

SHIPPENSBURG UNIVERSITY PROCUREMENT CARD PROGRAM  
POLICIES AND PROCEDURES MANUAL

I. General Overview

The Shippensburg University Procurement Card is an internationally accepted Visa credit card issued to authorized University personnel to be used only for business purposes. It is primarily designed for small dollar purchases of goods and supplies. Purchases made with the procurement card do not require approval by the Purchasing Office. The card may not be used for personal purposes or for payment of contracted services. Spending controls are determined individually for each card, ensuring that the card can only be used for specific purposes and within specific dollar limits. **The total value of a transaction shall not exceed a Cardholder's single purchase limit.**

The benefits of the Procurement Card program include:

- A. Use of the card by department heads, departmental secretaries, and other authorized users expedites and simplifies the purchase of goods and supplies. It also allows departments greater flexibility in procuring needed items, especially from vendors that do not accept purchase orders.
- B. Use of the card improves efficiency and reduces costs involved in small dollar purchases. It eliminates the need to enter and process requisitions, purchase orders, or petty cash forms, as well as the processing of the individual invoices and vendor checks.
- C. We strongly encourage university departments to use the card for all purchases that fall within the guidelines.**

II. Issuance of Procurement Cards

- A. The Procurement Card program is administered by the Purchasing Office, which will coordinate the issuance, maintenance, and cancellation of cards with the University's processor, National City. Visa cards are provided with the SU logo and are issued in the name of the department. Individual cards are assigned a **per transaction dollar limit of \$1,000**. A single transaction may be comprised of multiple items, but the total amount of the transaction cannot exceed the cardholder's assigned limit. **Monthly dollar limits of \$5,000** are also established. Certain University operations may be assigned a higher per transaction or monthly dollar limit where appropriate and with the approval of the Purchasing Office.
- B. Procurement Cards are issued to department heads, who may further delegate use of the card to departmental secretaries or other selected individuals in their areas. Additional cards may be issued to other selected individuals authorized by a department head to make credit card purchases on behalf of the department.

- C. Managers and/or department heads authorizing employees to receive a card have the following responsibilities:
  - 1. Authorizing designated employees to charge business-related expenses.
  - 2. Monitoring monthly purchase activity to ensure cards are properly used in accordance with the university's policy and procedures.
  - 3. Upon termination of employment, it is the manager and/or department head's responsibility to obtain the card from the employee and immediately notify the Purchasing Office. This precaution eliminates unauthorized charges. The manager and or department head should then forward the card to the Purchasing Office.
  
- D. Cards will be issued to new cardholders only after they have attended a mandatory training session conducted by the Purchasing Office and have signed a SU Procurement Card User Agreement form. The SU Procurement Card User Agreement is verification that the participant will comply with the program policies and procedures. The cardholder must also sign a National City Purchasing Card Application. After successful completion of these three items, a Procurement Card will be requested from National City.

### III. Cardholder Liability/Responsibility

- A. Managers and/or department heads are responsible for any Procurement Cards issued to their department. They may delegate use of the card to departmental secretaries or other selected individuals within their department; however, managers and/or department heads are still responsible for monitoring all charges against their department's procurement card.
  
- B. Managers, department heads and other designated cardholders are responsible for the proper use and safeguarding of cards issued to them. They must maintain accurate records of all Procurement Card transactions, and promptly report any lost or stolen cards. All purchases made with the card must be within established budgets and comply with University policy.
  
- C. The cardholder is responsible for obtaining credit card slips, cash register receipts, packing slips, etc. to provide documentation for each transaction. *Receipts must include purchase amount, and item descriptions that are as specific as possible.* Upon receipt of the monthly activity statement, the cardholder should reconcile individual transactions against the statement. The manager and/or department head should approve payment of the charges by signing the monthly activity statement. The approved monthly statement and its attached receipts should be forwarded to the Accounts Payable Office for payment processing.
  
- D. A card user who makes unauthorized purchases will be personally held liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the bank in connection with the misuse.

#### IV. Use of Procurement Card

##### A. Make a Purchase

1. Cardholders are authorized to use the Procurement Card to purchase merchandise required as a function of their duties at the university.

- a. The Procurement Card **may be used** for:
  - (1) office, educational, and other operating supplies
  - (2) equipment, furniture, or furnishings up to \$1,000
  - (3) maintenance, grounds, and custodial supplies (Physical Plant)
  - (4) library books and materials (Library)
  - (5) subscriptions
  
- b. The Procurement Card **may not be used** for:
  - (1) Services of any type, (due to contractual and tax reporting requirements) such as:
    - (i) Honoraria
    - (ii) Consulting services
    - (iii) Repair and maintenance services
    - (iv) Temporary help
    - (v) Catering services
    - (vi) Rental of any item
  - (2) Printing or commodities that include use of the official University name, seal, or logo
  - (3) Food and beverages for faculty/staff meetings and/or events
  - (4) Alcoholic beverages, tobacco products or weapons
  - (5) Travel related expenses such as hotel, transportation, and meals, which must be processed on a travel request or travel expense voucher
  - (6) Entertainment/Recreation
  - (7) Gifts and prizes
  - (8) Cash advances
  - (9) Sales tax (Shippensburg University is tax-exempt, which means it does not pay Pennsylvania sales tax)
  - (10) Backorders (those items not available at the time of purchase)
  - (11) Hazardous or radioactive material – any product that has a hazardous charge for shipping will be considered hazardous
  - (12) Gasoline
  - (13) Postage
  - (14) Memberships
  - (15) Prescription drugs
  - (16) Non-first aid items, e.g. tissues, aspirin
  - (17) Bookcases/shelving/file cabinets
  - (18) Telephone, cellular phones, communication equipment, or equipment that requires maintenance agreements

- (19) No hardware or software can be purchased using your procurement card **without prior written or email** approval from the IT department. The point of contact for this approval is Dennis Mathes. The written approval or copy of the email **must** accompany your monthly statement. Printer supplies are exempt from the prior approval process.
  - (20) Serial purchasing – The 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.
  - (21) Personal items cannot be purchased under any circumstance, even with the intent of reimbursing the University after the purchase.
  - (22) "Check First" Category Items: Please check for existing sources of items before making acquisitions. For office supplies, contact the Central Storeroom for availability prior to purchasing. Check with the Purchasing Office for state or commonwealth contracts.
  - (23) Carpet and Window Treatments – Pennsylvania Institute for the Blind and Handicapped (PIBH) has first right of refusal for those items. Please contact the Purchasing Office before purchasing any carpets or window treatments, including blinds.
2. Authorized cardholders may make purchases in person or by phone, mail, or Internet. All purchases require an itemized receipt.
    - a. Acceptable forms of receipts are:
      - (1) Invoice
      - (2) Sales/charge receipt
      - (3) Packing slips
      - (4) Order form
      - (5) Renewal notice
    - b. **All receipts must** contain the following information:
      - (1) Vendor identification
      - (2) Date of purchase
      - (3) A description of each item purchased
      - (4) Total cost of each item purchased
  3. Whenever possible, utilize minority and women-owned business enterprises. Minority and women-owned business enterprise information is available in the Purchasing Office. Staff can help determine which firms may be able to provide the particular goods that are needed by your department.
  4. Cardholders are not required to solicit competitive bids for their purchases. However, they should seek the best value for the University and ensure that the price paid is reasonable.

5. Telephone, mail order, and Internet purchases should be made only from reputable merchants. **Back orders are prohibited.** Merchants should be asked for the total charge including any shipping and handling. CAUTION: *Cardholders should make prudent selection of shipping options. 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 university funds, prudence must be demonstrated and expenses justified.* For shipments received in the mail or by freight, direct the merchant to include the following information on the shipping label:
  - a. Campus delivery address:  
Shippensburg University  
Central Receiving Warehouse  
1871 Old Main Drive  
Shippensburg, PA 17257
  - b. Ask the vendor to include the words **“VISA PURCHASE”** as well as a **person’s name** on the shipping label.
6. The cardholder must retain a copy of all receipts, receiving reports, delivery tickets, order forms, or other documentation supporting charges against the card. A departmental transaction log of all Procurement Card transactions must be maintained as well as a transaction log summary. A copy of both log sheets as well as a copy all receipts must be submitted with your signed monthly statement. All documentation should be sent to the Accounts Payable Department located in OM 209 prior to the 15<sup>th</sup> of each month.
7. Shippensburg University Procurement Cards are marked as tax exempt. The federal ID number is printed on the face of the Procurement Card. When making purchases, cardholders must inform merchants that the University is not subject to Pennsylvania state sales tax. If upon reviewing receipts a cardholder determines that sales tax has been assessed, the cardholder should contact the vendor for a credit unless otherwise approved by the Purchasing Office.
8. The Shippensburg University Procurement Card program includes the ability to designate where spending is allowed by utilizing merchant category code blocking. Vendors are assigned an industry-specific code, and certain codes have been blocked or restricted from Procurement Card use. If the Procurement Card is declined, for reasons other than exceeding transaction/spending limits, notify the Purchasing Office.

## B. Return of Goods/Purchases

Cardholders are responsible for all returns of goods. Returns should be credited to the cardholder's account. Credit receipts must be obtained on all returns. Cash refunds are strictly prohibited.

## V. Monthly Statement Reconciliation Process

- A. At the end of the month, each department will receive a statement listing the current billing cycle activity (charges). Each department head or designee is responsible for:
1. Reviewing and verifying the accuracy of all charges and reconciling between the statement and individual transaction documentation (receipts, delivery slips, logs, etc.),
  2. Notifying the vendor of any discrepancies or erroneous charges listed on the statement.
  3. For each charge on the monthly statement, the department should indicate which of the following General Ledger #s the charge should be expensed to:
    - a. Subscriptions           GL #608100
    - b. Supplies                 GL #660115
    - c. Educational Supplies   GL #660300
    - d. Library Books           GL #760000
  4. The department MUST verify that adequate funds are available in the appropriate general ledger as listed above to cover that month's charges. If cardholders fail to ensure that sufficient budgetary allocations are available in the applicable object(s), this will be considered a violation of the Procurement Card Policy.
  5. Department Heads and/or managers with budget responsibility have the authority to and the responsibility for monitoring their department's monthly procurement card activity. Their signature is required on either the monthly statement or the transaction log. **The signature must be an original signature. Signature stamps are prohibited.** The signed monthly statement, transaction log, a copy of all receipts, and any other documentation for all charges should be forwarded to the Accounts Payable Office by the 15<sup>th</sup> of each month.
- B. This reconciliation is critical to ensuring that the correct amount is paid. Cardholders who fail to reconcile their accounts will be in violation of the Procurement Card Policy.
- C. Accounts Payable will receive a monthly invoice listing all procurement card transactions by departmental account. After receiving the approved monthly statements from the departments, Accounts Payable will pay the central invoice and forward the expense information to the Budget and Accounting Office.

- D. The Budget and Accounting Office will post the charges to the appropriate cost center and object(s) as indicated on the departments approved monthly statement.

#### VI. Dispute Resolution

- A. If a cardholder does not agree with a charge posted on a monthly statement, he/she should attempt to resolve the problem with the vendor. If the vendor agrees that an error has been made, the vendor should issue a credit to the cardholder's account. If the vendor does not agree, the cardholder should immediately complete a Dispute Form. The Dispute Form must be faxed to National City within 60 days of the first statement date on which the disputed charge appears. National City's fax number is **269-973-1688**. The completed form must be forwarded to the Accounts Payable Office along with the monthly statement. The department will be notified of any items that cannot be resolved. Cardholders should keep copies of all documentation dealing with disputed items until they are resolved.
- B. If a purchase is found to be defective or incorrect, the cardholder is responsible for obtaining replacement, correction, or credit as soon as possible. If a merchant refuses to replace or correct the goods, or to offer a credit, the purchase is considered to be in dispute and the steps outlined above should be followed.

#### VII. Lost or Stolen Cards

- A. If a Procurement Card is lost or stolen, the cardholder must immediately notify National City's Commercial Card Services Center at **866-646-6880** and the Purchasing Office at extension **3138**. Access to the card will be immediately blocked. Cardholders will not be responsible for any charges after the card is reported lost or stolen.
- B. If a lost or stolen card is found, the card must be destroyed.

#### VIII: Exceptions

Any exception to this procurement card policy must be approved by the Associate Vice President for Administration and Finance or his/her designee.

#### IX: Procurement Card Policy Violations

- A. Following is a list of actions that will be considered violations of the Procurement Card policy:
  - 1. Purchase of personal items
  - 2. Purchase of prohibited items

3. Late submission or providing insufficient documentation of monthly statement to Accounts Payable
4. Failure to resolve disputed items within 60 days of the first statement date on which a disputed item appears
5. Insufficient funds in Procurement Card objects to cover Procurement Card charges.

B. Consequences for Procurement Card Policy Violations

1. First Violation – Written notice from the Purchasing Office to the cardholder notifying the cardholder of the violation and the nature of the violation.
2. Second Violation – Written notice from the Purchasing Office to the cardholder with a copy to the cardholder’s supervisor.
3. Third Violation – The cardholder must surrender the Procurement Card to the Purchasing Office. The Procurement Card will be cancelled. A cardholder that loses his/her Procurement Card privileges may reapply after one year.