

POLICY: POL110

TITLE: P. Card

EFFECTIVE DATE: AUGUST 2009

[Purchase credit cards](#) are available for various campus wide functions and when issued must be in compliance with the following:

[ROGER WILLIAMS UNIVERSITY AND SCHOOL OF LAW
CARDHOLDER AGREEMENT FORM/USER GUIDE
INTRODUCTION](#)

Welcome to Roger Williams University and School of Law Procurement/Purchasing Card program provided to us by J.P. Morgan/Chase. The procurement card is a purchasing tool that offers an alternative to the existing procurement processes and provides an extremely efficient and effective method of purchasing and paying for goods and services.

This user guide outlines the benefits of the procurement credit card program to you, your department, and the University, and provides you with information needed to use the card while adhering to sanctioned guidelines.

The procurement card concept is designed to delegate authority and to give users the capability to quickly and conveniently purchase approved commodities directly from vendors that accept the Master Card credit card. All users should read this entire form/user guide.

The benefits of the procurement card to you and Roger Williams University are significant.

BENEFITS TO THE CARDHOLDER

- Specialized goods or services can be ordered directly by knowledgeable technicians
- Goods and services can be obtained quickly and easily
- Allows efficiency in the work related to the purchase of and payment for goods and services
- Reduces the volume of paperwork required of departments
- Departments can retain copies of warranties and statements for easy reference
- Automatic travel insurance
- Eliminates or minimizes the need for petty cash accounts

BENEFITS TO THE UNIVERSITY

- Eliminates or minimizes the need for petty cash accounts
- Reduces the number of requisitions, purchase orders, invoices, and checks
- Allows procurement departments to be more time efficient
- Automatic travel insurance

BENEFITS TO THE SUPPLIERS

- Permits payment in as few as two business days improving cash flow
- Eliminates invoicing and collection activities

The procurement card is to be used for purchases related to University business only. Use of the card for personal purchases is strictly prohibited. The Purchasing Department and Accounts Payable are responsible for monitoring the effectiveness of the program. If you have any questions regarding the program, or the appropriate use of the card, please contact the Purchasing department at ext. 3531.

WHO CAN ACQUIRE A CARD?

Only RWU employees who are on the school's authorized signature list may acquire an RWU Procurement Card. A [Request for Procurement Card form](#) may be obtained from purchasing and returned to purchasing when completed. A request does not guarantee the issuance of a card. A benefit to the University must be established to warrant the card. The designated RWU employee must then complete cardholder training and sign this "Cardholder Agreement". Purchasing will provide the appropriate training to the cardholder.

HOW IT WORKS

Each cardholder/department manager is required to keep the card secure and is responsible to use it for purchases within the parameters of the program. It may not be transferred to, assigned to, or used by anyone other than the designated Cardholder. Employees will sign cards in and out using a department log. Please inform Purchasing if any vendor will not accept the card. The card may be used to purchase items in person, at the supplier site, or over the telephone or Internet. The amount that can be spent per transaction, per day, and per month are established based on the signature authorization for the position you hold.

When placing an order on the phone or over the Internet, you should supply the following information:

- Identify yourself as an RWU employee
- Cardholder name
- Individual card number
- Expiration date of the card
- Tax exempt status and number
- Delivery address
- Any other information necessary to make the purchase

Each procurement card is associated with a RWU 15digit account number. It is mandatory that the cardholder enters the account number on the transaction within two business days of the transaction. If the account number has not been assigned by the 4th business day of the following month your card privileges will be automatically terminated. All merchants have a "merchant commodity code" which is tied into the RWU general ledger object codes as closely as possible. It is the cardholder's responsibility to review and correct each transaction for accuracy, including appropriate object code.

Each procurement card transaction will appear on your monthly cardholder statement and will be reflected on your department's account budget via a monthly upload to the general ledger.

Upon receipt of your order, keep the documentation enclosed with the item or items. Typically, you will receive a sales receipt or packing slip, which you must keep for later reconciliation.

STATEMENT SUBMISSION/RECONCILIATION

You will receive a monthly cardholder statement listing all of your purchases. Check this statement against your sales receipts, invoices, packing slips, or other proofs of purchase to ensure you have received all the goods for which you have been charged. The goods should be easily identifiable on the proof of purchase. Statement reconciliation must be completed within ten days of receipt. Failure to do so may result in card cancellation. Upon reconciliation, send the statement and all supporting documentation with appropriate signatures to the Purchasing office. If, for some reason, you do not have the appropriate backup for an item on the statement, you must provide a written explanation detailing the purchase signed by your Department Head/Dean. After review by the Purchasing Department for compliance the approved statement will be returned to the card holder to be maintained for a period of four full fiscal years. Records older than one year may be maintained off site as long as they are easily retrievable. The Finance Department will conduct

surprise audits of all files periodically.

TAX EXEMPTION

Roger Williams University and School of Law are nonprofit, tax exempt educational organizations. The RI sales tax exemption number (#456) appears on each card. RWU is also tax exempt in Massachusetts (050277222) and many other states. Please contact purchasing if traveling out of state. The cardholder should alert the vendor at the time of the transaction to exempt payment of state sales tax. A copy of our tax exemption certificate is available to be mailed or faxed from Accounts Payable or Purchasing should a vendor require it. Please check all charges at time of the transaction to verify that taxes have not inadvertently been charged to the card. Explanation of tax charges will be required.

TRAVEL AND ENTERTAINMENT EXPENSES

When using the procurement card for travel and entertainment, please follow all current RWU policies and procedures. A copy of the current policy guidelines can be obtained from the Purchasing intranet site. Reasonable travel expenses, essential to the performance of official RWU business may be charged to the card. Spousal or companion travel arrangements must be arranged using personal credit cards or other payment methods, not in conjunction with the RWU card.

Entertainment expenses charged to RWU must be in the interest of RWU. Federal law requires that anyone entertaining a guest on behalf of the University, identify the people being entertained and the reason they are being entertained.

Entertainment includes but is not limited to expenses incurred for lunches and dinners. Credit card users must list the participants and the purpose on the back of the credit card receipt.

It should be noted that policy dictates that travel and entertainment expenses must be prudent in nature. For example, first class airfare would be inappropriate.

MISUSE OF CARD

"Splitting" an order to circumvent authorized spending limits is not permitted. In addition, the procurement card is not to be used for the following commodities:

- Any RWU Book Stores or retail operations
- Personal purchases
- Capital expenditures

- Computer Systems
- Controlled substances
- Cash advance ATM (unless otherwise authorized)
- Gas for personal vehicle use

Use of the procurement card for any of the above commodities is not permitted and could result in disciplinary action up to and including termination.

RENEWING AND CANCELING CARDS

Procurement cards are renewed automatically and are sent to Purchasing 30 days before the expiration date of the card. The cardholder must make an appointment to return the expired card and pick up the renewed card. Any changes to policy or procedures that may have occurred since the initial agreement was entered in to would be reviewed at that time and may require the cardholder to sign a revised cardholder agreement form. The Cardholder agrees to surrender and cease use of their Card upon termination of employment whether for retirement, voluntary separation, resignation or dismissal. In addition, the Cardholder must surrender and cease use of the Card in the event of transfer or relocation. The Cardholder may also be asked to surrender the Card at any time deemed necessary by management.

To cancel a procurement card, the card must be cut in half and sent along with a written request to cancel the card by the cardholder to Purchasing. Cards will be automatically cancelled in the cases of employment separation or department changes within the University.

A card may be cancelled at the request of the cardholder's supervisor or procurement department if irregularities are detected.

ADDITIONAL CARDHOLDER RESPONSIBILITIES

The procurement card represents the University's trust in you as a respected employee of RWU. As a cardholder, you assume the responsibility for the protection and proper use of the card.

CARD SECURITY

The only authorized user of the card is the Department Manager or the individuals authorized by them. Departmental cards are only to be used by authorized personnel of the department. Authorized individuals within or outside the University must safeguard cards and card numbers against unauthorized use. Each cardholder is required to keep the card secure and use for purchases within the parameters of the program. Students are not to

have access to Purchasing Cards Receipt of Goods and Services. The card holder is responsible for ensuring receipt of goods and services and follows up with the supplier to resolve any delivery problems, discrepancies or damaged goods. The Purchasing Department is available to assist the cardholder with any problems that arise.

PURCHASE RETURNS

Items should be returned in a timely manner directly to the supplier by whichever means the supplier requires. The cardholder is responsible to see that proper credit is posted for a returned item and he/she should document the nature of the return. A copy of this documentation should be forwarded to Purchasing.

TRANSACTION DISPUTES

The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. A cardholder may dispute a charge that appears on their cardholder statement. Disputed charges can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way. If the cardholder is unable to reach agreement with the supplier, the next step is to complete the "Cardholder Dispute Form" and contact the J.P. Morgan Customer Service. Following the telephone conversation, the cardholder must fax the document within 60 days of the first statement on which the disputed charge appears. The fax number is 801-281-5859.

Cardholder must notify Purchasing of any and all disputes or problems that may arise.

Please note that, the law does not allow suppliers to bill your card for purchases until the items are shipped.

It is important to remember that there is a small window of opportunity to dispute a charge, so action should be taken immediately in these situations.

LOST OR STOLEN CARDS

It is the responsibility of the cardholder to immediately report a lost or stolen card to J.P. Morgan/Chase by calling 800-270-7760.

The next step is to report this information to Purchasing.

CONSEQUENCES OF MISUSE

Cardholders who do not comply with the prescribed guidelines risk disciplinary procedures. The right to possess a RWU card could be suspended or revoked permanently. Restitution may be required in cases of improper documentation and/or authorization. Based upon the severity of misuse, disciplinary measures may include termination and legal action.

AUDITS

To ensure the continued success of this program and to meet audit requirements of the University, periodic and random audits will be performed on cardholder's accounts to ensure that items billed to the card have been received and policies are being followed. During the course of the fiscal year, EVERYONE will be audited. Failure to meet standards may result in revocation of card.

If you are unsure that what you are purchasing is an appropriate use of the card, or have any questions concerning the use of the card, you should call Purchasing for clarification.