

Purchasing Card (P-Card) Policy

Effective Date: September 09, 2004
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Issued by: Finance & Administration Division
Contact: Accounts Payable, 814-393-2247

Purpose:

The Clarion University Purchasing Card (P-Card) Program is used as the primary method to pay for small dollar (less than \$1,000) commodities or services. The use of the P-Card enhances efficiency by delegating payment responsibility for small dollar items to the P-Card user and allowing payments to be made without the need for purchase requisitions, purchase orders and processing by the Purchasing Department.

The P-Card Program utilizes current technology with commercial purchasing cards and the Internet based Works and Payment Center systems provided by Bank of America.

The Purchasing Card

Bank of America is the provider of the Clarion University P-Card. The P-Card is issued to designated Clarion University employees that routinely make small dollar purchases and are approved by their supervisor or manager to receive a P-Card. A P-Card is issued to a designated employee only after the employee has signed a P-Card Enrollment Form and Cardholder Agreement, completed P-Card policy and procedure training, and received a P-Card User's Manual. Cards can be issued only to those departments and employees who have access to the Internet based Works and Payment Center systems.

This policy is supplemented by the P-Card User's Manual that gives detailed P-Card operating and processing procedures.

The Clarion University P-Card is the property of Clarion University and is used only for authorized Clarion University procurements.

Roles & Responsibilities of the Purchasing Card Program Administrator:

1. Processing all P-Card user requests and issuing P-Cards to new users

2. Providing P-Card policy and procedure training to new P-Card users prior to issuing new P-Cards
3. Setting all P-Card limits and business rules according to Clarion University policy, procedure and guidelines
4. Monitoring all P-Card activity for compliance with Clarion University policy and procedures
5. Changing or correcting P-Card limits and parameters as needed
6. Providing notification to P-Card users and their supervisors of violations of P-Card policy and procedures and, when necessary, canceling cardholder's P-Card
7. Contacting the P-Card provider to resolve P-Card use, charge, credit and other problems

Roles and Responsibilities of Managers and Supervisors:

1. Requesting P-Cards for designated employees who routinely make small dollar purchases
2. Monitoring their department's monthly P-Card activity to ensure cards are used in accordance with Clarion University policy and procedures
3. Approving individual transactions over established departmental dollar limits
4. Upon termination of employment of a P-Card holder, obtain the P-Card from the terminated employee and immediately notify the Purchasing Card Program Administrator of the termination.

Cardholder:

1. To use the P-Card as the primary method for making small dollar purchases according to Clarion University P-Card Program policy, procedures and guidelines
2. Insuring that budget funds are available for all purchases made with the P-Card
3. Posting all P-Card transactions (purchases, credits, adjustments) to the monthly P-Card Purchasing Log
4. Making sure to remind the vendor to reference the P-Card transaction on all packing lists/labels
5. Obtaining credit card slips, cash register receipts, packing slips or other appropriate documents to validate each transaction
6. Verifying current transactions posted to the P-Card user's account on the internet based Works system prior to month-end payment for the transactions by the University

7. Resolving directly with the vendor any disputes concerning returns, credits or adjustments for transactions made with the P-Card

8. Attaching P-Card transaction documents (credit card slips, cash register receipts, packing slips, etc., in the order you used your card during the month) to the P-Card Transaction Log, and sending the P-Card Transaction Log to Accounts Payable each month end.

9. Adhering to all other Purchasing Card Program policies, procedures and guidelines. Refer to the Purchasing Card User's Manual for complete P-Card processing procedures and guidelines.

Contacts for Cardholders:

To report a lost/stolen card, erroneous charges, or for any additional information please contact:

Purchasing Card Program Administrator.....814-393-2244
Bank of America Customer Service.....1-888-449-2273 (available 24 hours) or
Technical Support at 1-888-589-3473, Option 4

Authorized Uses of the Purchasing Card:

1. Purchases costing less than \$1,000 may be made with the P-Card within the established limits and restrictions of each individual card.
2. All purchases made with the P-Card must be for the benefit of Clarion University within established budgets, and in accordance with the University Purchasing Card Policy and Purchasing Card User's Manual.
3. If a vendor does not accept the P-card, the cardholder must follow the processes outlined in Clarion University's Purchasing Policy.
4. Any purchase costing \$1,000 or more must be made in accordance with the processes outlined in the Clarion University Purchasing Policy.
5. General P-Card purchasing restrictions are identified under Unauthorized Uses of the Card section of this policy.

Unauthorized Uses of the P-Card:

1. Items equal to or greater than \$1,000
2. Personal items cannot be purchased under any circumstance, even with the intent of reimbursing the University after the purchase.
3. Cash advances

4. Personalized business items such as portfolios and personal organizers
5. Gifts and prizes
6. Aspirin and other non-first aid items
7. Employee travel costs such as hotels, meals, and airline fares
8. Telephones and cellular phones
9. Contracted services that do not appear on the list of pre-approved services provided by the State System of Higher Education Office of Chief Legal Council (Refer to P-Card User's Manual for list of pre-approved services.)
10. The card shall not be used to authenticate the employee's 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.
11. Restricted items such as alcohol, weapons, drugs (controlled substances) and hazardous materials
12. Serial purchasing - The P-Card is not to be used to make a series of small dollar purchases in order to circumvent the requirement to make a single purchase through the University purchasing system.

Procedures:

Cardholder Procedures: Further details of cardholder procedures can be found in the Purchasing Card User's Manual.

Making Purchases: The cardholder may make authorized University purchases via telephone, mail, fax, internet, or in person. The cardholder can be held personally liable for unauthorized or personal procurements. The cardholder must keep all purchasing card records, including receiving reports, receipts, or other documentation supporting charges against his/her purchasing card. The cardholder will be required to attach all such receipts to the monthly purchasing log and submit purchasing card records to Accounts Payable at each month end.

Shipping: 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 public funds, prudence must be demonstrated and expenses justified.

Returning Purchases: Each cardholder is responsible for any returns of purchases. All returns must be credited to the cardholder's account. Cash refunds are strictly prohibited.

Sales Tax: Each Purchasing Card will be marked tax-exempt. Tax-exempt means that Clarion University does not pay Pennsylvania state and local sales and use tax, public transportation assistance taxes and fees, vehicle rental tax, hotel occupancy and sales tax imposed by local or county governments, and most excise taxes imposed by the Internal Revenue Service. The cardholder should remind all vendors of the University's tax-exempt status. The cardholder must review all receipts for each purchase to ensure sales tax has not been assessed. If sales tax has been charged to a purchase, the cardholder should contact the vendor for a credit.

Erroneous Charges: If a cardholder believes that a charge has been posted incorrectly to his/her internet account, the cardholder must notify the vendor or purchasing card company, as appropriate, as soon as possible. The cardholder also must notify the Purchasing Card Administrator of any disputed charges if necessary. If the vendor and/or purchasing card company agrees that an error was made, the purchase will be credited from the account on the next monthly purchasing card memo statement.

If the disputed charge remains unresolved by the due date, the charge will remain on the account until the dispute is resolved.

Hazardous Materials: Prior to the purchase of any potential hazardous material, the Public Safety Department should be contacted to answer any questions related to the proper handling, disposal and regulatory requirements related to the purchase of such materials. Examples of these materials include but are 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.

Materials regulated by the Environmental Protection Agency and the Pennsylvania Department of Environmental Protection which include, but are not limited to, pesticides, herbicides, insecticides, radioactive, and chlorofluorocarbon materials must be purchased for and handled by only those authorized University employees who hold current license and/or certifications for the use and handling of these materials. Chemical manufacturers often provide a Material Safety Data Sheet (MSDS) with the product when it is shipped. Any person who receives hazardous materials for the University should forward the MSDS sheet to the Safety Office. If a hazardous material is received and a sheet is not enclosed, contact the Safety Office for assistance in obtaining an MSDS sheet.

P-Card Transaction Log:

Each cardholder will be required to keep a P-Card log to record each P-Card transaction to help validate/approve transactions and keep track of transaction documentation.

1. When a cardholder makes a purchase with the P-Card, the transaction date, vendor name and purchase amount should be immediately recorded on the P-Card Card log.
2. Transaction documentation received (invoice register receipt, packing slip, credit card slip, etc., should be attached to the log.

3. Transaction information posted to the P-Card Log can be used to validate/approve transactions when they have been recorded on the Internet Works system.

4. At the end of the month, after all transactions for the month have been validated/approved on the Internet Works system, the P-Card log and the receipts are sent to the Accounts Payable Department.

Works System:

1. It is required that all purchases made with the P-Card be verified by the cardholder on the Works Internet reporting system. Cardholders can view their transaction accounts on-line at any time. Purchases are normally listed on the cardholder's transaction account within 24 to 48 hours of the purchase.

2. Each purchase that the cardholder makes with the P-Card must be verified to insure the accuracy of the charge and to dispute any inaccurate or incorrect charges. Verification also includes insuring that the transaction is being posted to the proper SAP finance system funds center and general ledger account.

3. Training, passwords and separate instructions for verifying P-Card transactions will be provided to potential cardholders before a card is issued to them and these instructions are also provided in the P-Card User's Manual.

4. The verification of all P-Card transactions must be completed within five (5) working days after the end of the month.

5. After the cardholder has completed verification of all P-Card transactions for a month, the cardholder should send P-Card Log with the month's P-Card purchase receipts to Accounts Payable before the end of the fifth working day after the end of the month.

6. All purchases made with the P-Card will be fed and posted automatically to the SAP finance system after the fifth working day of the following month.

P-Card Policy and Procedure Violations:

The cardholder can be held personally liable for any purchases that violate the P-Card Policy. The following are P-Card violations:

1. Using the P-Card for unauthorized purchases: The cardholder will be held personally liable for any unauthorized purchase made with the P-Card.

2. Submitting the P-Card Log with insufficient documentation to support purchases made

3. Failure to properly verify P-Card transactions on the Works system or to submit the cardholder's monthly statement, P-Card Log or receipts to Accounts Payable by the end of the month.

4. If a cardholder violates the P-Card Policy and Procedure, he/she will be given a written notice from the Vice President of Finance & Administration.

5. If a cardholder violates the P-Card Policy and Procedure, a second time he/she must surrender the P-Card to the Purchasing Card Administrator. The purchasing card will be canceled and disciplinary action may be taken, if appropriate.

6. If a cardholder loses his/her P-card privileges, the card may be assigned to another employee in the department.

Lost/Stolen Purchasing Cards:

1. The cardholder must notify the Bank of America immediately of a lost or stolen purchasing card. Bank of America will cancel the P-card and issue a new card.

2. The cardholder also must notify the Purchasing Card Administrator of the P-card cancellation by the next business day.

3. Any fraudulent charges against the lost or stolen P-card will be handled in accordance with the purchasing card company's policies.

Termination of Employment:

1. Upon termination of employment, the cardholder must surrender the card to his/her supervisor. The supervisor will then forward the terminated employee's P-Card to Purchasing.

2. The Purchasing Card Program Administrator will immediately cancel the P-card.