

**POLICY: POL110**

**TITLE: P-Card**

**EFFECTIVE DATE: MAY 2015**

Purchasing Cards (P-cards) are available for various campus wide purchases and when issued must be in compliance with this Policy.

Welcome to Roger Williams University Procurement/Purchasing Card program provided to us by US Bank. The procurement card is a purchasing tool that offers an alternative to the existing procurement processes and provides an 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 Visa credit card.

All users should read this entire Policy.

The benefits of the procurement card (P-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
- Eliminates or minimizes the need for petty cash accounts
- Provides protection against fraudulent charges

## **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 activities to be more efficient
- Provides protection against fraudulent charges

## **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 Office of Finance 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.

## **WHO CAN ACQUIRE A CARD?**

Only RWU employees may acquire an RWU Procurement Card. Managers must approve the issuance of the card. P-card Applications can be found at <https://www.rwu.edu/who-we-are/administrative-offices/purchasing/p-card> or by contacting the Purchasing Department. A request does not guarantee the issuance of a card. There must be a requirement to purchase goods and services for the University based on the job responsibilities of the individual. The designated RWU employee must acknowledge that they have read the P-card Policy. Purchasing will provide various training materials for the cardholder.

## **HOW IT WORKS**

Each cardholder 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. 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 and per month are established based on the scope and requirements of the employee's job responsibilities.

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 default RWU 15 digit GL account number. This account is automatically assigned to all purchases made. It is mandatory that the cardholder reallocates any charges to the correct GL code within 10 days of the close of the monthly billing cycle. Billing cycles end on the 25th of the month. If the 25th falls on a weekend or holiday, the billing cycle ends on the next business day. It is the cardholder's responsibility to review and correct each transaction for accuracy, including appropriate object code.

Each procurement card transaction will appear in your US Bank Access Online account. Monthly charges 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 uploading into the Access Online system.

## **STATEMENT SUBMISSION/RECONCILIATION**

Each purchase you make will be posted to your Access Online account within 1-3 business days. Check your transactions 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. All transactions must be allocated in Access Online and approved by your Approval Manager within 10 days of the close of the cycle. Failure to do so may result in the loss of P-card privileges. Upon reconciliation, all receipts greater than \$25 MUST uploaded in Access Online with the corresponding transaction.

If, for some reason, you do not have the appropriate backup for an item on the statement, you must provide a Missing Receipt Form with a written explanation detailing the purchase signed by your Department Head/Dean.

The Finance Department will conduct 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 (10675679) 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 travel policy guidelines can be obtained from the RWU Purchasing website.

Please note that RWU has a “per diem” policy for meals and incidental expenses. These expenses cannot be paid with the RWU P-Card. Expenses related to your travel that are greater than \$8 and 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 all participants and the purpose on the back of the credit card receipt. The receipt **MUST** include detail of all items / beverages consumed.

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:

- Personal purchases
- Capital (CAPEX) expenditures
- Live Animals
- Controlled Substances
- Cash Advance / ATM (unless otherwise authorized)
- Gift Cards / Gift Certificates
- 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. Any changes to policy or procedures that may have occurred since the initial agreement was entered into would be reviewed at that time and may require the cardholder to acknowledge the revised P-card policy.

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 cardholder. The University does not issue Department Cards. Cardholders must safeguard cards and card numbers against unauthorized use and are 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 to follow 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. The credit that is posted to the cardholder's account should be allocated to the same GL number as the original charge so the charges will cancel each other out.

## **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, 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 report a disputed transaction via Access Online. The deadline for disputing charges is 60 days after the close of the billing cycle. For example, the deadline for disputing a charge from June 8th is 60 days from June 25th.

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.

## **LOST OR STOLEN CARDS**

It is the responsibility of the cardholder to immediately report a lost or stolen card to US Bank by calling 800-344-5696. (Outside the USA, please call 1-701-461-5696.)

The next step is to report this information to the Purchasing Department as soon as possible. The Purchasing Department will receive your new P-card and notify you when it has arrived.

## **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 / issues concerning the use of the RWU P-Card, you should contact the Purchasing Department for clarification.