within the University.

Accountholders, who transfer to a new position within the University and require the use of a Purchasing Card as part of their new duties, will be issued a new Card. Accountholders who no longer require a Purchasing Card in their new position or transfer to a different department must cancel their card per the instructions in Section 19.0.

17.0 Accountholder Separation from the University.

Prior to separation from the University, Accountholders must surrender their Purchasing Cards and corresponding support documentation to the Program Administrator in the Accounts Payable Department. This will be included on Human Resources' exit entry checklist.

18.0 Purchasing Card Renewal.

18.1 Bank of America will automatically mail a new Card to the Program Administrator during the month the Card is due for renewal. The Program Administrator will contact the Accountholder to receive the new Card.

18.2 Before the new Card can be issued, the old Card must be turned into the Program Administrator.

19.0 Purchasing Card Cancellation.

The Program Administrator must be notified immediately when a Purchasing Card is to be canceled. The Card must be destroyed by cutting it in half. Both Card halves must be forwarded to the Program Administrator.

20.0 Conflict of Interest.

By their signature on the Purchasing Card Application, all Accountholders acknowledge that they will comply with Purchasing Policy and report, in writing to the Director of Purchasing, any incidents of real or apparent conflict of interest or unethical business practices.

21.0 Responsible Authority.

The authority to enforce this policy lies within the Accounts Payable Department. Any questions may be directed to the Program Administrator at Extension 4276.