Purchasing Card Program

Policies and Procedures

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1 Introduction

The Wabash College Purchasing Card program provides an efficient way for authorized employees to purchase eligible, low dollar items or pay for business travel expenses in the conduct of Wabash business. Purchasing card limits are generally set at $2,500 for an item or order and $5,000 per business cycle.

The purchasing card program delegates the purchasing authority of the President and Chief Financial Officer to the cardholder, in lieu of traditional purchasing processes that require prior approval before initiating the purchase or payment. As a result, it is expected that users of purchasing cards are knowledgeable of the college's preferred vendor relationships, commodities that require an institutional approver, allowable business and travel expenses, and documents that support each transaction—generally an itemized receipt. Cardholders are expected to buy high quality goods at reasonable prices and ensure vendors are honoring Wabash College's tax-exempt status as part of their 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 their 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. The Treasurer's Office staff will conduct training to support campus cardholders and departmental reconcilers or approvers.

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 receives an email with a link to their monthly statement for information purposes. Cardholders are to reconcile their charges on-line by providing the appropriate account to charge and detailed expense description. At the end of the reporting cycle, the receipts will be attached to the monthly expense report, signed by cardholder and supervisor or designee, then forwarded to the Business Office for document retention on the published schedule for each business cycle.

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. The cardholder is accountable for the use of the card.
- 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 secure.
- Wabash College is tax exempt for most purchases. Cardholders must report to vendors and suppliers that the purchase is for Wabash College business and should be exempt from Indiana state sales tax. Please refer to the Purchasing Guidelines for Sales Tax Exemption from Local and Online Vendors for more details.
- Cardholders must retain all receipts and include them as support for the billing statement that they will review and reconcile at the end of each billing cycle.
- Cardholders are to return purchasing cards to their supervisor or the Director of Human Resources upon ending their appointment or employment at Wabash College.
- Cardholders are to report lost or stolen purchasing cards immediately to purchasing@wabash.edu.
- 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 that exceed an individual's p-card transaction or cycle limit are supported by the College's Travel Coordinator - travel@wabash.edu.

4 Eligibility for a Purchasing Card

With your supervisor's approval, full-time employees of Wabash College with a business need are eligible to receive a purchasing card. Discuss your business needs with your supervisor before requesting a purchasing card. Employees processing departmental orders for supplies and/or traveling 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 a cardholder's credit score. The purchasing card is a privilege and 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:

- Consult with their supervisor to confirm the business need for a card and to discuss the budgetary expense expectations of a cardholder.
- Complete and submit a Purchasing Card Application with all necessary approvals. Application is located in the **Procure to Pay Step-by-Steps** at the bottom of the Purchases and Payments page
- Review Wabash College Purchasing Card Policies and Procedures outlined in this manual.
- Attend training.
- Upon receipt of the card, review and sign the Cardholder Agreement.

6 Cardholder Responsibilities

Once approved, a purchasing card account will be set up and a card will be ordered for the cardholder. 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.

Establish Online Profile - All Cardholders should set up their own online profile at Smart Data On-Line (SDOL) at https://smartdata.jpmorgan.com. This will help enable fraud alerts, reminders, and provide access to online help and training resources located within the Smart Data application under the "Resource Center."

Online Review – Cardholders can access information about their purchasing card charges on-line through Smart Data On-Line (SDOL) at https://smartdata.jpmorgan.com. The application provides cardholders the ability to monitor card activity, assign 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 on their purchasing card using SDOL. After logging in, select the "Resource Center" tile to find information on cardholder basics, reconciling your card, and filing a dispute. Cardholders may also call the customer service number on the back of their card to dispute a charge.

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 support documentation for all transactions. Itemized receipts should be submitted for all items purchased. Original receipts are to be retained until the end of the billing cycle and attached to the monthly expense report. Documentation of hosted meals must include the names of those who attended and the business purpose of the meal.

Cycle Reconciliation – All purchasing cardholders are required to reconcile their card each reporting cycle. The reporting cycle ends on the 10th day of each month and transactions should be reconciled no later than the business day closest to the 17th of each month. Each charge will require an account number, object code, and description of the business purpose of each charge. Please submit a printed copy of your signed expense report, with receipts attached, to the Business Office by the end of each month.

Purchasing Card Documentation – All purchasing card documentation must be submitted to and maintained on file in the Business Office as the official record keeper for Wabash College.

Misuse of Purchasing Card Privileges – The 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 failure to reconcile charges in a timely manner and/or lack of original documentation over one or more cycle periods, may result in:

- Written warning
- 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

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. Cardholders are to report the lost or stolen purchasing card to purchasing@wabash.edu as soon as possible.

8 Predetermined Transaction Limits

Cardholders 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, purchasing cards are generally restricted from the purchase of alcohol and tobacco products.

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 & Insurance Services to discuss whether an exception is appropriate.

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 items > $2,500. Please refer to the Purchasing Matrix for more detail.
- Gasoline for personal vehicles. Mileage is reimbursable at the current IRS approved mileage rate. Submit a Business Travel Expense Report to claim reimbursement.
- Meals while traveling in the U.S. are reimbursable at the current per diem rate, as defined by the GSA (U.S. General Services Administration). Submit Business Travel Expense Report to claim reimbursement. Meals while traveling internationally are reimbursable at the current rate as determined by the U.S. Department of State. Submit Foreign Travel Expense Report for reimbursement.
- Alcohol Policy reprinted from the Employee Manual
  Employees are reminded that the College policy, established by the Trustees, prohibits using College funds to purchase alcoholic beverages for students. Whether or not students are of legal age is immaterial; none of the College's resources go to purchase alcohol for students.

  The College does allow the purchase of alcohol for events at which alumni, friends, or others of age are the primary audience; if students are invited (but are not the primary audience), they must present identification that proves they are at least 21 years of age in order to consume alcohol at those events.
- Personal purchases and expenses are prohibited.

10 Sales Tax Exemption

Wabash College is exempt from sales tax for most purchases in Indiana. Our Indiana sales tax exemption number is imprinted on the purchasing card. However, if the College does not have an existing tax exemption form on file with a vendor, the cardholder must provide the vendor with a current tax exemption form at the time of the transaction to ensure that sales tax is not charged. If sales tax is charged 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 and lodging are generally not exempt from Indiana sales tax.

If a vendor requires a tax exemption certificate, the cardholder can obtain one by following the procedures outlined in the Purchasing Guidelines for Sales Tax Exemption from Local and Online Vendors*.* Refer to that webpage for information about vendors with an established sales tax exemption.

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

11 Making a Purchase

Before making a purchase, cardholders will check as many sources of supply as reasonable to ensure the best value. Whenever possible, Wabash's Purchasing Team will establish pricing agreements and identify preferred suppliers. Refer to the Purchasing Matrix for more information. 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 to support the purchase.

Cardholders will confirm with the vendor that they will accept the Wabash College corporate **MasterCard** and whether any fees are applied for using the card. Cardholders will also confirm that their purchase is exempt from Indiana sales tax. They will provide the tax-exempt number listed on the card. If a vendor requires a tax exemption certificate (NP-1), the cardholder may obtain one by following the procedures outlined in the Purchasing Guidelines for Sales Tax Exemption from Local and Online Vendors.

Cardholders need to retain a receipt for every transaction to reconcile their charges.

Shipping Instructions: Cardholders should instruct the vendor to ship the prepaid item(s) to:

Cardholder's attention
Wabash College and Cardholder's Department Name
402 Jennison Street
Crawfordsville, IN 47933.

Generally shipping is arranged by the vendor. If special shipping is needed, please contact bookstore@wabash.edu.

Cardholders need to retain shipping documents and the paid invoice as the receipt.

12 Returning Purchases

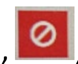
If an item received is an incorrect item, damaged, defective, or a duplicate order, the cardholder is responsible for contacting the vendor in a timely manner to address the problem and obtain the corrective action. The cardholder's purchasing card must be credited for the return. Check or cash refunds are not allowed.

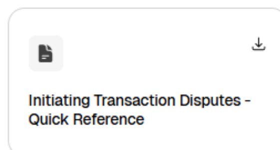
If an item has been returned, the cardholder shall verify that the credit is reflected by the end of the next reporting cycle statement. Sales documents should be retained by the cardholder until the next cycle statement is available. At time of reconciliation, assign the credit to the original account number used for the purchase. If the purchase or credit does not appear on the statement within 60 days after the date of return, the cardholder shall notify purchasing@wabash.edu for assistance.

Any item that a cardholder must ship back to the vendor is to be sent preferably at the vendor's expense and instructions. Wabash's bookstore can assist with mailing packages via UPS. If using UPS, please request a UPS call tag to be issued by the vendor. Refer to the Wabash Mail Center Guidelines for more information. If using another courier, it is highly recommended that the item be shipped via a courier that can trace the item during transit and obtain a confirming signature of receipt.

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 1-800-316-6056. Disputes may also be reported within the SmartData application on the web. To do so, log into SmartData and go to the transaction of concern. Within each transaction's detail, there is a dispute button,  ,you may click. Step-by-step online dispute instructions may be found under the "Resource Center." Click the "Initiating Transaction Disputes – Quick Reference" tile to download the instructions.



Once the dispute 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 should file the dispute as soon as practical after the reason for the dispute is discovered, but in no case later than the due date for the reconciliation report for the period in which the disputed charge is included.

14 Internal Quality Assurance Review

Regular reviews of purchasing card charges and support documents will be conducted to ensure user compliance with purchasing card policies and procedures. Exceptions noted during these assurance reviews will be communicated to the cardholder, supervisor, appropriate Senior Staff member, and the Director of Auxiliary & Insurance Services.

Reviewers 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.
- Appropriate forms are being used 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 loss of privileges. Refer to the Misuse of Purchasing Card Privileges under section **6 Cardholder Responsibilities** above for more information.

15 Canceling Purchasing Cards

For purchasing card cancellations occurring during regular business hours, the cardholder or supervisor should contact purchasing@wabash.edu.

Outside of regular business hours, contact JP Morgan Chase at 1-800-316-6056. During the time period of 12:00 a.m. to 7:00 a.m. (Eastern Standard Time), the caller should leave a recording that includes the name of the person calling, the cardholder's name, and the card number to be canceled. Please email purchasing@wabash.edu to inform them of the cancellation and circumstances surrounding that action.

16 Next Steps

Now that you have read the manual and you have discussed with your supervisor that your position should have a Wabash Purchasing Card . . .
To request a purchasing card, please complete the application found in the **Procure to Pay Step-by-Steps** at the bottom of the Purchases and Payments page. If approved, you will receive notification and further instructions. When you receive your new Pcard, to confirm receipt, you will need to sign a cardholder agreement.