



ST. JOHN'S UNIVERSITY

PURCHASING CARD POLICIES AND PROCEDURES MANUAL

June 2015



TABLE OF CONTENTS

1.	PROGRAM OVERVIEW	3
1.1	Purpose	3
1.2	Program Benefits	3
1.3	Credit Card Company	3
2.	PURCHASING CARD CONTROLS	3
2.1	Purpose	3
2.2	Reason for the Policy	4
2.3	Department of Internal Control	4
2.4	Responsibilities of Deans, Vice Presidents, and Budget Administrators	4
2.5	Responsibilities of Cardholders	5
2.6	Responsibilities of Approving Deans, Vice Presidents, and Budget Admins.	6
2.7	Issuance of Purchasing Card	6
2.8	Purchasing Card Limits	7
2.9	Purchasing Card Security	7
2.10	Lost, Stolen, or Misplaced Cards	7
2.11	Cardholder Terminations and Transfers	7
3.	PURCHASING CARD POLICIES AND PROCEDURES	8
3.1	Responsible Authority	8
3.2	Allowable Purchases	8
3.3	Payment Solutions	8
3.4	Prohibited Purchases	8
3.5	Required Documentation	9
3.6	Splitting Purchases	9
3.7	Sales Tax Exemption	10

4.	PENALTIES	10
4.1	Responsibility	10
4.2	Cardholder Penalties	10
4.3	Department Penalties	11
	Purchasing Card Program Contacts	12
	Sample Forms:	
	Purchasing Card Application	13
	Purchasing Card Cardholder Agreement	14
	Purchasing Card Change/Cancellation Form	15

1. PROGRAM OVERVIEW

1.1 PURPOSE

The St. John's University Purchasing Card Program ("P-Card") is designed to provide a more efficient means of making routine low dollar high-volume purchases and payments by reducing paperwork, allowing for more control and responsibility at the department level, and streamlining the purchasing cycle. This manual outlines the benefits of the program, describes the responsibilities of cardholders and fiscal managers, and enumerates the program's policies.

Cardholders use the P-Card to purchase allowable goods and services and to centralize the billing and settlement. All transactions are automatically loaded into the accounting system, thus reducing the need for purchase requisitions, check requests, and petty cash. To ensure proper accounting, the cardholder and designated department administrator must routinely review and approve transactions and make needed adjustments to accounting information and descriptions using a web-based application.

1.2 PROGRAM BENEFITS

- a. Minimize out-of-pocket T&E expenses.
- b. Streamline the processes for small dollar orders and payment.
- c. Enable employees to be more efficient and focus on their core missions.
- d. Reduce paperwork and processing time in the employee's department as well as Purchasing and Accounts Payable.
- e. Provide cost savings through consolidated payments (one (1) monthly payment to Bank of America versus multiple vendor payments).

1.3 CREDIT CARD COMPANY

The University utilizes a Visa card and has selected Bank of America (BOFA) to provide the P-Card.

2. PURCHASING CARD CONTROLS

2.1 PURPOSE

Effective controls provide departments with reasonable assurance that institutional objectives have been achieved through sound financial management. The Purchasing Card Administrator is available to assist departments with training, technical assistance and financial/operational reviews regarding the purchasing card program.

2.2 REASON FOR THE POLICY

Responsibility for financial control and stewardship of the purchasing card program rests with each department. The department is responsible for ensuring that each cardholder is performing their duties with competence and honesty, and for monitoring the effectiveness of the accountability structure. Through effective controls, the department must:

- a. Safeguard University assets.
- b. Prevent, detect, and correct errors and irregularities.
- c. Ensure reliability of financial information.
- d. Ensure compliance with purchasing card policies and procedures.
- e. Maintain appropriate records in a safe and secure location.

2.3 DEPARTMENT INTERNAL CONTROLS

Each department must establish internal controls sufficient to regulate the department's purchasing card activities. The responsibility for appropriate use of the card lies not only with the cardholder, but also with the approving department. The purpose of the controls is to prevent errors or fraudulent use of the card. The Department's internal controls should include:

- a. Designation and approval of appropriate departmental cardholders.
- b. Reviewing all charges billed to a cardholder's card to ensure that the charges are verified, appropriate and reconciled by the "Authorized Approver". The "Authorized Approver" must be senior to (at least one level higher) than the Cardholder and a Budget Administrator for the Org being charged. When the Cardholder is the most senior person in the department than the "Authorized Approver" must be the Budget Administrator. The Budget Administrator is responsible to ensure that all transactions are valid and for official University business.

2.4 RESPONSIBILITIES OF DEANS, VICE PRESIDENTS, AND BUDGET ADMINISTRATORS

- a. Designate cardholders.
- b. Approve applications.
- c. Ensure that employees who will be issued a purchasing card or have been delegated responsibilities under the purchasing card program meet all program requirements and have duties commensurate with the established spending limits.
- d. Ensure that all employees abide by the purchasing card program policies and

procedures.

2.5 RESPONSIBILITIES OF CARDHOLDERS

- a. Participate in University purchasing card training and sign the Cardholder Agreement to acknowledge the responsibilities of the use of the purchasing card.
- b. Abide by all purchasing card policies and procedures when making purchases. Abuse or misuse of this privilege can subject the cardholder to disciplinary action, up to and including dismissal from the University.
- c. Ensure the physical security of the purchasing card and protect the purchasing card number.
- d. Notify Bank of America prior to excessive use or any travel to avoid interruption of service.
- e. Immediately report lost or stolen cards to BOFA, cardholder's approving Dean, Vice President or Budget Administrator, and the Purchasing Card Administrator.
- f. Attach electronic receipts (no paper receipts) for each purchase \$25 and more. Forward documentation to the approving Dean, Vice President or Budget Administrator.
- g. Review, verify and assign GL codes for all transactions that have posted to Concur.
- h. Identify incorrect or overbilling (such as sales tax or duplicates), contact merchant directly to resolve issue, and if the issue cannot be resolved contact the Purchasing Card Administrator.
- i. Abstain from splitting charges to circumvent delegated authority levels. (See Section 3.6)
- j. Upon termination of employment, surrender card immediately to your Dean, Vice President or Budget Administrator
- k. Upon resignation of employment or transfer to another position in the University that no longer assumes duties requiring a P-Card, discontinue use of the purchasing card and return the purchasing card to the Dean, Vice President, or Budget Administrator with a Purchasing Card Change/Cancellation Form. Complete Section 5 of the form. Additionally, review, submit, and reconcile all outstanding purchasing card transactions prior to your departure or transfer.

2.6 RESPONSIBILITIES OF APPROVING DEANS, VICE PRESIDENTS AND BUDGET ADMINISTRATORS

Monitor purchasing card activity of cardholders. Ensure compliance with purchasing card policies and procedures. Immediately report any abuse or misuse of purchasing cards to the Purchasing Card Administrator. Failure by approving Deans, Vice Presidents, and Budget Administrators to diligently discharge these responsibilities may be subject to disciplinary action up to and including termination.

- a. Review, reconcile (if necessary), and approve Expense Reports on all cardholder transactions in Concur regularly. Adjust GL accounts charged, if applicable. Approving Deans, Vice Presidents, Budget Administrators or other designated individuals, must reconcile the individual receipts to Concur.
- b. Track incorrect and overbilling to ensure proper credit is received. Any discrepancies in billing must be addressed with the merchant directly to resolve the issue.
- c. In case of employee termination, resignation, or where the employee will no longer assume duties requiring a P-Card (i.e., internal departmental transfer or transfer of duties), ensure the cancellation of the purchasing card, submit a Change/Cancellation Form to the Purchasing Card Administrator, along with the cancelled P-Card. (See Section 2.11)

2.7 ISSUANCE OF PURCHASING CARD

- a. The University in coordination with BOFA issues the purchasing card.
- b. The purchasing card will include the name of the cardholder, the St. John's University logo, the University's name, and the NYS Tax Exempt number.
- c. The Purchasing Card Cardholder Application Form must be completed, approved and returned to the Purchasing Card Administrator before the purchasing card is ordered.
- d. Cardholders must participate in training before receipt of the card.
- e. Cardholders must pick up the purchasing card in person at the Business Affairs Office.
- f. Cardholder must sign the back of the purchasing card in the presence of Business Affairs personnel. (Picture ID will be required)
- g. Cardholder must be a full-time St. John's University faculty, administrator or staff member. Cards requested for a part-time employee must be requested by the V.P. or Dean and will be handled on a case-by-case basis.
- h. Cardholder's approving officials or other designated persons must have participated in training and have Internet access to Concur to review and approve monthly cardholder transactions.

- i. Cards expire every three (3) years on the last day of the expiration month. The expiration month is embossed on the front of each card. Cards are automatically reissued to cardholders who have used their cards within 12 months prior to expiration. BOFA sends the cards directly to the Business Affairs Office. Notification is then sent when cards have been received and are ready to be picked up by cardholders.

2.8 PURCHASING CARD LIMITS

Dollar limits will be set on a case-by-case basis based on need and budget availability. Limits may be increased if a business need exists. Any requests for an increase in dollar limits must be submitted in writing by using the Purchasing Card Change/Cancellation Form by the Dean, Vice President, or Budget Administrator that is senior (at least one level up) to the Cardholder. .

2.9 PURCHASING CARD SECURITY

Cardholders are responsible for the proper use and safeguarding of cards issued to them. The card number, the card itself, and all documents related to the card transactions must be treated with security at all times. The only person authorized to use the purchasing card is the cardholder whose name appears on the face of the card. Under no circumstances may a cardholder allow another individual to use his or her purchasing card outside of the Cardholder's campus department office.

2.10 LOST, STOLEN OR MISPLACED CARDS

In order to protect the University's interest, lost or stolen purchasing cards must be reported to BOFA at 1-888-449-2273 (when prompted the 16-digit card number must be entered) 24 hours/day, 7 days/week, the cardholder's Dean, Vice President or Budget Administrator, and the Purchasing Card Administrator.

2.11 CARDHOLDER TERMINATIONS AND TRANSFERS

Cards must be cancelled immediately for employees who are terminated, resign from the University, transfer to another department or assume different duties that do not require the use of the purchasing card. The supervisor must collect the card at the time that the employee leaves and immediately notify the Purchasing Card Administrator.

A Purchasing Card Change/Cancellation Form must be sent to the Purchasing Card Administrator along with the destroyed card.

3. PURCHASING CARD POLICIES AND PROCEDURES

3.1 RESPONSIBLE AUTHORITY

The authority to set and enforce purchasing card policies and procedures lies with the Office of Business Affairs. When a business justification exists, exceptions to the purchasing card policies and procedures may be granted upon request from a department in writing and with written approval from the Purchasing Card Administrator.

3.2 ALLOWABLE PURCHASES

The University purchasing card may be used for dues, membership, subscriptions, misc. supplies and other services. **All purchases must be made in accordance with established University policy.** All purchases made with the purchasing card must be for expenses associated with official University business. Use of the purchasing card for unauthorized, inappropriate, or personal items may result in penalties as indicated in the University Purchasing Card Policy Manual. (Section 4: Penalties.)

3.3 PAYMENT SOLUTIONS

The purchasing card is designed to be a tool for making both purchases and payments. At times, there may be a benefit to the University to expand the use of the card to make purchases or payments, which may require an exception to the purchasing card policies and procedures. Such exceptions must be pre-approved in writing by the Purchasing Card Administrator.

3.4 PROHIBITED PURCHASES

The following is a partial list of items that CANNOT be purchased with the P-Card. This list is not all-inclusive. If there are any questions about whether or not the P-Card can be used for a particular product or service, please contact the Purchasing Card Administrator. Exceptions to the partial list will be handled on a case-by-case basis.

- Animals
- Cash Advances, Money Orders
- Charitable Donations
- Chemicals
- Computer Hardware and Peripheral Equipment
- Construction, Renovation or Installation Services
- Gift Cards
- Leases/Rentals requiring a signed agreement
- Liquor Stores
- Maintenance/Service Agreements requiring a signed agreement
- Medical Services
- Motor Vehicle Violations
- Narcotics and other Drugs
- Personal Purchases
- Professional and Consulting Services

- Radioactive and Hazardous Material
- Sales Tax
- Software Licensing Agreements

In addition, to the above all goods and/or services where the University has a University-wide contract or program in place.

- Coffee and Water Services
- Fax Machines
- Flooring
- Furniture
- Printers, Toner Cartridges
- Staples Office Supply
- Window Treatment

3.5 REQUIRED DOCUMENTATION

All expenses of \$25.00 or more must be evidenced by valid receipts or invoices showing proof of purchase. A receipt or substitute documentation must support each purchase. If a receipt shows a limited amount of information or only has part numbers, added information from the Cardholder is beneficial.

The preferred documentation is listed below in order of preference:

- a. An original receipt from the vendor including:
 - Vendor Name
 - Transaction Amount
 - Date
 - Itemized description of item(s) purchased.
- b. Copies or facsimiles of the original receipt.
- c. A packing slip or other documentation received from the vendor.
- d. A print-screen or order confirmation e-mail, when making Internet purchases, or a copy of an order-form that was mailed to a vendor to request an item.
- e. If a cardholder is unable to obtain the above listed preferred documentation, an Affidavit must be completed in Concur documenting the transaction and verifying that it was for official University business. Missing receipts and other pertinent backup documentations of more than three (3) times in one (1) fiscal year may lead to card use suspension.

3.6 SPLITTING PURCHASES

The splitting of purchases with the University purchasing card is prohibited. Splitting is the practice of using multiple purchasing card transactions to circumvent transactional dollar limits, bypass University competitive bidding requirements, or avoiding maximum authority levels.

3.7 SALES TAX EXEMPTION

The University is tax exempt and should not pay sales tax. The cardholder is responsible for insuring that sales tax is not charged at the time of purchase. Some suppliers may request a copy of the tax-exempt form. Tax exemption forms for New York and a number of other states can be found on the Concur Home Page. The New York State sales tax exempt number is provided on the purchasing card.

4. PENALTIES

4.1 RESPONSIBILITY

Cardholders are responsible for and accountable to the University for all purchases made with the purchasing card and must adhere to all University and department policies regarding its use. All purchasing card purchases must be for official University business only. **Use of the Purchasing Card for personal expenses is strictly prohibited.** Cardholders may not make non-University travel arrangements with the Purchasing Card. Any employee who fails to use the purchasing card properly or abuses the use of the purchasing card shall be subject to the cardholder penalties listed in section 4.2 and may be subject to disciplinary action, up to and including dismissal. The University will seek restitution for any inappropriate purchases made with the card. All cases of misuse or abuse of the purchasing card must be documented by the department and the Purchasing Card Administrator shall be informed in writing.

All Bank of America Purchasing Card Concur Users (Cardholders/Authorized Approvers/Budget Administrators/ Delegates/Cost Object Approvers/Administrative Assistants) are responsible for and accountable for their portion of the transactional review, confirmation, and reconciliation process. Responsibilities include but are not limited to reviewing transactions, confirming transactions, assigning general ledger codes, and attaching receipts to all line items over \$25 and submit the Expense Reports.

4.2 CARDHOLDER PENALTIES:

When policy violations by a particular cardholder are identified during the approving Dean, Vice President or Budget Administrators review of the monthly transactions, the following process shall be followed:

- a. If a single abuse occurs by a particular Cardholder, issue a warning and inform the Purchasing Card Administrator in writing.
- b. In the second instance of abuse, notify the Purchasing Card Administrator and suspend the card for at least one (1) billing cycle.
- c. If problems continue after the card is reinstated, the card shall be cancelled.
- d. A Dean, Vice President or Budget Administrator can skip all of the steps if the incident is severe enough and suspend or cancel the card permanently.
- e. The Purchasing Card Administrator can impose the same penalties stated above if problems are found during department reviews. If warnings are

issued by the Purchasing Card Administrator, the Cardholder and the approving Dean, Vice President or Budget Administrator will be notified.

- f. If an Approving Official is not the Cardholder's supervisor, he/she has a responsibility to notify the Cardholder's supervisor of any policy violations.

4.3 DEPARTMENT PENALTIES

The Purchasing Card Administrator may impose penalties for any of the following occurrences:

- a. If transactions are not reviewed, verified, transferred into a Concur Expense Report, assigned GL codes, business purpose/comments entered, receipts attached to the transactions and submitted in Concur by the Cardholder and Authorized Approver by the month end deadlines established by the Purchasing Card Administrator. Note: The billing cycle ends on the last business day of each month and Expense Reports are submitted to the Purchasing Card Administrator to be uploaded into the Banner system.
- b. If transactions are not reviewed, verified, transferred into a Concur Expense Report, assigned GL codes, business purpose/comments entered, receipts attached to the transactions as the transactions post to Concur (within 5 business days). Note: This process ensures that pending transactions from the prior month are addressed; fraudulent charges are immediately identified, ensures the Cardholder attends to incorrect/duplicate billing in a timely manner; allows all Users to be current in case of end of month technical difficulties and employee absenteeism.
- c. Repeated Cardholder abuse and/or department abuse.
- d. Improper and Incomplete Documentation.

When penalties are imposed, the following process will occur:

- a. For the first transgression, a warning will be issued to the Approving Dean, Vice President or Budget Administrator.
- b. If not corrected after a second review, the Dean, Vice President or Budget Administrator will be contacted and cards for the entire department may be suspended.
- c. After a third review, cards may be cancelled.



St. John's University—Purchasing Card Program Contacts

Sharmila Nigalye
Purchasing Card Administrator
Business Affairs Office
Newman Hall, Room 204
Tel: (718) 990-6046
Fax: (718) 990-2014
E-Mail: nigalyes@stjohns.edu

Elionora Ustaev
Director, Accounts Payable
Business Affairs Office
Newman Hall, Room 204
Tel: (718) 990-5801
Fax: (718) 990-5935
E-Mail: ustaeve@stjohns.edu

Jeffrey Weiss
Director of Purchasing
Business Affairs Office
Newman Hall, Room 204
Tel: (718) 990-6367
Fax: (718) 990-2014
E-Mail: weissj@stjohns.edu

Bank of America
Cardholder Customer Service
(for lost, stolen, or misplaced cards)
24 hours/day, 7 days/week
Domestic: 1-888-449-2273
International: 1-509-353-6656

FRAUD DEPARTMENT: 866-500-8262



St. John's University–Purchasing Card Program Purchasing Card Application

Cardholder Name: _____ Department: _____

Campus & Office Location: _____ Phone: _____

Employee X#: _____ Email: _____

Cell Phone # _____

Budget Codes: Default Account Code: Org _____

Note: If more space is needed for codes, attach an additional sheet.

Purchasing Card Credit Limits:

Credit Limit (Dollar Limit Monthly) \$ _____ Single Transaction Limit \$ _____

Authorized Approver must be a Budget Administrator and at least one level up from the Cardholder.

Approver (Manager) Name and X# (Please PRINT)	
--	--

Delegates in Concur System (Complete only if applicable) (PLEASE PRINT)

Cardholder Delegate and X#	
Authorized Approver Delegate and X#	

We, the undersigned, request that the above individual be issued a Purchasing Card based on the above information. We have read the Cardholder Agreement and agree to all the terms and conditions stated therein.

Signature

Date

Authorized Approver _____

DO NOT WRITE BELOW THIS LINE

Purchasing Card Administrator Approval _____ Date: _____



St. John's University–Purchasing Card Program Cardholder Agreement

I agree to the following regarding my use of the St. John's University Purchasing Card:

1. I understand that under no circumstances will I use the card to make personal or non-work related purchases, either for myself or for others.
2. I understand that I will not request or receive cash from suppliers as a result of exchanges or returns.
3. I understand that I am the only individual authorized to use the card assigned to me. It is not transferable to any other individual.
4. I understand that I **cannot** use the card to purchase any item on the *Unauthorized Purchases* list and/or that is in violation of any other University policy.
5. I understand that failure to complete the additional reporting requirements or follow account restrictions for any item appearing on the *Restricted Use* list will result in loss of card privileges.
6. I understand that St. John's University can terminate my right to use the card at any time, for any reason. I agree to return the card to my department administrator immediately upon request from the Purchasing Card Administrator's Office, my transfer to another department, or termination of my employment.
7. I have received and reviewed the Purchasing Card Policies and Procedures Manual, and agree to follow the established policies, procedures and guidelines when using the card. Failure to do so may result in revocation of my user privileges or other possible disciplinary actions, up to and including termination of employment.
8. I acknowledge and agree that, should I violate the terms of this agreement or fail to comply with the procedures and guidelines set forth in the purchasing card manual by using the card for non-university purchases or business, I shall be required to reimburse the University for all costs and expenses incurred by the University in connection with such misuse.
9. I certify that I received my card on this date from the Business Affairs Office.

Cardholder Name (Print)

Purchasing Card Account Number

Cardholder Signature

Business Affairs Office (Signature)

Department Date

Date



St. John's University–Purchasing Card Program Purchasing Card Change/Cancellation Form

Cardholder Name: _____ Department: _____

Please check the appropriate box for item requiring a change and provide the requested information.

1. Cardholder name change to: _____

(Item 1 does not require managerial signatures)

2. Department change to: _____

3. Temporary spending limit change Permanent spending limit change

Start Date _____ End Date _____

Monthly Limit \$ _____ Start Date _____ End Date _____

Single Transaction Limit \$ _____ Start Date _____ End Date _____

4. Close/Cancel card Place card on temporary hold

Reason: _____

5. Request a Replacement Card Reason: _____

Authorized Approver must be a Budget Administrator and at least one level up from the Cardholder.

Authorized Approver Name (Please PRINT)	
--	--

We, the undersigned, request that the above individual be issued a Purchasing Card based on the above information. We have read the Cardholder Agreement and agree to all the terms and conditions stated therein.

	Signature	Date
Authorized Approver	_____	_____

DO NOT WRITE BELOW THIS LINE

Purchasing Card Administrator Approval _____ Date: _____