

JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NO.: IV:03:11

DATE: July 24, 2018

REVIEW/REVISION DATES: July 2018

SUBJECT: Purchasing Card Procedures

APPROVED: John M. Beehler, President

PURPOSE

This policy establishes and documents University policy and procedures related to the Purchasing Card Program.

POLICY

Purchasing cards will be limited to the Vice President, Dean, or Director level or otherwise approved by the Vice President of Finance and Administration. Cardholders and departmental reconcilers will be required to attend a training session before a card will be issued. The standard transaction limit will be \$1,000 with a maximum cycle limit determined by the appropriate Vice President unless authorized by the Vice President of Finance and Administration.

All purchases made on the purchasing cards must be for official University business. Misuse of the card will result in revocation of the card, disciplinary action up to termination, and possible filing of criminal charges.

The Office of Procurement will be responsible for managing the purchasing card program. Responsibility for managing an account is assigned to the cardholder of that account.

Any exceptions to this policy must be approved by the President of the University or the Vice President of Finance and Administration.

OVERVIEW OF THE PURCHASING CARD PROGRAM

The Jacksonville State University Purchasing Card Program is designed to provide a simple mechanism to make small dollar purchases, prepay certain expenses, and make purchases with vendors who do not accept purchasing orders. The cards are not intended to replace the competitive bid process where that process is required or appropriate.

CONTROLS

The Jacksonville State University Purchasing Card Program will utilize the same internal controls as in the University purchasing policy and procedure (IV:03:01), in addition to this policy. Purchasing card activity will be monitored by reports provided by the purchasing card vendor and internal audits will be performed.

The ultimate responsibility for the card control will rest with the cardholder. The procedures contained in this policy are designed to protect both the cardholder and the University. Participation in this program is a privilege granted to University employees when appropriate, and the University requires that cardholders follow these policies.

PROCEDURES

Obtaining a Card

1. All applicants will be required to complete a Purchasing Card Application Form (Form 1) and submit the application to the supervising Dean or Director.
Example of form:

Jacksonville State University
Purchasing Card Application
Cardholder Information - (To Be Completed By the Applicant)

| | | | |
|---|---------------------------------|-----------------------------------|-------|
| _____ | | | |
| Last Name | First Name | Middle Initial | |
| _____ | | | |
| Social Security Number | Title | | |
| _____ | _____ | | |
| Department | Campus Phone Number (10 Digits) | | |
| _____ | _____ | | |
| Department Reconciler | | | |
| _____ | | | |
| Monthly Statement Address (Complete Campus Mailing Address) | | 700 Pelham Road North | |
| Jacksonville | AL | 36265 | |
| City | State | Zip Code | |
| _____ | | | |
| Applicant Email Address | Reconciler Email Address | | |
| _____ | _____ | | |
| Employee Signature | | | |
| _____ | | | |
| Date | | | |
| _____ | | | |
| \$500 | \$1,000 | Other | |
| _____ | _____ | _____ | |
| Single Transaction Limit | | | |
| \$1,000 | \$2,500 | Other | |
| _____ | _____ | _____ | |
| Suggested Monthly Credit Limit | | | |
| _____ | | | |
| Dean/Director Approval | Date | President/Vice President Approval | Date |
| _____ | _____ | _____ | _____ |
| Cardholder Information Provided by Program Administrator: (To Be Completed by Procurement) | | | |
| Approved Monthly Credit Limit | | | |
| _____ | | | |
| Program Administrator's Signature | | | Date |
| _____ | | | _____ |
| Vice President for Finance & Administration | | | Date |
| _____ | | | _____ |

2. If approved by the Supervising Dean or Director, the potential cardholder will submit the application to the appropriate Vice President, who must approve the form.

3. The original form (Form 1) is then forwarded to Office of Procurement in Room 324 Bibb Graves Hall. The Office of Procurement will order the card from the bank if all required approvals are obtained.
4. The cardholder is notified when the card is received by Procurement.
5. The cardholder and the individual assigned to reconcile departmental transactions must complete the purchasing card training session.
6. After completing the training session, the cardholder must pick up the card in Procurement and sign for its receipt. An identification card including a photograph will be required.
7. The cardholder must sign a Cardholder's Agreement (Purchasing Card Form 2). Example of form:

**Jacksonville State University
Purchasing Cardholder Agreement**

Jacksonville State University is pleased to present you with a Purchasing Card. This Card represents the University's trust in you to make certain purchases, and with this trust comes the responsibility to protect the University's assets. I, _____, hereby acknowledge receipt of University Purchasing Card number **ending in** _____ and consent to the following conditions and/or restrictions:

1. As an authorized cardholder, I agree to comply with the terms and conditions of this Agreement and with the provisions of the University Purchasing Card User's Guide. I acknowledge receipt of the Guide and confirm that I have read and understand its terms and conditions. I understand that the University is liable to Regions Bank for all charges I make using the card
2. I am responsible for all charges made against the Card.
3. I accept responsibility for protection and proper use of the Card as outlined in this agreement and in the Guide. I understand that the Card may be used only for authorized University business in accordance with University Policies and Procedures and State of Alabama laws, and that no personal expenses are to be charged to the Card. I also understand that the Card may not be used to purchase various restricted items as described in the Guide.
4. I am expected to keep receipts, reconcile monthly statements, resolve any discrepancies, and follow proper Card security measures.]
5. A lost or stolen Card must be reported immediately by telephone to Wendover Financial Services (Regions Bank Customer Service vendor) at 1-888-934-1087 and the JSU Program Administrator at 256-782-5152.
6. I further understand that improper or fraudulent use of the Card may result in disciplinary action, up to and including termination of employment. I agree to allow the University to collect any amounts owed by me for improper purchases through payroll deduction. Should I fail to use the Card properly, I authorize the University to take whatever legal steps are necessary to collect an amount equal to the total of the improper purchases. If the University initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all collection costs, including reasonable attorney fees, incurred by the University.
7. I understand that the University may terminate my right to use the Card at any time for any reason. I agree to surrender the Card immediately upon request or upon termination of employment.

Cardholder Signature

Program Administrator

Cardholder Printed Name

Program Administrator Printed Name

Date

Monthly Limit Credit Limit

Purchasing Card Form 2

Card Use Parameters

All purchases made using the purchasing card must be in compliance with University Policies and Procedures. The cardholder is responsible for all charges made to the card. **Use of the card for personal purchases is strictly prohibited.**

Individual purchases on the purchasing card are limited to \$1,000 per transaction, including freight (exceptions must be approved by the Director of Procurement and Fixed Assets). Transactions for more than the transaction limit will be denied at the point of sale.

Purchases of over \$1,000 will require a purchase order (when exceptions are not approved).

Purchasing cards have a monthly spending limit.

All purchases must be supported by an itemized receipt.

The purchasing card will **not** encumber funds.

Examples of items that should be purchased with the purchasing card include the following:

- Small purchases, such as office supplies, made with open purchase orders
- Subscriptions
- Conference registration fees
- Airline tickets
- Guest meals (must include itemized receipt and meal request form in reconciliation)

Because of the need for additional documentation, some items, although less than \$1,000, **cannot be purchased with the purchasing card**. Examples of these items include:

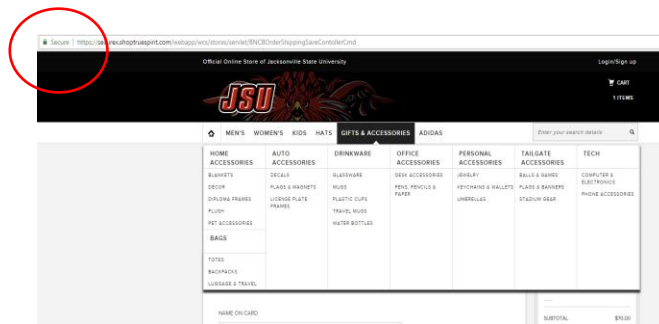
- Any professional service
- Clothing
- Building Repairs
- Rentals
- Certain travel related expenditures such as rental cars, meals and hotels
- Cash advances
- Equipment
- Furniture
- Maintenance/service agreements
- Software
- Insurance
- Agency Fund (Fund 5 expenditures)
- **Any purchase prohibited by University policy or not related to University business.**

The transaction flow associated with the purchasing card is as follows:

1. Cardholder makes purchase and obtains appropriate receipt for documentation.
2. Cardholder denotes the account(s) to be charged for the purchase on the receipt.
3. Cardholder gives all documentation to the department designee (secretary, bookkeeper, etc.) who is responsible for the account reconciliation.
4. Department designee reconciles monthly statements and submits reconciliation/account allocation to Accounts Payable.
5. Accounts Payable makes one monthly payment to Regions Bank for all Jacksonville State University charges in a billing cycle.

Internet ordering is allowable using the Purchasing Card. Internet purchases require a secure socket layer browser session. The secure socket layer browser session is defined as a secured ordering on-line server. If this condition has been met, a “lock” will appear in the upper left-hand corner of the display screen.

Example:



Any exceptions to this policy must be approved by the President of the University or the Vice President of Finance and Administration.

Sales Tax

The vendor must be made aware of the tax-exempt status of the University when making a purchase. Most expenditures from University funds are exempted from Alabama sales tax. Purchases which are shipped into Alabama from other states are normally also exempt from tax. However, items picked up in another state are not automatically exempted for Alabama sales tax. Lodging tax for hotels and equipment rental taxes are not exempt from payment.

If state sales tax is charged to the purchasing card and not credited back to the account before the monthly statement is issued, the cardholder must submit a personal check (made payable to JSU) for payment of the tax with the monthly reconciliation. The cardholder is responsible for obtaining credit for the sales tax paid from the vendor.

Once the credit is posted to the cardholder's account, a refund check from JSU will be issued to the cardholder.

Ordering Materials and Services

The cardholder is responsible for ensuring receipt of materials and services and must follow up with the vendor to resolve any delivery problems or discrepancies. A receipt (examples: cash register receipt, packing slip, printed web site receipt) must be supplied for all transactions.

Travel

All University travel policies must be followed. For example, separate meal charges or social event costs cannot be charged on the purchasing card.

Conference registrations may be charged using the purchasing card, with these requirements for the cardholder:

- Determine if the conference can be charged using the purchasing card.
- Indicate on the conference registration form that the purchasing card has been charged for allowable conference fees.
- Verify that the charges are correct on the monthly statement.
- Submit the conference registration form as receipt with the monthly reconciliation.
- Submit a copy of the approved Request for Travel Authorization if the trip is **out-of-state**.

Non-employee hotel accommodations for authorized University travel may be secured and paid with the purchasing card. The accommodations of the University employee(s) accompanying a student group may be included if the trip is **out-of-state** only. The original itemized hotel bill with a rooming list must be submitted as documentation of the expenditure.

In-state accommodations and individual employee travel must be reimbursed to the employee after the trip as per the University travel policy.

Airline tickets for University travel may be secured and paid with the purchasing card. Documentation of the expenditure must include a printed itinerary including the date, time, and destination of travel; name of the traveler; and copy of the approved Request for Travel Authorization.

Any exceptions to this policy must be approved by the President of the University or the Vice President of Finance and Administration.

Purchases Using Grant Funds

All purchases made with federal funds are required to be reviewed for compliance with the OMB Uniform Guidance. Prior approval from the Sponsored Programs Accountant must be obtained for purchases to be charged to grant funds. If this is not possible, the account reconciliation must be sent to the Sponsored Programs Accountant for review and approval.

Account Reconciliation

Proper documentation is required for the purchasing card just as for any other procurement transaction. This would include packing slips and itemized invoices, cash register receipts, or Internet receipts for each purchase charged to the card by the cardholder or authorized personnel. The credit card charge form is not sufficient documentation.

The cardholder or cardholder’s designee must maintain a log of charges on the purchasing card each month (Purchasing Card Form 3). Example of form:

Jacksonville State University
Purchasing Card Log Sheet

Cardholder: _____
Month: _____

| Date | Vendor | Vendor Contact | Phone Number | Description | Amount |
|------|--------|----------------|--------------|-------------|--------|
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Purchasing Card Form 3

Receipts and invoices must be matched against this log, along with the card statement, as part of each month’s reconciliation. The Purchasing Card Reconciliation Form (Form 4) must be submitted with the receipts and invoices for payment. Example of form:

Jacksonville State University

Purchasing Card Reconciliation Form

| |
|-------------------------------|
| For Accounts Payable Use Only |
| Date Processed _____ |

Department Name _____

Disputed Claim Total _____

Number of Disputed Claims Forms Attached _____

Claims Approved for Payment (Attach Original Detailed Receipts/Invoices)

| Budget Unit to be Charged | Description of Charge | Amount |
|---------------------------|-----------------------|--------|
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| | | |
| Total Claims | | \$0.00 |

Notes: _____

Prepared by _____ Date _____

Approved by Budget Manager _____ Date _____

Purchasing Card Form 4

If any charges on the monthly statement are disputed, a copy of the disputed claim form (Purchasing Card 5) must also be included with the reconciliation. Example of form:

Jacksonville State University

Purchasing Card Disputed Claim Form

Cardholder Information

| | |
|----------------------|---------------------------------------|
| Name _____ | Card Number _____ |
| Department _____ | Campus Telephone Number _____ |
| Campus Address _____ | City _____ State _____ Zip Code _____ |

| Vendor Name | Transaction Date | Amount |
|-------------|------------------|--------|
| | | |
| | | |
| | | |
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| | | |

To Assist in our investigation, please indicate the reason for your dispute:

_____ Currently working with the vendor to resolve. (If this item is checked, please do not send this form to AmSouth Bank.)

_____ I did not make nor authorize this transaction.

_____ Incorrect amount charged \$ _____ (Attach Receipt)
Correct amount \$ _____

_____ I was previously billed for this item. Indicate date of previous charge _____

_____ I have received a credit voucher for this transaction; however, the credit has not been posted to my account. Please enclose a copy of the credit receipt.

_____ My account has been charged, but I have not received the merchandise.

_____ My account has been charged, but the merchandise has been returned.

_____ Other (please explain) _____

Cardholder Signature _____ Date _____

Send this form to : Denise Hunt
Director of Procurement
324 Blob Graves Hall

Send a copy of this form to **Accounts Payable** with monthly reconciliation.

Purchasing Card Form 5

Electronic monthly statements will be e-mailed to the cardholder. Reconciliations are due to Accounts Payable on the seventh (7th) working day of each month.

Disputed Charges


If there is a discrepancy on the purchasing card monthly statement, the cardholder should first contact the vendor to try to resolve the discrepancy. If it is resolved, verify the correction on the next monthly statement.

If the dispute cannot be resolved with the vendor, a disputed claim form must be completed and faxed to the Wendover Financial Systems at 1-888-934-1087. The form can also be completed online at

http://www.regions.com/virtualDocuments/Disputed_Items_Form.pdf.

After the form has been faxed, please call 1-888-934-1087 to ensure that a representative from Wendover has received the form. Disputed items must be reported within 30 days of the statement date. Any disputed items must still be allocated to a budget unit. Any credits resulting from disputed charges will be allocated back to the budget initially charged.

Example of form:

 **REGIONS**

Purchasing Card Transaction Dispute Form

To: _____ Fax: _____
Date: _____ From: _____
Case Number: _____

Please contact Wendover at 1-888-934-1087 to obtain a Case Number prior to faxing this form

If you believe a transaction on your statement is an error, please complete this form in its entirety, or write a detailed letter on a separate sheet attached to this form with any accompanying documentation and return via fax or mail. This form may be mailed to Commercial Card Services, Attn: Fraud Dept., P.O. Box 1049, Southeastern, PA 19398.

Cardholder Name: _____
Account Number: _____
Business Name: _____
Contact Number: _____ Fax Number: _____

Transaction Amount: _____
Merchant Name: _____
Transaction Date: _____
Reference Number: _____

Is the card in your possession? Yes No

Do you believe the transaction(s) to be fraudulent? Yes No
Accounts with fraudulent activity must be closed in order to prevent additional fraud
Please contact the Fraud Dept. at 1-888-934-1087, option 3 to report fraud prior to faxing this form.

Dispute initiated for the following reasons (Please select only one):

1. The amount of the charge was increased from \$ _____ to \$ _____ or my sales receipt was added incorrectly. Enclosed is a copy of the sales receipt that shows the correct amount.

2. Fraudulent charge - I certify the charges listed were not made by me or a person authorized by me to use my card, nor were the represented goods or services received by me or a person authorized by me. ***NOTE: This option is for fraud only and requires the account to be closed***

3. I do not recognize the charges listed above and would like to receive more information from the merchant concerning the details of the charges or I need a copy of the sales receipt for my records. I understand that if, upon review of the merchant's information, it is determined the charges are valid, my account will be charged a \$7.50 Receipt Copy Fee per sales receipt received (This fee will not be charged if the charges are determined to be unauthorized or invalid).

If disputing multiple items, please enter "See Attached" for Transaction Amount, Merchant Name, Transaction Date, and Reference Number and list transactions on separate sheet.

Lost/Stolen Cards

If a purchasing card is lost or stolen, the cardholder should immediately contact the Director of Procurement at 256-782-5152. The card will be canceled, and a new card will be requested. The Director of Procurement will contact Regions Bank and the University Police or other appropriate law enforcement agency, if necessary.

Card Cancellation

To cancel a purchasing card, the cardholder should cut the card in half and return pieces to the Director of Procurement, Room 324 Bibb Graves Hall. A Purchasing Card Maintenance Form (Form 6) will be completed to document the return of the Purchasing Card.

Example of form:

Jacksonville State University
Purchasing Card Maintenance Form

Type of Request Delete Account (Enclose Card - Cut in Half)
 Change Existing Account

Account Information to Be Changed:
(Please Circle)

| | | |
|----------------------|--------------------------|------------|
| Name | Address | Department |
| Monthly Credit Limit | Single Transaction Limit | |
| Other _____ | | |

Cardholder Information
Please complete only the appropriate spaces below to indicate change(s) needed.

| | | |
|-----------------------------------|----------------|---------------------------|
| First Name | Middle Initial | Last Name |
| Social Security Number (9 Digits) | | Card Number (16 Digits) |
| Department | | Business Telephone Number |
| Campus Address | | |
| City | State | Zip Code |

Limits

| | |
|--|--------------------------|
| Monthly Credit Limit | Single Transaction Limit |
| Employee Signature | Date |
| Supervisor's Signature (Dean/Director/Department Head) | Date |
| Program Administrator's Signature | Date |

Purchasing Card Form 6

Should a cardholder leave the employment of the University, the purchasing card must be returned to the Director of Human Resources during the exit interview process. The Director of Human Resources will return the card to the Director of Purchasing.

All cards will automatically renew every two years for the life of the contract. Replacement cards will be sent directly to the cardholder.

Card Changes

When it is necessary to change cardholder information, a Purchasing Card Maintenance Form (Form 6) must be submitted to the Program Administrator.

Training

All cardholders will be required to attend a training session prior to being issued a purchasing card. The card reconciler will also be required to attend the training session. The training session will provide instruction on procedures associated with card use, record keeping requirements, and resolving card difficulties.

RESPONSIBILITY

The Vice President of Finance and Administration is responsible for this policy.

EVALUATION

This policy will be reviewed every five (5) years by the Director of Procurement and Fixed Assets.