



University of Dayton Pcard Policy and Procedure

Effective: 9/20/02

1. Policy

University of Dayton is committed to providing the university community with a method of purchasing goods and services directly from suppliers through the issuance of a Purchasing Card (Pcard). Each card issued to a user will be assigned a maximum dollar amount permissible per transaction and a maximum dollar amount permissible per month. The maximum amounts will be determined in conjunction with each user departmental manager. Purchases must be made in accordance with the Purchasing Policies and Procedures found at: www.udayton.edu/~purchase/purweb/poliproce.php.

2. Purpose

This document establishes the authority and responsibility of the Cardholder and describes procedures related to the purchase of goods and/or services and payment of vendors' invoices through the system for low value purchases.

3. Scope

The use of this Pcard applies to all funds administered by the University regardless of the ultimate source of funding, unless specifically indicated otherwise by the funding source. Where funding regulations are different from University regulations, the funding regulations will take precedence.

The Pcard may **not** be used for the following purchases: travel expenses, business entertainment expenses; systems contracts; single purchases over \$5,000; purchases at the University Bookstore or other University departments that accept credit cards (exceptions may be granted by the UD Pcard Coordinator or delegate).

If a circumstance arises that is not specifically covered in the procedures below, the claimant or signing authority must adopt the most conservative course, within the "spirit" of this policy or consult the Pcard Coordinator or Pcard Administrator.

4. Card Holder Responsibilities

The Cardholder is responsible and accountable for:

- Selecting the best supplier, product/service specification, quality, quantity price negotiation, freight charges, delivery requirements, ordering, expediting, amendments, returns, etc.

- The custody, control and use of the Pcard as detailed in Appendix A: [Pcard Application](#).
- Ensure that the general ledger accounts being charged are properly funded to meet the required payment of the monthly statement.
- Ensure the accuracy of the shipments and communicates with the supplier regarding any discrepancies, arranging for the return of any goods ordered or shipped in error, found to be defective, requiring repair or replacement, obtaining appropriate credit documentation.
- Cardholder agrees that the Pcard will only be used to transact University business and will not be use for personal purchases.
- On-line review of transactions will be done timely, but no later then the 4th business day of the month.
- Cardholder also agrees to retain Pcard transaction receipts for 5 years (the current fiscal year and four prior fiscal years).

5. Restrictions and Obligations

- The Pcard must be used only to make authorized official University purchases within the limitations established for the card.
- The Pcard must **not** be used for travel-related expenses or for vehicle operating and maintenance expenses.
- The Pcard must **not** be used for personal expenses or to obtain cash advances.
- The Pcard must be kept secured at all times.
- The Cardholder must inform the UD Pcard Coordinator or delegate, of changes in his/her business address or business telephone number.
- The Cardholder must report a lost, misplaced or stolen Pcard immediately.
- Upon request from the UD Pcard Coordinator or delegate, the Cardholder must return the Pcard immediately.
- The Cardholder's department must maintain appropriate receipts for all Pcard transactions for a period of 5 years. An appropriate receipt would include an invoice, cash register receipt, sales slip, or packing slip, which contains an itemized list of goods purchased with cost amounts and the name and address of the supplier. For Internet orders the Cardholder should screen print the completed order form and attach the packing slip. Handwritten receipts will be allowed only with the signature of an employee of the supplier on it. Receipts for services will need to show an appropriate vendor mailing address and phone number.
- The Cardholder, upon transfer from the department or termination of employment from the University, must return their Pcard to the UD Pcard Coordinator or delegate for immediate cancellation. The Pcard should be cut in half upon return.

- Within ten (10) days upon transfer or employment termination, a reconciliation of the Pcard account must be completed to ensure payment approval for all outstanding purchase(s).
- When making purchases, the Cardholder must ensure that:
 - the best possible price is obtained;
 - any applicable warranty cards are completed;
 - for items valued at more than \$1,000 with a useful life longer than two (2) years, the item must be recorded within the University's inventory system (refer to applicable Property Records policies and procedures located at www.udri.udayton.edu/propertyrecords/property.htm); and,
 - Be sure that the serial number and model number of the equipment is on the receipt, where applicable
 - Write the PaymentNet transaction ID (trans ID) number on the receipt
 - Write the general ledger account number and sub-account number on the receipt
 - Make a copy of the receipt for Property Records
 - Contact Property Records at X93822 to come tag the item(s)
 - any applicable policies regarding types of equipment are followed.

6. Pcard Maintenance Procedures

- Pcard Issuance
 - An employee will first need to complete a [Pcard Application](#) form (Appendix A), including cardholder manager signature. By signing this application the Cardholder and their manager acknowledges that the employee's responsibilities require the purchase of goods and services and both agree to adhere to the guidelines established in this manual.
 - The cardholder's personal credit is not affected by the use of this card. A credit history is not run on the individual applying for the card, nor does the issuance of the card appear on a personal credit report.
 - Once the Pcard has been issued, the Cardholder will meet with the Pcard Coordinator to pick up their Pcard and to sign a [Pcard Cardholder Agreement](#) (Appendix B) to acknowledge the receipt of the Pcard.
 - Activate Pcard by calling the toll-free number printed on the Pcard. (For verification purposes you will be asked to provide your Social Security Number and your mother's maiden name. When asked for your Social Security Number, give them your seven-digit employee ID number (which is the first 7 digits found on your ID card dropping the last digit) with 2 preceding 9's. For example, if your ID card has the number 12345670 on it, you would supply the following 9 digits to JPMorgan Chase: 991234567.

- Lost, stolen or misplaced Pcard:
 - During normal business hours, contact the Pcard Coordinator at: X92946
 - Outside of normal business hours, contact JPMorgan Chase Customer Service at: 800-270-7760
 - In order to avoid University liability for fraudulent transaction it is extremely important to act promptly (within 72 hours).
 - After notifying the bank, the account number (Pcard) will no longer be valid. A new Pcard should be issued within 48 hours of notice.
- Changes in Cardholder information, such as address changes, default account number changes, name changes, etc. can be made using the [Account Maintenance Form](#) found in Appendix C. Some changes may require issuance of a new Pcard.

7. Billing Procedures

- When you provide the account number from your Pcard to the vendor, be sure to include the last three trailing digits found on the signature panel of the Pcard. This number is used by the bank to verify that the Pcard being used is a valid card and can be just as important as the 16-digit account number.
- Pcard transactions can be usually be reviewed on-line 48 hours after each transaction provided the vendor processes the credit card transactions in a timely manner.
- The cardholder or delegate can download their monthly statement at the end of each month if they choose. This statement, along with all applicable receipts, is to be maintained by the department. The cardholder will receive a paper statement weekly and monthly. The weekly statements can be destroyed.
- The Cardholder is responsible to verify (on-line) and correct any general ledger account numbers for each transaction charged against their Pcard. All verifications/approvals must be made by the 4th business day of any given month. No further corrections will be made after this date.
- Purchases valued at more than \$5,000 must be processed as a Purchase/Check Request. Refer to the Purchasing Policy for guidelines; <http://www.udayton.edu/~purchase/poliproce.htm>
- All goods purchased with University operating or research funds remain the property of University of Dayton, unless the policy of the funding source dictates otherwise.
- The Pcard does allow for the exemption of Sales Tax. However, it is up to the Cardholder to bring this to the attention of the supplier upon making the purchase. If needed, contact Purchasing for a Sales Tax Exemption Certificate.

8. Procedures for Disputed or Fraudulent Charges

- If you believe the merchant has charged you incorrectly or there is an outstanding quality or service issue, you must **first** contact the merchant and try to resolve the error or problem. If

you are able to resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on your next statement. The Cardholder is responsible for obtaining any necessary authorization for a return from the vendor and for obtaining a credit receipt from the vendor.

- If the merchant disagrees that an adjustment is necessary, immediately contact Customer Service at 800-270-7760 (this number also appears on the back of your card) or through using the Dispute button in PaymentNet, as well as UD Pcard Coordinator. Complete details of the dispute will need to be made in writing in order to research the item in question. The details of the disputed transaction should be reported on company letterhead or on the [Pcard Dispute Form](#) (Appendix D). JPMorgan Chase must receive any charge dispute within 60 days of your statement date. While pending resolution, JPMorgan Chase will credit your account for the amount of the disputed transaction. Although JPMorgan Chase acts as the arbitrator in any dispute, you should never assume that a dispute would be resolved in your favor.
- Using the online dispute button will prepopulate your dispute form and let you know what additional information is required. It also marks the transaction so you know which transactions have been disputed.
- Please notify the Program Coordinator of any pending disputes.
- If the dispute is not resolved to your satisfaction, and you believe you have been unfairly treated by the merchant, please notify your manager with the relevant details, as well as UD Pcard Coordinator
- Any fraudulent charge, i.e., a charge not authorized by yourself, must be reported immediately to JPMorgan Chase Customer Service and UD's Pcard Coordinator. Prompt reporting of any such charge will help to prevent the University from being held responsible.

9. Audit Procedures

- The purpose of an audit is to ensure that Pcard procedures are followed, documentation is complete, and the Pcard is being used for appropriate transactions.
- The Division of Financial Affairs, under the leadership of Internal Auditor will audit each Pcard at least once per year.
- The Audit Office will notified the cardholder and their manager, at least 48 hours in advance of their pending audit schedule.
- Cardholders will be provided with a list of audit guidelines to assist them in maintaining good record keeping practices. This list can be found in Appendix D: Cardholder Audits – What to Expect.
- Cardholders will be notified of the results of their audits.
- Pcard Audit Guidelines
 - The Cardholder must maintain a transaction log of purchases, [Pcard Transaction Log](#), that includes the transaction date, vendor name, total dollar amount of transaction, detail of items purchased, and evidence of the department manager's review. Receipts for all transactions must be attached to the log. Receipts are

defined as: an original cash register receipt, credit card slip, packing slip, invoice, or printout of a website order form. The receipts must show itemized detail of purchases and an authorizing signature, dollar amount, vendor name and location, and date of transaction. Copies of receipts are not acceptable documentation and the cardholder must attempt to obtain an original receipt from the vendor. If there are no receipts, an explanation should be included with the log. A consistent pattern of missing receipts will be reported to the Pcard Coordinator who will take appropriate action.

- The Department Manager should review the transaction logs for appropriateness of purchases and to verify that the cardholder has completed the transaction log thoroughly and correctly. The Manager should check for attached receipts, verify that sales tax was not charged, spot check for mathematical accuracy, and sign off on the transactions.
- The transaction logs are the official record of university purchases and must be maintained by the department for five years (the current fiscal year and four prior fiscal years). The Department Manager is also required to have the documentation available for audit at any time.
- If offenses are found the following consequences will ensue:
 - All discrepancies will be reported to the UD Pcard Coordinator, who will consult with the Pcard Administrator as to appropriate action to take.
 - Cardholder will be notified of a meeting with a representative(s) of Financial Affairs to review the findings of the audit.
 - If the audit uncovered any fraudulent usage, appropriate **disciplinary action will be taken which could include termination of employment.**

10. Ineligible Expenses

Inclusive but not restricted to:

- Purchases greater than \$5,000
- Payments to University departments that accept credit cards, i.e. Bookstore
- Computer hardware/software.
- Travel and Guest Entertainment related expenses
- Personal memberships
- Non-business related or personal expenses, including medical expenses and child or pet care expenses
- Gifts and Awards including gift certificates greater than \$25
- “Pyramiding” transactions

- Alcoholic beverages
- Renovations, remodeling, and repairs on campus

11. Exceptions To Policy

At times, special circumstances arise that may warrant exceptions such as deviations from the list of ineligible expenses. In this case pre-approval of the exceptions, in writing, is required from the UD Pcard Coordinator or delegate.

12. Key Contacts List

UD Pcard Coordinator:

Angela Buechele
Comptroller's Office
300 College Park
Dayton, OH 45469-1640
Phone: (937) 229-2946
Fax: (937) 229-3816
E-Mail: Angela.Buechele@notes.udayton.edu

UD Pcard Administrator:

Ken Soucy
Purchasing Department
300 College Park
Dayton, OH 45469-1664
Phone: (937) 229-2607
Fax: (937) 229-2593
E-Mail: soucyk@udayton.edu

JPMorgan Chase Customer Service:

800-270-7760
(When asked for your Social Security Number
give your Employee ID #: first 7 digits
preceded by 99)

Lost or Stolen Cards:

JPMorgan Chase
800-270-7760

JPMorgan Chase Dispute Line:

Phone: 800-270-7760
Fax: 801-590-1316