



Muskingum College

Purchasing Cardholder Manual

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APPENDICES

- A. Cardholder Dispute Form
- B. College Purchasing Card Agreement (form)

Introduction

The purchasing card is an easy tool to streamline a lot of the time and paperwork associated with the many purchases you make. Many types of goods and services that now are processed using purchase orders/check requests or low-dollar value invoices are candidates for purchasing card use. The purchasing card can and should be used as frequently as possible.

Each cardholder has specific monthly credit limits and limits on the types of authorized transactions placed on his or her card. Refer to your individual cardholder profile for your personal limits. Your card has been assigned an individual credit limit based on anticipated purchasing activity. If you find you need your limits adjusted, contact the Program Administrator in the Business Office, who will in turn notify the Card Vendor of approved increases. New credit limits may be approved, so long as they are consistent with College policy.

The purchasing card program will not circumvent College purchasing policies and procedures; purchase orders are still required for certain purchases. Instead, it is designed to streamline purchases that are made on-site, via telephone, fax, or mail. Use the card with participating merchants with whom you conduct College business.

RULE OF THUMB: If payment could be made via petty cash, or an expense voucher or low-dollar invoice would have been processed, use of the purchasing card instead is probably appropriate if the merchant accepts credit cards. If you have questions, please ask.

Program Administrator Responsibilities

The Purchasing Card Program Administrator in the Business Office is responsible for the overall administration of College's purchasing card program. The Program Administrator acts as the liaison between the Card Vendor and Cardholders in support of resolving billing errors; replacing lost or stolen cards; changing credit limits on individual cards; eliminating Cardholder blocks on merchant categories, either temporarily or permanently if and when appropriate; canceling cards for terminated employees; managing Cardholder sign-up and issuance of cards; and training in the use of purchasing cards.

The Program Administrator is also responsible for reviewing monthly receipt submissions to ensure their accuracy, completeness, and compliance with College policy. Any questions regarding use of purchasing cards should be directed to the Program Administrator.

Cardholder Responsibilities

As Cardholder, you are responsible for the security of the purchasing card and for the purchases made on it. Any and all transactions made with the card must be authorized in accordance with College policy. Unless otherwise instructed, you are also responsible for reconciling all charges made on your card.

Transaction Processing

When you make a transaction using the purchasing card, please follow the procedures below:

- Tell the merchant that you will be paying with your purchasing card. Give the card account number (the card itself for point-of-sale transactions).
- At the time of the transaction, be sure to retain the receipt when provided one, or substantiate the charges (e.g., an order form for phone or fax orders). Documentation should include, at minimum:
 - ⇒ Date
 - ⇒ Vendor
 - ⇒ Dollar Amount of Transaction
 - ⇒ Sales Tax
- Make note of any transactions which require a sales tax accrual. (See section on Sales and Use Tax).
- Maintain all receipts, packing lists, or invoices as you receive them from merchants, place them in an envelope, and attach the envelope to your monthly memo statement. Please make sure that invoices and receipts clearly show taxes paid.

THIS PURCHASE DOCUMENTATION MUST BE SUBMITTED TO THE BUSINESS OFFICE FOR IRS AND AUDIT PURPOSES.

Monthly Reconciliation

Each Cardholder will receive a e-mail notification to access Paymentnet, the on-line tool for review, approval and reporting, and review the transactions charged to his/her purchasing card account during the last month:

- Reconcile your transactions with your receipts within five (5) days of this notification. Your review of the statement should include:
 - ⇒ Verifying all charges and credits (there should be no charges you are unaware of);
 - ⇒ Comparing the amounts charged to receipts and other substantiation;
 - ⇒ Ensuring that sales tax (where applicable) has been properly charged on purchased items;
 - ⇒ Reviewing the appropriate GL account codes to the transactions.
- Forward the receipt envelope (with receipts enclosed and account coding shown) to the department chair or Business Office, for approval, as appropriate.
- The department chair is responsible for reviewing the accuracy of the documents and approval of purchases. Approval should be documented by signing the statement and forwarding it with the receipts to the Program Administrator.

Accounting for Purchasing Card Transactions

The Business Office pays the Card Vendor for purchasing card charges from a monthly master statement. Upon payment of the master statement, your purchasing card transactions will be charged to individual lines within your department.

The basis for this allocation is your reconciled memo transactions.

You may split a single transaction into multiple GL accounts; however, each transaction must be coded. Call the Program Administrator if you have any coding questions.

Credits And Disputed Items

If you have a problem with a purchased item or billing resulting from use of the purchasing card, you should first try to resolve the problem with the merchant that provided the item; in most cases, disputes can be settled directly between the Cardholder and the merchant. Disputed items and credits should also be noted as part of the reconciliation of charges on the memo statement.

- *Credits*: the merchant should issue credit for items that have been returned. This credit will appear on a subsequent statement. For your own protection, be sure to keep copies of any air bills or other evidence of return shipment.
- *Disputed Items*: if you have a dispute and cannot reach resolution with the merchant, please call the Card Vendor and they will send you a cardholder dispute form (see Appendix B). The Card Vendor will intercede with the merchant or supplier on your behalf. If you are still unable to obtain an acceptable resolution, you should call the Program Administrator.

Card Security

The purchasing card should always be treated with *at least* the same level of care (no less than a reasonable degree of care) as you do with your own personal cards:

- ⇒ Keep your purchasing card in an accessible, but secure location. Since only authorized users should be using the purchasing card, it needs to be accessible only by these users.
- ⇒ Guard the purchasing card account number carefully! Do not post it at your desk or write it in your day planner.
- ⇒ If a cardholder is going to be absent for an extended period, department chair may request that a new card be issued to a different person for the duration of the absence.

Lost Or Stolen Cards

Just like your personal credit cards, if the purchasing card is lost or stolen you must immediately notify the Card Vendor. You must also call the Program Administrator.

Termination of Employment

Upon termination of employment, a Cardholder must turn in the purchasing card to the Program Administrator. *The Cardholder is personally responsible for undocumented or unapproved charges.*

Qualified Card Use

The purchasing card is intended to empower its users. A cardholder may make purchases on behalf of any department for which he or she is currently authorized to purchase. The Cardholder and department chair are responsible for establishing parameters, within College policy, for use of the card.

Examples of qualified card use include...

- Subscriptions, seminars, books, training videos
- Office supplies, stationery, forms
- Computer supplies, packaged software
- Equipment repair and related purchases (fixed asset/equipment purchases require Cabinet level approval)

Prohibited Purchases

Card misuse is serious. **ANY VIOLATION WILL RESULT IN DISCIPLINARY ACTIONS WHICH MAY INCLUDE IMMEDIATE TERMINATION OF EMPLOYMENT.**

The purchasing card **may NOT** be used for any of the following categories:

- Personal charges
- Cash advances
- Travel and Entertainment expenses unless specifically authorized.
- Consulting or contract employee services that require contracts.
- Standard category exclusions (e.g., alimony, doctors, etc.)

Refer to your personal card profile for a detailed list of blocked merchant categories.

Qualified Merchants

Any merchant that accepts a credit card can accept the purchasing card. You are strongly encouraged to make use of merchants recommended by the College because the College will receive the best overall values from these merchants in terms of pricing, service, support, etc.

As noted above, certain merchant categories are blocked from the program, and purchases from them will be declined. If you feel that your purchase has been mistakenly declined, contact the Card Vendor by calling the 800 number on your card.

Merchants Who Do Not Accept Purchasing Cards

The purchasing card system is new, in terms of corporate use. You may find merchants that cannot accept credit cards when you first call them. If this happens contact the Program Administrator, who can refer the merchant as a prospective candidate for card transaction processing to the Card Vendor.

Sales And Use Tax Guidelines

The College is exempt from Sales Tax for most purchases. There is no automatic method in connection with the purchasing card to exclude sales tax from a transaction. You must, therefore, communicate the College's tax exempt status at the time of purchase. Should sales tax be charged, it will be paid for out of the Cardholder's department funds. The cardface includes reference to the tax exempt status and the College's federal tax identification number, which some vendors request. Sales tax exemption certificates are available in the Business Office.