

# PURCHASING CARD POLICIES AND PROCEDURES GUIDE FOR CARDHOLDERS

## A. General Overview

The Millersville University Purchasing Card is an internationally accepted Visa credit card issued to authorized University personnel to be used only for business purposes. It is primarily designed for small dollar amount purchases of goods and supplies, and will eliminate the use of on-line requisitions and purchase orders related to these items. The card is not for personal use or for payment of contracted services. Spending controls are determined individually for each card, ensuring that the card can only be used for specific purposes and within specific dollar limits. The card also has built-in controls that allow the university an audit trail of all purchases.

The benefits of the Purchasing Card program include:

1. Use of the Card by department heads, departmental secretaries, and other authorized users expedites and simplifies the purchase of goods and supplies. It also provides departments with greater flexibility in procuring needed items, especially from vendors that do not accept purchase orders.
2. Use of the Card improves efficiency and reduces costs involved in small dollar purchases. It eliminates the need to enter and process requisitions, purchase orders, or Direct Payment forms, as well as the processing of individual invoices and vendor checks. One monthly invoice, subtotaled by cost center, is received by the University for all Purchasing Card charges.
3. **We strongly encourage university departments to use the card for all purchases that fall within the guidelines.**

## B. Issuance of Purchasing Cards

1. The Purchasing Card program is administered by the Purchasing Office, which will coordinate the issuance, maintenance, and cancellation of cards with the University's processor, VISA/JPMorganChase. Visa cards are provided with the MU logo and are typically issued in the name of an individual user. Individual cards are assigned a per transaction dollar limit of \$500. Higher levels for certain operations may be approved by the appropriate Vice President and Vice President of Finance and Administration. A single transaction may be comprised of multiple items, but the total amount of the transaction cannot exceed the cardholder's assigned limit. Monthly dollar limits are also established (\$3,000 or higher depending upon historical departmental expenditures and size of operating budgets).
2. Purchasing Cards are approved by the appropriate Vice President who may delegate use of the card to departmental heads and secretaries or office managers. Every authorized card user must read and sign a "Purchase Card Acceptance Form", which will be kept on file in the Purchasing Dept. Cards should be signed by the cardholder whose name is printed on the front of the card.
3. Employees who are authorized to receive a card have the following responsibilities:
  - Only business-related expenses can be charged to P-cards.
  - Monthly purchase activity must be monitored to ensure cards are used in accordance with the university's policy and procedures.

- **Cardholder Separation, Transfer, or Termination**

Prior to an employee's separation, transfer or termination from University employment, Human Resources will notify the Purchasing Department of a change in Personnel status. Cardholders must surrender the purchasing card to the Card Administrator (Purchasing). If Cardholder takes a leave of absence, the department head will contact the Purchasing Department to determine the proper procedures.

4. Cards will be issued to new cardholders only after they have received user instruction and have signed a Purchasing Card Acceptance Form to validate the training and understanding of Purchasing Card policies. If department heads delegate authority to use a Purchasing Card to other individuals in the department, those individuals must sign a Purchasing Card Acceptance Form and return it to the Purchasing Office where they are kept on file.

C **Cardholder Liability/Responsibility**

1. Designated financial managers are responsible for any Purchasing Cards issued to their department. They may delegate use of the card to departmental secretaries or other selected individuals within their department; however, the financial manager is still responsible to monitor all charges against the card.
2. The financial manager or other designated cardholders must maintain accurate records of all Purchasing Card transactions, and promptly report any lost or stolen cards. All purchases made with the card must be within established budgets and comply with University policy.
3. The cardholder is responsible for obtaining credit card slips, cash register receipts, packing slips, etc. to provide documentation for each transaction. *Receipts must include purchase amount, and item descriptions that are as specific as possible. Upon receipt of the monthly activity statement* the cardholder will reconcile individual transactions against the statement. The original statement signed by the appropriate Financial Manager, along with detailed back up documentation, will be forwarded to Purchasing and the cardholder will retain a copy for his/her file. Failure to submit proper documentation will result in possible loss of card privileges and/or disciplinary action.
4. If an employee abuses the Purchasing Card privilege or the provisions of the Purchasing Card Policy, the card will be forfeited and canceled and the employee may be subject to disciplinary action up to and including dismissal.
5. If the University determines that the purchase is not in compliance with program regulations it reserves the right to collect from the employee the cost of these purchases. The collection may be accomplished through payroll deduction or other collection process.
6. **To dispute charges, report lost or stolen cards**, call JPMorganChase/VISA's Customer Service number 1-800-270-7760. The Purchasing Department must be advised of the details immediately thereafter. The Purchasing Department must also be advised if any changes are to be made to the cardholder's personal information.

**To request an increase in your credit line or to make a modification in your vendor-type blocking**, call the Purchasing office at 872-3014.

D. Use of Purchasing Card

1. Authorized cardholders may make purchases in person or by phone, mail, or Internet. Any ordered items must be shipped directly to the department, **not to Central Receiving**. *CAUTION: Cardholders should make prudent selection of shipping options. 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 university funds, prudence must be demonstrated and expenses justified.*
2. Telephone, mail order, and Internet purchases should be made only from reputable merchants. Back orders should be avoided. Merchants should be asked for the total charge including any shipping and handling.
3. The cardholder must retain all receipts, receiving reports, delivery tickets, order forms, or other documentation supporting charges against the card. Vendors should be reminded to send any correspondence, receipts, etc., directly to the department.
4. **Millersville University Purchasing Cards are marked as tax exempt.** When making purchases, cardholders **must inform merchants that the University is not subject to state sales tax.** If upon reviewing receipts a cardholder determines that sales tax has been assessed, the cardholder should contact the vendor for a credit unless otherwise approved by the Purchasing Dept. Any problems in this regard should be reported to the Purchasing Office.
5. Purchasing Cards **may only be used** for:
  - office, educational, and other operating supplies
  - equipment, furniture, or furnishings up to \$500
  - software up to \$500
  - maintenance, grounds, and custodial supplies (Facilities Management)
  - drugs and medical supplies (Infirmary)
  - library books and materials (Library)
6. Examples of items which **may not** be purchased with the Purchasing Card include:
  - goods and supplies in excess of cardholder transaction limits
  - travel-related expenses such as hotel, transportation, and meals, which must be processed on travel expense vouchers
  - services of any type, such as consultants, honoraria, repair and maintenance services, etc. (due to contractual and tax reporting requirements)
  - cash advances
  - personal items (including the purchase of items for personal use with the intention of reimbursing the University after the purchase)
  - gifts, prizes, flowers, alcohol, food for faculty/staff meetings or events (see MU Policy on Procurement of Supplies, Services and Construction, Section 4.4.2 Purchases Prohibited by University Policy).
7. Cardholders are not required to solicit competitive bids for their purchases. However, they should seek the best value for the University and ensure that the price paid is reasonable
8. The Millersville University Purchasing Card program incorporates the merchant category code (MCC) blocking. Vendors are assigned an industry-specific code, and certain codes have been blocked or restricted from Purchasing Card use. If a department experiences a card decline from a vendor that provides eligible goods or supplies, the Purchasing Office should be notified.

E. Return of Goods/Purchases

Cardholders are responsible for all returns of goods. Returns will be credited to the cardholder's account. Cash refunds are strictly prohibited.

F. Monthly Statement Reconciliation Process

1. At the end of each month, the department head will receive an informational statement from VISA/JPMorganChase listing charges against the cardholder account. Each department head is responsible for:
  - a. Reviewing and verifying the accuracy of all charges and reconciling the statement to the individual transaction documentation (receipts, delivery slips, logs, etc.).
  - b. Notifying the vendor of any discrepancies or erroneous charges listed on the statement.
  - c. Approving and signing the monthly statement and forwarding the statement and receipts or a Purchasing Card Missing Receipt Form attached for all charges to the Purchasing Office by the 15<sup>th</sup> of each month.

This reconciliation is critical to ensuring that the correct amount is paid. Cardholders who habitually fail to reconcile their accounts will have their Purchasing Cards cancelled.

2. Accounts Payable will receive a monthly invoice listing all Purchasing Card transactions by departmental account. The Accounts Payable office will pay the central invoice and post charges to the appropriate expense accounts. The expenditure posting will be to the Organization or Fund code (generally the code shown on the face of the Purchasing Card), and to expense code 7410 (Supplies), unless the monthly statement is corrected, indicating other account coding. The Accounts Payable office will review monthly statements and contact departments for clarification if necessary.

G. Dispute Resolution

1. If a cardholder does not agree with a charge posted on a monthly statement, he/she should attempt to resolve the problem with the vendor. If the vendor agrees that an error has been made, the vendor will issue a credit to the cardholder's account. If the vendor does not agree, the cardholder should contact JPMorganChase/VISA's Customer Service phone number located on the back of the card immediately. The cardholder should also notify the Purchasing Office immediately of disputed charges. Cardholders should keep copies of all documentation dealing with disputed items until they are resolved.
2. If a purchase is found to be defective or incorrect, the cardholder is responsible for obtaining replacement, correction, or credit as soon as possible. If a merchant refuses to replace or correct the goods, or to offer a credit, the purchase is considered to be in dispute.

H. Lost or Stolen Cards

1. If a Purchasing Card is lost or stolen, the cardholder must immediately notify JPMorganChase/VISA Customer Service at 1-800-270-7760. Access to the card will be immediately blocked. A new card will be issued.
2. The Purchasing Office should also be notified immediately of any lost or stolen cards.
3. Cardholders will not be responsible for any charges after the card is reported lost or stolen.

I. Exceptions

Any exception to the Purchasing Card policy must be approved by the Vice President for Finance and Administration or his/her designee.

***Purchasing Cardholders Frequently Asked Questions***  
***WHOM DO I CALL – for Card Related Problems?***

**Q. When do I call the Customer Service Hotline on the back of my card @ 1-800-270-7760, available 365 days/year, 24-hours/day?**

A. Most Service Issues can be handled through JP Morgan Chase VISA Customer service line listed on the back of the card, 1-800-270-7760. These service issues could include:

- TRANSACTION DISPUTES
- LOST OR STOLEN CARDS
- DISPUTE STATUS

**Q. When do I call the Purchasing Office at 872-3014?**

A. You should call the Purchasing Office when you experience:

1. a Declined Charge due to CREDIT LINE INCREASES/ EXCEEDING THE CREDIT LIMITS.
2. a Declined Charge and you need the VENDOR-TYPE BLOCKING reviewed by the Purchasing Office.
3. Account closure/Activation/Replacement

**Q. What should I do if a charge I didn't authorize appears on my statement?**

A. Contact the Customer Service Hotline immediately. If there is a chance of fraudulent activity, the account will be closed, and a new account number will be issued to you immediately.

**Q. How do I DISPUTE the charge on my statement?**

A. When your goods are lost in transit from the supplier, your charges are posted incorrectly, goods are damaged or you need to return goods due to receipt of an incorrect item or quantity, take the following action:

1. Attempt to correct the error with the vendor.
2. If you cannot resolve the problem with the vendor, call the Customer Service Hotline immediately.
3. Federal regulations require that you notify JPMorganChase in writing within 60 days of the first statement date on which the disputed charge appear.
4. Customer Service can FAX you a Dispute Form to place the item in dispute. After you complete the form, you can fax it back.

**Q. What kind of restrictions/controls are placed on my card?**

Receipt Retention Procedures – Keep all receipts and forward with monthly statement to Account Payable

Monthly Spending Limits - \$3000 unless otherwise approved

Single Transaction Limits - \$500 unless otherwise approved

Merchant Blocking - Examples of merchants excluded/blocked from Purchasing program include: Furriers, Clocks, Jewelry, Watches, Repair Shops, Casinos, Airlines, Autos, Hotels, Transportation, and Utilities.

Cash advances are prohibited.