

# **PROCUREMENT CARD PROGRAM**

## **POLICIES AND PROCEDURES MANUAL**

### **Guide for Department Representatives**

I.	PURPOSE .....	5
II.	SPECIFICS ABOUT THE PROGRAM.....	5
III.	BENEFITS .....	5
IV.	DEFINITIONS .....	6
V.	POLICIES.....	7
	A. BACKGROUND.....	7
	B. DESCRIPTION OF RESPONSIBILITIES .....	7
	1. THE DIRECTOR OF PROCUREMENT SERVICES .....	7
	2. P-CARD ADMINISTRATOR .....	7
	3. PROCUREMENT SERVICES .....	8
	4. APPROVER.....	8
	5. DEPARTMENTAL CARD REVIEWER.....	9
	6. CARDHOLDER .....	11
	C. MANAGEMENT REPORTS.....	12
	D. POLICIES & PROCEDURES MANUAL .....	12
	E. INAPPROPRIATE OR FRAUDULENT USE OF P-CARDS .....	12
	F. EMPLOYEE TRANSFERS WITHIN A DEPARTMENT .....	13
	G. OTHER.....	14
VI.	CARDHOLDER POLICIES AND PROCEDURES.....	15
	A. OBTAINING A CARD .....	15
	B. TRAINING.....	15
	C. KEEPING YOUR CARD SECURE .....	15
	D. ISSUANCE OF CARD .....	16

E. ACCOUNT RESPONSIBILITY .....	16
F. USE OF CARD .....	17
1. LIMITATIONS .....	17
2. PREFERRED SUPPLIERS .....	18
3. PROHIBITED PURCHASES/EXCEPTIONS LIST .....	18
4. TAX EXEMPTION .....	18
5. RECEIPT OF GOODS.....	18
6. RECEIPTS/DOCUMENTATION .....	19
7. RETENTION OF DOCUMENTATION .....	19
G. DISPUTED TRANSACTIONS .....	19
H. LOST, STOLEN, MISPLACED CARDS .....	20
I. RENEWAL/CANCELLATION OF CARDS .....	20
J. IMPORTANT PHONE NUMBERS/ADDRESSES .....	21
VII. DETAILED INSTRUCTIONS FOR P-CARD PROGRAM .....	22
A. THE PROGRAM .....	22
B. PURPOSE .....	22
C. PURCHASES.....	22
1. IN PERSON .....	22
2. BY PHONE, FAX OR MAIL.....	23
3. SHIPPING/DELIVERY .....	24
4. RETURNS, DAMAGED GOODS, CREDITS.....	24
5. REFUSAL OF CARD OR ACCOUNT.....	25
D. REVIEWING (RECONCILIATION) .....	25
1. STATEMENT FROM JPMORGAN CHASE.....	25

2. ADMINISTRATIVE INFORMATION SYSTEMS (AIS) STATEMENTS.....	26
3. REVIEWING/REALLOCATING CHARGES ON-LINE.....	26
VIII. ATTACHMENTS .....	27
P-CARD FORMS	
P-CARD GENERAL INFORMATION	

# SIU PROCUREMENT CARD PROGRAM POLICIES, PROCEDURES, AND DETAILED INSTRUCTIONS

---

## I. PURPOSE

To outline the policies for the Procurement Card (P-Card) Program, which allows individuals to have a P-Card issued to them to make purchases on behalf of the University. The University is responsible for paying the issuing bank for purchases made by Cardholders using the P-Card.

## II. SPECIFICS ABOUT THE PROGRAM

The University has chosen to use the “per transaction” limitation as its primary tool in controlling card usage. A reasonable monthly limit is also placed on the card based on anticipated usage. However, we do not put a limit on the number of transactions a Cardholder can make in a day or month. This program is designed to dramatically improve efficiency in purchasing low dollar goods and services for University use from suppliers that accept the MasterCard credit card.

Cards will be set up with \$5,000 per purchase and \$15,000 per month limits with approval from the Cardholder’s Fiscal Officer. Higher limits may be requested by completing a **Higher Transaction or Monthly Limit Request Form**. Competitive selection may be required for purchases of \$5,000 and over through the Procurement Services Department as stipulated by the University’s guidelines.

Random audits will be conducted periodically.

The University has chosen to have documentation (statements and receipts) retained by the using department rather than a central location such as Procurement Services. This documentation must be kept by the department for seven (7) years on paper or electronically in a manner that allows for efficient retrieval for auditing.

## III. BENEFITS

The use of the P-Card will:

- Allow employees to obtain certain goods and services much faster and easier.
- Sharply reduce paperwork and processing time in the employee’s department and Procurement Services.

- Enable employees to be more efficient and to focus on the value-added aspects of their jobs.
- Provide cost savings through consolidated payment (one monthly payment to MasterCard versus multiple supplier payments).

#### IV. DEFINITIONS

- A. **Approver** – The person responsible for approving all P-Card transactions using the on-line reallocation system for the six-digit budget purpose number to which the Cardholder’s purchases may be reallocated. This person may be a cardholder; however, they **may not** be an approver for their own card. The Approver of a P-Card cannot be a subordinate to the actual holder of the P-Card.
- B. **Cardholder** - A person to whom a University P-Card has been issued. A Cardholder may or may not also be a Departmental Card Reviewer.
- C. **Default Budget Purpose** - The six-digit budget purpose number assigned to a Cardholder. There is only one default budget purpose for each P-Card issued. All charges made with a P-Card will be posted into the specified default budget purpose. The purchase may be reallocated by the Departmental Card Reviewer using the on-line reallocation system.
- D. **Departmental Card Reviewer** - The person assigned to reconcile a Cardholder’s charges. A Cardholder may reconcile their own account. A Departmental Card Reviewer may or may not be a Cardholder and may review more than one Cardholder’s account.
- E. **Fiscal Officer (“F.O.”)** - The person who is listed in the financial accounting records as being responsible for funds of a particular account.
- F. **Issuing Bank** - The bank with which the University is currently contracted that issues the P-Cards.
- G. **P-Card** - A credit card issued to an individual employee of Southern Illinois University for the purpose of making authorized purchases on its behalf. The University is responsible for paying approved charges made using properly issued P-Cards.
- H. **“University” Procurement Limit** – The total P-Card fiscal year expenditure allowed per Departmental unit per vendor. Limit determined by the University. Total expenditures for the fiscal year above the “University” Procurement Limit should be processed through Procurement Services on a purchase requisition.

## **V. POLICIES**

### **A. BACKGROUND**

The major purpose of the P-Card Program is to reduce the amount of time spent, and paperwork required, when making certain types of purchases for the University. This will reduce costs in many ways including reducing the number of purchase orders and checks that must be printed and issued, and reducing the number of invoices that must be matched and paid.

### **B. DESCRIPTION OF RESPONSIBILITIES**

#### **1. THE DIRECTOR OF PROCUREMENT SERVICES**

- a. Is responsible for contracting with an issuing bank to support this program.
- b. Makes recommendations to appropriate line management, Human Resources, and General Counsel for card suspension/revocation or other appropriate disciplinary action.

#### **2. P-CARD ADMINISTRATOR**

- a. Updates the University's information with the issuing bank. (Such as approved limit increases, new applications, changes in Cardholder information, etc.)
- b. Trains Departmental Card Reviewers, Approvers and other users of the P-Card system.
- c. Obtains and verifies appropriate authorization signatures and completed application forms for each requested P-Card.
- d. Updates the P-Card Policies and Procedures Manual as necessary. Obtains appropriate approvals for all changes from any entity affected, such as Accounting Services, etc.
- e. Assists Cardholders, Departmental Card Reviewers, suppliers, and others when necessary for problem resolution.
- f. Serves as the primary liaison for the issuing bank, suppliers, using departments, and any other parties that are necessary to the program.

- g. Designs all forms and other documents used for the P-Card Program. Obtains appropriate approvals as necessary from General Counsel, Internal Audit, etc.
- h. Notifies the Director of Procurement Services of Cardholder violations or fraudulent card use.
- i. Maintains the following documents:
  - 1. Properly signed application forms.
  - 2. Memos listing approved exceptions to any spending limitations signed by Department Dean/Director, etc.
  - 3. Copies of forms submitted to the issuing bank.

### **3. PROCUREMENT SERVICES**

- a. Responsible for ensuring that the monthly electronic payment to the issuing bank balances with the daily transaction records (that are reviewed and approved by the Departmental Card Reviewer and the Approver).
- b. Performs periodic random audits on cardholders.

### **4. APPROVER**

- a. Approves transactions for the cards issued within their area of responsibility and will review all receipts pertaining to those transactions.
- b. The Approver of a P-Card cannot be a subordinate to the actual holder of the P-Card. Subordinates are not authorized to approve their supervisor's P-Card.
- c. Selects a Departmental Card Reviewer for their area of responsibility to reconcile transactions against credit card receipts.
- d. Notifies the Carbondale Campus P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a card.
- e. Takes appropriate disciplinary measures with any Cardholder under them who inappropriately or fraudulently uses their P-Card and informs Department Head and other appropriate individuals (refer to [Section V.E](#)).



- f. Never requests or directs a Cardholder to make a purchase which violates any portion of the guidelines set forth in the Policies and Procedures Manual, or any other relevant rules or regulations.
- g. Informs the P-Card Administrator immediately that a Cardholder's P-Card is to be put on temporary suspension if the cardholder is no longer performing their duties for the University, or will be temporarily relieved of duties for more than 30 days. (Examples are: Cardholder no longer employed but will be returning under contract or as extra help. Cardholder is on extended sick leave, disability, or for any other reason the card would not be needed for a period of time). Once the cardholder returns to work, the Reviewer or Approver must inform the P-Card Administrator to return the P-Card to "Active" status.

## 5. DEPARTMENTAL CARD REVIEWER

The Departmental Card Reviewer is responsible for the following of each card that they are to reconcile:

- a. Maintains documentation for seven (7) years in their office and/or in archives (in paper form or electronically) in a manner that allows for efficient retrieval for auditing purposes of the following:
  - 1. Receipts/Invoices.
  - 2. Monthly Cardholder statements that have been approved and signed by the Cardholder.
- b. Reviews transactions using the on-line reallocation system and reallocate the charges to appropriate, allowable budget purposes.
- c. All transactions **should be reviewed and approved** within thirty days of the transaction date. Failure to do so could result in the suspension of the P-Card.
  - If transactions are not reviewed and/or approved within the thirty days, an email notice will be sent to the P-Cardholder (cc: P-Card Administrator & Director of Procurement Services) as an alert to the failure to review and approve the transaction within the allotted time. An additional 10 days will be allotted for the transaction to be reviewed and approved.
  - If transactions remain un-reviewed and/or unapproved after the additional ten (10) days, a second email notification will be

sent to the P-Cardholder & P-Card Reviewer (cc: Appropriate Vice Chancellor, P-Card Administrator & Director of Procurement Services). An additional 10 days will be allotted for the transaction to be reviewed and approved.

- If transactions remain un-reviewed and/or unapproved after the second additional ten (10) days, a third email notification will be sent to the P-Cardholder, P-Card Reviewer, & Fiscal Officer (cc: Appropriate Vice Chancellor, P-Card Administrator, Director of Procurement Services, & Executive Director for Finance). This third email is notification of a thirty day suspension of the P-Card. At the end of the thirty day suspension, the account will be re-evaluated and a determination will be made as to the re-activation of the P-Card.

It is understood that due to circumstances, some transactions may not be reviewed and approved within the 30 day requirement. Examples are: fraudulent charges, vendor errors, tax being charged, disputed transactions, etc. In this case, the Reviewer and/or the Approver must notify the P-Card Administrator.

- d. Insures that all transactions charged to a state account are reviewed and approved within the fiscal year of the transaction date.
- e. Notifies the P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a P-Card.
- f. Acts as liaison between the P-Card Administrator and each Cardholder within their area by forwarding information as requested.
- g. Never requests or directs a Cardholder to make a purchase, which violates any portion of the policies and procedures, or any other relevant rules, regulations or guidelines.
- h. Informs the P-Card Administrator immediately that a Cardholder's P-Card is to be put on temporary suspension if the cardholder is no longer performing their duties for the University, or will be temporarily relieved of duties for more than 30 days. (Examples are: Cardholder no longer employed but will be returning under contract or as extra help. Cardholder is on extended sick leave, disability, or for any other reason the card would not be needed for a period of time). Once the cardholder returns to work, the Reviewer or Approver must inform the P-Card Administrator to return the P-Card to "Active" status.

- i. Maintains an updated version of the Policies and Procedures Manual and Prohibited Purchases and Exceptions List maintained on the [Procurement Services Website](#).

## **6. CARDHOLDER**

The Cardholder is responsible for the following (this person may or may not be a Departmental Card Reviewer or Approver, but as an Approver they cannot approve transactions on their own card):

- a. Uses the P-Card in accordance with all pertinent policies, procedures, guidelines, etc., and in the best interest of the University.
- b. Submits supporting documentation for each purchase such as invoices/receipts promptly to the Departmental Card Reviewer; including any known reallocation information or performs the reviewing function promptly, as described above, if they are the Departmental Card Reviewer.
- c. Maintains an updated version of the Policies and Procedures Manual and Prohibited Purchases and Exhibitions List maintained on the [Procurement Services Website](#).
- d. Ensures that sales tax is not charged at the time of purchase, or requests a credit promptly from the supplier if sales tax is included in error.
- e. Surrenders their card willingly upon termination of employment or upon change in duties that no longer includes the purchasing function, or upon request from the P-Card Administrator or their line management.
- f. Informs the P-Card Administrator immediately that a Cardholder's P-Card is to be put on temporary suspension if the cardholder is no longer performing their duties for the University, or will be temporarily relieved of duties for more than 30 days. (Examples are: Cardholder no longer employed but will be returning under contract or as extra help. Cardholder is on extended sick leave, disability, or for any other reason the card would not be needed for a period of time). Once the cardholder returns to work, the Reviewer or Approver must inform the P-Card Administrator to return the P-Card to "Active" status.

- g. Notifies the P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a P-Card.
- h. Reports to the P-Card Administrator promptly (confidentially if necessary) any request or direction by his/her supervisor(s) or any other person to use the P-Card in an inappropriate or fraudulent manner.
- i. Verifies the charges were correct and related to University business by signing the bank statement and submitting it to the Department Card Reviewer.

#### **C. MANAGEMENT REPORTS**

The P-Card Administrator is responsible for generating requested reports to the Director of Procurement Services and others as needed, in a timely manner to facilitate the continuous review of the program.

#### **D. POLICIES & PROCEDURES MANUAL**

The Policies & Procedures Manual is written and maintained by the P-Card Administrator. The Departmental Card Reviewers and Approvers will be notified of all changes made to the Manual in a timely manner.

#### **E. INAPPROPRIATE OR FRAUDULENT USE OF P-CARDS**

In the event that a P-Card is used inappropriately or fraudulently, or appropriate documentation for purchases are not maintained, the procedures described below must be followed:

1. The P-Card Administrator will be notified promptly, who will in turn notify the Director of Procurement Services and the Cardholder's appropriate line management in writing.
2. For serious or multiple infractions, the Cardholder's line management will discipline the Cardholder and/or other employees of the University involved in the infraction in a manner appropriate with the seriousness of the situation.

This discipline may include, but is not limited to, a memo describing the infraction and signed by the employee added to the employee's personnel file (copies to the P-Card Administrator). The employee should acknowledge the error and state his/her agreement to obey all policies, procedures and regulations in their future use of the card.

3. The P-Card Administrator or the Director of Procurement Services may also request that actions such as those described below be taken if the infraction is deemed to be substantial in nature.
  - An approval from the appropriate Vice Chancellor which could be in the form of a memo to the P-Card Administrator describing the infraction and actions taken.
  - Suspend cardholder and/or departmental card privileges at any time due to inappropriate or fraudulent card use or lack of appropriate documentation for purchases. Serious or multiple infractions will result in card revocation.
  - Require reimbursement from a Cardholder and/or other University employee(s) for any inappropriate or fraudulent purchases made using the P-Card. This reimbursement would preferably be done willingly from the parties involved; however, the University may initiate legal proceedings to recover amounts owed.
  - Termination of employment of the individual(s) involved.

#### **What Constitutes Inappropriate/Fraudulent Card Use?**

1. Lack of proper documentation, repeated un-reviewed transactions and prohibited purchases are examples of inappropriate card use that may result in suspension of card privileges for a minimum of 30 days.
2. Continued offenses will result in longer suspensions and possible card revocation. The Cardholder's dean/director and vice chancellor will receive written notification of the offenses.
3. Fraudulent card use such as purchasing personal items, **stringing** and returning items for cash will result in revocation of the Cardholder's privileges, written notification as described in Item 2 above, reimbursement to the University, and possible revocation of departmental card use.

#### **F. EMPLOYEE TRANSFERS WITHIN A DEPARTMENT**

1. If a Cardholder is transferred to a new position within the department under the same Fiscal Officer and will still need to make purchases using their P-Card, the same card should be used. In this situation, the Fiscal Officer must promptly notify the P-Card Administrator of any changes to be made (such as the Departmental Card Reviewer, Cardholder's address, default account number, etc.).

2. If a Cardholder is transferring to a new position within the department, but will not have the same supervisor and/or will no longer be purchasing items for the department, the card must be retrieved and canceled as described in [Section VI.I](#).

## **G. OTHER**

1. The following individuals may not be Cardholders or Departmental Card Approver:
  - P-Card Administrator
  - Assistant P-Card Administrator

Unless in the situations where:

- There are infractions of timely approval of P-Card transactions and approval by the P-Card Administrator is necessary in order for the transactions to be charged to the appropriate Budget Purpose.

or

- In the event of the absence of an Approver, whereby the Department grants temporary permission to the P-Card Administrator to approve the transactions.

In either situation, before the P-Card Administrator approves transactions the department must provide the P-Card Administrator with the proper documentation for each transaction.

These situations are a temporary resolution to the approver problem and may not be repeated on a monthly basis by the P-Card Administrator.

2. On-line access to the University's reallocation system is a prerequisite for being a Departmental Card Reviewer.
3. To provide reasonable assurance of accountability, independence and internal control over P-Card transactions, it is hereby Southern Illinois University Carbondale's operating procedures that a nepotism "relative" relationship not exist between a P-Cardholder, Departmental P-Card Reviewer, and P-Card Approver. For purpose of this determination, "relative" means a connection between persons by blood, marriage, adoption, domestic partnership, or other personal relationship including co-habitation.

## VI. CARDHOLDER POLICIES AND PROCEDURES

### A. OBTAINING A CARD

Requests for P-Cards are made at the departmental level by completing the P-Card **Cardholder Account** form and reading the Cardholder agreement. This form must be approved at the Fiscal Officer and Department Head levels then forwarded to the P-Card Administrator in Procurement Services (Mail Code 6813) for processing.

A Departmental Card Reviewer must be designated prior to P-Cards being issued to a department. This person must complete a **Departmental Reviewer Agreement** form and will reconcile P-Card activity, reallocate transactions, and maintain the required documentation for Cardholders within their area. If a Department Card Reviewer has previously completed an agreement for the department, there is no need to complete another one.

A Department Card Approver must be designated prior to P-Cards being issued to a department. This person must complete an **Approver Agreement** form and will approve P-Card activity, reallocate transactions, and maintain the required documentation for Cardholders within their area. If a Department Card Approver has previously completed an agreement for the department, there is no need to complete another one.

**The Cardholder is the only person authorized to make purchases using their card. Giving the card or card number to another person to make a purchase is prohibited.** Using someone else's card is also prohibited. Either of these violations may result in disciplinary action including, but not limited to, revocation of the card and possible termination of employment.

### B. TRAINING

Training on the PaymentNet P-Card System is mandatory for Approvers and Department Card Reviewers. Cardholders, who are not Reviewers or Approvers, do not have access to PaymentNet and are required to read the Policies and Procedures Manual along with the Prohibited Purchases/Exceptions list. The cardholder must sign the Cardholder Pickup and Informational Training form attesting to this.

### C. KEEPING YOUR CARD SECURE

Always keep the P-Card assigned to you in a secure place. Treat it as if it were cash. If your P-Card is lost, stolen or misplaced, follow the procedures in **Section VI.H.**

#### **D. ISSUANCE OF CARD**

1. Southern Illinois University P-Card **Cardholder Account** form must be completed, approved and returned to the P-Card Administrator before the P-Card will be ordered.
2. The Southern Illinois University P-Card Cardholder Account form must be approved by the Director of Procurement Services or Designee.
3. A Department Card Reviewer and Cardholder must be determined before a P-Card will be issued to anyone in the department.
4. The Department Card Reviewer will instruct and monitor Cardholders in the proper use and responsibilities of the card.
5. The Department Card Reviewer must have on-line access to the University's P-Card System in order to review cardholder transactions.
6. Each P-Card is identified to a "default" budget purpose number to which all expenses will be charged unless otherwise directed by the Department Card Reviewer in the reviewing process.
7. The Cardholder must be a Southern Illinois University employee.
8. The Cardholder is the only person authorized to make purchases using their card. Giving the card or card number to another person to make a purchase is prohibited. Using someone else's card is also prohibited. Either of these violations may result in disciplinary action including, but not limited to, revocation of the card and possible termination of employment.
9. The P-Card Administrator will receive the new P-Cards and will notify the Cardholder. They will be required to pick-up their card showing the required ID, at which time they will be given "Informative Training."

#### **E. ACCOUNT RESPONSIBILITY**

Use of the P-Card will result in charges that must be paid but, have not been encumbered. It is essential that charges not be made in excess of available balances. The Cardholder's cooperation will be essential in this matter.



## F. USE OF CARD

### 1. LIMITATIONS

- a. Cardholder Account Form Established Limits
  - i. Single Purchase Limit shall not exceed \$5,000 per transaction. This amount includes all shipping, postage, freight, and handling charges.
  - ii. Exceptions to established limits must be requested by submitting a **Higher Transaction/Monthly Limit Request** form.
- b. Making successive purchases (“stringing”) to circumvent the competitive selection limit (**Small Limit Maximum**), the Cardholder’s transaction limit, or the \$49,999.99 “University” procurement limit is not permitted.
- c. The card is not to be used to modify or pay for any regular Purchase Order or annual orders.
- d. Transactions with suppliers or individuals where a conflict-of-interest may exist are strictly prohibited.
- e. Acceptance of gratuities (i.e., merchandise, cash, or services) for making purchases is not allowed.
- f. When using the P-Card, the Cardholder agrees to:
  - i. avoid purchasing unnecessary items;
  - ii. avoid purchasing from parties debarred, suspended, or otherwise excluded by federal or state agencies from being awarded a contract;
  - iii. avoid purchasing items which are subject to Export Control Restriction. For more information, refer to [SIU Export Controls](#) webpage.
- g. The Cardholder **may not** make personal purchases on the P-Card. The University will be authorized to make salary deductions for any personal charges made by Cardholders.

- h. Misuse or fraudulent use of the P-Card may result in disciplinary action and possible termination of employment. Periodic reviews for proper card use will be conducted.

## 2. **PREFERRED SUPPLIERS**

When a State or University contract is available, the contracted supplier will be recommended to the University community. A list of these contracts and their suppliers is provided and can be accessed on the [Contracts](#) section of the Procurement Services website.

## 3. **PROHIBITED PURCHASES/EXCEPTIONS LIST**

View the [Prohibited Purchases/Exceptions List](#) before making any purchase utilizing a P-Card.

Please note, any questions regarding the purchase of items subject to export control restriction should be forwarded to Todd Wakeland ([twakela@siue.edu](mailto:twakela@siue.edu)). For more information, refer to [SIU Export Controls](#) webpage.

## 4. **TAX EXEMPTION**

The University is exempt from sales and use tax in Illinois, thus the Cardholders should avoid paying sales tax on purchases from suppliers registered in Illinois. Purchases from suppliers outside the State of Illinois may or may not be exempt. Southern Illinois University is imprinted on each card along with the words **IL Tax** and the tax-exempt number to assist the Cardholder in avoiding being charged sales tax by the supplier. The University's tax-exempt status and exemption number should be emphasized when telephone orders are placed. An IRS issued [SIU Tax Exemption Letter](#) is available for faxing to any Supplier requesting documentation.

## 5. **RECEIPT OF GOODS**

The Cardholder is responsible for ensuring receipt of materials purchased and for following-up with the supplier to resolve any problems regarding delivery, order discrepancies or damaged goods. When placing the order, the Cardholder should ensure that complete shipping instructions are given to the supplier (see [Section VII.C.3.](#)). The supplier should be asked to include a credit card receipt in the package. The Cardholder must save the P-Card receipt and the shipping documentation.

## **6. RECEIPTS/DOCUMENTATION**

- a. Each and every purchase must be supported by a receipt from the supplier. Packing slips alone are not acceptable.
- b. The receipt/invoice must include:
  - i. Supplier
  - ii. Amount
  - iii. Date
  - iv. Itemized description of item(s) purchased. If the P-Card receipt only includes the total purchase amount, attach the detail receipt, packing slip with detail information, or invoice to the receipt.
  - v. If there is a cash register receipt it must be copied (not taped) to an 8 ½ x 11 sheet of paper.

## **7. RETENTION OF DOCUMENTATION**

All documentation related to each transaction must be retained (either in paper form or electronically) and accessible for audit for a total of seven years (six years plus the current year). Such documentation includes the Bank Statement, receipts/invoices, P-Card transaction slips, packing lists, any restricted item approvals that may be required, competitive quotations, etc.

## **G. DISPUTED TRANSACTIONS**

1. A disputed transaction can result from failure to receive goods, fraud or misuse of the card, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The Cardholder is responsible for the follow-up first with the supplier and, if necessary, with **JPMorgan Chase**, on any erroneous charges, disputed items or returns. A supplier has three (3) days to issue a credit. If the supplier fails to issue an anticipated credit in the allowed time period, a formal dispute of the charge should be issued to the bank.

2. The procedure for handling disputed transactions is as follows:
  - a. The Cardholder must contact the supplier first to resolve any outstanding issues. Most concerns can be solved in this manner. If the Cardholder is unable to reach an agreement with the supplier, contact **JPMorgan Chase** Customer Service Center at 1-800-316-6056 or FAX 1-847-931-8861 between 7:00 a.m. and 7:00 p.m., Monday through Friday. The Customer Service Representative will give the caller a reference number and provide them with a Statement of Questioned Item form to complete and submit with supporting documentation to the Bank. The Cardholder should complete this form, noting the reference number. These forms may be sent by fax or mail to: **JPMorgan Chase**, Disputes Department, PO Box 2015, Elgin, IL 60121-2015.
  - b. All questioned items must be communicated to **JPMorgan Chase** within 60 days of the post date. During the investigation, credits will be issued to the Cardholder's account for the amount questioned. Upon completion of the investigation, the Cardholder will be notified of the resolution. If the dispute is not settled in the Cardholder's favor, the account will be charged for the disputed transaction amount.

#### **H. LOST, STOLEN, MISPLACED CARDS**

1. Immediately upon realizing the P-Card is lost, stolen or misplaced, the Cardholder must notify:
  - a) **JPMorgan Chase**                      **1-800-316-6056**
  - b) P-Card Administrator              453-5516
  - c) Department Card Reviewer

**JPMorgan Chase** will inactivate the card and issue a new one. The new card will be sent to Procurement Services for processing and distribution.

2. The Cardholder's department may be liable for all charges incurred until the card is reported lost, stolen or misplaced.

#### **I. RENEWAL/CANCELLATION OF CARDS**

1. A new P-Card will be mailed to the Procurement Services P-Card Administrator prior to the expiration of the current card. The Cardholder will be required to pick up the card in person showing the required ID.

2. The P-Card Administrator must immediately cancel the P-Card with **JPMorgan Chase** if the Cardholder terminates employment, transfers to another department, or assumes duties that do not require the use of the P-Card.
3. When a P-Card is canceled, the Department Card Reviewer or Cardholder must cut the card in half, and return the destroyed card to the P-Card Administrator.
4. A cover letter or email must be sent to the P-Card Administrator explaining the circumstances for cancellation.

**J. IMPORTANT PHONE NUMBERS/ADDRESSES**

1. **Disputed Transactions:**

JPMorgan Chase Customer Service Center: 1-800-316-6056

Fax: 1-847-931-8861

JPMorgan Chase  
Disputes Department  
P.O. Box 2015  
Elgin, IL 60121-2015

2. **Lost, Stolen, Misplaced Cards:**

JPMorgan Chase 1-800-316-6056

3. **Procurement Services P-Card Administrator:**

Missy Carter 453-5516  
Fax: 453-6714  
Mail Code: 6813  
Email: [mcarter@siu.edu](mailto:mcarter@siu.edu)

**Assistant P-Card Administrator:**

Debbie Abell 453-5751  
Email: [kohley@siu.edu](mailto:kohley@siu.edu)

## VII. DETAILED INSTRUCTIONS FOR P-CARD PROGRAM

### A. THE PROGRAM

Southern Illinois University has entered into an agreement with **JPMorgan Chase** to provide P-Cards by MasterCard. The P-Card Program is intended for purchasing transactions of less than \$5,000. The use of the card supplements and may replace the use of some annual orders, and invoice vouchers. **Total responsibility and accountability** for the card resides at the departmental level.

Non-compliance to the program's policies and procedures may result in suspension of P-Card privileges at the Cardholder and/or departmental level.

The Cardholder is responsible for and accountable to the University for all charges made with the P-Card. The Cardholder **may not** make personal purchases on the P-Card.

NOTE: In any one fiscal year, a Department cannot purchase goods from the same supplier totaling more than the **\$49,999.99**. If the Department anticipates spending more than the allowed amount, they should submit item(s) on a Purchase Requisition and forward it to the Procurement Services Department for processing. For more information, see **Purchasing Instructions**.

### B. PURPOSE

This program is designed to dramatically improve efficiency in purchasing low dollar goods and services for University use from suppliers that accept the MasterCard credit card.

### C. PURCHASES

**The Cardholder is the only person authorized to make purchases using their card. Giving the card or card number to another person to make a purchase is prohibited.** Using someone else's card is also prohibited. Either of these violations may result in disciplinary action including, but not limited to, revocation of the card and possible termination of employment.

#### 1. IN PERSON

- a. Follow proper internal procedures specific to the department to obtain authorization to make a purchase.

- b. Review the **Prohibited Purchases/Exceptions List** and determine if the P-Card may be used for this purchase. If not certain, contact the P-Card Administrator.
- c. Be certain that the total amount (including all shipping, handling, postage, freight, etc.) will not exceed the card's single purchase limit.
- d. Determine that the price quoted is the best that can be obtained.
- e. Ensure that no sales tax is charged.
- f. **Remember to obtain a receipt/invoice at the time of purchase.**

## 2. **BY PHONE, FAX OR MAIL**

A written record must be made when placing a telephone order. Store this record in the same manner that your department stores receipts. Remember, the Cardholder is the only person authorized to place the order and sign the credit card slip. When necessary, someone else may pick up the goods.

Follow the applicable instructions for making purchases in person. In addition:

- a. State that you are calling from Southern Illinois University and that you will be making a University purchase on a MasterCard P-Card.
- b. Emphasize that the University is exempt from sales tax and give them the tax-exempt number if requested.
- c. Record the name of the person taking the order. Place the order and ask the supplier if there will be any shipping or handling charges. Remember the total order amount including shipping cannot exceed \$5,000.
- d. Give the supplier the P-Card number and expiration date.
- e. Give the supplier your name, department name, phone number and delivery instructions.
- f. Request that a receipt/invoice and/or packing slip be sent with the goods. Retain this with the record of the purchase.

### 3. SHIPPING/DELIVERY

Remember to give the supplier your name, department name, building name, room number, phone number and complete delivery instructions if you are not picking up the goods.

Recommended method:

- a. Have goods shipped directly to your campus address via UPS, Federal Express, or other method as suitable for the purchase.
- b. Use the method set up for your individual department. You will be informed during training of this procedure, if applicable.
- c. If direct shipment is not possible, use the following address:

Southern Illinois University  
ATTN: Your name and campus address  
Central Receiving  
210 Physical Plant Drive  
Carbondale, IL 62901-6729

If this is not done correctly, the goods may be returned to the supplier as undeliverable.

When receiving goods, whether via direct delivery or through Central Receiving, **always** retain all boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. The Cardholder is responsible for inspecting the goods upon arrival.

### 4. RETURNS, DAMAGED GOODS, CREDITS

The Cardholder is responsible for making any necessary returns. The Cardholder should work directly with the supplier. Here are some guidelines:

- a. Always retain boxes, containers, special packaging, packing slips, etc., until you are certain you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- b. Read all enclosed instructions carefully. Often a phone number and other instructions for returning goods are included on the packing slip and/or receipt/invoice.



- c. Many suppliers will require the Cardholder to obtain a “Return Materials Authorization Number” (RMA) before they will accept a return. If the Cardholder neglects to get this number, the package may be refused and/or no credit issued to the Cardholder’s account.
- d. In some cases, there may be a restocking fee (usually a percentage of the purchase price). Ask the supplier if there will be one. If the supplier is responsible for the error or problem, the Cardholder should not have to pay this or any other fee. However, if the supplier is not fully responsible, the Cardholder may have to pay the restocking fee. The Cardholder may use the P-Card to pay this fee as long as it does not exceed any of the Cardholder’s limits.
- e. If the Cardholder needs help in packaging goods for return, limited assistance may be available through Central Receiving. If you have questions, call Procurement Services at 453-4802. However, the Cardholder is ultimately responsible for packaging goods for return.
- f. Finally, make sure that the charge for the returned items:
  - 1. never appears on the Cardholder’s monthly statement,  
or
  - 2. is credited properly.

If this does not happen, refer to “**Dispute Procedures**” for instructions on how to resolve the problem.

## **5. REFUSAL OF CARD OR ACCOUNT**

Should you be declined at the point of sale for any reason, please contact your P-Card Administrator. Every effort will be made to determine why the transaction was declined.

## **D. REVIEWING (RECONCILIATION)**

### **1. STATEMENT FROM JPMORGAN CHASE**

The monthly P-Card statement from the Bank will be sent electronically in the PaymentNet system. The calendar month starts on the 6<sup>th</sup> of one month and ends on the 5<sup>th</sup> of following month. Statements usually will be available around the 12<sup>th</sup> of each month. The Department Card Reviewer should print the statement. All charges that were electronically received

by the University during the calendar month will appear on this statement and the monthly Administrative Information Systems (AIS) statement.

The Cardholder statements must be reviewed and approved monthly to ensure that receipts and other acceptable documentation supports each purchase. Failure to have the appropriate documentation, authorization signatures, etc., for each statement may result in revocation of the card and/or termination of employment. The Cardholder will be audited for compliance on a periodic basis.

After the Department Card Reviewer has determined that the appropriate receipts/invoices and other supporting documentation are on file for each purchase on a statement, the Cardholder must verify the charges were correct and related to University business by signing the bank statement.

## **2. ADMINISTRATIVE INFORMATION SYSTEMS (AIS) STATEMENTS**

Charges made or reallocated to an account will appear on the appropriate AIS statement each month. P-Card transactions will be shown as follows:

Reference 1: Transaction ID number  
Reference 2: Total Dollar Amount of Transaction  
Description: Name of Supplier (vendor)  
Line Item: Budget Purpose number  
Accounting: The specific object code for the good(s) or service(s) provided

Note: The charges that appear on the P-Card statement will not appear on your AIS statement until the transaction has been reconciled and approved.

## **3. REVIEWING/REALLOCATING CHARGES ON-LINE**

Information Technology has worked in conjunction with the P-Card Administrator to develop a computer program that allows charges to be reviewed on the PC File Server. This program will also allow reallocation to other accounts or object codes. P-Card purchase information is transmitted daily from **JPMorgan Chase** and transferred to this program.

The general information below gives a brief overview of the program. It is intended to be an overview for supervisors and others who need to know what P-Card does and how it relates to AIS.

Charges are available for review by the Department Card Reviewer after the supplier submits the charge through their bank and **JPMorgan Chase** receives and processes the data. This normally takes one to three days.

Individual purchases are downloadable to view approximately three days after being processed by P-Card. The transaction will appear after logging into PaymentNet.

Reallocation of charges is necessary only when the default account assigned to a P-Card does not fit the Cardholder's needs. A transaction may be reallocated to another account and/or object code as long as the account has been authorized for use on that card.

## **VIII. ATTACHMENTS**

All attachments and forms mentioned in the User's Guide can be found on the **P-Card Forms** Section of the Procurement Services website.

Helpful information may also be found on the **P-Card General Information** Section of the Procurement Services website.