

# Webster University

## Purchasing Card Policy

### 900.00 PURPOSE

The Purchasing Card Program is established to provide a more efficient, cost-effective method to initiate purchases on behalf of the University. The primary intent is to transfer a portion of the small dollar purchase transactions from the current purchase requisition, approval and order process to a less expensive purchasing card program, while maintaining reporting and oversight. The program is designed to empower staff and faculty with an inexpensive purchasing tool enabling them to invest more time on value added activities.

The Purchasing Card is for University purchases only and is not to be used for personal transactions.

This policy will work in unison with the following:

- Purchasing Policy,
- Travel & Expense Policy,
- Construction Payment Policy

### 901.00 POLICY

The University will issue credit cards to approved employees of the University allowing them to make selected purchases on behalf of the University. The program is intended to be used for low dollar (\$2,500 and less) purchases and travel related expenses. The purchasing card program will be coordinated through a qualified bank.

The program will be controlled by the following guidelines:

- Purchasing Cards will have both monthly and per transaction limits established by the administrator.
- Purchasing Cards will have selective merchant code restrictions.
- Chair and/or department head (with expenditure authority) will review and approve monthly cardholder statements for compliance with all University policies.
- The Finance Department will receive all monthly statements, verify completeness, maintain files and conduct periodic audits.
- Cardholders will verify receipt of the card and guidelines with their signature.

The cardholder will be responsible to collect receipts for all transactions. On a monthly basis to reconcile all transactions insuring accurate account coding and providing the business purpose for each expense.

In addition to the documentation above, additional information is required for business meals and departmental business functions. IRS rules require recording the time, date, place, business purpose, and attendees for all business meal purchases. The itemized business meal receipt must include the specific items ordered (indicating "Food and Beverage" is not acceptable). Purchases for food and supplies for a departmental business function must include a description of the attending group.

Purchasing card training must be completed prior to issuance of the card to the cardholder. The prospective cardholder must be present at the training and may not send a proxy. A Cardholder Receipt Acknowledgement must be signed by the cardholder and submitted to the university card

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administrator prior to card issuance. The cardholder will also receive a cardholder guide and copy of this policy at the time of training.

### **901.01 Approvals**

Each transaction must be approved for appropriateness and policy compliance and must be consistent with the various policies in effect.

### **901.02 Documentation**

The cardholder is responsible for obtaining itemized receipts for all Purchasing Card purchases. When an itemized receipt is not available, itemized supporting documentation must accompany the receipt. In many cases, when placing orders by phone or fax, the packing slip may provide the itemization needed.

### **901.03 Disputed Charges**

If there is a discrepancy on the Purchasing Card electronic statement, you should **first** contact the vendor to try to resolve the situation. If it is resolved, you should verify the correction when the next monthly statement arrives.

If the dispute cannot be resolved with the vendor, you should notify the bank along with the card administrator. Any credits resulting from disputes will be allocated back to the account initially charged when the credit appears on the statement.

### **901.04 Allocation**

Purchasing Card activity is charged to a default account. It is the department's responsibility to move the expenses from the default account to the appropriate account by the end of the billing cycle.

### **901.05 Sales Tax**

The University does not pay sales tax or use tax in Missouri and other states that have a sales tax exemption. Purchasers are responsible for making sure that tax is not charged, when applicable. If sales tax is charged in error, reasonable attempts should be made to recover the charges.

### **901.06 Lost or Stolen Cards**

The individual cardholder is responsible for notifying the bank and the Purchasing and Travel Card Administrator if a card is lost or stolen. In addition, the Webster University Public Safety Department should be contacted.

### **901.07 Restricted Purchases**

The following purchases cannot be made with a Purchasing Card:

- Professional services
- Goods that require the purchaser to sign a contract or document that requires administrative review (i.e. agreement that accompanies software purchase)
- Cash advances or ATMs
- Gifts cards of any type
- Guns, weapons, ammunition and explosives
- Software license agreements
- Computer hardware
- Cell phone equipment and service
- Internet connectivity (and associated Internet expenses) except while on travel status

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- Personal expenses
- Furniture
- Travel club memberships (ie AAA, airline and hotel concierge clubs, etc)

### **901.08 Misuse of the Card**

Progressive disciplinary steps for Purchasing Card infractions may include verbal notification, written notification, temporary suspension and/or permanent loss of privileges.

Fraudulent use of the Purchasing Card will result in immediate revocation of the card and may result in corrective action up to and including termination and/or criminal action. In addition, the University will seek restitution for any inappropriate charge.

## **902.00 RESPONSIBILITIES**

### **902.01 Department Chair and/or Department Head:**

- Provide, in writing, a request for each staff and/or faculty member to include department code, social security number and employee ID number.
- Timely approval of cardholder statements.
- Review of expense for appropriateness, business purpose and inclusion of all original receipts.
- Collect the card of employees leaving the University and notify the Procurement.

### **902.02 Procurement Services:**

- Issue new cards based on chair and/or department head's written approval.
- Establish and maintain monthly and per transaction limits for each cardholder.
- Establish and maintain a listing of all cardholders to show card number, cost account, limits and expiration.
- Cancel cards based on termination and/or card abuse.
- Establish vendor analysis reports and review on periodic bases.

### **902.03 Cardholder:**

- Security of the card.
- Use the card for University business only.
- Collect original receipts for all expenditures and attach them to the monthly statements.
- Prepare and submit monthly statements, with explanations for expenditures and verify proper cost account coding.
- Follow-up with merchant and/or bank on all disputed transactions.
- Report lost and/or stolen card to both the bank and the Program Administrator.

### **902.04 Budget:**

- Develop the training document and train new cardholders
- Develop and maintain chart of account codes for expenditures.
- Approve cost account coding for all new cards issued.

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- Develop and maintain default conversions from Merchant Category Codes (MCC) to the proper cost account code.
- Review and submit for approval monthly Purchasing Card bank billing.
- Secure the appropriate approvals and pay the monthly bank bill.
- Generate monthly notice to cardholders advising that the statements can be finalized.
- Resolve any cost account issues.

### **902.05 Accounts Payable:**

- Monthly receive a listing of all cardholders with activity.
- Receive and maintain files for all approved monthly cardholder statements.
- Insure monthly cardholder statements are submitted.
- Establish the process and conduct periodic audits of cardholder statements.
- Inform procurement/budget of those cards that need to be turned-off for failure to report expenses.