



Purchasing Card Program

Policies and Procedures

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1 Introduction

The Wabash College Purchasing Card program is designed to provide an efficient way to process low dollar (item value of \$2,000 or less) orders of College business-related products and business travel expenses. Qualified department purchases within predetermined purchase limits can be charged directly to the purchasing card. All purchases generated to individual purchasing cards will be billed to the College master account and paid on the 19th of every month to JP Morgan Chase. Specific charges are uploaded from the purchasing card database to the accounting information coded by the cardholder or departmental reconciler for each specific card on the payment date to the bank.

The purchasing card program transfers purchasing authority directly to the cardholder. Purchasing cards enable immediate purchases of goods in lieu of traditional purchasing processes that require prior approval using a purchase requisition and purchase order. It is expected that users of purchasing cards are selecting high quality goods at reasonable prices and ensuring vendors are honoring Wabash College's tax-exempt status as part of his or her purchasing process.

The purchasing card is for College business purchases only. No personal use of the card is allowed.

Each cardholder is required to attend training before receiving his or her card. During training the cardholder will be instructed on appropriate order placement techniques, vendor selection, record keeping associated with the card, proper receiving techniques, and managing occasional problems with use of cards. Auxiliary Services staff will conduct training to support campus cardholders and departmental reconcilers.

Purchasing card programs have proven to be an effective and efficient tool in the area of procurement on many campuses. It has allowed cardholders to obtain goods and services quickly and efficiently by dealing directly with vendors and reducing the upfront "paper processing." It is our intention that the purchasing card program will benefit all who use or manage it.

2 Use of the Purchasing Card

The purchasing card simplifies the purchasing and payment process by permitting approved faculty, administrators, and staff to place orders directly with vendors. The cardholder does not receive a monthly invoice and is not required to process payment directly to the bank. Instead, Wabash College accounts payable team receives a detailed summary billing each month for all transactions and processes one payment to the bank for all purchasing cards for the billing cycle. Cardholders access the detail of their charges on-line and verify the accuracy and account numbers to be used for these charges. Cardholders must retain the original copies of all

verification documentation and record the related business purpose of the expense. Upon reconciliation at the end of the cycle, the receipts will be forwarded to the Business Office for document retention.

3 General Policies

The following policies accompany use of purchasing cards:

- The purchasing card is used for College business only. No personal use of the card is allowed.
- A purchasing card assigned to a specific individual (named card) is to be used only by that individual. The card is not transferable between cardholders.
- Cardholders must seek a credit on the purchasing card for any refunds or exchanges of goods. Do not request cash back for refunds or exchanges.
- The purchasing card may be used in person or by phone, fax, or secure website. Cardholders must keep the card and the credit card number safe.
- Regardless of purchasing method, cardholders must identify to vendors and suppliers that the purchase is for Wabash College business and is exempt from Indiana state sales tax.
- Cardholders must retain all receipts and include them as support for the billing statement that he or she will review and reconcile at the end of each billing cycle.
- Cardholders are to return purchasing cards to his or her supervisor, the Director of Human Resources, or the Director of Auxiliary Services upon ending his or her appointment or employment at Wabash College.
- Cardholders are to report lost or stolen purchasing cards immediately to the Director of Auxiliary Services.
- Use of the purchasing card is a privilege and should be treated with a high standard of care. Purchasing cards should be kept in a secure location and its account number protected.
- Travel arrangements for business travel are supported by the College's Travel Coordinator.

4 Eligibility for a Purchasing Card

Full-time employees of Wabash College are eligible to receive a purchasing card if he or she has a business need. Discuss your business needs with your supervisor before requesting a purchasing card. Employees processing departmental orders for supplies and who travel on behalf of Wabash College will benefit most from the program.

The purchasing card is a Wabash College credit card. Approval for a card is not contingent upon the cardholder's personal credit history and use of the card will not impact his or her credit score. The purchasing card is not a benefit of employment and Wabash College reserves the right to suspend or terminate an individual's purchasing card privileges at any time.

5 Applying for a Purchasing Card

To obtain a purchasing card, an eligible employee must:

- Complete and submit a Purchasing Card Application with all necessary approvals.
- Review Wabash College Purchasing Card Policies and Procedures.
- Review and sign the Cardholder Agreement.

6 Cardholder Responsibilities

Once approved, the cardholder will be assigned a purchasing card. The cardholder is responsible for all charges made to the card. The purchasing card may only be used by the named cardholder. Departmental check out cards can be used by individuals authorized by the department, if applicable. Purchasing cards and card numbers must be safeguarded against use by unauthorized individuals within or outside of Wabash College.

Since the purchasing card is a business program funded by Wabash College, it is used exclusively for Wabash College expenses. Use of the purchasing card for personal or non-College business expenses is prohibited.

Online Review – Cardholders access information about their purchasing card charges on-line through Smart Data On-Line (SDOL). The application provides cardholders the ability to monitor card activity, direct purchases to the proper general ledger accounts, run reports, and access the detail of specific purchases. These activities are available anytime and anywhere there is an available Internet connection.

Accept/Dispute Charges – Cardholders must review and accept or dispute each charge their purchasing card using SDOL. There is a resource center on the login page with information on cardholder basics, reconciling your card, and filing a dispute.

Purchase Documentation – Cardholders have the authority to directly purchase specific products on behalf of Wabash College. However, this privilege also carries the responsibility to maintain the necessary purchasing card documentation for all transactions. Itemized receipts should be submitted for all items purchased. Original receipts are to be retained until end of billing cycle and attached to your monthly expense report. Documentation of non-overnight travel meals must include the names of those who attended and the business purpose of the meal.

Cycle Reconciliation – All purchasing card holders are required to reconcile their card each billing cycle. The billing cycle ends on the 10th day of each month and cards should be reconciled no later than the 17th of the month. Each charge will require a description of the item or service purchased and an account number. Please submit a printed copy of your reconciliation report and receipts to the business office no later than the 17th of the month.

Purchasing Card Documentation – All Purchasing card documentation must be submitted to and maintained on file in the Business Office for three (3) fiscal years, unless a longer retention period is specified by a federal grant or contract.

Misuse of Purchasing Card Privileges – The Wabash College Purchasing card is to be used for business purposes only. Personal charges of any kind are strictly prohibited. Improper use of the purchasing card, including lack of original documentation over one or more cycle periods, may result in:

- Letter of Notice
- Suspension of card for a specified period
- Termination of purchasing card privileges
- Suspension or termination of employment
- Legal action according to the terms and conditions of the Cardholder Agreement Form

In the event of improper charges to the purchasing card, Wabash College will seek restitution from the cardholder. Repayment may include deductions from wages or other amounts payable to the cardholder or may require other steps necessary to permit Wabash College to collect any amounts owed by the cardholder.

7 Lost or Stolen Purchasing Card

Wabash College is liable for all purchasing card transactions until the purchasing card is reported lost or stolen. In such cases, cardholders are to report the lost or stolen purchasing card to the Director of Auxiliary Services at 765-361-6227.

8 Predetermined Transaction Limits

Each user will be assigned a single transaction and a billing cycle dollar limit appropriate for their expected card usage.

Single Purchase Limit – The dollar amount of a single expenditure cannot exceed a predetermined limit. Splitting a transaction to purchase an item exceeding the purchase limit is not permitted.

Billing Cycle Purchase Limit – The maximum dollar amount of expenditures for any given billing cycle.

Merchant Category Code (MCC) Restrictions – Most purchasing cards will have some Merchant Code restrictions. For example, all purchasing cards will be restricted from merchants specifically selling weapons and ammunition.

When a vendor processes a transaction, it is approved or declined based on the above criteria associated with that purchasing card. The purchasing card is intended to be a flexible tool for departmental procurement. If an established limit constrains the purchasing card's effectiveness for departmental use, please contact the Director of Auxiliary Services.

9 Restricted Transactions

Upon issuance, most purchasing card accounts are set to reject certain unallowable charges. In general, the purchasing card may not be used for the purchases listed below:

- Any services requiring a signed contract.
- Furniture, computer hardware, and other capital items.
- Personal items and services.

10 Sales Tax Exemption

Wabash College is exempt from sales tax in Indiana. Our Indiana sales tax exemption number is imprinted on the purchasing card. The cardholder must provide this tax-exempt number to all vendors at the time of the transaction to ensure that no sales tax is charged. If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge and obtain a credit for the sales tax paid. Please note that *prepared* food and beverage purchases are generally not exempt from Indiana sales tax; purchase of groceries and food products are generally exempt.

If a vendor requires a tax exemption certificate, the cardholder can obtain one from the Business Office website.

Use of Wabash College's tax-exempt number for personal purchases is prohibited.

11 Making a Purchase

Before making a purchase, the cardholder will check as many sources of supply as reasonable to ensure the best value. Whenever possible, Auxiliary Services will establish pricing agreements and identify preferred suppliers. Additionally, prior to purchasing an item, the cardholder should understand the potential vendor's return policy, restocking fees, shipping options, and warranty terms.

It is extremely important that all orders have the cardholder's name or the name of the person placing the order and department name on the shipping label and packing slip. The cardholder will need the original sales documents for documentation.

Confirm that the vendor accepts MasterCard.

Identify that you are using your Wabash College corporate purchasing card and that the purchase is exempt from Indiana sales tax. Provide the tax-exempt number listed on the card.

Retain a receipt for every transaction.

Shipping Instructions: Instruct the vendor to ship the item prepaid to your attention, Wabash College, 402 Jennison Street, Crawfordsville, IN 47933. If the item is able to be shipped UPS, request the vendor to ship regular UPS GROUND unless you are willing to accept the charges for a more expeditious and expensive delivery. If an item cannot be shipped UPS, then have the item shipped FOB (free on board), Destination Prepay and Add with shipping charges to be listed as a separate line item.

Retain shipping documents and the paid invoice as your receipt.

12 Returning Purchases

If an item received is the incorrect item, damaged and/or defective, duplicate order, etc., the cardholder is responsible for contacting the vendor to explain the problem and inquire about the return policy. The cardholder's account must be credited for the return. Check or cash refunds are not acceptable.

If an item has been returned, the cardholder shall verify that the credit is reflected on the next cycle statement. If credits are not listed on the cycle statement, sales documents should be retained by the cardholder until the next cycle statement is available. If the purchase or credit does not appear on the statement within 60 days after the date of return, the cardholder shall notify the Director of Auxiliary Services for assistance.

Any item that a cardholder must ship back to the vendor is to be sent preferably at vendor's expense and instructions (i.e., request a UPS call tag be issued by vendor). Additionally, it is highly recommended that the item be shipped via a vendor that can trace the item during transit and obtain a confirming signature of receipt. A suggested vendor would be UPS.

13 Disputing a Transaction

Wabash College is responsible for all charges unless a dispute is filed.

If a charge appears on the cardholder's statement that the cardholder believes to be inaccurate, it is the cardholder's responsibility to contact JP Morgan Chase at 800-316-6056.

Once the Dispute Form is filed, the charge in question is "removed" from the balance due, which includes removing the finance charges and adjusting the minimum payment due.

The cardholder may file the dispute no sooner than 30 days after the transaction and no later than 60 days from transaction date.

14 Audits

Regular audits will be conducted of purchasing card documentation to ensure cardholders and respective departments adhere to purchasing card policies and procedures. Exceptions noted during audits will be communicated to the cardholder, supervisor, appropriate Senior Staff member, and the Director of Auxiliary Services.

Audits will evaluate the following:

- Only authorized cardholders are using purchasing cards for College expenses.

- Support documents for charges are appropriate and complete, including description of business purpose.
- Charges are directed to appropriate general ledger accounts.
- Use of appropriate forms when receipts are missing (no more than one per cycle) and/or charges are disputed.
- Account statements are being reconciled in a timely manner.
- Account statements are being reviewed and approved in a timely manner.
- Sales tax is properly excluded on purchases made in Indiana.

Failure to adhere to purchasing card policies and procedures may result in disciplinary measures including any of the following:

- Letter of Notice
- Suspension of card for a specified period
- Termination of purchasing card privileges
- Suspension or termination of employment
- Legal action in accordance with the terms and conditions of the
- Purchasing Cardholder Agreement form

15 Canceling Purchasing Cards

For purchasing card cancellations occurring during regular business hours, the cardholder or supervisor is to contact the Director of Auxiliary Services at 765-361-6227.

Outside of regular business hours, contact Chase Bank at 1-800-316-6056. During the time period of 12:00 a.m. to 7:00 a.m. (Eastern Standard Time), the caller is to leave a recording that includes name of person calling, cardholder's name, and card number to be canceled. Please leave a voicemail for the Director of Auxiliary Services at 765-361-6227.

The Wabash College Purchasing Card program enables cardholders to quickly and conveniently purchase business-related goods and services directly from vendors that accept MasterCard. Use of the purchasing card requires the cardholder and supervisor to assume responsibility for obtaining verification documentation. Please refer to the Purchasing Card Program Policies and Procedures for a complete description of cardholder and supervisor responsibilities as well as other important program information. Send the completed form to the Director of Auxiliary Services.

APPROVALS

Applicant Signature

____/____/____
Date

Approving Supervisor Signature

____/____/____
Date

**Wabash College
Purchasing Cardholder Agreement**

I, (employee name) _____, hereby acknowledge receipt of a Wabash College Purchasing card, _____. As a cardholder, I agree that:

- I will comply with the terms and conditions of this Agreement and the Purchasing Card Policies and Procedures (Policies) provided (and as it may subsequently be revised).
- I have received a copy of the Policies and confirm that I have read and understand the terms and conditions.
- I understand that I am accountable for the purchasing card commitments I am making on behalf of Wabash College. I understand that Wabash College is liable to JP Morgan Chase for all charges made by me.
- I must accept responsibility for the protection and proper use of this card and keep proper documentation for all purchases as outlined in this Agreement and Policies.
- I understand Wabash personnel will audit the use of the purchasing card.
- I understand that I cannot use the purchasing card for restricted commodities listed in the Policies.
- I understand that certain commodities, where College-wide agreements are in place, must be purchased from the contract suppliers.
- If my assigned purchasing card is lost or stolen, I will notify my supervisor, Director of Auxiliary Services at 765-361-6227, and JP Morgan Chase at 1-800-316-6056 immediately.
- I understand that improper use of the purchasing card may result in disciplinary action up to and including termination of employment.
- If I should fail to use the purchasing card properly, I authorize Wabash College to deduct from my wages or from any other amounts payable to me, equal to the total of the improper purchases.
- I will take any steps necessary to permit Wabash College to collect any amounts owed by me even if I am no longer employed by Wabash College. If Wabash College initiates

legal proceedings to recover amounts owed by me under this Agreement, I agree to pay legal fees incurred by Wabash College in such proceedings.

- Wabash College may terminate my privilege to use the purchasing card at any time for any reason.
- I will return the purchasing card to my supervisor or the Director of Auxiliary Services upon request or upon termination of employment.

Cardholder Signature

Date

Department

Director of Auxiliary Services

Date

Wabash College Purchasing Card Program

Provisions of Indiana Gross Retail Tax Act

Restaurants and caterers may not accept exemption certificates from any customer or organization in lieu of collecting sales tax on sales of food and beverages except where:

1. The customer or organization purchases food and beverages exclusively for resale.
2. A not-for-profit organization purchases meals and sells the meals individually at a higher price as part of a bona fide fund-raising project, the proceeds of which are used for the purpose for which such organization is granted exemption. This exemption does not apply to meals purchased by not-for-profit organizations for their members.
3. The food and beverages qualify for exemption as school meals. The meals must be served on school property; and must be furnished to school children and school employees in schools of grades one through 12; or must be furnished to college students by a college or university. This exemption does not apply to food purchased for meetings, parties, or meals for persons other than students or school employees.

Wabash College
Purchasing Card Missing Receipt Form

I, _____, have either not received or have misplaced a purchasing card receipt totaling \$ _____. This expense was on incurred on behalf of Wabash College.

This form is submitted in lieu of the original receipt.

Purpose of Expense: _____

Transaction Date: _____

Supplier: _____ Amount: _____

Items Purchased:

I certify that the amounts shown above were expended for Wabash College business purposes. If charged to a grant or contract, I certify that the claimed expenses comply with the conditions of the grant or contract.

Cardholder Signature

Date

Approving Supervisor

Date

Department

Department Number

This form is to be used when the original receipt has been lost and no copy is available. Place completed form along with other verification documentation inside the Purchasing card Envelope.