

General Policy - Purchase Cards

Policy:

The purpose of BSC's purchasing card program is to simplify the process for making single item purchases less than \$2,500. The purchase card enables employees to purchase goods more efficiently and eliminate the preparation of Request for Payments (RFPs). To reduce the number of RFPs, BSC card holders are strongly encouraged to use their card wherever Visa is accepted.

The purchase card, a Visa credit card, is issued in the name of the BSC employee to make purchases for official BSC business needs. Individual credit limits vary and are determined by the Department heads.

To assure the effectiveness of the purchase card program, the policies and procedures in this guide must be followed by departments using the purchasing card. Failure to use the purchase card in accordance with applicable policies and procedures will result in termination of the card and may involve appropriate disciplinary action, up to and including termination and possible criminal prosecution. Policy and procedure violations include, but are not limited to:

- Purchasing items with the card for personal use
- Failure to return the card when reassigned, terminated, or upon request
- Failure to submit proper transaction documentation to the appropriate person in a timely manner
- Transferring responsibility of the card to another individual
- Repeatedly allowing sales tax to be charged. Whenever the card is used, please inform the vendor that it is a tax exempt sale. **BSC's tax exempt number is on each purchase card**
- Using the card on purchases that require a BSC inventory tag. The card may be used on all single item purchases under \$2,500. A Purchase Order (PO) must be completed for single item purchases \$2,500 or greater. Please refer to BSC's "Purchasing" policy for more information regarding purchasing procedures.

Example:

The Bookstore needs to purchase 100 sweaters at \$25 a sweater for a total purchase price of \$2,500. This purchase may be made on the purchase card.

The Bookstore needs to replace their cash register. A new register will cost \$2,500. They must submit a Purchase Order for this purchase.

Cardholders are required to sign a “Cardholder User Agreement” form. By signing the agreement form, cardholders agree to adhere to the guidelines established in this policy guide.

Limits and Restrictions:

Department heads will assign a monthly credit limit to each individual assigned a purchasing card. If a cardholder attempts to purchase over their limitation, the purchase will be blocked. Certain merchants will also be blocked (e.g., Ebay). If a cardholder attempts to use the card at such a merchant, the purchase will be declined.

Card holders on official BSC business related travel may use their card for travel related expenses such as flight, hotel, and car rental. An “*Authorization for Out of State Travel*” form must be submitted to Accounting Services before making any travel arrangements on the purchase card. The card may **not** be used for travel related meals (due to per diem restrictions and associated taxes). Employees must submit a “Travel Reimbursement” form to Accounts Payable for meal reimbursement. Refer to BSC’s “*Reimbursement of Expenses for Travel*” policy regarding travel related expenditures.

Cardholder Responsibilities:

Each cardholder is responsible for the following activities:

- Safeguard the purchasing card.
- Keep original receipts from each purchase.
- Reconcile the cardholder statement with receipts.
- Forward signed completed Cardholder Statement form and original receipts to designated reviewer (supervisor).
- Notify supervisor, Accounting Services and Visa immediately in the event of a lost or stolen card.
- Destroy and discard an expired purchasing card.
- Return the purchasing card to supervisor if employment is terminated or employee is transferred to another department.
- Resolve disputes in a timely manner. Accounting Services should be notified of any disputed items that the cardholder has not been able to resolve.

Procedures:

Returns, Credits, and Disputed Items:

The cardholder has the responsibility for following up with the vendor or Visa regarding any incorrect charges, disputed items or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect amounts, duplicate charges, credit not processed, as well as fraud and misuse. If the cardholder has a problem with a purchased item or a billing resulting from the use of the purchasing card, they should first try to reach a

resolution with the vendor that provided the item. In most cases, disputes can be resolved directly between the cardholder and the vendor.

Credits and Returns:

The vendor should issue credit for any item that has been approved for credit/return. The credit should appear on a subsequent statement. Any item purchased with the purchase card that is returned must be credited back to the card. **Do not accept a refund in cash, check, or store credit.** Keep documentation of credits, returns and exchanges.

Disputed Items:

If a resolution on a disputed charge cannot be reached with the supplier, notify Accounting Services to work with the card company to resolve the dispute.

Monthly Statement Reconciliation:

Account statements are sent to individual cardholders every month. The cardholder is responsible for reconciling the statement against the original receipts/invoices and allocating the transactions to the appropriate fund, department and account code. Allocation of transaction is performed through the on-line Visa Information Management system at <https://informationmanagement.visa.com>. Once reconciled, the cardholder signs the Cardholder Statement and forwards this, along with all original receipts/invoices, to their appropriate reviewer (supervisor).

The reviewer is responsible and accountable for reviewing the information submitted by the cardholder, signing the Cardholder Statement form, and forwarding the form, original receipts/invoices, and the monthly statement to Accounting Services as soon as possible.

Accounting Services obtains a consolidated electronic bill and makes payment to Elan on behalf of all cardholders.

How to Obtain a Purchasing Card:

1. Complete a "Cardholder User Agreement" form. Employee participation must be approved by the department head or reviewer and Accounting Service's Controller. The cardholder must be a College employee. Students are not allowed to obtain a purchasing card.
2. Attend a training session (either group or individual session). The reviewer or supervisor should also attend a training session.
3. Submit completed paperwork to Accounting Services after your card has been received and you have been through a training session.

Key Contacts:

Controller: **224-2427**

Accounts Payable Associate: **224-5406**

Accounting Services personnel are available to answer questions, solve purchasing card problems, or provide assistance in the areas listed:

- To apply for a purchasing card
- For questions concerning policies and procedures
- To replace damaged cards
- For assistance with vendors
- For account inquiries
- For billing information
- To report a lost or stolen card

Visa Cardholder Customer Service (**1-800-344-5696**) can be reached to:

- To report a lost or stolen card
- For questions concerning monthly statements
- For authorization assistance

History of This Policy:

First policy approved by the Operations Council on January 28, 2009 and by the Executive Council on January 29, 2009.

