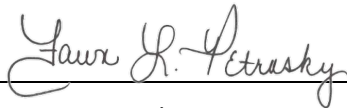
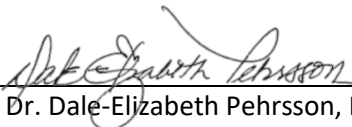




Policy FA029: Purchasing Card Policy

Recommended for Approval by: 
Fawn L. Petrosky, Vice President for Finance

Approved by: 
Dr. Dale-Elizabeth Pehrsson, President

Effective Date: 07/01/2022

A. Intent

The Pennsylvania Western University (PennWest) University Purchasing Card ("UPC, University credit card and/or credit card") is an internationally accepted credit card that shall be issued to authorized University personnel ("cardholder") for University business-related purposes. University-issued credit cards may not be used for personal purposes or for payment of contracted services. The credit card, if deemed appropriate, can be used in a University-related emergency situation, such as an unplanned event, a situation where workflow and productivity are hindered, or any unforeseen event relating to a project. Prior to issuance of a credit card, spending controls are established to ensure credit card usage is fiscally prudent and appropriate.

B. Definition(s)

Not Applicable.

C. Policy

Pennsylvania Western University's Purchasing Card Program is designed to improve efficiency in processing low dollar value purchases (\$1,000.00 or less).

D. Procedure(s)

- The University Purchasing Card (UPC) can be used to make purchases with any merchant who accepts MasterCard. University Departments may participate in the program with the recommendation of the divisional vice president and approval of the Vice President for Finance. Each UPC is issued to a named University employee (active status) who is responsible for the integrity and accuracy of their UPC purchase information. The credit card is identified as a "Procurement Card" and the Pennsylvania Western University name and logo are clearly

displayed on the card. Use of the UPC will not affect the employee's personal credit.

The UPC cardholder and the department they represent are responsible for charge slips, shipping orders and receipts. Appropriate maintenance of the purchasing receipts and other documentation are essential to the success of the program. All transactions are approved or declined at the point of sale based on the UPC authorization criteria, including a monthly credit limit assigned to the department, approved merchant commodity code, and approved type of business (Merchant Category Code). Once the transaction has been approved, the charge is automatically posted to the University's bank account and payment for all UPC transactions is performed electronically, eliminating the need to process vendor invoices and issue checks for each invoice. University funds are committed whenever the UPC is used; purchases will be posted to the cardholder department's budget.

The person whose name appears on the card (UPC cardholder) is responsible for protecting the card and is accountable for all purchases made using the card number. All purchases processed against a UPC must be made by the person to whom the card is issued. The card is for University-related purchases only; personal charges are not to be made to the card. Fraudulent use or misuse of the UPC may result in disciplinary action, up to and including termination of employment. All charges are billed directly to, and paid by, the University. Any personal charges on the card could be considered misappropriation of Commonwealth funds since the cardholder cannot pay the bank directly.

- Cardholders are expected to comply with internal control procedures in order to protect University assets. This includes keeping receipts, reconciling UPC monthly memo statements, and following proper security measures. Cardholders are responsible for resolving discrepancies by contacting the supplier (vendor) and the University's Accounting Office. Original receipts and supporting documentation must be documented on the Department Activity log and sent to the Accounting Office at the end of each month.
- A cardholder must surrender the card upon termination of employment (i.e. retirement or voluntary/involuntary separation) or at any time either the University or the Bank requests. At this point, no further use of the UPC account is authorized. A UPC may be revoked at any time by the University for any reason. The UPC is not an entitlement nor reflective of title or position.
- **Issuance of University Purchasing Cards:** Credit cards will be issued to authorized personnel only after the designated individuals have received appropriate instruction and have reviewed and signed a University Credit Card Justification and Acknowledgement Form (027) which outlines the University Credit Card Policies that the cardholder must adhere to. Approval of the employee's supervisor, area vice president and Vice President for Finance must be acquired before a University credit card is issued.

The University Credit Card program is administered by the Regional Procurement Office (RPO), which coordinates the issuance, maintenance, and cancellation of credit cards with the University's processor/bank. The Controller, in coordination with the Assistant Procurement Director of the RPO, shall also be the University Credit Card Administrator. University credit cards contain the Pennsylvania Western University logo and are issued in the name of the designated employee. Each credit card is assigned a per transaction dollar limit set to reflect various needs of cardholders.

(Limits are established based on type of travel, frequency of travel and business needs of a department.)

The PennWest University Credit Card program includes the ability to designate appropriate

spending by utilizing merchant category blocking.

- **Cardholder Liability/Responsibility:** Cardholders are responsible for all purchases made on their credit card. The cardholder may delegate use of the card to other selected individuals within their respective department; however, the cardholder remains responsible for all charges against the card.

Cardholders are responsible for the proper use and safeguarding of the credit card(s) issued in their name. Any transaction on the credit card must be approved by the cardholder. Stolen, lost or fraudulent activity **must** be reported immediately. All purchases made with the credit card must be within established budgets and comply with University policy. **Cardholders are liable for any unauthorized charges.**

Cardholders are responsible for reconciling individual transactions against monthly account statements, approving the statement for payment, following the direction of the RPO.

Intentional misuse of the credit card for transactions not relating to official University business shall be considered fraudulent and may result in disciplinary action. The cardholder will also be personally liable for the total amount of any unauthorized purchases made in connection with the misuse.

Violation of this policy may result in revocation of the credit card by your respective area Vice President, Vice President for Finance and/or the University President.

- **Use of University Credit Card:** Authorized cardholders may make purchases in person, phone, mail order or internet. In order to maintain proper internal controls, whenever possible, purchases should be made through the University Purchasing Department.

Items must be shipped to the PennWest University Campus Central Receiving (where applicable) and the cardholder should request the vendor place the name of the requisitioner on the packing slip or package.

If items are retrieved in person by the cardholder at the vendor site, specifying shipping information on the order is not necessary.

Telephone, mail order and internet purchases must be made only with reputable merchants; back orders or partial shipments are not permitted, and vendors must ship all goods ordered. Merchants should be asked for total charges including any shipping and handling.

PennWest University is tax exempt and does not pay Pennsylvania state sales tax on purchases. The merchant must be informed of this at the time of purchase. To avoid state tax on a purchase from becoming a personal liability, **Tax Exempt Forms** are available on the Accounting Office's website. Cardholders must contact the vendor for credit should state tax be charged.

The cardholder must retain all receipts, receiving reports, delivery tickets, order forms, other documentation supporting charges against the card. Vendors should be reminded to send any correspondence, receipts, etc., directly to the cardholder.

University credit cards may be used for:

- Equipment due to an emergency (Facilities Management);
- Facility component due to an emergency; and
- Travel related expenses such as hotel, transportation, meals, and registration
- Purchasing gasoline for personal vehicles is not allowed unless approved travel

paperwork was completed, and the cost of the gasoline is less than the mileage reimbursement rate that would have been provided.

University credit cards may **not** be used for:

- Goods and supplies in excess of cardholder transaction limits;
- Cash advances;
- Alcoholic beverages or tobacco products;
- Personal items or services;
- Gifts, prizes, and/or flowers;
- Annual contract maintenance construction and renovation;
- Consulting services;
- Equipment or furniture that are University assets or tractable; and,
- Items in the storeroom

Cardholders are not required to solicit competitive bids for purchases; however, purchase should be fiscally responsible and reasonable and should provide the best value to the University.

- **Return of Goods/Purchases:** Cardholders are responsible for all returns of goods and all returns should be credited to the cardholder's account. Cash refunds are strictly prohibited.
- **Monthly Statement Reconciliation Process:** At the end of each billing period, the cardholder will receive a statement from the bank listing charges against each cardholder's account. Each cardholder is responsible for:
 - Reviewing and verifying the accuracy of all charges and reconciling between the statement and individual transaction documentation (receipts, delivery slips, logs, etc.);
 - Notifying the vendor of any discrepancies or erroneous charges listed on the statement (see Section G);
 - Completing the Missing Receipt form (027-C) for any missing receipts;
 - Completing the Justification for the Purchase of Food with University Credit Card form (027-B) if food was purchased; and,
 - Forwarding your statement with all the supporting documentation to the Accounting Office by the 15th of each month.

The Accounting Office will:

- Receive a monthly invoice listing all Pennsylvania Western University Credit Card transactions by departmental account;
- Verify that each department has forwarded an approved statement with all supporting transaction documentation to the Credit Card Administrator;
- Return improperly processed statements to the cardholder; and,
- Audit the Monthly Statements.

The reconciliation process is critical to documenting each transaction and ensuring correct amounts are paid. Cardholders who fail to reconcile their accounts may lose the privilege of having a University credit card.

- **Lost or Stolen Cards:** If a University credit card is lost or stolen, immediately call the Customer Service number to report the lost or stolen card and to begin the deactivation process for the credit card. Notify the Regional Procurement Office after contacting Customer Service to begin the process of ordering a new card.

NOTE: Please make a copy of the back of your credit card in the event you need to report a lost or stolen card.

Cardholders will not be responsible for any charges after the card is reported lost or stolen.

- **Exceptions:** Any exception to this University Credit Card Policy must be approved by the Vice President for Finance or his/her designee.

E. Related policies

Expenditure of Public Funds Policy (PASSHE Board of Governors Policy 2010-01-A)

[Expenditures of Public Funds, Guidelines, Standards, and Limits.pdf \(passhe.edu\)](#)

F. Contact Information

Office of Finance

G. Policy Review Schedule

All policies will be reviewed every two years or on an as needed basis if a change in BOG, PASSHE or Pennsylvania law would create the need for an immediate change.