



Purchasing Card Program Policies and Procedures

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1. Program Overview

a. Purpose: Pacific Lutheran University's (PLU) Purchasing Card (P-Card) program is a fast, flexible purchasing tool, which offers an alternative to regular university purchasing processes and provides an efficient and effective method to purchase supplies, travel-related expenses, conference registrations, etc.

b. Benefits: Departments save time and effort by tracking their spending through the Bank of America online system, *Works*. The P-Card program is more cost effective than issuing a paper check and it uses fewer resources.

2. Program Participants

a. Card Issuer: PLU has contracted with Bank of America to issue Visa purchasing cards to authorized employees, bill and collect from the University all P-Card charges, and to assist in cases of suspected fraud or other unlawful use of a P-Card.

b. Cardholders/Accountholders: PLU employees approved by their department heads that are issued a P-Card to make designated purchases on behalf of one or more departments.

c. Departmental Liaisons/Reviewers: Employees in each department designated to monitor P-Card transactions for specified cardholders, maintain P-Card receipts, and other program records within the department. The liaison/reviewer will be responsible, along with the cardholder, for reviewing the cardholder's P-Card transactions to ensure that they are appropriate and allowable University expenditures.

d. Department Heads/Financial Managers/Approvers: University officials who approve and submit employees' applications for P-Cards, assign departmental liaisons, and designate default Banner account numbers (FOAPs) for P-Card transactions to post.

e. Purchasing Card Coordinator: The Business Office staff member who administers the purchasing card program for the University and is the main contact between the University and Bank of America (Bank).

3. General Policies and Procedures

- Purchasing Cards are issued to individuals, not to departments.
- Cardholders must be staff or faculty employees of the University. (Students are ineligible.)
- Purchasing Cards are not transferable between individuals or departments.
- Each P-Card must have an assigned default FOAP.
- Cardholders may act as their own reviewers.
- Departmental liaisons/reviewers may be liaison for more than one cardholder.
- In approving card issuance, department heads/financial managers delegate transaction authority to cardholders.
- The University pays the Bank of America P-Card statement twice a month.
- P-Card monthly statements/reports must be printed from Works.
- Individual cardholders are responsible for making certain that the transactions are valid expenditures, the dollar amounts are correct, and the proper FOAP is assigned.
- By approving a cardholder's transactions in Works before the export to Banner, dept. heads/ financial managers are authorizing that the charges have a bona-fide purpose directly related to University business.

4. Responsibilities of Program Participants

a. Cardholder: The cardholder may only use the P-Card for legitimate university business purposes, *no on-campus charges*, including the Garfield Book Company and 208 Garfield. Misuse of the card will subject the cardholder to disciplinary action and possible termination for cause, in accordance with University Policies and Procedures.

The cardholder must:

- Maintain the Purchasing Card in a secure location at all times.
- Not allow other individuals (including PLU staff or students) to use the P-Card.
- Adhere to the purchase limits and restrictions of the P-Card, and ensure that the total amount of any single transaction does not exceed the maximum per transaction spending amount established for the cardholder.
- Obtain all itemized sales slips, register receipts, or other proof-of-purchase documentation.
- Provide receipts with business purpose details to the departmental liaison for review, reconciliation, and to file for audits.
- Attempt to resolve disputes and/or billing errors directly with the vendor, and notify the Bank if the dispute or billing error is not satisfactorily resolved.
- Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent monthly billing statement.
- Verify charges on the monthly P-Card statement, and forward it to liaison.
- Refuse cash from a vendor in lieu of a credit being applied to the P-Card account.
- Notify Bank of America immediately if the P-Card is lost or stolen (1-888-449-2273).

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- Return the P-Card to the dept. liaison or directly to the Business Office upon terminating employment or transferring to another job. First, see that all outstanding Works charges are reviewed and reconciled with the transaction receipts.

b. Departmental Liaison: The Departmental Liaison is assigned by the department head/financial manager. A Departmental Liaison may also be liaison for his/her own P-card. Departmental Liaisons must receive training before they or any other individuals within their department are issued a P-Card.

The Departmental Liaison will:

- Collect proof-of-purchase documentation, i.e., original vendor receipts, and reconcile them with the charges on Works or on the P-Card statement. *If submitting receipts with a Travel Expense Voucher, which requires original receipts, include copies with the P-Card documentation.*
- Retain all P-Card purchase documentation for audits: retain for seven (7) years, but may be stored in the department's archives after two years.
- Review and/or update default account numbers in Works for each individual cardholder's account before the monthly cut-off date for reviews.
- Identify transactions the merchant did not charge sales tax and provide the P-Card Coordinator with a copy of the receipt to help identify if Washington Sales tax is due.
- Attempt to resolve any disputes with vendor and/or Bank of America not resolved by cardholder and notify P-Card Coordinator within 5 days reason for the dispute.
- Confirm that the cardholder has notified Bank of America and the Business Office in the case of a lost or stolen P-Card (1-888-449-2273). Follow up as necessary.
- With department head/Financial manager's authorization, request that the P-Card Coordinator cancel a P-Card. First, verify that all outstanding Works charges are reconciled with the transaction receipts provided by the cardholder.

c. Department Head/Financial Manager: The department head/financial manager must approve the employee's application to obtain a purchase card for departmental purchases.

Department Heads/Financial Managers will:

- Approve of and see that necessary FOAP changes are made to individual P-Card charges prior to the monthly approval cut-off date.
- Notify the Purchasing Card Coordinator when a cardholder is no longer employed or is no longer authorized to have a P-Card.
- Notify the cardholder of any limit increases or decreases to his or her P-Card.
- Ensure proper the cardholder is adhering to The PLU Purchase Card Policy, User Agreement, and Business and Expense Travel Policy.

d. Purchasing Card Coordinator: The Business Office is responsible for coordinating the Purchasing Card Program and will act as liaison between PLU and Bank of America.

The Business Office (Purchasing Card Coordinator) will:

- Review department head/financial manager approved P-Card applications for completeness and accuracy, submit completed applications to the Bank, receive new P-Cards, and distribute them to authorized individuals.
- Provide all necessary training prior to releasing Purchasing Cards to cardholders.
- Have cardholders sign the cardholder Agreement.
- Handle disputed charges/discrepancies not resolved by the cardholder or Departmental Liaison.
- Upon request of the liaison, as authorized by Department head/Financial manager, change the P-Card default FOAP (account number).
- Secure cancelled P-Cards from cardholder or liaison and submit necessary information to the Bank.
- Advise Liaison and Department head/Financial manager of cut-off dates for reviews and approvals.
- Process the upload of monthly bill through the interdepartmental charge system to Banner Finance.
- Review University usage of P-Cards for program compliance, including periodic internal cardholder audits of transactions, at least once per year.
- Request receipts for use tax identification.

5. Purchasing Card Program Controls

a. Spending Profiles:

A standard Spending Profile is set for each card. If there is any deviation needed when first applying for a PLU P-card, the reason must be communicated on page two of the P-card application. If a change in credit limit(s) is necessary once the card is opened, the account holder or liaison/reviewer must send an email to the Purchase Card Coordinator with the requested amount and whether or not it is a permanent change. The Financial Manager/Approver must be copied on the email, and his approval is needed before a change will occur. The account holder/cardholder will be advised of spending limits at the time of card issuance.

The University, through the Business Office, may adjust limits as determined by demonstrated need and Financial manager approval. Emergency transactions exceeding established spending limit parameters, though possible, are subject to general University purchasing guidelines and Bank procurement regulations. For any transaction, which exceeds the spending controls assigned to the card, the cardholder must contact the Business Office (P-Card Coordinator) for assistance.

b. User Agreement:

Prospective cardholders agree to the terms and conditions set forth on the Purchasing Card Program Cardholder User Agreement, as evidenced by their signatures on the form.

c. Declines:

Should a vendor decline the Purchasing Card for any reason, the cardholder should immediately contact the Business Office (P-Card Coordinator) for assistance. If the purchase is outside of normal University business hours, the employee must find an alternate payment method, or may temporarily postpone the purchase until they can contact the Business Office during normal business hours.

d. Lost or Stolen P-Card:

Report a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year). Also, notify the Departmental Liaison and P-Card Coordinator in the Business Office as soon as possible (253-535-8867). If not during working hours, please leave a detailed message.

e. Disputes and Billing Errors:

The cardholder is responsible for contacting the vendor to resolve any disputed charges or billing errors, which may indicate fraudulent activity on the card. If the matter is not quickly resolved, the cardholder or Departmental Liaison should contact Bank of America at 1-888-449-2273 for assistance. Contact the Business Office (P-Card Coordinator) for assistance if satisfactory resolution is not otherwise obtained. (The total amount billed will be charged to the individual departmental FOAP and credits for disputed transactions will be posted to the departmental FOAP when the credit appears on the P-Card's statement.)

6. Purchasing Card Termination

a. Purchasing Card Termination for Changes in Circumstances or Cause:

The P-Card Coordinator is required to close a cardholder's account if the cardholder:

- (1) Transfers to a different University department
- (2) Moves to a new job in which a Purchasing Card is not required
- (3) Terminates University employment
- (4) Is in gross violation of the Purchasing Card Program Policies and Procedures

Purchasing Card termination for cause may occur if:

- The P-Card is used for purchases deemed personal in nature and with no direct PLU business purpose. Charges include, but are not limited to, off campus departmental staff parties, unauthorized gifts purchased for staff, faculty, or student employees not reported in advance to the Business Office, meal purchases when not traveling on

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University business, unauthorized flower or alcohol purchases. (See PLU Travel and Business Expense Policy for more information regarding unauthorized purchases and possible tax consequences per IRS regulations.)

- The P-Card is used to purchase any substance, material, or service deemed to be in violation of any local, state or federal laws.
- The cardholder allows another individual to use his or her University P-Card.
- The cardholder splits a single purchase into two or more purchases to circumvent the P-Card's dollar charge limit.
- The cardholder uses another cardholder's card to circumvent the dollar purchase limit assigned to either cardholder.
- The cardholder repeatedly fails to provide the department liaison with receipts and/or other supporting documentation.
- The cardholder fails to provide, after repeated requests, the details about a specific charge to the P-Card.

b. Procedures for Violations of P-Card Program Policies and Procedures:

First violation of the Purchasing Card policy has the following consequences:

- An email to the cardholder notifying him/her of the infraction, and requesting a written response addressed to the P-Card Coordinator.
- A hardcopy of the email (including the response) placed in a cardholder's file.
- If the cardholder's offense is fraudulent or willful misuse, the cardholder's P-Card will be terminated immediately and the cardholder's department head/financial manager will be notified of the pending P-Card termination.

Second violation within a one-year period has the following consequences:

- The cardholder must have a one-on-one meeting with the Business Office P-Card Coordinator. (The purpose of the meeting will be to discuss the specific violation, provide additional training as needed, and to explain what corrective actions are required of the cardholder.)
- The cardholder's dept. head/financial manager will be notified of the meeting.
- A follow-up email will be sent to the cardholder, department liaison and department head/financial manager stating the outcome of the face-to-face meeting, including specific corrective actions to be taken.

Third violation, regardless of timeframe, has the following consequences:

- A request sent from the Business Office for the immediate surrender of the cardholder's P-Card.
- Immediate termination of the P-Card and a formal termination memorandum from the Business Office to the cardholder informing them of current and past violations, and referencing prior one-on-one meetings, training sessions, and corrective action plans that have been provided in the past.

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- A copy of the termination memorandum sent to the cardholder's department head/financial manager and area Vice-President/Provost.
- Permanent suspension of the cardholder's eligibility to receive a future PLU P-Card.