



**Office of Fiscal Services**

XAVIER UNIVERSITY *of* LOUISIANA

**Purchasing Card Manual**

**June 30, 2019**

## PURCHASING CARD MANUAL

### THE XAVIER UNIVERSITY PURCHASING CARD PROGRAM

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## I. THE PURCHASING CARD PROGRAM (P-Card)

### A. Program Overview

The Purchasing Card program (P-Card) was established to provide an alternative method for purchasing and paying for small dollar transactions (**less than \$2,900**). The program utilizes the JPMorgan Chase Visa Procurement Card as the payment-processing medium.

The card is a privilege extended to Xavier faculty and staff (excluding student employees) and must be used in a responsible and appropriate manner. Fraudulent or intentional misuse of the card will result in its revocation and personnel actions against the cardholder. Xavier University's Office of Fiscal Services will conduct routine reviews of cardholder's transaction files and monthly summaries.

A monthly summary billing statement is sent to each cardholder by JPMorgan Chase detailing all account charges. A monthly summary billing statement will not be received if there have been no charges made during the billing cycle.

A monthly master statement is sent to the Xavier University's Office of Fiscal Services which includes the charges from all departments. The Fiscal Director of Operations ([lgie@xula.edu](mailto:lgie@xula.edu)) and the P-Card Administrator ([maugust3@xula.edu](mailto:maugust3@xula.edu)) manage the P-Card Program. Each department's account will be charged for the total amount of costs made against it during the month. One consolidated monthly payment is then made to JPMorgan Chase.

### B. Receiving a Purchasing Card

The President, Provost, Vice-Presidents and Cost Center Managers authorize the issuance of a Purchasing Card by completing the authorization form for each prospective cardholder. Additionally, the cardholder is required to sign a purchasing card agreement. These forms are available on the Xavier's website Office of Fiscal Services. The original completed forms should be sent to the P-Card Administrator. Questions can be directed to the Fiscal Director of Operations ([lgie@xula.edu](mailto:lgie@xula.edu)).

Card applicants are required to receive training on the P-Card program prior to receiving a card. Non-cardholder approvers of transactions are also required to receive the training. The Office of Fiscal Services will provide the related training. After completion of the training, the employee will receive the P-Card.

Each cardholder will be required to sign the P-Card Purchasing Agreement indicating an understanding of the policies, procedures, and responsibilities of a cardholder. The Fiscal Director of Operations will maintain records of P-Card requests, dollar limits, cardholder transfers, and lost/stolen/destroyed card information.

## II. OPERATING PROCEDURES

The following detailed policies and procedures provide information on the P-Card program.

### A. Account Description

The Visa account for the procurement program is a charge number issued in the name of the employee. Each card is assigned to a specific employee, department and Xavier Banner organization number.

The cardholder will receive a P-Card with his/her name embossed on it, and the card should only be used by the cardholder. No other person is authorized to use that card. The cardholder may initiate transactions on behalf of others in his/her department; however, the cardholder is responsible for all use on his/her card. The cardholder is required to sign the back of the card. Charges made on the P-Card are a University liability (not a personal liability to the individual). Cardholders should ensure the P-Card is adequately safeguarded from loss or misuse. See section VIII for the procedure to report lost cards.

There will be no credit reference checks on the personal credit of the employee for the P-Card. Nor will the use of the P-Card have any effect on the employee's personal credit rating.

The P-Card cannot be used to purchase items for personal or non-University purposes even if the cardholder intends to reimburse the University. A cardholder who makes an unauthorized purchase or uses the P-Card in an inappropriate manner will be subject to disciplinary action including, but not limited to, possible card cancellation and termination of employment at Xavier University.

It is the cardholder's responsibility to safeguard the P-Card and account number to the same degree that a cardholder safeguards his/her personal credit information.

Due to the electronic nature of the P-Card accounting system, charges will not be transferred between account numbers. Exceptions can only be made for unusual circumstances as approved by the VP for Fiscal Services.

### B. Authorized Purchases

Examples of typical uses for the P-Card include purchases of: books, periodicals, subscriptions, membership dues, newsletters, audio and video tapes, conferences and seminar registration fees, photo processing, travel, hotels and office supplies. It is the cardholder's responsibility to be aware of departmental rules and guidelines and to make only appropriate purchases.

## II. OPERATING PROCEDURES, Cont'd

### B. Authorized Purchases, Cont'd

Use of the P-Card will be limited to the following conditions:

1. Departments will assign a single transaction limit to each P-Card account of \$2,900. A purchase cannot be split into multiple transactions to stay within the cardholder's single transaction limit. This is expressly prohibited.
2. A monthly spending limit, not to exceed 25% of the annual supplies budget for each account authorized for use, will apply to each P-Card. This limit will minimize the amount of charges that may occur if a card is lost or stolen.
3. In addition to local taxes, Xavier University is required to pay a 2% state tax on purchases thru June 30, 2018.

### C. Unauthorized P-Card Use

P-Card transactions for certain types of purchases are not allowed. The following is a list of categories of expenditures that are prohibited. If a transaction is attempted for one of the following categories of expenditures, or if the transaction exceeds the transaction limit, the vendor cannot accept the card since the transaction will be declined through the point of sale authorization process.

Prohibited Expenditures:

1. Alcohol
2. Capital equipment (items of equipment with cost greater than \$2,900)
3. Cash advances or cash instruments
4. Computer/laptops
5. Consulting or personal services
6. Contracts or licensing agreements
7. Fines, penalties, or other similar fees
8. Hazardous and/or radioactive materials
9. Honorarium
10. Insurance
11. Leases
12. Maintenance or servicing agreements
13. Professional fees
14. Personal purchases
15. Sodexo food purchases

### III. MAKING A PURCHASE

#### A. Vendor Purchases

When making a P-Card purchase, cardholders should purchase from commonly used **Vendors** by Xavier University whenever possible to take advantage of pricing and terms negotiated on a University-wide basis.

A cardholder will use the following checklist when making a purchase.

1. The cardholder will take reasonable steps to obtain the best price, quality, and delivery.
2. Confirm that the selected merchant accepts MASTERCARD. If not, choose another vendor or submit a requisition to the Office of Fiscal Services so that the purchase can be made via a Purchase Order.
3. Inform the supplier that the purchase is for Xavier University and is subject to city and state sales tax. State sales taxes are not to exceed 2%.
4. When making purchases in person, the cardholder must sign the charge receipt and retain the customer copy, along with the invoice or cash register receipt.
5. When making purchases via phone, internet, mail order, etc., cardholders should give the merchant the account number embossed on their card and direct the merchant to include the following on the shipping label and/or packing slip:

Cardholder name and campus phone number  
Department name  
Street Address including building name and room number

If the items are being shipped to the University's Receiving department, the cardholder should notify that department in advance. Regardless of who receives the shipment, the cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase.

When merchandise must be returned, a credit is to be issued by the vendor back to the P-Card on which the charge was made. Refunds are not to be made with cash, gift cards or as a store credit.

Overall, departments are responsible for monitoring the appropriateness of purchases and insuring the availability of funds.

### **III. MAKING A PURCHASE, Cont'd**

#### ***B. Travel Charges***

When travel charges are made using the P-Card, a full copy of the travel documentation is to be filed with the Travel Expense Report records. Also, the cardholder must submit the Travel Report to the preferred vendor. These include the airline ticket invoice/itinerary or the registration form and the approved travel request form. The travel request form should be approved before any registration or travel requests are made.

#### ***C. System Non-Approval***

If a vendor advises that approval has been denied by the P-Card system, it is most likely a result of the monthly P-Card limit being reached or exceeding the single purchase limit. The vendor will not have accurate information related to the reason for denial, nor does the employee have authority to obtain the information from JPMorgan.

If the cardholder has first verified that the monthly limit has not been reached, the P-Card Administrator should be contacted. The issue will be resolved between the P-Card Administrator and JPMorgan.

If you are not maintaining a rolling record of the P-Card balance, or wish to verify the outstanding balance and/or available, credit please contact the P-Card Administrator.

### **IV. CARDHOLDER RECORD KEEPING AND RETENTION**

#### ***A. Obtaining Documentation***

Each department should ensure that cardholders obtain adequate documentation for all transactions made with P-Cards. Records should be turned into the Office of Fiscal Services. This documentation will be used to reconcile the purchases and credits and must be retained by the Office of Fiscal Services for a period of three years for non-grant expenses. Documentation for grant related purchases must be retained by the Office of Fiscal Services for 7 years.

1. When a purchase is made in person, the cardholder will retain the invoice and customer copy of the charge receipt. The cardholder is responsible for verifying that the supplier lists the quantity and full descriptions of the item(s), and that the appropriate amount of sales taxes is assessed.
2. When making a purchase via phone, internet, or mail order, the cardholder must request that a receipt or confirmation of the order be provided directly to the cardholder (not Accounts Payable or Purchasing). The cardholder should retain all shipping documentation.
3. In the event of missing receipts or supporting documentation, cardholders must contact the P-Card Administrator for direction in obtaining the necessary specific approval for that transaction.
4. An activity log may be maintained to record purchases and credits, but is not required. Some departments may find it necessary to maintain a log for their own informational needs.

## V. REVIEW, APPROVAL, AND ACCOUNTING TREATMENT OF MONTHLY ACTIVITY

It is the cardholder's responsibility to review and reconcile the monthly activity to the electronic statement and the original receipts. Transactions will be posted on the JPMorgan Chase Payment NET website- <https://smartdata.jpmorgan.com>. A user ID and password is required for access.

The P-Card has a designated default account number assigned to each transaction. This default account number can be changed to a different account number if it has been authorized to use on the cardholder's application. A natural account code will be assigned to each transaction and can be changed to reflect the correct classification of the specific expense incurred. Charges normally appear 2 to 3 days after the charge is made and reallocation (coding) adjustments should be done as soon as the transaction is available. Cardholders should complete their review and reconciliation by the 26<sup>th</sup> of each month. Approvers must complete their approval process by the last business day of the month.

The cardholder's approver is responsible for the timely review and approval of each transaction by the cardholder. This required review and approval will be monitored monthly for compliance. An alternate approver can be designated to perform this function in the absence of the primary approver.

The cardholder will receive a monthly summary billing statement directly from JPMorgan of all transactions posted to the account. The cardholder must reconcile the monthly billing statement to the supporting documentation (sales slips, receipts, etc.) The documentation for each purchase should include the vendor name and an itemized list of the items purchased and the price of the items. The cardholder or departmental designee must itemize the P-Card disbursements on the P-Card Disbursement Form, with the completed approved form along with the actual receipts being required to be submitted to the P-Card Administrator.

If documentation was not received or lost, the information should be noted on an attachment. All credits are to be documented.

Xavier's billing cycle ends the 27<sup>th</sup> of each month. The transaction will not be posted on the day of the purchase. The transaction on average takes up to three or four days to post to the account. Items ordered toward the end of the billing cycle may be included on the next monthly summary billing statement. A statement will not be received if no purchases are made during the billing cycle.

## VI. MERCHANDISE RETURNS AND EXCHANGES

The cardholder is responsible for contacting the merchant when items purchased with the P-Card are not acceptable (incorrect, damaged, defective, etc.) to arrange a return for credit or an exchange. Receiving cash, checks, or a store credit for future purchases to resolve a return is prohibited. The cardholder is responsible for obtaining a credit on the P-Card account for any returns and retaining the credit receipt with the supporting documentation for that purchase. The cardholder should confirm that the credit is recorded in the next month's card activity. If merchandise is to be exchanged, the cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.



VII. **CHARGE DISPUTES**

Cardholders must resolve any discrepancy directly with the merchant. If the cardholder is unable to resolve the situation, the transaction must be disputed within 60 days of the charge. This dispute should occur only after a diligent attempt has been made to correct the discrepancy and the merchant has failed to respond. The completed dispute form should be sent electronically to JPMorgan Chase through the on-line system and the cardholder should notify the P-Card Administrator when the dispute is submitted.

VIII. **P-CARD SECURITY**

The cardholder must not allow anyone to use his/her card account number. A violation of this trust will result in card revocation and disciplinary action. If any purchases have been made on a card and the transaction is not reviewed, the cardholder will receive an email notification that there are transactions to review. This feature is for security purposes in case the cardholder is not aware of the existence of this transaction.

If the P-Card is lost or stolen, the cardholder shall immediately notify JPMorgan Chase at 1-800-316-6056 and additionally advise the P-Card Administrator of this condition. A new P-Card will be promptly issued to the cardholder after the reported loss or theft. A card that is subsequently found by the cardholder after being reported lost or stolen must be cut in half and forwarded to the P-Card Administrator.

In the event of transfer or termination, cardholders are required to return their P-Card to the P-Card Administrator. Accordingly, departments are responsible for the timely notification of the cancellation of cards for any transferred or terminated cardholders. This notice must be provided within two business days of the termination date.

IX. **FISCAL SERVICES' REVIEW PROCEDURES**

Each month the P-Card Administrator or Grant Accountant will perform a review of P-Card transactions. Such reviews will be designed to verify that card transactions are authorized and appropriate for unrestricted purchases and reasonably allocable and allowable under the terms and conditions of the grant and to verify that required documentation has been properly accumulated, approved and filed.

Changes incurred under grants that are disallowed will be recorded to the departmental unrestricted budget.

In the event of a review finding, the following actions, depending on the severity of the finding, may be taken:

- A. Warning letter issued to cardholder and department head
- B. Card use suspended for 3 months
- C. Card use terminated
- D. Employment terminated

In addition, if misuse of the card is detected, the employee's department will be responsible for the charges in question. The P-Card Administrator will automatically transfer these charges to the department's general ledger account. Reimbursement by the cardholder to the University for Unauthorized Charges may also be required.

X. **INTERNAL CONTROLS**

The summary billing statement must be signed and dated by the department head, principal investigator, or appropriate supervisory individual. Only a department head or principal investigator can sign their own statements. By approving the statement, that individual is stating that all charges are appropriate and correct. **Failure to obtain proper monthly approval may result in the loss of the cardholder's P-Card privileges.** Reconciling the records and having the statements signed must be done soon after the statement is received, before the completion of another billing cycle.

XI. **CONCLUSION**

This program is designed to provide user-friendly purchasing and payment tools so that Xavier personnel can quickly and efficiently order and receive goods and complete effective accounting and settlement processes. The program does include the controls and features needed to ensure that these resources are used properly. The P-Card program minimizes the number of manual tasks required to complete the order and settle the transaction. Program success is contingent on departmental compliance with approved procedures and guidelines.

If you have any questions or need additional information, please contact the Director of Operations at [lgie@xula.edu](mailto:lgie@xula.edu).