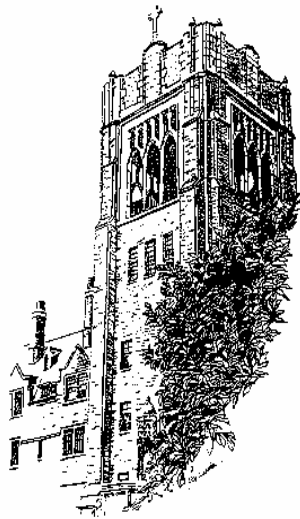


SAINT MARY'S COLLEGE PROCUREMENT CARD USER GUIDE

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**SAINT MARY’S COLLEGE
PROCUREMENT CARD USER GUIDE**

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I. Introduction

The Saint Mary's College Procurement Card is a new purchasing tool designed to provide an efficient way to purchase business-related goods and services. Qualified departmental purchases within a predetermined purchase limit may be charged directly to the Procurement Card. All Procurement Card purchases are billed centrally to the College and paid directly to the card sponsor, JPMorgan Chase MasterCard.

The Procurement Card program transfers purchasing authority directly to the cardholder. Rather than require a purchase requisition and purchase order, the Procurement Card enables departments to quickly and conveniently purchase goods and services directly from any vendor that accepts MasterCard. Since the Procurement Card charges are paid directly by the College, no reimbursement to the cardholder is required.

This program provides many benefits to departments and the College, including:

- Cardholders may obtain goods and services quickly and efficiently by dealing directly with vendors;
- Cardholders need not use personal funds for purchases then later seek reimbursement;
- Eliminates need for requisitions or check requests on Procurement Card purchases;
- The College significantly reduces its need for petty cash funds;
- The College significantly reduces the number of purchase orders, invoices, check requests and checks processed (reducing transaction cost); and
- Faculty and staff can better focus on value-added activities for the College.

*If you have any questions, you may
contact Dan Deeter at x. 4543 or
ddeeter@saintmarys.edu*

II. Procurement Card Program

A. How It Works

The Procurement Card simplifies the purchasing and payment process by permitting certain faculty and staff to place orders directly with vendors using a MasterCard-similar to a personal credit card transaction. However, the cardholder does not receive a monthly invoice and is not required to process the payment. Instead, the College receives a detailed summary billing each month for all Procurement Card transactions and pays this bill directly. Each cardholder will receive monthly detail of all charges to their card, verifies the accuracy of those charges and the account manager will apply the appropriate account codes to those transactions.

By using the Procurement Card, the cardholder avoids many of the administrative procedures normally associated with departmental purchases: requisitions, purchase orders, invoices, receiving documents and check requests.

B. Eligibility for a Procurement Card

Faculty and staff are eligible to receive a Procurement Card. It is not necessary for every departmental employee to receive a Procurement Card-typically it should be the individual(s) who make the majority of departmental purchases. To obtain a card, an individual must:

- Complete the Procurement Card Application/Maintenance Form;
- Personally attend a Procurement Card Training Session; and
- Sign a Procurement Card Cardholder Agreement Form.

Since the Procurement Card is a College credit card, approval is not contingent on, nor will it impact, the cardholder's personal credit history.

The cardholder is required to read the Procurement Card User Guide and adhere to all Procurement Card policies and procedures. Cardholders must also have an active Saint Mary's email account.

The Procurement Card may only be used by the individual whose name appears on the card. Cards and card numbers must be safeguarded against unauthorized use by individuals within and outside the College.

NOTE: A College Procurement Card is not a benefit of employment. The College reserves the right to terminate Procurement Card privileges at any time, with or without cause.

C. Applying for a Procurement Card

College employees who would like to apply for a Procurement Card must complete the Procurement Card Application/Maintenance Form on page 12.

D. Cardholder Responsibilities

Once approved, the cardholder will receive a Procurement Card assigned to their name and department account number. The cardholder is responsible for the propriety of all charges made to their assigned card and may not assign a card or card number to an unauthorized person. Certain commodities where college-wide agreements exist, must be purchased through contract suppliers (e.g. office supplies).

NOTE: Since the Procurement Card is paid directly by the College; it is to be used only for College expenses. Use of the Procurement Card for personal expenses is strictly prohibited and may result in disciplinary action, per the Cardholder Agreement.

1. Purchase Documentation

Cardholders now have the authority to directly purchase specific goods and services. However, this privilege also carries the responsibility to maintain adequate documentation for all transactions on the card. The cardholder is required to:

a. Complete Reconciliation Sheet

Monthly, cardholders will receive an account statement from JPMorgan Chase (approximately the 7th of each month). Each purchase listed on the statement must be supported by the applicable verification documents to ensure that all charges are appropriate. Verification documents (see examples below) must be stapled to the Procurement Card Reconciliation Sheet. This sheet must be completed, approved by the department head and sent to the Business Office by the 15th of each month. Failure to submit these reconciliations in a timely manner may result in revocation of the Procurement Card.

Examples of appropriate verification documents are:

- detailed sales receipts;
- order forms or applications;
- service reports when service is provided by a vendor; and/or
- detailed packing slips.

While some vendors may not provide itemized detail (descriptions, quantities, unit prices) on their sales receipts, the cardholder must obtain

documentation of this detail through order forms and/or packing slips. The documentation must include support for the business purpose of this expenditure. *Original documentation should be included – copies are generally not acceptable.*

Each verified monthly account statement should be maintained by the cardholder or department head for review against the general ledger.

2. On-Line Review (<http://sdol.jpmorganchase.com>)

Cardholders will be responsible for reviewing transactions through the Smart Data On-Line website. After transactions are posted, the cardholder may login to the system and review transactions for accuracy and will be required to mark these transactions for supervisor review. Training on the Smart Data On-Line system will be required for all cardholders. This must be completed by the 5th of each month.

3. Tax-Exempt Status

It shall be the responsibility of the Cardholder to insure that tax is not charged on eligible transactions. It is critical that you inform the supplier at the time of order of the College tax exempt status. Tax exempt forms and numbers are available from either Purchasing or the Business Office. In the event that tax is charged, the Cardholder shall be responsible to dispute these charges.

E. Responsibilities of Department Head

1. Review and Approval of Cardholder Transactions

It shall be the responsibility of the Department Head to review and approve all procurement card transactions. This review shall be completed by the 15th of each month.

- a. review the monthly Procurement Card Reconciliation Sheet for each cardholder and investigate all unexplained, unusual or significant reconciling items;
- b. sign both the Reconciliation Sheet and the monthly statement as evidence of review and approval;
- c. ensure that the monthly Reconciliation Sheet is submitted to the Business Office by the 15th of each month.

2. Report termination of cardholders

Upon the termination of a Procurement Card-holding employee, the department head must immediately notify the Procurement Card Administrator (Dan Deeter) of the termination, obtain the Procurement Card and return it to the Procurement Card Administrator.

F. Predetermined Transaction Limits

In order to prevent misuse of the Procurement Card, there are built-in controls for Procurement Card transactions. The controls, which may vary by card, include:

- A predetermined single purchase limit. Multiple charges or splitting a transaction to purchase a single item exceeding the purchase limit are not permitted;
- A monthly spending limit;
- Limits on the number of allowed daily transactions;
- Limits on the number of allowed monthly transactions; and
- Restricted merchant codes. (see Restricted transactions below, G.1)

When a vendor processes a transaction, it is instantaneously approved or declined based on the criteria associated with the Procurement Card. The College will monitor limits and adjust them appropriately in the future.

G. Allowable and Restricted Transactions

Except for restricted transactions (discussed below), the Procurement Card may be used for all departmental purchases under the purchase limit. Typical uses of the card include the purchase of office supplies and services, food and refreshments for meetings and conference fees.

1. Restricted Transactions

Procurement Cards are tailored to the specific needs of each cardholder via the Procurement Card Application/Maintenance Form. Thus, allowable transactions and/or transaction purchase limits may vary from card to card.

In general, the Procurement Card may **not** be used for the following purchases:

- * alcoholic beverages
- * animals and animal related items
- * cash advances/ATM/travelers checks
- * gift certificates
- * personal items and services
- * prescription drugs and controlled substances
- * radioactive and hazardous materials
- * telecommunications services,
- * weapons and ammunition
- * flowers and gifts
- * capital purchases

Where appropriate, the above restricted items may be purchased in accordance with established procurement and disbursement policies and procedures.

Questions regarding restricted transactions should be directed to the Director of Purchasing at ext. 4543 or ddeeter@saintmarys.edu.

2. Grant expenditures

Grant expenditures are limited to those costs that can be identified with a particular sponsored project and meet the specified criteria for direct costs: reasonable and necessary for the performance of the project; allocable to the project; consistently treated in like circumstances as a direct charge to a project; and are allowable under OMB Circular A-21. Grant expenditures must also meet College policy even when such policy is more restrictive.

Only expenditures that comply with award guidelines can be charged to a grant. When it is determined that a research expenditure is not allocable to the grant, such expenditure should be charged to a non-federal source.

H. Placing an Order

The Procurement Card may be used to purchase goods or services via phone, mail, the internet or at the vendor's place of business.

When placing an order, please:

- Provide your name as listed on the Procurement Card;
- Identify yourself as a Saint Mary's College employee;
- Identify that you are making a "corporate" Procurement Card purchase;
- Indicate Saint Mary's tax-exempt status and provide the tax-exempt number and/or certificate;
- Provide the MasterCard number and expiration date; and
- If applicable, provide your campus delivery address.

Occasionally, someone other than the cardholder may pick up an order. If the vendor asks this individual to sign the credit card receipt, he/she should sign and write "received by" on the receipt.

I. Sales Tax Exemption

The College is exempt from sales tax in Indiana and many other states. The cardholder must provide the sales tax-exempt number to all vendors at the time of the transaction to ensure exemption from state sales tax. If sales tax is incorrectly billed to the cardholder's account, it is the responsibility of the cardholder to dispute the charge and obtain a credit for the sales tax paid.

A copy of the College tax exemption certificate is included in this user's guide. If a vendor requires a tax exemption certificate, it is the responsibility of the cardholder to provide this information. Please direct your questions or requests for forms to Dan Deeter at x.4543 or ddeeter@saintmarys.edu.

*NOTE: The College's tax exemption **does not** extend to personal purchases made by faculty and staff. Use of the College's tax exemption for personal purchases is strictly prohibited and is a violation of Indiana state law.*

J. Disputing a Transaction

The cardholder is responsible for all transactions charged to their Procurement Card. Therefore, the cardholder must ensure receipt of goods and services and resolve any delivery problems, discrepancies or damaged goods with the vendor. Returns should be made directly to the vendor according to vendor requirements. The cardholder is responsible for ensuring that proper credit is posted for any returned items.

If the cardholder encounters erroneous charges, disputed items, unprocessed returns (credits), etc. on their Procurement Card, it is the cardholder's responsibility to resolve the problem with the vendor. If the cardholder is unable to reach agreement with the vendor, they should contact the Director of Purchasing at x.4543 or ddeeter@saintmarys.edu and describe the nature of the problem, the date, and amount of the transaction. *Please note that vendors are not permitted to bill your Procurement Card for purchases until the related items have been shipped.*

K. Procurement Card Reviews

There will be periodic internal reviews of Procurement Card Reconciliation Sheets and documentation, randomly selected, to ensure cardholders and their respective departments adhere to the policies and procedures outlined in this Users Guide. Exceptions noted during these reviews will be communicated to management. These reviews conducted by the Business Office will assess adherence to this Users Guide and will specifically examine whether:

- Procurement Cards are being used by authorized cardholders for authorized College expenses;
- Documentation for all charges is appropriate and complete;
- Charges are directed to appropriate general ledger accounts;
- Account statements are being reconciled in a timely manner;
- Account statements are being reviewed and approved in a timely manner;
- Sales tax is properly excluded on purchases.

Failure to adhere to this user guide may result in disciplinary measures including suspension or termination of Procurement Card privileges, suspension or termination of employment, and/or legal action in accordance with the terms and conditions of the Cardholder Agreement Form.

L. Canceling Procurement Cards

To cancel a Procurement Card, the cardholder or supervisor should contact the Director of Purchasing at x.4543 or ddeeter@saintmarys.edu. Please return the card to the Purchasing Department so that the card may be destroyed and disposed of immediately upon closing of the account.

M. Lost or Stolen Cards

The cardholder must **immediately** report a lost or stolen Procurement Card since the College is liable for all transactions until a card is reported stolen or lost. In such cases, cardholders must promptly phone JPMorgan Chase at (800) 316-6056 (representatives are available 24 hours a day, 7 days a week) and call or email the Director of Purchasing at x.4543 or ddeeter@saintmarys.edu, and complete the *Lost or Stolen Procurement Card Notification* form (attached).

III. PROCUREMENT CARD FORMS

Following are examples of various forms associated with the Saint Mary's College Procurement Card program:

- Procurement Card Application/Maintenance Form
- Procurement Card Cardholder Agreement
- Lost or Stolen Procurement Card Notification
- Procurement Card Reconciliation Sheet

**SAINT MARY'S COLLEGE
PROCUREMENT CARD APPLICATION/MAINTENANCE FORM**

Use this form to apply for a card or update your card profile

The Saint Mary's College Procurement Card program enables cardholders to quickly and conveniently purchase business related goods and services directly from vendors that accept MasterCard. Because the Procurement Card eliminates the need to create, approve, process and track purchase orders, use of the Procurement Card significantly reduces procurement time for many purchases. However, use of the Procurement Card requires that the cardholder and his/her supervisor assume responsibility for obtaining appropriate receipts and documentation. Please refer to the PROCUREMENT CARD USER GUIDE for a complete description of cardholder and supervisor responsibilities as well as other important program guidelines.

Basic Information *check one:* New Cardholder Existing Cardholder

Applicant/Cardholder Name E-Mail Address Campus Phone

Department Head's Name E-Mail Address Campus Phone

Department Department Address Default Dept #

* See the PROCUREMENT CARD USER GUIDE for specific responsibilities of the cardholder's supervisor.

Individual Transaction Limit (subject to approval by the Director of Purchasing)

\$200 \$500 Other **\$_____

** For requests in excess of \$500, attach a brief memo describing the type, frequency and amount of anticipated purchases.

Monthly Credit Limit \$ _____ (subject to approval by the Director of Purchasing)

Allowable Transactions (subject to approval by the Director of Purchasing)

While the Procurement card may be used for a wide variety of purchases, certain general restrictions apply (see the PROCUREMENT CARD USER GUIDE). However, the card may be tailored to the specific needs of your department. If applicable, list and explain those general restrictions you wish to have waived or added for this Procurement Card. For restrictions you wish to waive, indicate type(s) of purchases, business purpose, frequency and typical amounts:

Approval

Applicant/Cardholder Signature Date

Department Head Signature Date

Division VP Signature Date

Send completed form to:
Director of Purchasing
155 Facilities Building

**SAINT MARY'S COLLEGE
LOST OR STOLEN PROCUREMENT CARD NOTIFICATION**

Card was: ___ Lost
 ___ Stolen
 ___ Other (describe)

Cardholder Name: _____

Card Number: _____

Date called in to JPMorgan Chase: _____ Time called:

Cardholder
Signature: _____ Date: _____

Department Head
Signature: _____ Date: _____

Send completed form to:
Director of Purchasing
155 Facilities Building

**Saint Mary's College
Procurement Card Reconciliation Sheet**

Cardholder Name _____ Month/Yr _____

Department _____ Phone # _____

Campus Address _____

Total Charges for Month \$ _____
(per Account Statement)

Total Receipts Attached \$ _____

Difference* \$ _____

* Represents difference between total receipts and total charges. List and explain below. Receipts must be provided for all transactions.

Cardholder Signature

Date

APPROVED

Department Head's Signature

Date

**Staple all verification documents (receipts, etc...) to this form.
Completed Forms must be sent to Accounts Payable, Business Office by the
15th of each month.**

NOTE: THIS AGREEMENT WILL BE COMPLETED WHEN YOU PICK UP THE CARD

**SAINT MARY'S COLLEGE
PROCUREMENT CARD CARDHOLDER AGREEMENT**

I, _____, hereby acknowledge receipt of a Saint Mary's College Procurement Card, card number _____. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Procurement Card User Guide (the "Guide") provided (and as it may be subsequently revised). I acknowledge receipt of the Guide and confirm that I have read and understand its terms and conditions. I understand that Saint Mary's College is liable to JPMorgan Chase for all charges made by me.

As the holder of this Procurement Card, I agree to accept responsibility for the protection and proper use of this card and to keep proper documentation for all purchases as outlined in this Agreement and the Guide. I understand that the College will audit the use of the Procurement Card. I understand that I cannot use the Procurement Card for the restricted commodities listed in the Guide. I understand that certain commodities where College-wide agreements are in place, must be purchased through the contract suppliers.

I further understand that improper use of this Procurement Card may result in disciplinary action up to and including TERMINATION OF EMPLOYMENT. Should I fail to use the Procurement Card properly, I authorize Saint Mary's College to deduct from my wages or from any other amounts payable to me, an amount equal to the total of the improper purchases. I also agree to take any steps necessary to permit Saint Mary's College to collect any amount owed by me even if I am no longer employed by the College. If Saint Mary's College initiates legal and/or collection proceedings to recover amounts owed by me under this Agreement, I agree to pay legal fees and/or costs related to those actions incurred by Saint Mary's College in such proceedings.

I understand that Saint Mary's College may terminate my right to use this Procurement Card at any time for any reason. I agree to return the Procurement Card to Saint Mary's College immediately upon request or upon termination of employment.

APPLICANT:

Cardholder Name: _____ Social Security No.: _____

Campus Address: _____ E-mail _____

Department: _____ Campus Phone No. _____

Signature: _____ Date: _____