

Purchasing Card Procedures and Guide for Cardholders

Purchasing Procedure Name: Credit Card (Pcard) Cardholder Procedures and Guidelines

Approved by VP of F&A: _____

Effective: 07/01/2024

Responsibility for Policy: Procurement Director

A. General Overview

The Millersville University Purchasing Card is an internationally accepted 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, some services, and will eliminate the use of on-line requisitions and direct payment forms 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, Direct Payment forms, individual invoices, and vendor checks. Charges are allocated on-line through the credit card vendor's on-line system.
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. Credit cards are provided with the MU logo and are typically issued in the name of an individual user. Individual cards (standard) are assigned a per transaction dollar limit of \$2,000. 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 (\$6,000 or higher depending upon historical departmental expenditures and size of operating budgets).

2. Purchasing Cards are approved by the appropriate responsible person who may delegate use of the card to 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 must 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 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, any outstanding statements with the appropriate signature(s) and receipt(s) to the Card Administrator (Purchasing). If Cardholder takes a leave of absence, the financial manager will contact the Purchasing Department to determine the proper procedures.
4. Cards will be issued to new cardholders only after they have read the credit card policy and have signed a Purchasing Card Acceptance Form to validate the training and understanding of Purchasing Card procedures.

C Cardholder Liability/Responsibility

1. Designated responsible persons (someone who is identified in the SAP system as being responsible for a particular cost center) are responsible for any Purchasing Cards issued to their cost centers. They may delegate use of the card to departmental secretaries or other selected individuals within their department; however, the responsible person is still responsible to monitor all charges against the card.
2. The responsible person 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 procedures.
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 the card holder must do the following:***
 - a. Obtain signature of financial manager approved purchase.
 - b. Upload receipt on vendor's on-line system, along with detailed back up documentation justifying any expenditures that do not comply with University expenses (i.e. food purchase).
 - c. Allocate proper cost center and G/L codes.
 - d. Sign off on transaction.

Failure to submit proper documentation may result in loss of card privileges and/or disciplinary action.

4. 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.

5. **To dispute charges, report lost or stolen cards**, call the credit card vendor or the number on the back of your card. 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, fill out a Cardholder Enrollment form with the changes and the responsible person's signature and send it to the Purchasing Department or have the responsible person email the changes to purchasing@millersville.edu.

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 Procurement Dept. A blanket Millersville tax exempt form is online and can also be obtained from the Procurement Office. Any problems in this regard should be reported to the Procurement team.
5. Purchasing Cards **may only be used** for:
 - office, educational, and other operating supplies
 - equipment, furniture, or furnishings up to \$2,000 or your minimum purchase amount but not for any single item of \$2,000 or more
 - Services under \$3,000 when there is no vendor terms or agreement
 - maintenance, grounds, and custodial supplies (Facilities Management only)
 - 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 including splitting a large order into multiple orders to meet the minimum dollar amount (pyramiding)
 - travel-related expenses such as hotel, transportation, conference registrations and meals, which must be processed on travel expense vouchers

- services such as consultants, honoraria, repair and maintenance services, etc. (due to contractual and tax reporting requirements) except for approved copier repairs.
 - cash advances
 - personal items (including the purchase of items for personal use with the intention of reimbursing the University after the purchase).
 - Personalized or engraved items (e.g. personalized name plate for office or desk).
 - gifts, gift cards, prizes, flowers, alcohol, food for faculty/staff meetings or events (see MU Policy on Procurement of Supplies, Services and Construction, Section 5.4.3 Purchases Prohibited by University Policy) unless otherwise specifically permitted under Millersville University or PASSHE guidelines.
7. Cardholders are not generally 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. Education Discounts may be requested. Cardholders should enlist the assistance of the Purchasing Department if they are not comfortable with making this request.
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. Regularly, on an on-going basis, each Cardholder 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 as well as ensuring that no taxes were charged. Copies of notices to vendors should be included with the statement to let Purchasing know there was a problem.
 - c. Allocation to proper cost center and G/L code by the specified date.
 - d. The responsible person for each cost center listed must sign receipts.
 - e. Securely attaching all original, itemized, receipts for every transaction. Missing receipts, copies or un-itemized receipts will not be reimbursed.
 - f. Complete allocation receipt upload and sign off by the 7th of the month. This reconciliation is critical to ensure that the correct amount is paid. Cardholders who habitually fail to reconcile their accounts will have their Purchasing Card privileges suspended.

2. Accounts Payable will receive a monthly statement (central invoice) listing all Purchasing Card transactions by Cardholder. On approximately the 10th day of each month, Accounts Payable will pay the central invoice, posting charges to the appropriate cost center, and account code from each Cardholder's statement. If the statement has not been received from the Cardholder by this time, the central invoice will be paid using the default cost center and account code, any changes to this coding that are received on statements after the 10th of the month must be made through journal entry by the Budget Office. The Accounts Payable office will audit monthly statements and contact

the Cardholder 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 the credit card company'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 attach a copy of the dispute form to the monthly statement and keep a copy 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 the credit card company's Customer Service number listed on the back of the card. 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.