**Purchasing Card Policy and Procedure – Slippery Rock University**

**Number by Division:**

1. Finance Policy

**POLICY**

The Slippery Rock University Purchasing Card is an internationally accepted Master Card credit card issued to authorized University personnel to be used for business purposes. It is designed for small dollar purchases of goods and supplies and eliminates the use of requisitions and purchase orders related to those items. By using the Purchasing Card Program the traditional requisition - pricing inquiry - order placement - delivery of goods - invoice - voucher review - payment cycle is greatly reduced. Payments made to vendors via credit card are reconciled monthly electronically with monthly settlements into SAP. **The card program is for OFFICIAL UNIVERSITY USE ONLY.**

**PROCEDURES**

# RECEIVING A PURCHASING CARD

* 1. Employees may propose to be cardholders by completing the Purchasing Card Requisition Form on the Accounts Payable website and submitting to the Program administrator who shall then request the new card.
  2. The Program administrator will distribute all new cards and provide this policy to all new cardholders.

# PURCHASING CARD USEAGE GUIDELINES

* 1. The Purchasing Card shall only be used by University employees who have been provided training, provided a copy of this policy, and who have signed a Cardholder Request, acknowledging terms and conditions and willingness to comply with all provisions therein.
  2. Cardholders shall ensure that purchases are within the public funds policy and report any inappropriate sales immediately to their supervisor and the Program Administrator for further investigation.
  3. The unique purchasing card that the primary cardholder receives has his/her department’s name embossed on it and shall **ONLY** be used by persons authorized by the Cardholder within his/her department. Primary cardholders who allow subordinate employees to use cards assigned to them (in their department’s name) accept full responsibility for training their subordinates and providing them with the current policy documents.
  4. All purchases of hazardous materials that trigger regulatory reporting requirements or require specialized handling or disposal must obtain written authorization from the Department of Environmental Health & Safety before the purchase is made. Examples of these materials include but 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.
  5. Materials regulated by the Environmental Protection Agency and the Pennsylvania Department of Environmental Protection which include, but not limited to pesticides, herbicides, insecticides, radioactive, and chlorofluorocarbons 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.
  6. Official Use: The card is for “official university use only”. It may be used to acquire goods and services that will be used directly and immediately for the benefit of official university activities, events, or operations. **It may NOT be used for personal use in any manner whatsoever. It may NOT be used to acquire any goods or services for personal use with the intent of reimbursing the University for such purchases.**
  7. The Cardholder shall inform the Vendor that the goods are NOT to be taxed. Cardholders are provided with a blank tax-exempt certificate which may be copied and provided to merchants as needed for university purchases.
  8. The items or services that may be procured by using the credit card are limited by Section 3.
  9. Whenever a purchasing card purchase is made, documentation shall be retained as proof of the purchase and will be used to verify the purchases during the monthly review.
  10. When making a purchase the Cardholder instructs the vendor to deliver any items via the Central Receiving Department of the University, the CARDHOLDER MUST NOTIFY Central Receiving immediately regarding the anticipated shipment and receipt of goods.
      1. Direct the vendor to include the following information on the shipping label and packing list:

Slippery Rock University

Cardholder's name

Cardholder’s department

Complete cardholder’s delivery address

The words "Purchasing Card Purchase" or “PO Number”;

Slippery Rock, PA 16057

# UNAUTHORIZED PURCHASING CARD USE

* 1. The purchasing card **SHALL NOT BE USED** for the following:
     1. Personal purchases or use of the card for personal identification. The card shall not be used to authenticate your 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.
     2. The purchase of items for personal use with the intention of reimbursing the University.
     3. In-person travel expenses including: meals, travel related registration (fees) for, conferences or workshop, etc. Exceptions can be submitted for review by the Program Administrator.
     4. Cash advances, monthly recurring services & memberships.
     5. Development, printing and/ or distribution of any official University document or publication (with official name, seal or logo) without first securing approval from the Publications Office, or official public advertising without the consent of the Public Relations Office.
     6. Restricted items, such as alcohol, weapons, drugs [controlled substances], hazardous materials, and other restricted goods and services prohibited by law, policy or regulation as referenced in the University’s “Purchasing Guidelines”.
     7. Use of virtual wallets is prohibited unless it is the only method of payment accepted. (i.e. PayPal, Apple Pay, Google Pay, Venmo, etc.)
     8. Payment for a purchase **MUST NOT** be split into multiple transactions to stay within the cardholder single purchase limit
     9. Purchases of items that will require support or advance, additional approvals by other divisions of the University as defined in “Purchasing & Contracting Policies & Procedures”:

Additional Approval By:

Computing hardware/software (Information Technologies)

Hazardous materials (Envir. Health & Safety)

Publications, use of logo, etc. (Public Relations Office)

Grants/Sponsored Research (Grant Accountant – See Section 4)

* 1. Restricted Vendors: The Card Program Administrator has identified certain vendor classification exclusions, in which cases certain Merchant Category Codes will be blocked (embedded) in the card to be issued. For example, meals fall under travel and thus, the codes for restaurant merchants would be blocked from use. Attempts to make a purchase from a merchant of a “blocked” category would be rejected at the point of sale.
  2. Cardholders who experience problems with card acceptance by merchants should immediately notify the Card Program Administrator when such problems occur to determine if an exception can be made.
  3. Until such a time as the card acceptance issue is corrected, the Cardholder must use non-card procedures to obtain the required goods, such as submitting a purchase request and issuing of a purchase order to the vendor.

1. **Grants/Sponsored Research Card Use**
   1. The preferred method of purchase related to internal and external grants and sponsored research programs is through the use of the purchase requisition system to the extent possible. When such method is not possible for small or time sensitive purchases, the purchase card may be used.
   2. All aspects of the University Card – Policy and Procedures are to be followed, this section of the policy is to include additional approval/support for purchases to be reimbursed/paid for by internal or external funding that flows through the Restricted Funds Office as such purchases require additional approval of the Grant Accountant.
   3. The following approvals must be obtained prior to the use of a purchase card:
      1. All purchases must be authorized prior to purchase in either writing, e-mail, or verbal (documented) by the project director before such purchase occurs to document the project director’s approval of the items being allowable and within the budget of the grant. Attach such approval to receipt support during the monthly transaction review and reconciliation process.
      2. All purchases must be approved by the grant accountant prior to purchase. The grant accountant will also verify that funds are available and within the budget guidelines of the grant.
         1. For purchases made online where support can be provided to the grant accountant prior to purchase, provide a snapshot of the cart and products being purchased, e-mail the snapshot to the grant accountant who will e-mail back approval. Once you have received such approval, the purchase may be made. Attach such approval to receipt support during the monthly transaction review and reconciliation process.
         2. For purchases that no support would be available prior to purchase, e-mail the grant accountant, describe the product and reason for purchase and estimate of how much will be spent. Once approval is provided, purchase can be made. Once support is obtained for purchase, scan and e-mail support to grant accountant for final approval. Attach such approval to receipt support during the monthly transaction review and reconciliation process.
      3. Purchases Procured with Federal Funds by Non-Federal Entities Policy must also be followed for such Micro-purchases made by use of the purchase card. The Federal purchase checklist must be attached to receipt support during the monthly transaction review and reconciliation process.
   4. All expenditures on the transaction review page that include internal and external grants must include all required supporting documentation and above approvals. There is no limit for missing receipts or approvals. If there are missing approvals, obtain all approvals prior to submission to Accounts Payable. If there are missing receipts, the project director will be responsible for reimbursing the University for such expenditures.
   5. Should any purchases end up exceeding funds available, not align with the grant budget, or not be an allowable expense under the grant, the project director will be responsible for reimbursing the University for such expenditure.

# REVIEW OF MONTHLY STATEMENT

* 1. At the end of each [monthly] billing cycle, the Cardholder’s statement of account will be available via the credit card vendor.
  2. The Cardholder or designated reconciler reconciles each transaction electronically on a monthly basis.
     1. The original sales documents, (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the monthly statement **MUST** be attached to the transaction electronically. The careful matching of complete support documents to the transactions is vital to the successful use of this program.
     2. For academic areas, after this review, the Cardholder shall sign off on a transaction review report. The reconciler will then attach this to the first transaction as a receipt and then forward to the Dean’s office for final review and approval. For non-academic areas, the cardholder will sign in; review the transactions and receipts and sign off. The approver shall check and confirm the following items as a minimum:
        1. Receipts exist for each purchase.
        2. The goods were received or the services were performed.
        3. The Cardholder/s has/have complied with applicable procedures, including this Purchasing Card Program procedure and Purchasing Guidelines.
        4. The Approving signature of a Cardholder monthly statement indicates that the Cardholder was authorized to make those purchases and those purchases were made in accordance with this policy.
     3. If the Cardholder does not have documentation of a transaction listed on the monthly statement, he/she shall attach a “Purchasing Card Missing Receipt Form” for each missing receipt that includes a description of the item(s) purchased, date of purchase, Vendor's name and reason for the lack of supporting documentation.
     4. Purchasing Card Returns - If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the cardholder must make contact with the vendor to explain the problem and inquire about return policies.
     5. If an item has been returned and a credit voucher received, the cardholder shall verify that this credit is reflected on the monthly statement.
     6. If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be **RETAINED** by the Cardholder until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Cardholder or Org Manager shall notify the Card Program Administrator.
     7. Errors and Dispute Resolution – If you do not agree with a charge posted to your monthly statement, dispute the charge directly with the vendor. If the error cannot be resolved with the vendor, then contact Bank Commercial Card Services at 888-449-2273 to resolve the matter. Your next statement should be reduced by the amount of the disputed items.
     8. If items purchased by the use of the credit card are found to be unacceptable, the Cardholder is responsible to obtain replacement or correction of the item as soon as possible. If the Vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute.

# CARD SECURITY

* 1. It is the Cardholder's responsibility to safeguard the purchasing card and account number to the same degree that a Cardholder safeguards his/her personal credit information.
  2. The Cardholder must not allow anyone to use his/her account number for other than authorized purposes.
  3. If the card is lost, misplaced, stolen or damaged the Cardholder shall immediately notify Commercial Card Services at 888-449-2273. Representatives are available 24 hours a day.
     1. The Card Program Administrator is also to be notified immediately.
     2. This phone number may also be used for emergency closure of cards or accounts, or dispute process inquiries.
     3. A new card shall be promptly issued to the Cardholder after the reported loss, damage or theft. A card that is subsequently found by the Cardholder after being reported lost or stolen shall be forwarded to the Procurement Card Administrator.

# CARDHOLDER SEPARATION, TRANSFER or TERMINATION

* 1. **Prior** to separation, transfer or termination from University employment, the Cardholder shall surrender the purchasing card to the Program Administrator and current receipts to his/her Manager or designated reconciler.
  2. The University’s Card Program Administrator must confirm notification to the Bank to deactivate the card.

# AUDIT

# The Program Administrator will conduct audits of transactions on a regular basis, with a risk based audit plan approved by the Controller.

# All cardholders must comply with any audit requests made by the Program Administrator.

**SANCTIONS**

# Violations

* 1. The Policies and Procedures for Procurement Cards must be strictly adhered to. Violations defined as minor and major include but are not limited to the following:
     1. Minor Violations:
* Payment of Sales Tax (must be credited the following month)
* Missing Documentation including receipts, etc.
* Other non-compliant activities not listed.
  + 1. Major Violations:
* Split purchases to avoid authorized single transaction limits
* Untimely submission of monthly reconciliation packets.
* Purchase of restricted items.
* Fraudulent Charge, defined as the willful intent to disregard rules, policies and procedures (including knowingly making personal purchases).

# Policy Violation Penalties

* 1. Minor & Major violations will be reviewed by the Program Administrator and the Controller, and will be communicated to Human Resources and University Legal Counsel if appropriate.

* 1. The circumstances and/or severity of the violation will determine the appropriate action up to and including termination of employment and the filing of criminal charges.

**RESPONSIBILTY FOR IMPLEMENTATION**

Timothy Harlan, Controller

**SCOPE OF POLICY COVERAGE**

This policy applies to all purchasing cardholders, secondary cardholders, expense allocators and card administrator.

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**Authority for creation and revision**

Reviewed by: Cabinet 06/09/2019

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