

**Commonwealth University of
Pennsylvania
PA State System of Higher Education
Purchasing Card Program
Procedures**

A. General Overview

The Commonwealth University purchasing card is an internationally accepted Master Card credit card issued to authorized University personnel to be used for business purposes. It is primarily designed for small dollar purchases of goods and supplies and eliminates the use of requisitions and purchase orders related to these items.

The benefits of the purchasing card program include:

1. Use of the card by supervisors, administrative support personnel, and other authorized users simplifies and streamlines the purchase of goods and supplies. It also allows departments 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 by eliminating the need to enter and process individual requisitions, purchase orders, invoices and vendor checks. The university receives a monthly master invoice for all purchasing card charges and one payment is made to the credit card company.
3. University departments are strongly encouraged 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 Procurement Shared Services, which will coordinate the issuance, maintenance, and cancellation of cards with the university's processor, Bank of America/Master Card. Master cards are issued in the name of an individual employee.
2. Purchasing cards are assigned a single transaction dollar limit and a monthly dollar limit. A single transaction may be comprised of multiple items, but the total amount of the transaction cannot exceed the employee's single transaction limit. Certain university operations may be assigned a higher per transaction or monthly dollar limit where appropriate and with the approval of the employee's department supervisor and finance officer if necessary.
3. Cards will be issued to cardholders only after they have received supervisor approval (see

Purchasing Card Enrollment Form) and appropriate instruction.

C. Supervisor/Approver Responsibility

1. Supervisors or those designated as approvers are responsible for any purchasing cards issued to their departments. They may delegate use of the card to administrative support personnel or other selected individuals but are still responsible for the following:
 - a. Monitoring monthly purchase activity to ensure cards are properly used in accordance with purchasing card and university policies and procedures.
 - b. Verifying that sufficient funds are available in the departmental budget prior to authorizing any purchases.
 - c. Reviewing and verifying the accuracy of all charges. This includes ensuring the following:
 - i) No unauthorized purchases
 - ii) No sales tax paid
 - iii) No split transactions to avoid bid/card limits
 - iv) All receipts are complete and are attached to the reconciliation
 - v) Justification/Approval for Food Purchase Form is attached when required
 - d. Verifying that the cardholder contacted the vendor concerning any discrepancies or erroneous charges listed on the statement.
 - e. Approving cardholder transactions on the BOA web-based *Works* system **by the due date**.
 - f. Notifying the Procurement Department when a cardholder's privileges have been revoked or the cardholder is leaving the department or university.

D. Cardholder Responsibility/Liability

1. Cardholders are responsible for the proper use and safeguarding of cards issued to them. The card number, the card itself, and all documents related to the card transactions must be treated with security at all times. Cardholders must maintain accurate records of all purchasing card transactions, and promptly report any lost or stolen cards. All purchases using the purchasing card must be made in accordance with the Spending Guidelines for Public Funds.
2. 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.
3. A cardholder who makes unauthorized purchases or carelessly uses the credit card may be liable for the total dollar amount of such unauthorized purchases. The cardholder may also be subject to university disciplinary action.

E. Use of Purchasing Card

1. Authorized cardholders may make purchases in person or by phone, mail, fax or Internet. The bill to and ship to addresses for all parcels should include the **cardholder's name, university address and building and room number**, for example:
John Doe
Bloomsburg University
Student Services Center, Room 435
400 East 2nd Street
Bloomsburg, PA 17815
2. The cardholder must advise vendors to send any correspondence (receipts, order forms, etc.) directly to his/her department. Vendors should not send any correspondence regarding credit card transactions to Accounts Payable or Procurement.
3. Cardholders should make prudent selection of shipping options. Priority handling or expediting of shipments should only be utilized when absolutely necessary.
4. Purchases should be made from reputable vendors only.
5. Back orders should be avoided.
6. Vendors should be asked for the total charge, including shipping and handling.
7. All receipts, packing lists, receiving reports, delivery tickets, order forms, or other documentation must be retained for all charges.
8. When making purchases, the cardholder should inform all vendors of our tax-exempt status and supply a copy of the tax exemption certificate upon request. If sales tax has been assessed, the cardholder is responsible for contacting the vendor for a credit.
9. 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.
10. Cardholders should contact Procurement Shared Services if a transaction is declined.

F. Violation of Purchasing Card Procedures

Providing flexibility in purchasing options comes with certain responsibility; a cardholder who makes unauthorized purchases or carelessly uses the credit card may be liable for the total dollar amount of such unauthorized purchases. The cardholder may also be subject to university disciplinary action.

1. The university is responsible for the stewardship of Commonwealth funds and must assure appropriate internal controls. The following are grounds for the above actions:
 - a. Using the card for cash advances
 - b. Using the card for personal purposes
 - c. Purchasing prohibited items
 - d. Purchasing items that exceed approved budgets or those that were specifically not approved in the budget process
 - e. Using the card for employee travel costs
 - f. Submitting the web-based reconciliation and receipts after the due date
 - g. Submitting the reconciliation and receipts with insufficient documentation to support purchases made

G. Return of Goods/Purchases

1. Cardholders are responsible for the return of all goods. If an item is unsatisfactory, incorrect, damaged, defective, duplicate, etc., the cardholder should contact the vendor to explain the problem and inquire about the return policy. Returns should be credited to the cardholder's account. If an item has been returned and a credit voucher received, the cardholder should verify that this credit is reflected on the next statement. **Cash refunds are strictly prohibited.**

H. Rebate Acceptance Policy/Procedures

1. Cardholders should take advantage of rebates when offered by vendors. Rebates must benefit the University, never the individual employee.
2. If the vendor sends a check to the individual cardholder, the check should be endorsed by the individual and sent to the Business Office of the local campus. Departments must complete a miscellaneous deposit form with the applicable cost center and commitment item of the original purchase in order to reimburse the departmental budget.

3. If the vendor sends the individual cardholder a rebate coupon to be applied to future purchases, the rebate should be applied to purchases for the benefit of the department making the original purchase.

I. Monthly Statement Reconciliation Process/Transaction Review

1. Accounts Payable will send an email message to all cardholders reminding them that the reconciliation is due on the 10th of the month.
 - a. With the Bank of America reporting system, a cardholder can monitor or reconcile his/her account through the Bank of America Works system at any time. In most cases a cardholder's account is updated within 48 hours of a transaction.
 - b. At a minimum, cardholders must reconcile their transactions monthly.
 - c. Training and separate instructions are provided.
2. In order to reconcile the account (See Reconciliation Instructions) the cardholder must:
 - a. Compare charges listed to actual receipts.
 - b. Resolve any erroneous charges listed.
 - c. Upload copies of all receipts to the Bank of America Works website in chronological order. **This data attachment is critical to provide audit substantiation.** The receipt must have the vendor name, amount, and description of item purchased. The following documents are acceptable forms of receipts:
 - i) Original invoice (purchasing card statements **are not** invoices)
 - ii) Receiving report
 - iii) Packing list
 - iv) Order forms
 - d. If the cardholder does not have documentation for a transaction on the statement he/she must attach a Purchasing Card Missing Transaction Receipt Form for **each** missing receipt.
 - e. When the cardholder has completed the reconciliation for all charges, their supervisor/approver will automatically receive notification of the need for review/approval.
 - f. Copies of statements and the original receipts should be maintained in the department.
3. Each supervisor/approver is responsible to:
 - a. Review and verify the accuracy of all charges and reconciliation between the statement and individual transaction documentation (receipts, delivery slips, logs, etc.). This reconciliation is critical to ensure that the correct amount is paid.
 - b. Verify that the cardholder contacted the vendor concerning any discrepancies or erroneous charges listed on the statement.

- c. Complete the review and approval process on the web-based system. Original receipts should be maintained in the department.
- d. Accounts Payable will receive a monthly master invoice listing all purchasing card transactions for Commonwealth University and will pay the central invoice. Charges will be posted to the appropriate cost centers based on individual cardholder allocations determined during the reconciliation process. Accounts Payable will review the appropriateness of charges on a monthly basis.

J. Dispute Resolution

- 1. If a cardholder does not agree with a charge posted to their account, he/she should 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 enter a dispute transaction by contacting Bank of America’s Customer Service Department directly at:
 - 1-866-601-9490 (non-fraud)
 - 1-866-500-8262 (fraud)
 - 1-800-714-5923 (fraud claim status)
- b. If a cardholder wishes to dispute a charge after the monthly billing cycle has ended, which means Commonwealth University has already been invoiced, the cardholder must contact Bank of America’s Customer Service Department directly at 1-866-601-9490. In addition, the Accounts Payable Department must be notified to be certain that the charge is not paid on the master invoice.
- c. Cardholders should keep copies of all documentation dealing with disputed items until they are resolved.

K. Lost or Stolen Cards

- 1. If a purchasing card is lost or stolen, the cardholder must immediately notify Bank of America Customer Service at 1-866-601-9490. Access to the card will be immediately blocked and a new card issued.
- 2. Procurement Shared Services should also be notified immediately of any lost or stolen cards (rpopcard@passhe.edu).
- 3. Cardholders will not be responsible for any charges after the card is reported lost or stolen.

L. Contacts

Procurement.....rpopcard@passhe.edu
 Lori Olshefski, Accounts Payable..... 570-389-4648
 Bank of America Customer Service 1-866-601-9490

Purchasing Card Allowable Items

- a. Office, educational, lab, maintenance, custodial and other operating supplies
- b. Equipment, furniture, or furnishings
- c. Overnight shipping/courier services such as FedX, UPS, etc.
- d. Postage costs for shipping a parcel from the post office where a receipt is provided, excluding the purchase of stamps
- e. Travel-related expenses for speakers and candidates, such as hotel and transportation (speaker fees must be submitted on purchase requisition system). When using the purchasing card for a hotel, the cardholder must advise the hotel that Commonwealth University is responsible for the room only; expenses such as telephone and food are not included. Please remember our exemptions from paying county/local hotel taxes within the state of Pennsylvania.
- f. Seminar/conference registration **with no associated travel** (on-line courses under \$1,000)
- g. Job fairs
- h. Food, cardholder must complete a Justification/Approval for Food Purchases form
- i. Memberships/Subscriptions/Licenses \$1,000 and under which bear direct relationship/benefit to employee(s) current position duties and/or offset the cost of a professional conference that the employee(s) is attending

Purchasing Card Prohibited Items

- a. Goods and supplies in excess of single transaction limit (note that it is a violation to split a transaction to circumvent this limit; this may result in loss of privilege)
- b. Multiple purchases to the same/similar vendors, in the same time period, with the intent of circumventing the single transaction limit
- c. Travel-related expenses for students, faculty and staff such as hotel, transportation, and meals, which must be processed in accordance with travel guidelines
- d. Service of any type such as:
 - i. Honoraria
 - ii. Consulting services
 - iii. Temporary help
- e. Cash advances
- f. Personal items, even if intention is to reimburse the university
- g. Promotional items and university clothing
- h. Alcohol
- i. Telephones and cellular phones
- j. Merchandise for resale
- k. Desktop and laptop computers and printers
- l. Memberships/Subscriptions/Licenses \$1,000.01 and over
- m. PayPal without prior approval from Procurement Department.