

Tulane Purchasing Card Policies and Procedures

I. Purpose

The Purchasing Card program was established to provide a more efficient and cost-effective method for purchasing and paying for small dollar transactions, high-volume transactions, and repetitive purchases. The Purchasing Card is used in addition to the traditional process of requisition, purchase order, delivery, invoicing, accounts payable review, and disbursement of checks on certain transactions of \$2,500 or less.

The card is a privilege extended to Tulane faculty and staff (excluding student employees) and must be used in a responsible and appropriate manner. Fraudulent or intentional misuse of the card will result in revocation of the card, personnel actions against the Cardholder, and/or possible criminal charges. Tulane University's Office of Internal Auditing will conduct routine audits of Cardholder's transaction files and monthly summaries.

II. Receiving a Purchasing Card

Department Heads authorize the issuance of cards by completing the Purchasing Card Application Form for each prospective Cardholder. This form and other information are available at www.tulane.edu/~pcard. The original completed form should be sent to Phyllis Douglas, Purchasing Card Administrator at the Purchasing Office - Uptown on Maple Street. Questions can be directed to this office by calling 314-2675 or by e-mailing pdougl1@tulane.edu.

Card applicants are required to receive training on the Purchasing Card Program prior to receiving a card. Non-cardholder approvers of transactions are also required to receive the training.

Each Cardholder will be required to sign the Purchasing Card Employee Agreement indicating an understanding of the policies, procedures, and responsibilities of a Cardholder.

The Purchasing Card Administrator will maintain records of Purchasing Card requests, dollar limits, Cardholder transfers, and lost/stolen/destroyed card information.

III. Authorized Purchasing Card Use

The Cardholder will receive a Purchasing Card with his/her name embossed on it, and the card should only be used by the Cardholder. No other person is authorized to use that card. The Cardholder may initiate transactions on behalf of others in his/her department; however, the Cardholder is responsible for all use on his/her card. The Cardholder is required to sign the back of the card.

Examples of typical purchasing card purchases include: books, periodicals, subscriptions, membership dues, newsletters, audio and video tapes, conferences and seminar registration fees (if cardholder doesn't have a T&E card), photo processing, and office supplies. Computer purchases under \$2500 must be purchased through Technology Connection (over \$2500 must be purchased through SciQuest). It is the Cardholder's responsibility to be aware of departmental rules and guidelines and to make only appropriate purchases.

Use of the Purchasing Card will be limited to the following conditions:

- A. Departments will assign a single transaction limit to each Purchasing Card account. A maximum amount of \$2,500 has been established to avoid the purchase of capital equipment. A purchase cannot be split into multiple transactions to stay within the cardholder's single transaction limit. This is expressly prohibited.
- B. A monthly spending limit, not to exceed 25% of the annual supplies budget for each account authorized for use, will apply to each Purchasing Card. This limit will minimize the amount of charges that may occur if a card is lost or stolen.
- C. Tulane University is exempt from local and State of Louisiana sales tax.

Documentation confirming Tulane's exemptions can be found at www.matmgmt.tulane.edu or www.tulane.edu/~pcard.

The Cardholder must inform the supplier that the goods are not subject to sales taxes and confirm that no sales taxes are charged before authorizing the transaction.

IV. Unauthorized Purchasing Card Use

Purchasing Card transactions with certain types of merchants are blocked from use. These merchants operate businesses that generally provide goods or services that are not allowed on the Purchasing Card. The following is a list of categories of expenditures that are prohibited. Also listed below are the categories of merchants/businesses that have been blocked. If a transaction is attempted for one of the following categories of expenditures or merchants, or if the transaction exceeds the transaction limit, the vendor cannot accept the card since the transaction will be declined through the point of sale authorization process.

Prohibited Expenditures:

- A. Alcohol
- B. Animals
- C. Misc meeting expenses
- D. Business meals (entertainment)
- E. Capital equipment (items of equipment with cost greater than \$2,500)
- F. Cash advances or cash instruments, **gift cards** for any purpose, **flowers or gifts** for employees
- G. Chemicals
- H. Consulting or personal services
- I. Drugs and controlled substances
- J. Cylinder gases
- K. Fines, penalties, or other similar fees
- L. Gasoline
- M. Hazardous and/or radioactive materials
- N. Honoraria
- O. Leases
- P. Utilities including cell phone, beeper, cable and other communication services
- Q. Non-University purchases
- R. Personal purchases
- S. Recreation
- T. Travel-related expenses
- U. **Sam's Club, Costco, Amazonprime membership fees are not allowed**
- V. Expenses pertaining to **home office** operation (computer costs, phone or line costs, etc.)
- W. **Temporary Employee Services**

Blocked Merchants.

- A. Airlines
- B. Amusement and Entertainment
- C. Automobile Rentals
- D. Clothing Stores
- E. Hotels and Motels
- F. Personal Service Providers (Laundries, Barbers, Health Spa, etc.)
- G. Consultants & Professional Service Providers (Medical, Education, Accounting, etc.)
- H. Service Providers (Banks, Securities, Insurance, Resorts/Campgrounds, etc.)
- I. Utilities
- J. Various Miscellaneous Stores
- K. Most Transportation-related Providers

Cardholders should follow the University policy found at www.tulane.edu/~tams/forms/forms/apforms.htm when using the Purchasing Card for catering or meeting expenses for events held on Tulane campuses. Traditional payment methods should be utilized when use of the Purchasing Card is inappropriate.

The Purchasing Card must never be used to purchase items for personal or non-University purposes even if the Cardholder intends to reimburse the University.

A Cardholder who makes an unauthorized purchase or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action including, but not limited to, possible card cancellation, termination of employment at Tulane University, and criminal prosecution.

V. Making a Purchase

When making a Purchasing Card purchase, Cardholders must be sure the purchase is a clear University business expense and should purchase from merchants commonly used by Tulane whenever possible to take advantage of pricing and terms negotiated on a University-wide basis.

A cardholder will use the following checklist when making a purchase.

- A. The Cardholder will take reasonable steps to obtain the best price, quality, and delivery.
- B. Confirm that the selected merchant accepts VISA. If not, choose another vendor or submit a requisition to the Purchasing Department so that the purchase can be made via a Purchase Order.
- C. Inform the supplier that the purchase is for Tulane University and is sales tax exempt.
- D. When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy, along with the invoice or cash register receipt.
- E. When making purchases via telephone, Internet, mail order, etc., Cardholders should give the merchant the account number embossed on their card and direct the merchant to include the following on the shipping label and/or packing slip: Cardholder name and campus phone number, Department name, Street Address including building name and room number

If the items are being shipped to a Receiving department, the Cardholder should notify that department in advance. Regardless of who receives the shipment, the Cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase.

All computer purchases must be reported to Moveable Property Management so they can be added to the University's property records. This required notification could be accomplished by e-mailing to scordes@tulane.edu the following information: department name, name of user, location of equipment, and the manufacturer, model, and serial number. An alternative method would be to fax the above information, along with the invoice of the equipment purchased, to 862-8261.

VI. Declined Transactions

The initial response to a declined transaction should be to log into Paymentnet4, select "Transactions" from the menu bar, scroll down to "authorizations/declines." The cardholder may also contact JPMorgan CardMember Service at 1-800-270-7760 (provide security information) to determine the cause. It is possible for the cardholder to resolve the problem. Only after these steps are followed and it is deemed that further assistance is needed should an email request be made to Card Administration with specific details.

VII. Cardholder Record Keeping and Retention

Each department should ensure that Cardholders maintain adequate documentation for all transactions made with Purchasing Cards. **The cardholder is responsible for and required to maintaining documentation which will be used to reconcile the purchases and credits and must be retained for a period of seven years for non-grant expenses (Grants and Contracts Accounting or Office of Research Administration should be contacted for the retention period required for individual awards on grant accounts).** The University will now be leveraging the ability to upload receipts in the reconciling process which must be done upon cardholder review.

- A. When a purchase is made in person, the Cardholder will retain the invoice and customer copy of the charge receipt. The Cardholder is responsible for checking that the supplier lists the quantity and full descriptions of the item(s), and that sales taxes are excluded before signing the charge slip.
- B. When making a purchase via telephone, Internet, or mail order, the Cardholder must request that a receipt or confirmation of the order be provided directly to the Cardholder (**not Accounts Payable, Materials Mngt or Corporate Card Admin**). The Cardholder should retain all shipping documentation.
- C. In the event of missing receipts or supporting documentation, cardholders must contact Corporate Card Administration for direction in obtaining the necessary specific approval for that transaction.
- D. Department heads are encouraged to have their Cardholders complete a Purchasing Card Transaction Log to assist in the account reconciliation.
- E. Cardholders must maintain documentation in a manner that will allow an auditor to quickly and easily review the records. Cardholders must file documentation by month in clearly marked files. Each file should contain a printed copy of the Electronic Statement from JPMorganChase and the receipts and other documentation. Documentation that is not properly filed or organized may result in an audit finding.

VIII. Review, Approval, and Accounting Treatment of Monthly Activity

It is the cardholder's responsibility to review and reconcile the monthly activity to the Electronic Statement with original receipts that must be uploaded to Paymentnet4. Transactions will be posted on the JPMorganChase PaymentNET4 Website – www.paymentnet.com . A User ID and password is required for access.

The Purchasing Card has a designated default account number assigned to each transaction. This default account number can be changed to a different account number if it has been authorized for use on the Cardholder's application. A natural account code will be assigned to each transaction and can be changed to reflect the correct classification of the specific expense incurred. Charges normally appear 2 to 3 days after the charge is made. Reviewing and reallocation (coding) adjustments should be done as soon as the transaction is available in Paymentnet4. Receipts must also be uploaded at this time, attaching one receipt to the equivalent transaction. Cardholders should complete their review and reconciliation by the 26th of each month. Approvers must complete their approval process by the last business day of the month.

The cardholder's approver is responsible for the timely review and approval of each transaction by the cardholder. This required review and approval will be monitored monthly for compliance. An alternate approver can be designated to perform this function in the absence of the primary approver.

IX. Merchandise Returns and Exchanges

The Cardholder is responsible for contacting the merchant when items purchased with the Purchasing Card are not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange. Receiving cash, checks, or a store credit for future purchases to resolve a return is prohibited.

The Cardholder is responsible for obtaining a credit on the Purchasing Card account for any returns and retaining the credit receipt with the supporting documentation for that purchase. The Cardholder should confirm that the credit is recorded in the next month's card activity.

If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.

X. Charge Disputes

Cardholders must resolve any discrepancy directly with the merchant, which is required by JPMorgan. If the cardholder is unable to resolve the situation, the transaction must be disputed within 60 days of the date of the charge. This dispute should occur **only** after a diligent attempt has been made to correct the discrepancy and the merchant has failed to respond. The completed dispute form should be sent electronically to JPMorganChase through the on-line system and the Cardholder should notify Purchasing Card Administration when the dispute is submitted.

XI. Purchasing Card Security

Immediately upon receipt of a Purchasing Card, the Cardholder must sign the card. It is the Cardholder's responsibility to safeguard the Purchasing Card and account number to the same degree that a Cardholder safeguards his/her personal credit information.

The Cardholder must not allow anyone to use his/her card account number and must not share their account number or Paymentnet4 login information with anyone. A violation of this trust will result in card revocation and disciplinary action.

If any purchases have been made on a card and the transaction is not reviewed, the Cardholder will receive an e-mail notification that there are transactions to review. This feature is for security purposes in case the cardholder is not aware of the existence of this transaction.

If the Purchasing Card is lost or stolen, the Cardholder shall immediately notify JPMorganChase at 1-800- 270-7760 and advise the Corporate Card Administrator of this notification.

A new Purchasing Card will be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost or stolen must be cut in half and forwarded to the Corporate Card Administrator.

In the event of transfer or termination, cardholders are required to return their Purchasing Card to either the Corporate Card Administrator or their department head. Accordingly, departments are responsible for the timely notification for the cancellation of cards for any transferred or terminated cardholders. This notice must be provided within two business days of the termination date.

XII. Audit Procedures

The Tulane University Office of Internal Auditing will perform routine audits of purchasing card transactions. Such audits will be designed to verify that card transactions are authorized and appropriate and to verify that required documentation has been properly accumulated, approved, and filed.

In the event of an audit finding, the following actions, depending on the severity of the finding, may be taken:

- A. Warning letter issued to cardholder and department head
- B. Card use suspended for 3 months
- C. Card use terminated
- D. Employment terminated
- E. Criminal prosecution

In addition, if misuse of the card is detected, the employee's department will be responsible for the charges in question. The Corporate Card Administrator will automatically transfer these charges to the department's general ledger account. Reimbursement by the Cardholder to the University for unauthorized charges may also be required.

XIII. Conclusion

This program is designed to provide user-friendly purchasing and payment tools so that Tulane's personnel can quickly and efficiently order and receive goods and complete effective accounting and settlement processes. The program does include the controls and features needed to ensure that these resources are used properly. The Purchasing Card program minimizes the number of manual tasks required to complete the order and settle the transaction. Program success is contingent on departmental compliance with approved procedures and guidelines.

If you have any questions or need additional information, please contact the Corporate Card Administrator by calling 314-2675 or e-mail pdougl1@tulane.edu.