

## Purchasing Card Procedure – Indiana University of Pennsylvania

### PURPOSE

The Indiana University of Pennsylvania Purchasing Card is an internationally accepted Master Card credit card issued to authorized University personnel to be used for business purposes. It is designed for small dollar purchases of goods and supplies and eliminates the use of requisitions and purchase orders related to those items. By using the Purchasing Card Program, the traditional requisition - pricing inquiry - order placement - delivery of goods - invoice - payment cycle is greatly reduced. Payments made to vendors via credit card are reconciled monthly electronically with monthly settlements into SAP. **The card program is for OFFICIAL UNIVERSITY USE ONLY.**

### SCOPE

This procedure applies to all purchasing cardholders, expense allocators and card administrators.

### PROCEDURES

#### 1. PURCHASING CARD REQUESTS

- 1.1. Complete the Purchasing Card Enrollment Form on the Purchasing Card website.
- 1.2. The employee's manager must sign and approve the enrollment form.
- 1.3. The manager submits the form to the Purchasing Card Administrator.
- 1.4. The Vice President for Finance and Administration or designee is the final approval.
- 1.5. The purchasing card administrator forwards the approved request to the procurement shared services.
- 1.6. Cards are mailed directly to the cardholder at their campus address.

#### 2. PURCHASING CARD USAGE GUIDELINES

- 2.1. The Purchasing Card shall only be used by university employees who are trained on allowable use of the card, provided a copy of this procedure, and who have signed a Purchasing Card Enrollment Form, acknowledging terms and conditions and requirement to comply with provisions therein.
- 2.2. Cardholders shall ensure that purchases are in compliance with the [PASSHE 2010-01-A Expenditures of Public Funds](#) and [PASSHE 2011-07 Expenditures of Public Funds Guidelines, Standards and Limits](#) and to report any unauthorized sales immediately to their supervisor and the Program Administrator for further investigation.
- 2.3. The employee's name is embossed on the Purchasing Card and shall **ONLY** be used by the employee to whom the card is issued.
- 2.4. Purchases of hazardous materials that trigger regulatory reporting requirements or require specialized handling or disposal must obtain written authorization from the Department of Environmental Health & Safety before the purchase is made. Examples of these materials include but not limited to lead-based paint, asbestos-containing products, and chemicals identified as extremely hazardous by the Pennsylvania Department of Labor and Industry

Worker and Community Right-to-Know regulations.

- 2.5. Official Use: The card is for “official university use only”. It may be used to acquire goods that will be used directly and immediately for the benefit of official university activities, events, or operations. **It may NOT be used for personal use in any manner whatsoever. It may NOT be used to acquire any goods or services for personal use with the intent of reimbursing the University for such purchases.**
- 2.6. The cardholder shall inform the Vendor that the goods are NOT subject to PA Sales Tax. A PA Exemption Certificate is available on the Purchasing Card Website. Cardholders may complete and sign the Exemption Certificate **only** for Purchasing Card purchases.
- 2.7. The items that may be procured by using the credit card are limited by Section 3.
- 2.8. Whenever a Purchasing Card purchase is made, the cardholder shall retain supporting documentation (e.g., invoice, payment receipt showing the items purchased) in electronic form and uploaded to the procurement card portal as proof of the purchase and will be used to verify the purchases during the monthly review.
- 2.9. When making a purchase the cardholder instructs the Vendor to deliver any items via the Central Receiving Department of the University, the CARDHOLDER MUST NOTIFY Central Receiving immediately regarding the anticipated shipment and receipt of goods.

2.9.1. Direct the Vendor to include the following information on the shipping label and packing list:

Indiana University of Pennsylvania  
Cardholder's name  
Cardholder's department  
Complete cardholder's delivery address  
The words "Purchasing Card Purchase"  
650 South 13<sup>th</sup> Street  
Indiana, PA 15701

### **3. UNAUTHORIZED PURCHASING CARD USE**

- 3.1. The purchasing card **SHALL NOT BE USED** for the following:
  - 3.1.1. Personal purchases or use of the card for personal identification. The card shall not be used to authenticate your personal identity for non-university business purposes. The card is intended for official university business purposes only, i.e., it is not to be used in any manner for personal purposes.
  - 3.1.2. The purchase of items for personal use with the intention of reimbursing the University.
  - 3.1.3. In-person travel expenses including meals, lodging, transportation, etc. Exceptions can be submitted for review by the Program Administrator.

- 3.1.4. Cash advances, gifts cards, or monthly recurring charges.
- 3.1.5. Development, printing and/ or distribution of any official University document or publication (with official name, seal or logo) without first securing approval from the Office of Marketing and Communications (MarCom), or official public advertising without the consent of Office of Marketing and Communications.
- 3.1.6. Restricted items, such as alcohol, weapons, drugs (controlled substances), hazardous materials, and other restricted goods and services prohibited by law, policy or regulation as referenced in the University’s “Purchasing Guidelines.”
- 3.1.7. Use of virtual wallets is prohibited unless it is the only method of payment accepted. (i.e. PayPal, Apple Pay, Google Pay, Venmo, etc.).
- 3.1.8. Payment for a purchase **MUST NOT** be split into multiple transactions to stay within the cardholder single purchase limit.
- 3.1.9. Purchases of items that will require support or advance, additional approvals by other divisions of the University.

<u>Items Requiring Additional Approval:</u>	<u>Approval Required:</u>
Computing hardware/software	Information Technology Services
Hazardous materials	Environmental Health and Safety
Publications, use of logo, etc.	MarCom
Promotional Items	VP for Administration and Finance
Grants/Sponsored Research	Grant Accountant – See Section 4

- 3.2. Restricted Vendors: The Purchasing Card Administrator has identified certain Vendor classification exclusions; in which cases certain Merchant Category Codes will be blocked (embedded) in the card to be issued. For example, meals fall under travel and thus, the codes for restaurant merchants would be blocked from use. Attempts to make a purchase from a merchant of a “blocked” category would be rejected at the point of sale.
- 3.3. Cardholders who have problems with card acceptance by merchants should immediately notify the Purchasing Card Administrator when such problems occur to determine if an exception can be made.
- 3.4. Until such a time as the card acceptance issue is corrected, the cardholder must use non-card procedures to obtain the required goods, such as submitting a purchase request and issuing of a purchase order to the Vendor.

**4. Grants/Sponsored Research Card Use**

- 4.1. The preferred method of purchase related to internal and external grants and sponsored research programs is through the use of the purchase requisition system to the extent possible. When such method is not possible for small or time sensitive purchases, the purchase card may be used.

4.2. All aspects of this Procedure are to be followed. This section of the procedures is to include additional approval/support for purchases to be reimbursed/paid for by restricted funds require the grant accountant's additional approval.

4.3. The following approvals must be obtained prior to the use of a Purchase Card:

4.3.1. All purchases must be authorized prior to purchase in either writing, e-mail, or verbal (documented) by the principal investigator (PI) prior to the purchase to document that the purchase is allowable under the grant and within budget. Attach the PI's approval to receipt support during the monthly transaction review and reconciliation process.

4.3.2. All purchases must be approved by the grant accountant prior to purchase. The grant accountant will also verify that funds are available and within the budget guidelines of the grant.

4.3.2.1. For online purchases where support can be provided to the grant accountant prior to purchase, provide a snapshot of the cart and products being purchased, e-mail the snapshot to the grant accountant who will email back approval, and then purchase the item. Attach the approval to receipt support during the monthly transaction review and reconciliation process.

4.3.2.2. For purchases that no support would be available prior to purchase, email the grant accountant, describe the product and reason for purchase and estimate of how much will be spent and follow the same procedure in the preceding paragraph.

## 5. REVIEW OF MONTHLY TRANSACTIONS

5.1. The cardholder or designated reconciler reconciles each transaction electronically. It is strongly encouraged to attach supporting documentation and allocate the costs in the Works portal after making the purchase so that the task of uploading and allocating transactions is not postponed until cycle end.

5.2. All transactions posted through the cycle end date in Works need to be allocated to cost centers and account. Include a description of the cost center, upload receipts. The cardholder or designee must sign off on all transactions within two business days of the cycle end date, which will allow enough time for subsequent approvals to timely occur. The Cardholder must notify the Program Administrator If the cardholder will be on leave on or immediately after the cycle end date. Transactions that are not signed off prevent the entire university from posting the monthly Pcard expenses. Cardholders who have transactions that are not signed off within 10 days after the cycle close will have their cards inactivated. It is incumbent on the cardholder to ensure that transactions are timely signed off. Reminders for upcoming cycle end dates are sent as a courtesy and are not required.

5.2.1. The original documents, (itemized invoice and payment receipt) must be attached to the transactions in Works.

5.2.2. The Cardholder signs in to the Works portal; reviews the transactions, attaches receipts,

and signs off in Works within two business days of the cycle end date. The approver shall check and confirm the following items as a minimum:

- 5.2.2.1. Receipts exist for each purchase.
  - 5.2.2.2. The goods were received.
  - 5.2.2.3. The Cardholder has complied with applicable procedures.
  - 5.2.2.4. By approving a transaction in Works, the approver indicates the cardholder was authorized to make those purchases and those purchases were made in accordance with this procedure.
- 5.2.3. If the cardholder does not have an itemized invoice and payment receipt, he/she shall attach a "Purchasing Card Missing Receipt Form" for each missing receipt that includes a description of the item(s) purchased, date of purchase, vendor's name and reason for the lack of supporting documentation.
- 5.2.4. Purchasing Card Returns - If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the cardholder must contact the vendor to explain the problem and inquire about return policies.
- 5.2.5. If an item has been returned for credit, the cardholder shall verify that the credit is posted in Works and attach supporting documentation in Works.
- 5.2.6. If purchased items or credits are not posted in Works, the appropriate transaction documentation shall be retained by the cardholder until the next billing cycle. If the purchase or credit does not appear in Works within 60 days after the date of purchase, the cardholder shall notify the Purchasing Card Administrator.
- 5.2.7. Errors and Dispute Resolution – If you do not agree with a charge posted to our card, dispute the charge directly with the vendor. If the error cannot be resolved with the vendor, then contact Bank Commercial Card Services at 888-449-2273 to dispute the charge.
- 5.2.8. If items purchased by the use of the credit card are found to be unacceptable, the cardholder is responsible to obtain replacement or correction of the item. If the Vendor has not replaced or corrected the item by the next billing cycle, then the purchase of that item will be considered in dispute.

## **6. CARD SECURITY**

- 6.1. It is the Cardholder's responsibility to secure the Purchasing Card and account number when not in use.
- 6.2. The Cardholder must not allow anyone to use his/her account number.
- 6.3. If the Purchasing Card is lost, misplaced, stolen or damaged the Cardholder shall immediately

notify Commercial Card Services at 888-449-2273. Representatives are available 24 hours a day.

6.3.1. Notify the Purchasing Card Administrator.

6.3.2. A new Purchasing Card will be issued to the Cardholder after the reported loss, damage or theft. If subsequently found, send cards that are reported as lost or stolen to the Purchasing Card Administrator.

## **7. CARDHOLDER SEPARATION, TRANSFER or TERMINATION**

7.1. **Prior** to separation, transfer or termination from University employment, the Cardholder shall surrender the Purchasing Card to the Purchasing Card Administrator and reconcile any open transactions in Works.

7.2. The University's Card Purchasing Card Administrator will deactivate the card.

### **1. Violations**

1.1. The Procedures for Purchasing Cards must be strictly adhered to. Violations defined as minor and major include but are not limited to the following:

- Payment of Sales Tax (must be credited the following month)
- Missing Documentation including receipts, etc.
- Other non-compliant activities not listed.
- Split purchases to avoid authorized single transaction limits
- Untimely reconciliation of transactions in Works.
- Purchase of restricted items.
- Fraudulent Charge, defined as the willful intent to disregard rules, policies and procedures (including knowingly making personal purchases).

### **2. Procedure Violations**

2.1. Violations will be reviewed by the Purchasing Card Administrator and the Controller and may be communicated to Human Resources and University Legal Counsel.

2.2. The circumstances and/or severity of the violation will determine the appropriate action up to and including termination of employment and the filing of criminal charges.