

La Salle University

Purchasing Card Policy

August 2004

**La Salle University
Accounts Payable and Purchasing
Department**

La Salle University Purchasing Card Policy and Procedures

INTRODUCTION

Welcome to La Salle University's Purchasing Card Program. The Purchasing Card Program provides an efficient and effective method of purchasing and paying for goods with a value of less than \$1000, and will replace the small dollar purchase order, some reimbursement requests and other associated paperwork.

Purchasing Cards are issued to Department Heads. An individual receives the card after completing the application form and cardholder agreement, and after attending a Purchasing Card Training Session.

The cardholder is required to read the Purchasing Card User Guide and adhere to all Purchasing Card Policies and Procedures. Please read the entire guide carefully.

Cardholders are accountable for the proper use of University funds. Although the card is issued to the cardholder, it remains University property, and may be rescinded at any time. Use of the card is only for the types of purchases described in this guide.

Department Heads should keep current records of transactions and receipts. They are an important part of any purchasing process and essential to the success of the purchasing card program.

Contact the Accounts Payable and Purchasing Department at x1863 with any questions regarding the purchasing card program.

PURCHASING CARD BENEFITS

Benefits of the Program:

- Purchase of goods can be made quickly and easily
- Paperwork required for the purchase of and payment for goods valued less than \$1000 is significantly reduced

HOW IT WORKS

The purchasing card simplifies the purchasing and disbursement process by facilitating point-of-demand procurement. When a purchase authorization is requested by the Supplier, the Visa system validates the transaction against pre-set limits established by the University. All transactions are approved or declined (instantaneously) based on the following purchasing card authorization criteria:

- Single purchase limit not to exceed \$1000.
- Approved spending limit per month (generally \$5000/month)
- Approved commodity code – goods must be purchased within approved University guidelines for business related purchases

PURCHASING GUIDELINES

The purchasing card program does not circumvent University purchasing policies and procedures. It is designed to streamline smaller purchases that are made on-site, via telephone, fax or mail.

The cardholder is responsible for the security of the card s/he is issued and for the purchases made with it.

PROHIBITED PURCHASES

Purchases of restricted commodities listed below and purchases of \$1000 or more are not allowed under this program.

The purchasing card is not to be used for the following commodities:

- Personal charges, even with the intent of reimbursing the University
- Any transaction that exceeds a department's available budget
- Any item that exceeds the transaction limit, or cause monthly limit to be exceeded
- Cash Advances or withdrawals from ATM machines
- Alcoholic beverages
- Service Maintenance Agreements
- Gambling
- Capital Equipment
- Cellular phones and related monthly charges
- Copiers
- Construction and renovations
- Stamps, Postage
- Computer Equipment, Peripherals and Software (Please contact Information Technology)
- Furniture (Please contact Accounts Payable and Purchasing)
- Audio Visual Equipment (Please contact AV Multimedia Services)
- Telephone Equipment (Please contact Information Technology)
- Any purchase when the University is required to sign any type of contract or agreement (leases, independent contractors and consultants, etc.)
- Any purchase from an online auction such as eBay

FORMS

The forms used in the Purchasing Card Program are listed below. They have been designed to assist in the application, maintenance of card transaction records, disputes, and changes to a cardholder's record. (See also Accounts Payable and Purchasing webpage, [Forms](#).)

[Purchasing Card Application and Agreement Form](#)

[Purchasing Card Change Form](#)

[Purchasing Card Transaction Log](#)

APPLYING FOR A CARD

The Purchasing Card Application Form and Cardholder Agreement may be found on the Accounts Payable and Purchasing web page under [Forms, Purchasing Card Application and Agreement](#).

Please note that the department budget numbers for FUND, ORGN, and PROG are required. (More than one departmental budget may be authorized for expense on the card.) The Application Form requires the signature approval of the Department Head, and the area Vice President or Provost.

Forward the completed and approved form to Accounts Payable and Purchasing. Please allow approximately ten (10) business days for the card to be issued. Accounts Payable and Purchasing will notify the cardholder when the card has arrived.

PLACING AN ORDER

When placing an order, please be sure to provide the vendor with the following information:

- Description of goods to be ordered, catalog number, color etc.
- Identify cardholder as a La Salle University employee
- Indicate that it is a University purchase
- Individual card number and expiration date of card
- Provide the complete University address including building and room number

La Salle University
Department Name
Building, Room
1900 West Olney Avenue
Philadelphia PA 19141

During normal business hours, call Accounts Payable and Purchasing for assistance at x1863. During nights, weekends, call the 1-800 number on the purchasing card.

SALES TAX

Merchants usually include sales and use tax at the time of purchase. La Salle University is a tax-exempt organization as a non-profit educational institution. Inform the vendor of La Salle University's Pennsylvania Sales Tax exemption number: 75-24323-9. If the vendor requests a Tax Exempt Form, one can be obtained from the Accounts Payable and Purchasing Department.

Note: The purchase of products and services related to the University's educational mission are tax exempt. Gifts, flowers, awards, occupational tax and restaurants are not tax exempt.

RECEIPT OF SHIPMENT

The cardholder is responsible for ensuring receipt of goods and follow-up with vendor to resolve any delivery problems, discrepancies or damaged goods. Upon receipt of an order, the cardholder should keep the documentation received from the vendor (sales receipt or packing slip) for later reconciliation. Each month the cardholder will

receive a statement that will identify card purchases for that month. If a receipt has been misplaced or not provided by the merchant, the cardholder may request a copy of the original receipt from JP Morgan Chase. The first three receipts are provided at no charge. Thereafter, a \$5 fee will be charged to your card.

RETURNING ITEM(S):

The cardholder is responsible for contacting the merchant when the goods received are not acceptable (incorrect item, damaged, or defective), and for arranging a return for credit or an exchange.

Return for Credit - If the merchandise is returned for credit, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining it for documentation purposes.

Return for Exchange – If the merchandise is exchanged for replacement, the transaction should be arranged as soon as possible.

- Request a Return Authorization number from the Vendor
- If the merchandise was ordered incorrectly by the cardholder, the cardholder pays for return freight expense
- If the exchange is caused by Vendor error, request instructions for return at Vendor's expense (ie: UPS Call Tag, or FedX address label). See also instructions under Return for Damage.

Return for Damage – If the merchandise is returned due to defective or damaged condition, contact the merchant, notify them of the condition of the shipment received.

- Retain the original packaging and packing slip.
- Request a Return Authorization number from the Vendor, and instructions for return of the shipment at Vendor's expense.
- Deliver the packaged shipment (marked with Return Authorization number) to Mail and Duplicating promptly.

RECONCILING THE PURCHASING CARD STATEMENT

With the authority to purchase products comes the responsibility to maintain adequate documentation at the source of the transaction. Documentation must support the legitimate business purpose of all transactions made with the purchasing card. Supporting documentation includes sales receipts, packing slips, copies of order forms or applications, cash register receipts.

Cardholders should keep a log of all transactions to help reconcile the monthly statement. Include the transaction date, merchant name, ticket price and sales tax paid for each item purchased. Indicate the method in which the transaction was made, i.e. telephone, mail-order or point-of-purchase. (See Forms, Purchasing Card Transaction Log)

- Retain all receipts and credit memos
- Go online to www.jpurchase.com/PaymentNet daily or weekly to review all transactions. Online review should be completed before a cardholder sends the statement and receipts to Accounts Payable on the 10th of each month.

- An email reminder will be sent by the online system to cardholders who have not reviewed their online statements by no later than the 10th of each month.
- Indicate the Fund, Organization, Program, and Account to charge each transaction. A transaction expense may be split between two or more authorized budgets if necessary
- Add a comment to further describe the reason for the purchase to provide additional documentation
- Mark an item for dispute, and enter your reason for dispute, or indicate the item(s) being returned to vendor, with your reason for return
- Your receipts should equal the total amount on your statement
- Attach original receipts with tape to an 8.5x11 page and turn in with your monthly statement. Retain a copy for your records.
- If a cardholder has not completed the online review by the 20th, the statement charges will be automatically billed to the Default Budget on the card and account 62370-General Supplies. If this occurs, it will be necessary for the Department Head to contact budget@lasalle.edu to arrange for re-allocation of those expenses.

DISPUTE PROCEDURES

The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. A cardholder may dispute a charge that appears on their Account Statement. Disputed charges can result from failure to receive goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way. If the merchant credits your account, highlight the entry on the statement until the issue is resolved.

If the cardholder is unable to reach agreement with the vendor, contact JP Morgan Chase by calling the 1-800 number on the back of your purchasing card. Explain that you intend to dispute a charge and follow up quickly with written information. Dispute forms must be submitted within sixty (60) days of the statement date. Your next statement will be reduced by the amount of the disputed charge until the issue is resolved. A resolution from JP Morgan Chase will appear in ninety (90) days. Retain all notes and documentation of your actions on the issue, as it will prove a dispute is in process.

Please note that, by law, vendors are not permitted to bill a credit card for purchases until the items have been shipped.

LOST, STOLEN OR DAMAGED PURCHASING CARDS

Lost or Stolen Card - It is the responsibility of the cardholder to immediately report a lost or stolen procurement card. La Salle is liable for all transactions until the card is reported lost or stolen. Report a lost or stolen procurement card by calling JP Morgan Chase at (800) 270-7760. Be ready to provide the last good transaction detail including date, vendor name, and amount. Notify Accounts Payable and Purchasing using the Purchasing Card Change Form. (See Forms, Purchasing Card Change Form).

A replacement card will be sent in approximately 10 business days to the cardholder. Remember, a quick response will reduce the risk of fraud. If a card is found after being reported lost or stolen, cut the card up and dispose of it.

Damaged Card - If a card is damaged, send the cut up card to Accounts Payable and Purchasing with your request for a replacement card on the Purchasing Card Change Form.

CANCELLING A CARD

To cancel a purchasing card, the card must be cut in half and sent along with a written request to cancel the card by the cardholder to the Director of Accounts Payable and Purchasing. (See Forms, Purchasing Card Change Form)

RENEWAL OF EXISTING CARDS

Renewal of the purchasing card will be automatic and sent to the cardholder 30 days prior to the expiration date of the card. Please notify Accounts Payable and Purchasing if a renewal card has not been received.

MISUSE OF THE PURCHASING CARD

Cardholders assume the responsibility for the protection and proper use of the purchasing card. The following situations are a few examples of "misuse" of the purchasing card:

- Purchases for the personal benefit of the employee
- Assignment or transfer of an individual card to an unauthorized person
- Use of a purchasing card by a suspended or terminated employee