

Procedure No. 31.604

## **Purchasing Card (PCard) Policy**

Date Issued: 9/9/04

Date Effective: 9/9/04

Issued By: Finance & Administration Division

### Purpose:

The Clarion University Purchasing Card (PCard) Program is used as the primary method to pay for small dollar (less than \$1,000) commodities or services. The use of the PCard enhances efficiency from beginning to end by delegating payment responsibility for small dollar items to the PCard user and allows payments to be made without the need for purchase requisitions, purchase orders and processing by the Purchasing Department.

The Purchasing Card Program utilizes current technology with commercial purchasing cards and the Internet based PaymentNet system provided by JP Morgan Chase/Paymentech.

### The Purchasing Card

JP Morgan Chase/Paymentech is the provider of the Clarion University of PA PCard. The PCard is issued to designated Clarion University employees that routinely make small dollar purchases and are approved by their supervisor or manager to receive a PCard. A PCard is issued to a designated employee only after the employee has signed a PCard Enrollment Form and Cardholder Agreement, completed PCard policy and procedure training and received a PCard User's Manual. Cards can be issued only to those departments and employees who have access to the Internet based PaymentNet system.

This policy is supplemented by the Purchasing Card User's Manual that gives detailed PCard operating and processing procedures.

The Clarion University Purchasing Card is the property of Clarion University of PA and is used only for authorized Clarion University of PA procurements.

### Roles & Responsibilities

The Purchasing Card Program Administrator

1. Processing all PCard user requests and issuing PCards to new users
2. Providing PCard policy and procedure training to new PCard users prior to issuing new PCards
3. Setting all PCard limits and business rules according to Clarion University policy, procedure and guidelines
4. Monitoring all PCard activity for compliance with Clarion University policy and procedures
5. Changing or correcting PCard limits and parameters as needed
6. Providing notification to PCard users and their supervisors of violations of PCard policy and procedures and, when necessary canceling cardholder's PCard
7. Contacting the PCard provider to resolve PCard use, charge, credit and other problems

#### Managers and Supervisors

1. Requesting PCards for designated employees who routinely make small dollar purchases
2. Monitoring their department's monthly PCard activity to ensure cards are used in accordance with Clarion University policy and procedures.
3. Approving individual transactions over established departmental dollar limits
4. Upon termination of employment of a PCard holder, it is the supervisor's responsibility to obtain the PCard from the terminated employee and immediately notify the Purchasing Card Program Administrator of the termination.

#### Cardholder

1. To use the PCard as the primary method for making small dollar purchases according to Clarion University Purchasing Card Program policy, procedures and guidelines
2. Insuring that budget funds are available for all purchases made with the PCard
3. Posting all PCard transactions (purchases, credits, adjustments) to the monthly PCard Purchasing Log
4. Making sure you remind the vendor to reference the PCard transaction on all packing lists/labels
5. Obtaining credit card slips, cash register receipts, packing slips or other appropriate documents to validate each transaction.
6. Verifying current transactions posted to the PCard user's account on the internet based PaymentNet system prior to month-end payment for the transactions by the University

7. Resolving directly with the vendor any disputes concerning returns, credits or adjustments for transactions made with the PCard
8. Attaching PCard transaction documents (credit card slips, cash register receipt, packing slip, etc) in the order you used your card during the month to the PCard transaction Log, and sending the PCard transaction Log to Accounts Payable each month end.
9. Adhering to all other Purchasing Card Program policies, procedures and guidelines. Refer to the Purchasing Card User's Manual for complete PCard processing procedures and guidelines.

#### Contacts for Cardholders

To report a lost/stolen card, erroneous charges, or for any additional information please contact:

Purchasing Card Administrator

David A. Hogue.....814-393-2045

Bank.....1-800-270-7760 or 1-800-VISA911

(Representatives are available 24 hours a day, 7 days a week)

#### Authorized Uses of the Purchasing Card

1. Purchases costing less than \$1,000 may be made with the PCard within the established limits and restrictions of each individual card.
2. All purchases made with the purchasing card must be for the benefit of Clarion University of PA, within established budgets, and in accordance with the University Purchasing Card Policy and Purchasing Card User's Manual.
3. If a vendor does not accept the purchasing card, the cardholder must follow the processes outlined in Clarion University of PA Policy and Procedure 31.601 (Purchasing Policy).
4. Any purchase costing \$1,000 or more must be made in accordance with the processes outlined in the Clarion University of PA Policy and Procedure 31.601 (Purchasing Policy).
5. General PCard purchasing restrictions are identified under Unauthorized Uses of the Card section of this policy.

#### Unauthorized Uses of the Purchasing Card

1. Items equal to or greater than \$1,000

2. Personal items cannot be purchased under any circumstance, even with the intent of reimbursing the University after the purchase
3. Cash advances
4. Personalized business items such as portfolios and personal organizers
5. Gifts and prizes
6. Aspirin and other non-first aid items
7. Employee travel costs such as hotels, meals, car rentals and airline fares.
8. Telephones and cellular phones;
9. Contracted services that do not appear on the list of pre-approved services provided by the State System of Higher Education Office of Chief Legal Council (refer to Purchasing Card User's Manual for list of pre-approved services)
10. The card shall not be used to authenticate your personal identity for non-university business purposes. The card is intended for official university business purposes only, i.e. it is not to be used in any manner for personal purposes
11. Restricted items, such as alcohol, weapons, drugs (controlled substances) and hazardous materials.
12. Serial purchasing - the card is not to be used to make a series of small dollar purchases in order to circumvent the requirement to make a single purchase through the University purchasing system

Cardholder Procedures (Further details of cardholder procedures can be found in the Purchasing Card User's Manual)

**Making Purchases:** The cardholder may make authorized University purchases via telephone, mail, fax, internet, or in person. The cardholder can be held personally liable for unauthorized or personal procurements. The cardholder must keep all purchasing card records, including receiving reports, receipts, or other documentation supporting charges against his/her purchasing card. The cardholder will be required to attach all such receipts to the monthly purchasing log and submit purchasing card records to Accounts Payable at each month end.

**Shipping:** The cost of shipping heavier packages and/or routine packages via Federal Express or UPS overnight or 2-day express can be very expensive. Such priority handling or expediting of shipments should only be utilized when absolutely necessary. As with all expenditures of public funds, prudence must be demonstrated and expenses justified.

Returning Purchases: Each cardholder is responsible for any returns of purchases. All returns must be credited to the cardholder's account. Cash refunds are strictly prohibited.

Sales Tax: Each purchasing card will be marked tax-exempt. Tax-exempt means that Clarion University does not pay Pennsylvania sales tax. The cardholder should remind all vendors of the University's tax-exempt status. The cardholder must review all receipts for each purchase to ensure sales tax has not been assessed. If sales tax has been charged to a purchase, the cardholder should contact the vendor for a credit.

Erroneous Charges: If a cardholder believes that a charge has been posted incorrectly to his/her internet account, the cardholder must notify the vendor or purchasing card company, as appropriate, as soon as possible. The cardholder also must notify The Purchasing Card Administrator of any disputed charges if necessary. If the vendor and /or purchasing card company agrees that an error was made, the purchase will be credited from the account on the next monthly purchasing card memo statement.

If the disputed charge remains unresolved by the due date the charge will remain on the account until the dispute is resolved.

Hazardous Materials: Prior to the purchase of any potential hazardous material, the Public Safety Department should be contacted to answer any questions related to the proper handling, disposal and regulatory requirements related to the purchase of such materials. Examples of these materials include but are not limited to; lead-based paint, asbestos-containing products, and chemicals identified as extremely hazardous by the Pennsylvania Department of Labor and industry Worker and Community Right-to-Know regulations.

Materials regulated by the Environmental Protection Agency and the Pennsylvania Department of Environmental Protection which include, but are not limited to pesticides, herbicides, insecticides, radioactive, and chlorofluorocarbon materials must be purchased for and handled by only those authorized University employees who hold current license and/or certifications for the use and handling of these materials. Chemical manufacturers often provide an MSDS sheet with the product when it is shipped. Any person who receives hazardous materials for the University should forward the MSDS sheet to the Safety Office. If a hazardous material is received and a sheet is not enclosed, contact the Safety Office for assistance in obtaining an MSDS sheet.

Purchasing Transaction Log

Each cardholder will be required to keep a purchasing log to record each P-Card transaction to help validate/approve transactions and keep track of transaction documentation.

1. When a cardholder makes a purchase with the P-Card, the transaction date, vendor name and purchase amount should be immediately recorded on the Purchasing Card log.
2. Transaction documentation received (invoice register receipt, packing slip, credit card slip, etc should be attached to the log
3. Transaction information posted to Purchasing Log can be used to validate/approve transactions when they have been recorded on the Internet PaymentNet system (refer to Paymentnet System below)
4. At the end of the month, after all transactions for the month have been validated/approved on the internet PaymentNet system, the Purchasing log and the receipts are sent to Accounts Payable Department.

#### PaymentNet System

1. It is required that all purchases made with the Pcard be verified by the cardholder on the PaymentNet internet reporting system provided by Paymentech. Cardholders can view their transaction accounts on-line at any time. Purchases are normally listed on the cardholders' transaction account within 24 to 48 hours of the purchase.
2. Each purchase that the cardholder makes with the Pcard must be "verified" to insure the accuracy of the charge and to dispute any inaccurate or incorrect charges. Verification also includes insuring that the transaction is being posted to the proper SAP finance system funds center and general ledger account
3. Training, passwords and separate instructions for verifying Pcard transactions will be provided to potential cardholders before a card is issued to them and these instructions are also provided in the Purchasing Card User's Manual.
4. The verification of all Pcard transactions must be completed with in five (5) working days after the end of the month.
5. After the cardholder has completed verification of all Pcard transactions for a month, the cardholder should send Purchasing Card Log with the month's Pcard purchase receipts to accounts payable before the lenth of the fifth working day after the end of the month.
6. All purchases made with the Pcard will be fed and posted automatically to the SAP finance system after the fifth working day of the following month.

#### Purchasing Card Policy and Procedure Violations

The following are purchasing card violations. The cardholder can be held personally liable for any purchases that violate the Purchasing Card Policy:

1. Using the PCard for unauthorized purchases. The cardholder will be held personally liable for any unauthorized purchase made with the PCard
  2. Submitting the Purchasing Card Log with insufficient documentation to support purchases made
  3. Failure to properly verify Pcard transactions on the PaymentNet system or to submit the cardholder's monthly statement, Purchasing Card Log or receipts to accounts payable by the end of the month.
  3. If a cardholder violates the Purchasing Card Policy and Procedure he/she will be given a written notice from the Vice President for Finance and Administration.
  4. If a cardholder violates the Purchasing Card Policy and Procedure a second time he/she must surrender the purchasing card to the Purchasing Card Administrator. The purchasing card will be canceled and disciplinary action may be taken, if appropriate.
  5. If a cardholder loses his/her purchasing card privileges the card may be assigned to another employee in the department
  6. A cardholder who losses his/her purchasing card privileges may reapply after one year.
- Other

#### Lost/Stolen Purchasing Cards

1. The cardholder must notify the purchasing card company immediately of a lost or stolen purchasing card. The purchasing card company will cancel the purchasing card and issue a new card.
2. The cardholder also must notify the Purchasing Card Administrator of the purchasing card cancellation by the next business day.
3. Any fraudulent charges against the lost or stolen purchasing card will be handled in accordance with the purchasing card company's policies.

#### Termination of Employment

1. Upon termination of employment, the cardholder must surrender the card to his/her supervisor. The supervisor will then forward the terminated employee's PCard to the Purchasing Card Program Administrator
2. The Purchasing Card Administrator will immediately cancel the purchasing card.