The Evergreen State College
Procurement Card Guide

JP Morgan Chase VISA

THE EVERGREEN STATE COLLEGE

PROCUREMENT CARD HANDBOOK

For

Cardholders & Authorized Users
Card Custodians
Approving Officials

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Definitions

As used in this document, the following definitions shall apply:

Approving Official

Individual(s) within the purchaser's organization responsible for designating card custodians and recommending purchasing card limits within their organization. They will advise custodians and cardholders of applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein. Approving officials will designate which department employees are authorized to use a department p-card. An approving official must have signature authority for the account that will be charged for Procurement Card purchases.

Card Custodian

Individuals that are assigned the responsibility of card security and use within a department. Custodians may be issued a card upon approval of their Department Head. Custodians will initiate new purchasing card requests, advise cardholders of applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein.

Cardholder

Individuals who are assigned a purchasing card issued in their name upon approval of their Department Head. Cardholders shall maintain security of the purchasing card while in their custody. Cardholder must maintain charge receipts, sales tickets and any other documentation related to card purchases and submit them upon receipt to the proper Card Custodian.

Authorized User

Individuals who are authorized to use a p-card shall maintain security of the purchasing card while in their custody. Authorized users must maintain charge receipts, sales tickets and any other documentation related to card purchases and submit them immediately upon receipt to the proper Card Custodian.

Program Administrator

The Purchasing & Contracts Manager serves as Purchasing Card System Program Administrator, and is responsible for providing training, advise, direction, consultation and assistance to Approving Officials, Card Custodians, Cardholders, and Authorized Users.

Transaction Limit

Single transaction purchase limit. Includes applicable tax and shipping and handling. ($1000.00 per transaction, unless approved by the Purchasing & Contracts Manager).

Departmental Log Sheet

Departmental log sheet to be maintained by Card Custodian that will constitute part of the official public record for purchasing card transactions and will be retained along with all receipts, detailed packing slips, and detailed invoices by each department and be available for audit. The retention schedule for these documents is six years.

The Evergreen State College Purchasing Card

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Welcome
To The Evergreen State College
Purchasing Card Program!

This program has been designed to allow for the direct procurement of authorized purchases by the end-user through the use of a Purchasing Card. The intent is to eliminate the need for small dollar requisitions, petty cash and standing orders. Using the card may provide quicker turn-around time on orders and greater flexibility in ordering. The purchasing card concept is designed to delegate the authority and capability to purchase these low-value items directly to the person to whom it most matters, the end user.

We hope the Purchasing Card is helpful in conducting business for the College. Please do not hesitate to ask questions regarding any aspect of the Purchasing Card Program. We welcome input and suggestions for improvement of this program.

Using This Handbook

This handbook will provide the basic steps for using the Purchasing Card Program. It covers usage compliance issues, documenting transactions, reviewing and approving statements, reviewing and reallocating transactions, and more. For further details on any topic, contact the College's Purchasing & Contracts Manager, the Program Administrator, at 867-6356.

Key Contacts – Who to Call

1) Card Administration (Program Administrator)

Call the Purchasing & Contracts Manager (6356) for questions regarding:

- Activation of new accounts.
- Deactivation of cards for employees transferring departments or leaving the College.
- Policy and procedures for the Purchasing Card.
- To decrease or increase the limit on a card.
- To report a lost or stolen card **after** you have contacted JP Morgan Chase Visa.

2) JP Morgan Chase Customer Service: (800) 270-7760 (24 hours/day)

Customer service is available 24 hours a day, 7 days a week. They can assist with the following:

- **CARD IS LOST OR STOLEN (Call Immediately)**
- Card has not been accepted by a vendor
- An unknown transaction appears on the statement.

Overview of the Purchasing Card Process

- Authorized cardholders use the Purchasing Card VISA (provided through a UW WIPHE contract with JP Morgan Chase) to purchase allowable small dollar goods for the College via telephone, internet, by mail or in person

- Purchases made with the Purchasing Card must be logged into a **Departmental Log Sheet** (See attached) if using a Department Card or when a card assigned to an individual is used by multiple authorized people.

- Card Custodians review transactions on the Paymentnet web site, verify that amount being billed is correct, list the amount of Washington sales tax (or use tax when applicable) and shipping and handling that was charged, type in a short description of the item purchased and adjust the budget coding if necessary.

- Card Custodians match actual charges and receipts to those listed on the monthly electronic statement supplied by Paymentnet. Card Custodians note charges in the department log as being reconciled once they have appeared on the monthly statement.

- The Card Custodian is responsible for handling disputes; contacting a merchant first before notifying the College's Program Administrator.

- Disputed items are entered into the log (if not already entered) and remain pending until they are processed by the bank and appear on future statements.

- The Card Custodian prints an electronic statement, the reconciled charges from their log, attaches the Paymentnet report of transactions and receipts and obtains approval from their authorizing official. This information is then kept in the department file. This file will be subject to both internal audit by the College and state audit.

- The transactions made on the Purchasing Card are billed directly by Paymentnet to the College, even though the name of the Cardholder is on the card. The College pays the Bank, once data is downloaded by Accounts Payable into the Banner system, for all charges made by every Cardholder. The merchants are paid by Visa within 48-72 hours from the point the merchant gives/transmits the transaction to Visa.

- Questioned transaction charges are credited through Paymentnet when the problem is resolved. Disputed charges must be completed in Paymentnet by the 28th of the month. Once a dispute is reconciled the account will be credited.

Differences Between The Purchasing Card And A Personal Credit Card

- The College is liable for **all charges** made on the card **before** the card is reported lost or stolen to JP Morgan Chase.

- Cards assigned to **Departments** are not protected by the bank from fraud.

- Purchases made for personal use violate the terms of use of the Purchasing Card. Cardholder will be personally liable to pay the College for such transactions.

- The maximum per transaction limit is set at $1000.00. The department may set a lower limit for any Cardholder. The College's Purchasing & Contracts Manager may authorize a higher limit for specific cards on an as needed basis. **Each card is excluded from specific merchant types such as travel vendors, vehicle vendors, access to cash. (Reference Policy & Procedure)**

- Each card has limits that can be specified by the Department for each Cardholder. Possible limits include; dollar limits by day and/or cycle, and transaction number limits per day and/or cycle.

- The card belongs to the College, not the individual. When an employee terminates their employment with the College, or transfers to another department, the Purchasing Card must be returned to the Program Administrator (Purchasing & Contracts Manager).

- Cardholders must sign an agreement holding them responsible for their business transactions when using the college's purchasing card.

- Purchases are subject to review by any, or all of the following:

  Your departmental approving official
  Card Custodian
  Business Services
  Purchasing & Contracts
  Internal Audit
  External Audit

What Cardholders and Approving Officials Actually Do In The Purchasing Card Process

Program Administrator (Purchasing & Contracts Manager)

Order and Activate New Accounts
Manage Card Distribution and transaction limits
Train New Cardholders and Card Custodians
Provide support and assistant to Cardholders and Card Custodians
Act as liaison between The Evergreen State College and JP Morgan Chase
Conduct internal audit of p-card with assistance from the College's internal auditor

Card Custodians/Cardholders/Authorized Users

Place the Order

- In person, by phone, by mail. Exercise caution if making purchases over the Internet **do not fax orders with card account numbers**.
- Inform merchant this is a purchase by The Evergreen State College and should be accorded any applicable discounts.
- Give accurate delivery information (see page 9 for detailed instructions.)
- **Request a complete, detailed receipt to accompany the shipment. (It must include descriptions of each item purchased).**
- Do not allow COD deliveries.
- If your transaction is declined:
  - Phone orders: Have merchant re-enter the card number and expiration date. It may have been done incorrectly; transposition of numbers is common.
  - The transaction amount may be over the card's limit or number of allowed transactions per month. Check with approving official or program administrator.
  - The transaction link between the merchant and its bank may be down. Ask the vendor to try again later.
  - Contact JP Morgan Chase customer service department, 800 -270-7760 to determine why the transaction was declined.
- **Log appropriate data into the Departmental Purchase Log (see Attached).**
- Check cardholder's account on the Paymentnet website to verify the transaction and budget coding associated with the purchase. Card Custodians must sign on to the Paymentnet website **prior to the 28th day of each month** to review your transactions. This includes indicating the amount of Washington sales tax (or use tax) and/or shipping and handling charged, adding a short description of the items purchased, and updating the account coding.

Receive the Goods and Obtain a Receipt

- For goods ordered by phone, or mail, this will be done after receipt of goods in the form of a receipt, packing slip, or order form**. Receipts should be routed directly to the cardholder or card custodians; do not forward them to Accounts Payable. Itemized receipts are required for each purchase – failure to keep receipts may cause the card to be revoked. The cardholder is responsible for obtaining receipts.** All receipts must contain the following information:

    - Cardholder name/Number/Vendor identification
    - Date purchase was made
    - Description of each item purchased
    - Per item cost

A separation of duty is required for audit purposes; one person cannot order, receive and authorize payment. If you place an order someone else must verify by signature and date that an item was received.

Verify the Goods Received Agree With What Was Ordered

- Work with the vendor to correct any problems

Reconcile Transactions

- Transactions are to be reviewed and coded within **3 business days** from the time they are posted to Paymentnet.
- Retrieve monthly electronic statement containing all cardholder's transactions over the previous month.
- Verify all transactions are correct by comparing to **the Departmental Purchase Log**.
- Promptly investigate discrepancies noting action taken on the Departmental Purchase Log. Work with merchandise vendor or JP Morgan Chase to resolve problems.
- Attach original detailed sales receipts to the monthly statement.
- **Mark each entry appearing on the monthly statement as being reconciled on the Departmental Purchase Log. (Y in reconciled column).**
- Take the monthly statement, departmental purchase log, and receipts to the departments Approving Official who must sign to approve the statement.
- File the approved monthly statement, departmental purchase log, and receipts. A new departmental purchase log should be created each month; however a running log may be used if purchases are minimal.
- At the end of each fiscal year (July 1 to June 30), the Card Custodian will have the monthly files hand delivered **(do not mail)** to the Purchasing & Contracts Office. The information in this file is considered to be the official public record for the College, and needs to be retained by the College for six years.

Track Purchasing Card delegations

- Keep a dated Sign-out/Sign-in log detailing who is in possession of the card and when it is returned.
- Inform the Program Administrator of employee transfers or terminations, and your own transfer or termination.

Approving Officials (Account Manager)

Review the monthly statement, departmental purchase log **and receipts** for each Cardholder who has transactions during the cycle period.

Sign off on each monthly statement. The cardholder cannot approve his/her own transactions. If the approving official does not have signature authority for all of the accounts on the departmental purchase log, an authorized signature must also be obtained (email authorization is acceptable). Take appropriate action for violations.

Receipt of Materials

When ordering, state that the order is a College purchasing card purchase. Furthermore, **require the vendor to include a detailed sales receipt in the package with the filled order.** This is needed for proof of purchase documentation. Also, request the vendor to mark the outside packaging label with your name, the department name, Central Receiving's address, and **P-Card** or **VISA**. An example is given below:

Jane Doe, Lab - VISA
The Evergreen State College
Central Receiving
2700 Evergreen Parkway NW
Olympia, WA 98505

NOTE: It is important to instruct the vendor to ensure the Purchasing Card number is not displayed on the outside of the package. This will help ensure the confidentiality of the card number.

When receiving a shipment, it is the responsibility of the cardholder to properly inspect the shipment. (Refer to Procurement Card Policy & Procedure regarding damages & returns)

If Central Receiving receives a package and it is inappropriately marked, they will not be able to determine the location on campus to make the delivery and the package will be returned to vendor.

Central Receiving will coordinate returns in the same manner as with purchase order shipments. The cardholder is responsible for securing the appropriate credit when the goods are returned. Keep the return documentation with the department log sheet.

Authorized And Unauthorized Purchases

The card is a privilege granted to you by the College and it is expected that you will use it responsibly. **The College will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card may be referred to the Director of Business Services and Evergreen Police.**

Authorization To Make A Purchase

Your Approving Official or Card Custodian will let you know what you are authorized to purchase and the limits that go with that authorization.

Allowable Transactions

The Purchasing Card concept is designed to delegate the authority and capability to purchase low value items directly. Use it to purchase tangible items that cost less than $1000.00.

ALL PROCUREMENT OF INFORMATION TECHNOLOGY (COMPUTER-RELATED, MULTI-MEDIA, RADIO AND TELEPHONE COMMUNITCATIONS) PRODUCTS MUST BE PURCHASED BY THE ' I.T. BUYER' LOCATED IN THE COMPUTING & COMMUNICATIONS DEPARTMENT.

Prohibited Transactions

- Alcoholic beverages
- Food
- Client & Personal Services
- Purchased Services when Certificate of Insurance is required
- Payment on invoices*
- Computers and computer related equipment and software (purchases restricted to IT Buyer)
- Controlled substances
- Furniture (except when authorized by purchasing & contracts mgr)
- **Equipment inventoried by the College**
- Freight charges for incoming shipments billed separately
- Gasoline for vehicles
- Hazardous chemical materials (except when authorized by purchasing & contracts mgr)
- Insurance
- Leases, rentals (real estate or when a contract is required)
- Moving expenses
- Personal items
- Radioactive materials (except when authorized by purchasing mgr)
- Telephones and related equipment (purchases restricted to IT Buyer)
- Telephone calls, calling cards
- Transportation, lodging, parking, baggage fees, and meals (except for student groups when accompanied by faculty or staff **and** when authorized by purchasing & contracts mgr)
- Weapons and ammunition

*A p-card cannot be used to pay an invoice after a purchase was made improperly.

P-cards may not be used for the following types of transactions

Transaction Types

- Cash advances
- Contracts requiring authorized signatures
- Gifts or donations
- Payments to individuals, employees, students
- Purchases involving trade-ins
- Purchases funded by Grants without specific authorization from Grants Accountant and purchasing & contracts mgr
- Purchases funded by Foundation

P-cards may not be used to purchase goods From The Following

Excluded Merchant Types

- Airlines, Automobiles, Vehicle Rentals
- Quick Payment Services, Financial Institutes, Cash Advances, Securities
- Hotels and Motels (except for student groups when accompanied by faculty or staff and when authorized by purchasing & contracts manager)
- Restaurants, Bars, Cocktail Lounges, Nightclubs or Taverns
- Grocery stores when food is being purchased

Violations And Consequences

All transactions are subject to review by the following:

- Your departmental approving official
- Card Custodian
- Director of Business Services
- Purchasing & Contracts
- Evergreen internal audit
- State of Washington audit

Violations

The following actions violate the terms of the Purchasing Card agreement, and are subject to the consequences below:

- Using the card to obtain items listed previously as Prohibited Transactions
- Failure to approve transaction on Paymentnet's website in a timely manner
- Failure to provide accurate description of purchase
- Failure to promptly reconcile and approve the departmental log
- Failure to have complete receipt documentation
- Failure to track delegation of the purchasing card

Consequences

Any or all of the following actions may result from violating the terms of the Purchasing Card Agreement:

- Written warning may be given by the program administrator to the Cardholder
- Card may be suspended
- Cardholder may be required to obtain additional training before determining if the card is to be reinstated
- Reporting the violation to the appropriate Vice President
- Card cancellation
- Termination and/or criminal prosecution - In the event of willful or neglectful default of obligation, the College shall take any recovery action deemed appropriate, which is permitted by law

Disputes

On all disputes, call the vendor first to correct the problem. If your dispute is not corrected or satisfied by the vendor, call JP Morgan Chase customer service number and tell them you have a disputed purchase:

(800) 270-7760

A representative of JP Morgan Chase will take down all of your information concerning the purchase problem. Disputes must be communicated to JP Morgan Chase within 60 days of the end of the cycle in which the transaction first appeared.

Cards assigned to an individual are protected against fraud; however Department Cards are NOT protected against fraud. It is important to review Paymentnet routinely to insure cards are not being compromised.

The following may be formally disputed with JP Morgan Chase:

- Unauthorized charges, including unauthorized phone or mail order charges.
- Difference in amount authorized and amount charged.
- Duplicate charges.
- Transaction which is yours but you are challenging for other reasons
- Your account has not yet been credited in the Purchasing Card system but you have received a credit voucher from the merchant or have been told by the merchant they will issue a credit.
- Failure to receive goods.
- Returned merchandise.
- Unrecognized charges.
- Altered charges.
- Defective merchandise.

Procurment card departmental Purchase Log

Reconciled	Statement Date	Purchase Date	Purchaser	Vendor	Vendor Contact	Item Description	Budget	Sub code	Amount Quoted	Amount Billed	Use Tax Due?	Greenbar Total	Discrepancies and follow up
		2/8/01	Joe Employee	Tools-R-US	Bob	"Too Cool" Tool Belt	123456	4190	$45.00	$47.50	Y	51.16	
Y	5/28/01	5/1/01	Joe Employee	Tools-R-US	Bob	Small Rachet set	654321	4160	$12.50	$12.50	N	12.50	