

Purchasing Card Policy

Purchase Card Teachers College
February 1, 2008

OVERVIEW OF PURCHASING CARD POLICY

PURPOSE OF THE PURCHASING CARD PROGRAM

The College seeks to provide a cost-effective and convenient way of doing business based upon the community's needs, sound business practices, and compliance with external regulations. The purpose of this policy is to provide guidelines and consistency for College personnel regarding use of the Purchasing Card. The Purchase Card (P-Card) may become the preferred payment method for most non-travel related small dollar purchases of merchandise and services (under \$ 500 per transaction) by Teachers College departments. The P-Card will replace some blanket purchase orders, some reimbursement requests, some petty cash forms, and associated paperwork with small dollar item purchases. The P-Card should reduce the time spent purchasing and paying for small-dollar, high volume transactions while maintaining adequate controls.

POLICY FOR USE

Teachers College, Columbia University (the College) sponsors the purchasing card, issued by JPMorgan Chase that allows designated individuals to make specific business-related purchases to be paid for directly by the College. The purchasing card will be issued to an employee after appropriate forms are completed and the employee receives approval from her/his supervisor, Provost, V.P. By signing the card agreement, the employee is agreeing to comply with program rules and regulations. No other individual is permitted to use the card assigned to a particular cardholder. The cardholder is responsible for the appropriate use of the card. Although the card is issued to an individual, it remains the property of the College and may be rescinded at any time. The card should be used only for the types of purchases described in these policies and procedures.

The policy outlines appropriate internal controls for using the P-Card to minimize the College's risk of financial loss.

BENEFITS OF USING A P-CARD ARE AS FOLLOW:

Teachers College:

- Allows authorized College personnel to obtain merchandise and services more quickly and easily.
- Typically requires no purchasing approvals or requisition forms prior to purchase;
- Significantly reduces paperwork and processing time.
- Provides cost savings through consolidated payment (one monthly payment to the Card Issuer versus multiple checks to vendors).
- Improves supplier relations due to faster payment, i.e. Card Issuer pays suppliers once their documents are approved by the Card Issuer.

- Provides consolidated data for supplier management, future negotiations and program management.
- Provides improved controls over accounting and purchasing.
- Facilitates monitoring to ensure compliance with College Purchasing policies.

Suppliers/vendors:

- Improves cash flow as payment is received quickly.
- Eliminates after-sale invoice paperwork.
- No additional applications or paperwork is necessary if supplier/vendor is already a MasterCard merchant;
- No waiting for credit approval.

RESPONSIBLE COLLEGE OFFICES FOR PROGRAM ADMINISTRATION

The Purchasing Office, in the Office of Campus & Auxiliary Services is responsible for administration of the Purchasing Card program, its policies and procedures in close coordination with Accounts Payable and the Controller's office.

FORMS/POLICIES/PROCEDURES

It is the responsibility of all College personnel who participate in the P-Card program to review and understand this policy. All Forms, Policies and Procedures for the P-Card program are available through the Purchasing Office Room 29, Zankel.

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PAYMENT

JPMorgan Chase shall pay your vendor for your purchases, within several days of the purchase transaction. The College will pay JPMorgan Chase as billed. JPMorgan Chase provides the service and convenience for the Cardholder. The integrity of the payment can be overseen only by your reconciliation.

Transactions for a month will range from the 25th of the current month to 24th of the next month.

No other payments for P-Card purchases should be made by any other method. Please do not replicate the P-Card purchase with a requisition, and notify the Purchasing Department if a requisition had previously been submitted.

P-CARD ROLE DEFINITIONS

PURCHASING OFFICE

The Purchasing Office administers the P-Card Program, (P-Card Purchasing Staff) and is responsible for supporting departments in utilizing the P-Card Program to execute and pay for small purchases in an effective, efficient and appropriately controlled manner. The Purchasing Office is authorized to make modifications to the program or to perform administrator tasks such as setting-up users, changing card controls, etc., in the card management system. The P-Card Purchasing Staff maintains all forms, cards, policies and procedures directly associated with the program and the Card-Issuer.

CARDHOLDER

A Cardholder is a Teachers College employee who has been assigned a P-Card to make frequent, low-dollar purchases for College business. A Cardholder makes purchases, regularly reviews his or her transactions, documents the business purpose of

the transaction, allocates transactions to the correct accounting codes, and retains the receipts for the transactions for the Departmental P-Card staff.

RECONCILER

A Reconciler is a College employee to whom the Cardholder or Departmental P-Card Administrator has delegated all the Cardholder functions associated with post-purchase processing in the card management system, such as maintaining a file for all receipts, invoices, and records to explain the business purpose of the transactions. A Reconciler **CANNOT** make purchases using the card belonging to the Cardholder for whom they reconcile. The Cardholder is responsible for all actions taken by the Reconciler on his or her behalf.

Reconciling a transaction includes verifying information on the receipt matches the transaction in the Works Payment Manager. Contact the vendor to open a dispute. Review sales tax information, verify the allocation of the purchase is correct, and submitting the transaction for approval.

DEPARTMENTAL P-CARD ADMINISTRATOR

A Departmental P-Card Administrator is responsible for ensuring that his or her department follows the policies and procedures for the P-Card program. A Departmental P-Card Administrator is also the primary liaison between the Purchasing Office and the P-Card program participants in his or her department. He or she manages and approves the documentation related to new card applications and changes in cardholder information (name, mailing address, increase or decrease in limits, etc.) or employment status.

The Departmental P-Card Administrator approves purchases that have been made by the Cardholder(s) to which he or she is assigned in accordance with the Purchasing Policy and the College's authorization policies. By approving each transaction, the Departmental P-Card Administrator exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses.

It is the Departmental P-Card Administrator's responsibility to notify the P-Card Purchasing Staff of every termination immediately so that any associated P-Card or approval authority can be suspended in the card management system

Please note: It is possible for one person to hold more than one role, or add a function such as an Approver or Accountant; however, **Cardholders cannot approve their own transactions.**

SPECIAL REQUIREMENTS REGARDING CHARGES TO GRANTS AND CONTRACTS

While the P-Card may be used to make purchases and thereby incur related charges on grants and contracts, special efforts are required to insure that the charges themselves are permissible in accordance with the terms of those grants and contracts. In particular, Federal regulations prohibit the charging of certain types of costs to grants and contracts. These include "unallowable costs" and "office supplies and other administrative expenses". It is the obligation of the Cardholder, Reconciler and Departmental Administrator/Approver to insure that (1) these costs are not charged to Federal projects, (2) that any such charges to non-Federal projects are permissible in accordance with agency policies, and (3) as it relates to "unallowable costs", any such charges incurred (and therefore charged to *non-federal* sources) are assigned appropriately.

P-CARD FORM RETENTION

All forms, such as the P-Card Application and signed P-Card Agreement, completed and submitted to the P-Card Administrator, are to be retained and filed by the P-Card Administrator Purchasing Staff , **for ready access by the submitter(s) and Departmental P-Card Administrator /Approver(s)** until the card is no longer needed, the holder leaves the department, or the College.

REVIEWING AND MONITORING TRANSACTIONS

Teachers College Purchasing Office and / or Controller's Office may perform periodic reviews of each Cardholder's records (i.e., Cardholder receipts, and reconciled statements). Such reviews may also be performed by the College's financial auditors or others who perform audits on the College's behalf.

P-CARD FRAUD AND MISUSE

The following summarizes typical actions that will be considered fraudulent, misuse or administratively deficient for purposes of this policy.

Fraud/Misuse

- Purchase of items for personal use
- Purchase of restricted commodities
- Purchase from restricted suppliers
- Splitting of purchase or service cost over multiple card transactions in order to circumvent the authorized transaction limit
- Use of the card by anyone or any department other than the authorized user

Administrative Deficiencies

- Failure to obtain and forward supporting documentation for all card transactions
- Lack of timely and proper reconciliation of posted transactions
- Misallocation of charges to sponsored project accounts in a manner that is inconsistent with federal or other guidelines

If a Cardholder violates the P-Card policies and procedures, the Cardholder may be subject to a warning letter from the P-Card Purchasing Staff, suspension of card privileges, card cancellation, or other disciplinary action as deemed appropriate by the College.

FUNCTIONS

THIS POLICY SECTION IS DIVIDED INTO THE FOLLOWING SECTIONS BY FUNCTION:

- I. Purchasing Office
- II. Cardholder & Reconciler
- III. Approver
- IV. Departmental P-Card Finance and Accounting
- V. Departmental P-Card Administrator

I. PURCHASING OFFICE

The P-Card Purchasing Staff is a part of the College's Purchasing Office. The P-Card Purchasing Staff is responsible for the overall planning and administration of the P-Card Program, including assisting departments in determining how to use the P-Card to fit their needs, planning and coordinating training, coordinating customer service, issuing cards with proper controls in place, conducting post-audit reviews, and working with departments to identify and pursue opportunities to maximize the value of these small purchases.

The Purchasing Office will approve payment of the monthly card charges through the Accounts Payable Department based on the bill from the Card Issuer and the information in the card management system.

II. CARDHOLDER AND RECONCILER

Ila. CARDHOLDER

The Cardholder is the only person authorized to use the card issued to them. The P-Card must ONLY be used for merchandise and expenses in accordance with Teachers College Purchasing Policy. Any other use is prohibited. All transactions on the P-Card are the responsibility of the person to whom the card is issued.

Ila. 1. ELIGIBILITY

Teachers College faculty and staff may apply for a P-Card if their job requires them to make legitimate, frequent, business-related purchases for non-travel related purposes under \$ 500.

The Cardholder must have a Department P-Card Administrator /Approver with signature authority to make purchases of \$ 500 or greater for the corresponding department(s).

Ila. 2. REQUIREMENTS FOR P-CARD ISSUANCE AND ACTIVATION

An individual's eligibility is dependent on completion and return of the following:

- Completing the application and cardholder agreement forms specified in this document. These are available from the Purchasing Office located at 29 Zankel.
- Forms must be approved by the Provost, Department Chair or Vice President, and returned to the Purchasing Office. The P-Card Purchasing

Staff will review these forms and submit to JPMorgan Chase. These are forms mandated by card issuer, JPMorgan Chase.

- Completing formal purchasing card training session, including a review of the Purchasing Card User Guide. *This session is for the Holder of the card, the Reconciler of the card and the Departmental P-Card Administrator for the area.*
- After review and approval by the Purchasing Card Administrator, requests will be submitted to JPMorgan Chase and they will issue the Purchasing Card in the Holders name. The usual processing time is approximately two weeks after an application is submitted. The Purchasing Office will notify employees when their Purchasing card is available for pick-up and signature of receipt.
- The cardholder is required to follow the Purchasing **Card User Guide** and adhere to all Purchasing Card policies and procedures. The guide will explain appropriate card use, merchant participation, and record keeping and reconciliation procedures.
- Once the cardholder receives the card, she/he should sign it and keep it in a secure place. Having a card issued in your name will not affect your personal credit in any way.
- The Purchasing Card Receipt Form must be signed by the Cardholder immediately after training in order to receive the card. A valid ID must be presented by the Cardholder for the card to be distributed.

Ila. 3. SECURING P-CARD INFORMATION

The P-Card and all account information should be kept in a secure place, and the card number should not be posted or visible in any place that is accessible by others. Each Cardholder is directly responsible for the physical security of their card and account information.

Only the designated Cardholder is authorized to use his or her P-Card. Lending the card to anyone is against policy and can result in card revocation and/or other disciplinary action. If the Cardholder will be absent from the office for an extended period, the Departmental P-Card Administrator or other authorized Department personnel may request that the card be suspended and a new card be issued to a different person for the duration of the absence.

Ila. 4. REPORTING LOST OR STOLEN CARDS

If the P-Card is lost or stolen, the Cardholder must **immediately** notify the following:

- Card Issuer, JPMorgan Chase (by calling the 1-800-316-6056).
- Departmental P-Card Administrator / Approver in writing.
- P-Card Purchasing Staff in writing.
- Verbal reports of lost or stolen purchasing credit cards must be followed

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up in writing to the Purchasing Card Administrator using the "Lost or Stolen Purchasing Card Notification Form." Remember, your quick response will reduce the risk of fraud.

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- If the card is lost, the card shall be cancelled as soon as notification is received at JPMorgan Chase and with the P-Card Purchasing Administrator. We will have the card reissued with JPMorgan Chase's cooperation. The College is liable for all unauthorized use of the card until the Card Issuer is notified. All charges associated with a card will be allocated to the department to which the Cardholder was assigned when the card was issued.

Ila. 5. CARD TERMINATION

P-Cards are the property of Teachers College and the Card Issuer and can be terminated at any time by either the College or the Card Issuer. Cardholder or Approver authorization may be changed by College policy. College personnel who become aware of personal misuse should notify the Departmental P-Card Administrator and Purchase Office P-Card Administrator. It is the responsibility of the Departmental P-Card Administrator to notify the P-Card Purchasing Administrator of the following:

Inactivity - Cards that have not been used for a period of six consecutive months will be automatically disabled; Cardholders with disabled cards should follow the procedures for establishing a new card. Cards that are inactive for a period of 12 consecutive months will be automatically cancelled. Cardholders whose cards have been cancelled for inactivity should follow the procedures associated with establishing a new Cardholder.

Personal Misuse – Any transactions that a Cardholder makes that violate this P-Card Policy, Purchasing Policy or any other related policy may result in a warning, suspension or revocation of the card, termination of employment or other disciplinary action in accordance with College's disciplinary policies.

Administrative Misuse – See Card Restrictions–Vendors and Items Section Ila.8.

Cardholder moves to a new Department in the College - If a Cardholder transfers to another department, the P-Card must be turned over to the Departmental P-Card Administrator and the account will be closed. The department will be held responsible for all charges made on the card until it has been canceled and the Purchasing Office has been notified. If a Cardholder needs a P-Card in his or her new department, he or she should follow the procedures for establishing a new Cardholder.

Cardholder leaves the College - When a Cardholder leaves the College, the P-Card must be turned over to the Departmental P-Card Administrator and the account permanently closed.

If a Cardholder believes a card has been suspended or cancelled in error, he or she should contact the Departmental P-Card Administrator and the P-Card Purchasing Administrator immediately.

Ila. 6. USING THE CARD TO PURCHASE GOODS & PURCHASING

METHODS

All purchases must be made in accordance with applicable laws and regulations, including, but not limited to Teachers College policies and procedures.

Ila.6.1 AT VENDOR'S OFFICE or SHOWROOM, BY TELEPHONE, FAX, MAIL or INTERNET.

When placing your order, please be sure to provide the vendor the following information.

Identify yourself as an employee of Teachers College; indicate that it is a "corporate" tax-exempt purchasing card purchase. Cardholder name, individual card number, expiration date of card should be requested. Identify merchandise to be ordered and any other information necessary to complete the purchase.

If your purchase is to be shipped, your TC address must appear on all shipping information, including building and room number, and card authorization number, and invoice number in addition to our Receiving Location.

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The shipping information must indicate, "PC" "Purchase Card."

Teachers College
Attn: Your Name, PC (Purchase Card)
502 West 121st Street
Shipping & Receiving
Russell Hall Basement
New York, NY 10027-6696
Receiving Hours are 9 AM – 12 Noon

(NOTE: PC indicates to the Receiving Dept. that this order was a Purchase Card purchase and can be immediately delivered to you without delay. Please be sure the merchant understands these specific instructions. If not, this may delay your shipment.)

Upon receipt of your order, retain the documentation received from the vendor (typically a sales receipt or packing slip and/or invoice) for later reconciliation and audit.

Please read the following instructions for the "Monthly Bill Reconciliation" carefully. This will help you to manage the paperwork associated with the purchasing card purchasing process and reconciliation. **A JPMorgan Chase program, SDOL,** will be used to approve your purchases by the Department P-Card Administrator.

No other payments for these P-Card purchases should be made by any other method. Please do not replicate the purchase with a requisition, and notify the Purchasing Department if a requisition had previously been submitted.

Ila. 7. CARD RESTRICTIONS – USERS

College Purchases can ONLY be made by the person to whom the card is issued. Any other use is a violation of College Policy, and the person to whom the card is issued as well as the user may be subject to disciplinary action.

Ila. 8. CARD RESTRICTIONS – VENDORS AND ITEMS

All vendors that accept a credit card are classified by the Card Associations, (MasterCard) under a Merchant Category Code (MCC) that indicates the type of business they perform. For example, Staples is classified under the MCC for Office Supplies.

Ila.8.1. The College has established a global standard default MCC template that excludes certain types of vendors based on their MCC which means that MasterCard will automatically reject a transaction that is attempted with those vendors.

The P-Card Purchasing Staff determines the valid MCCs for each card in consultation with the department and in accordance with Purchasing Policy. To change or add an MCC, a Departmental P-Card Administrator must email the P-Card Purchasing Staff.

Ila.8.2. The P-Card Purchasing Staff establishes the standard P-Card set-up in accordance with College Purchasing Policy, and must approve any exceptions to this set-up for individual cardholders.

Ila.8.3. The P-Card may NOT be used to purchase certain items. Several items and services are restricted by policy. (See Section Ila.8.7).

Ila.8.4. Cash Advances are prohibited, and attempts to use a P-Card at an ATM will be rejected.

Ila.8.5. Cardholders are encouraged to use the Columbia University's preferred vendors www.columbia.edu/purchasing/pv_list.html where these commodities are covered by a University-Wide Purchasing Agreement (UWPA). The following are some common examples of approved items for purchase using the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card Purchasing Staff.

- Books
- Minor computer equipment, software, and supplies
- Lab supplies and minor equipment
- Registrations for conferences and seminars
- Subscriptions and memberships
- Professional membership and license fees
- Repairs of equipment not covered by a College maintenance contract
- Supplies and materials
- Overnight air and ground delivery charges
- Newspaper, journal, on-line advertising fees

Ila.8.6. The P-Card **may not** be used to purchase food while traveling on

College business or for meals eaten in a restaurant or eating establishment.

Ila.8.7. While departments are encouraged to use the P-Card for most small purchases of merchandise, as well as appropriate services, some purchases may not be made via P-Card because they require additional oversight or control in advance of purchase. Please refer to Appendix A to see examples of items that **ARE NOT** approved for purchase using the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card Purchasing Staff.

Ila.8.8. In general, purchases of merchandise or equipment valued at \$500 or less may be charged so long as the purchase is not for a restricted commodity for which purchases are subject, by College policy, to prior approval by one or more oversight departments. A list of restricted commodities (Merchant Category Codes) for which P-Card purchase are typically not permitted is provided in Appendix B. Typically, the College P-Card will be set up to block purchases from vendors doing business in these commodities.

The P-Card may also be used to procure some types of non-consultant services. In general, non-consultant services may be purchased via the P-Card so long as they are governed by a Columbia University-Wide Purchasing Agreement (UWPA), or where they do not involve specialized contractual terms and conditions binding the College or the vendor, including but not limited to insurance, indemnification, warrantee, license requirements, etc.

For purchases of other services, the department(s) should consult with the Purchasing Office in advance of charging their card. Consultant and construction services may not be charged without the express consent from the Purchase Office.

Ila. 9. CARD RESTRICTIONS - SPENDING LIMITS & CONTROLS

The P-Card Purchasing Administrator may authorize modifications to the standard card set-up for appropriate individual Cardholders, including modifications to the single/daily/monthly purchase limits as well as Merchant Category Codes (MCCs).

Ila.9.1. The P-Card has both a "Single Transaction Limit" and a "Monthly Credit Limit". The Single Transaction Limit is set at \$ 500 and the Total Monthly Credit Limit is set at \$5,000 per card.

Ila.9.2. It is explicitly prohibited for a Cardholder to "split" the purchase of merchandise in order to circumvent the "Single Transaction Limit" or use two cards assigned to a department and split the purchase. Intentionally doing so may result in the cancellation of the P-Card. A transaction includes the purchase price, sales tax (if applicable), and freight and/or handling. Any transaction that exceeds the Single Transaction Limit will be rejected by the merchant. The procedures for those seeking transaction specific or card based

exceptions to these limits may be discussed with the P-Card Purchasing Administrator.

- Ila.9.3.** All transactions during the billing period in excess of the Monthly Credit Limit before the end of the billing cycling will be rejected by the merchant. In an urgent circumstance, the Cardholder or the Departmental P-Card Administrator may call the P-Card Purchase Administrator to request a one-time exception to this limit.

Ila.10. PREFERRED VENDORS

In order to secure the best value in accordance with College Purchasing Policy, purchases should be made with Columbia University's preferred suppliers/vendors whenever possible. A list of the preferred suppliers/vendors can be found on the Columbia University Purchasing Office website.

- Ila.10.1.** The P-Card Purchase Administrator will review P-Card transactions on a regular basis to analyze preferred vendor utilization and will review any resulting opportunities with the Departmental P-Card Administrator. The Purchasing Office will also work with the Card Issuer and MasterCard to encourage vendors who do not accept credit cards to add cards as a payment method.

The College has partnered with vendors to execute [College-Wide Purchasing Agreements](#) that may result in better costs for your department's budget for frequently purchased goods and services. Some are New York State Contracts while others are with local vendors in our community.

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Office supply orders will continue through Weeks-Lehman/Republic Office Supply, and will be processed through purchase COS on line entry.

Certain merchants are blocked from the program, and purchases through them will be declined. These may be discussed with the Purchasing Card Administrator as necessary. There are products and / or services blocked from the College template.

Purchasing will also identify opportunities to further maximize the College's buying power through contract negotiations. Opportunities as they appear will be publicized.

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Ila.11. SALES TAX

Cardholders should remind vendors when they make a purchase that according to the tax laws in most states, the College is exempt from sales tax. The Colleges' tax exempt number is printed on the P-Card.

- Ila.11.1.** If a vendor incorrectly charges tax where the College is exempt from such tax, it is the Cardholder's responsibility to properly detail and allocate the tax in the card management system in

accordance with established procedures and to immediately seek a credit from the vendor.

Ila.11.2. The Purchasing Office will run sales tax reports on an annual basis and coordinate with the Office of the Controller to file for refunds where they have not been provided by the vendor.

Ila.11.3. Where feasible, the Purchasing Office will return recovered taxes to the appropriate department.

Ila.11.4. Tax charges assessed in jurisdictions where the College is exempt from tax may not be allocated to grant accounts. Charges of this kind should be allocated to a holding account established by the Purchasing Office in conjunction with the Office of Management and Budget. The Purchasing Office will seek to recover these taxes on an annual basis.

Ila.12. TRANSACTION REVIEW

It is the Cardholder's responsibility to review all transactions for accuracy, reconcile with invoices/receipts/records, assign proper accounting, and approve/send for approval within four days after receipt of monthly bill.

The Cardholder should review each transaction to ensure compliance with the following items:

- All transactions made using the card comply with the Colleges' Purchasing and P-Card Policies herein and satisfy a valid College business requirement.
- Accounting is done in compliance with the College's Accounting Policies.
- Sales tax is detailed and allocated appropriately.
- All required receipts are accounted for and processed in accordance with policy (see Section Ila.14).

Ila.13. TRANSACTIONS REJECTED BY DEPARTMENTAL P-CARD ADMINISTRATOR/APPROVER

It is the Cardholder or Reconciler's responsibility to research transactions that are rejected by the Cardholder's Departmental P-Card Administrator/Approver and to resolve them no later than two business days after the initial rejection.

Ila.14. RECEIPT MANAGEMENT & BUDGETING

It is the Cardholder's responsibility to maintain receipts that document the nature and cost of all purchases made via the P-Card in a manner that supports ready access for review and reconciliation with the Card Management System and the College's financial systems by departmental index, the P-Card Purchase Staff, the College's financial auditors, and federal or other auditors, etc.

RECEIPT DEFINITION

Ila.14.1. A receipt generally includes the following information: purchase

date [ex. 02/14/08], vendor name [ex. Poland Spring Water], item(s) description [ex. Case of 24 bottles of water], quantity [ex. 2], unit price [ex. \$6.98] and total charge [ex. \$13.96]. If this information is not on the receipt for \$100 or less, the Cardholder should write that information on it. For purchases greater than \$100, a detailed receipt or invoice from the vendor is necessary. A receipt can be in the form of a cash register receipt, a detailed packing slip for goods, a copy of an order form (i.e., for subscriptions or conference registrations), or a web receipt or email acknowledgement from the vendor. The receipt should provide sufficient detail to support the stated business purpose of the purchase.

- Ila.14.2.** Occasionally, the Cardholder may lose a receipt. If so, the cardholder must contact the vendor for a duplicate receipt.

FORWARDING RECEIPTS

- Ila.14.3.** It is the Cardholder's responsibility to forward the receipts for all transactions to the Reconciler or Departmental P-Card Administrator/ Approver once the Cardholder has signed off on the transactions. The receipts will help to determine what has been purchased and to assess the accuracy of the account allocation.

FILING RECEIPTS

- Ila.14.4.** The Purchasing Office requires Cardholders to keep original receipts for a minimum of 1 (one) year on-site and six (6) years off-site.
- Ila.14.5.** The Cardholder should retain all receipts in accordance with the departmental and College receipt procedures as well as any applicable federal requirements.
- Ila. 14.6.** Receipts may be filed according to project, index, date, Cardholder or any other data element that is relevant to the Department. All receipts should be filed in a manner that ensures they can be readily retrieved and associated with the transaction for audit purposes.
- Ila.14.7.** Regardless of how a department chooses to file their receipts, when receipts are requested by the P-Card Purchase Staff, they should be presented and organized by date, account, Cardholder or an order that facilitates reconciliation with the bank's payment management system. All numbers and letters must be legible and originals are preferred although scanned or photocopied receipts are acceptable. Requests for receipts from the prior 12 months should be fulfilled within 72 hours.
- Ila.14.8.** Images of receipts requested by the P-Card Purchase Staff will be used in the monitoring/auditing of the College's use of the card. Do not forward the original receipts.

Ila.14.9. The Cardholder must retain all receipts in accordance with JPMorgan Chase, the P-Card Purchase Office, and College receipt procedures as well as any applicable federal requirements. All receipts should be filed in a manner that ensures they can be readily retrieved and associated with the transaction for audit purposes.

Ila.15. RETURNS AND/OR CREDITS

If merchandise purchased with the P-Card needs to be returned, it is the Cardholder's responsibility to make a good-faith effort to resolve the issue directly with the vendor. The vendor should be contacted immediately to determine if the vendor will accept the return and to arrange for the return and refund to the card. If the return is not authorized or if it is not properly credited, refer to Section II.16 - Disputing Transactions.

The only type of refund that a Cardholder should accept is a direct credit to the card that was used to make the original purchase. This policy prohibits any other type of credit or refund including cash.

Ila.16. DISPUTING TRANSACTIONS

Once a good faith effort has been made to resolve a problem with a vendor, the transaction can be disputed through the Card Issuer, (JPMorgan Chase).

Ila.16.1. The Cardholder does not have to approve for payment a transaction that has been disputed until the dispute is resolved.

Ila.16.2. Sales tax may not be disputed. This should be addressed with the vendor directly. If the vendor does not credit the tax, the Purchasing Office will file with the appropriate state authorities on an annual basis to be reimbursed.

Note: If a transaction appears that was made by someone other than the Cardholder, the Cardholder must immediately follow the steps for lost/stolen cards which are outlined in the P-Card Cardholder Procedure.

In accordance with our agreement with the Card Issuer, a dispute MUST be initiated NO LATER THAN 60 days after the date of the transaction. Failure to do so will result in the dispute being rejected and the College and corresponding department will be responsible for the charges.

DISCREPANCY AND DISPUTE PROCEDURES

The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. **A cardholder may dispute a charge that appears on their account statement.** Disputed charges can result from failure to receive merchandise, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor **immediately** to resolve any outstanding issues. Most issues can be resolved this way. If the merchant does not credit your account, highlight the entry on the statement until the issue is resolved.

If the cardholder is unable to reach agreement with the vendor, contact JPMorgan Chase by using their FAX 847-497-8298 or 847-622-2495. **A phone call may not be used to register a dispute.** Detail the dispute in your fax. **Dispute forms must be submitted within 60 days of the statement date. The dispute must be made in writing to JPM and copied to the P-Card Purchasing Administrator.** Your next statement will be reduced by the amount of the disputed charge until the issue is resolved. **A resolution from JPMorgan Chase will appear in 90 days.** In the event of an audit, you must prove that a dispute is in process.

In addition to contacting JPMorgan Chase, please contact the Purchase Card Administrator and apprise him/her of the situation if the problem is not resolved in 90 days.

Please note that, **by law, vendors are not permitted to bill your credit card for purchases until the items have been shipped.**

IIb. RECONCILER

The Reconciler is designated so that he or she can complete the required accounting allocation and documentation functions for a Cardholder's transactions on the Cardholder's behalf. All policies and procedures that are applicable to the Cardholder for these functions are also applicable to the Reconciler. Authorization to use a Cardholder's card **CANNOT** be delegated and doing so is a violation of this policy. Therefore, a Reconciler **CANNOT** make purchases on the Cardholder's behalf. The Cardholder is jointly responsible and ultimately accountable for any and all actions taken by the Reconciler on his or her behalf.

1. MONTHLY STATEMENTS, RECONCILIATION & CBDR (CENTRAL BILL DETAIL REPORT)

Under the Purchasing Card program, **monthly statements from JPMorgan Chase are emailed directly to cardholders.** These statements will be reviewed by the Reconciler, and approved by the Department P-Card Administrator/Approver of the card.

The cardholder assumes the responsibility to maintain purchase records, maintain a record of what has been purchased, and business purpose to support the monthly statement, audit by the external or internal sources, and reconciliation of the CBDR (Central Bill Detail Report). The department may choose to have a Reconciler of its records, but the cardholder is charged with the responsibility to control and maintain these records.

Expenditures must be supported by documentation attached to the Central Bill Detail Report (CBDR), a recommended format by JPM. This report must remain in the department. The documentation should be kept in an orderly fashion for record keeping and audit. The recommended method is to affix receipts to one or more sheets of standard 8-1/2" x 11" paper and to include explanations and cross references in the margins. In all cases, there must be a clear trail from the receipt amounts on your CBDR to the amounts billed on the monthly statement.

Upon completion of the monthly reconciliation, we recommend that the department maintain a central location for all cards in use.

The CBDR (Central Bill Detail Report) compilation, review, approval and maintenance will uncover improper index or account distribution. Further, requested documentation for audit should be in file, but must be presented within three (3) business days in the event of an omission.

The College requires sufficient documentation for all purchases in order to comply with its policies, sound business practices and GAAP. Such documentation must support the legitimate business purpose of all purchase card transactions. Sales receipts, detailed packing slips, paid web receipts, and invoices are examples of supporting documentation. In addition, copies of order forms for subscriptions, or application documentation for seminars, delivery information from vendors, or information otherwise prepared by the College concurring with the JPM statement. **Paperwork must be retained for 7 (seven years), 1(one) year within the department, and 6 (six) years offsite.**

If an original receipt is lost, the cardholder may include other information on the CBDR (Central Bill Detail Report) such as a credit card charge slip, document provided by the vendor substantiating business purpose or description, web receipt marked paid. You may contact the vendor for a copy of the invoice, marked PAID.

The CBDR and documentation must be reviewed and approved by the Cardholder's Department P-Card Administrator within five (5) days of the JPM Chase statement. Notations for missing information should be made, and/or pending credits. Any rejections by the approving manager must be resolved within three (3) business days.

III. APPROVER

The person(s) designated as Department P-Card Administrator/ Approver for the Cardholder's department or sub-department may approve the Cardholder's transactions. (See P-Card Role Definitions Section.) Changes to these authorizations must be processed in accordance with authorization policy as established by the Controller's Office. An Approver must have authority equal to or greater than \$ 500.

III.1. APPROVING/ REJECTING TRANSACTIONS

III.1.1. No Cardholder may approve his or her own purchases/transactions nor may he or she direct someone else to approve transactions in a manner that would violate policy, i.e., without reviewing the transactions in detail, etc. As a general rule, the Approver should not report to the Cardholder whose transactions he or she is reviewing. Where no Approver exists other than a Cardholder in a given department or sub-department, and no Departmental P-Card Administrator is available, authorized Approvers for the Cardholder's parent department as defined in the College's financial system may approve his or her transactions. All other Approver options should be explored before assigning a subordinate to approve his or her supervisor's transactions.

III.1.2. *Approvers will be notified by the Cardholder that their transactions have been reconciled and are ready to be approved.*

III.1.3. It is the Approver's responsibility to verify that the transaction(s) he or she is approving meets the following criteria:

The item was purchased in accordance with the College's Purchasing Policy, including the use of preferred vendors where applicable

The item purchased was/is to be used for College purposes/business

The item purchased was properly and completely received as ordered by the College

For each item, there are proper receipts that provide sufficient detail to document the nature of the purchase

A description of each purchase charged and the business purpose for the purchase is included in the card management system.

Sales Tax is itemized and accounted for separately for each transaction where such tax is included in the transaction.

Accounting assignments are in accordance with College and Department policy.

III.1.4. The Approver is required to either approve or flag/reject the transaction within five business days of receiving the transaction notification email.

III.1.5. The Approver is required to flag and send back to the Cardholder any and all transactions that do not meet the criteria in section III.1.3. The

Approver should enter a reason for the rejection into the system at the time of rejection.

- III.1.6.** Transactions rejected/flagged by the Approver should be fully resolved with the Cardholder no later than five days after the initial rejection/flagging.
- III.1.7.** Transactions that have not been approved by 5pm EST on the last business day of the month will be uploaded to the College's accounting systems with the default accounting assigned. Once the transaction has been sent to the financial system, the Departmental P-Card Administrator or another authorized officer will have to make any required accounting changes through a journal entry.
- III.1.8.** Approvers are encouraged to use the reports available in the card management system to perform analytical and strategic reviews to detect unusual items, patterns, and trends that may not be apparent from reviewing the individual transactions and statements alone. These reports also provide useful purchasing trend information.

IV. DEPARTMENTAL P-CARD ACCOUNTING

The Departmental P-Card Administrator/ Approver may reassign or reallocate accounting in the card management system after transactions have been approved but before they have been journalized to the Banner. The Departmental P-Card Administrator or Reconciler generally will only need to reallocate a transaction if the Cardholder and the Approver are not available.

IV.1. ACCOUNTING REALLOCATION

The P-Cards assigned to each department have been assigned to a given Index and Account

IV.1.1. Accounting reallocation should be done by the Cardholder, checked by the reconciler, and approved by the Department P-Card Administrator /Approver in the card management system before the Department P-Card Staff sends the card transactions to the P-Card Purchasing Staff to be posted to the financial system.

Your P-Card is imbedded with vendors historically found in your purchasing profile. We can add or remove vendors from this preset. The P-Card then has a preset index and account number.

A card transaction results in a charge to this index and account code. The charges will appear on the Monthly Account Statement.

Following your review of card activity, you have the opportunity change the preset index and account. This step may be performed by the Reconciler (or the Departmental P-Card Administrator) and reviewed and approved by the Department P-Card Administrator/ Approver, in the Smart Data On Line software provided by JPM.

Take this step to control and allocate your departmental dollars correctly.

IV.1.2. The P-Card Purchasing Staff will forward all approved transactions for posting to the financial system monthly.

IV.1.3. The P-Card Purchasing Staff will forward all transactions regardless of their status into the card management system within four days after the last business day of the month. Therefore, to avoid a journal entry, the Cardholder, Reconciler, in conjunction with the P-Card Departmental Administrator/ Approver should ensure that any required allocation changes are completed by the last business day of the month.

IV.1.4. Once the transaction has been sent to the financial system, the Departmental P-Card Administrator or another authorized officer will be required to make any accounting changes via journal entry directly in the College's financial system. That transaction will no longer be available for allocation through the card management system.

V. DEPARTMENTAL P-CARD ADMINISTRATOR

The Departmental P-Card Administrator is responsible for managing the documentation related to new card applications, changes in cardholder information (name, mailing address, increase or decrease in limits, etc.), and changes in a Cardholder's employment status at the College. The Departmental P-Card Administrator is generally responsible for ensuring that all P-Card activities within his or her department are managed in accordance with this and all other College policies. The Departmental Administrator may be designated by the Vice President, Provost, or Departmental Administrator/Business Manager.

V.1. AUTHORITY FOR CARDHOLDERS, RECONCILERS AND APPROVERS

The Departmental P-Card Administrator is responsible for ensuring that Cardholders, Reconcilers and Approvers (if one is assigned) have the correct level of approval authority for the P-Card program. Approvers must have authority for transactions greater than \$ 500 for the department or sub-department for which they are approving transactions.

V.2. CHANGES IN CARDHOLDER EMPLOYMENT STATUS

If a Cardholder leaves the College or moves to a new job within the College, it is the Departmental P-Card Administrator's responsibility to collect the physical card from the Cardholder and follow the procedures outlined in the P-Card herein.

V.3. REVIEW PROCESS

The Departmental P-Card Administrator should conduct a regular review of transactions for compliance with P-Card policies and procedures. Recommended reports to assist in this review are listed in the P-Card Procedures. The Departmental P-Card Administrator can request that a card be terminated by the P-Card Purchasing Staff at any time.

V.3.1. It is the Departmental P-Card Administrator's responsibility to verify within five days after the cycle date that ALL transactions from the prior month within the card management system have been properly approved and assigned accounting.

V.3.2. Reconciliation of local ledgers and transaction records to the Financial Accounting System is required on a monthly basis. P-Card transactions are no different from other purchase transactions in this respect.

Appendix A

The following is a list of items that SHOULD NOT be purchased on the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card Purchasing Staff.

- Personal items
- Alcoholic beverages
- Travel and entertainment (airline, car rental, lodging, restaurant, etc.)
- Flowers, greeting cards, candy, fruit baskets*
- Personal celebrations, gifts of sentiment
- Maintenance agreements
- Cash advances, cash back on purchases, cash refunds on returns
- Controlled substances
- Live animals, radioactive materials, specialty gases
- Contracted services from any individual or 1099 vendors
- Upholstered Furniture*
- Fuel
- Leases, insurance
- Employee relocation and relocation related expenses
- Catering
- Parking
- Charitable Contributions

* May be allowable under a one-time special circumstances for a department where there is a legitimate functional need. Explicit prior approval from the Purchasing Card Administrator must be requested by the Departmental P-Card Administrator.

Appendix B

The following is a list of the Merchant Category Codes that are blocked in the Standard Exclusion Template.

All Airlines
All Car Rental Agencies
All Hotels Motels Resorts
Travel Agencies And Tour Operators
Veterinary Services
General Contractors-Residential Buildings
Heating Plumbing Air Conditioning Contractors
Electrical Contractors
Masonry Stonework Tile Set Plaster Insulation
Carpentry Contractors
Roofing + Siding Sheet Metal Work Contractors
Concrete Work Contractors
Special Trade Contractors-Not Elsewhere Classified
Theatrical Producers-Except Motion Pix Ticket Agency
Video Amusement Game Supplies
Video Game Arcades-Establishments
Gambling Transactions
Amusement Parks Circuses Carnivals Fortune Teller
Aquariums Seaquariums And Dolphinariums
Railroads
Local + Suburban Pass Transportation Including Ferries
Passenger Railways
Ambulance Services
Taxicabs-Limousines
Bus Lines
Cruise Lines
Boat Rentals And Boat Leases
Marinas Marine Service-Supplies
Tolls Road And Bridge Fees
Auto + Truck Dlr New + Used Sales Svc Parts
Auto + Truck Dlr Used Only-Sales
Service Stations With Or Without Ancillary Service
Automated Fuel Dispenser
Boat Dealers
Recreational + Utility Trailers Camper Dealers
Motorcycle Shops And Dealers
Motor Home Dealers
Snowmobile Dealers
Financial Institutions-Manual Cash Disbursements
Financial Institutions-Automated Cash Disbursement
Financial Institutions-Merchandise Services/Convenience Checks
Quasi Cash-Member Financial Institution
Security Brokers/Dealers

Insurance Sales Underwriting And Premiums
 Insurance Premiums
 Real Estate Agents And Managers-Rentals
 Payment Service Provider - Money Transfer
 Payment Service Provider - Merchant-Payment
 Money Transfer-Member Financial Institution
 Value Purchase-Member Financial Institution
 Savings Bonds
 Timeshares
 Sporting And Recreational Camps
 Trailer Parks And Campgrounds
 Beauty Shops And Barber Shops
 Shoe Repair Shops Shoe Shine Hat Cleaning
 Funeral Service And Crematories
 Dating And Escort Services
 Tax Preparation Service
 Counseling Service-Debt Marriage Personal
 Buying-Shopping Services Clubs
 Hospital Patient Personal Funds Withdrawal
 Babysitting Services
 Massage Parlors
 Health And Beauty Spas
 Consumer Credit Reporting Agencies
 Stenographic And Secretarial Support Services
 Window Cleaning Services
 Exterminating And Disinfecting Services
 Cleaning And Maintenance Janitorial Services
 Employment Agencies Temporary Help Services
 Computer Main.-Repair-Services
 Management Consulting And Public Relations Services
 Detective + Protective Agencies Security Services
 Truck Stop Transactions
 Automobile Rental And Leasing
 Truck And Utility Trailer Rental
 Motor Home And Recreational Vehicle Rental
 Automobile Parking Lots And Garages
 Doctors
 Dentists Orthodontists
 Osteopathic Physicians
 Chiropractors
 Optometrists Ophthalmologists
 Opticians Optical Goods + Eyeglasses
 Optical Goods And Eyeglasses
 Nursing And Personal Care Facilities
 Legal Services Attorneys
 Child Care Services
 Engineering Architectural And Surveying Services
 Accounting Auditing And Bookkeeping Services

Court Costs Including Alimony And Child Support
Fines
Bail And Bond Payments
Tax Payments
Government Loan Payments
Precious Stones And Metals Watches And Jewelry
Florist Supplies Nursery Stock + Flowers
Mobile Home Dealers
Duty Free Stores
Furriers And Fur Shops
Wig And Toupee Shops
Drinking Places-Bars-Taverns-Nightclubs-Lounge-Disco
Package Stores Beer Wine Liquor
Used Merchandise Stores Second Hand Stores
Antique Shops-Sales Repairs Restoration Services
Pawn Shops
Jewelry-Watches Clocks And Silverware Stores
Direct Marketing-Insurance Services
Direct Marketing-Travel Related Arrangement Services
Art Dealers And Galleries
Fuel Dealers-Oil Wood Coal Liquefied Petroleum
Florists
Cigar Stores And Stands
Pet Shops - Pet Foods And Supplies
Swimming Pools - Sales And Supplies
Electric Razor Stores - Sales And Service
Tent And Awning Shops