

**SWARTHMORE COLLEGE**

**PURCHASING CARD POLICY**

**Purchasing Card Policy**

Table of Contents

**1. Introduction** 3

1.1 Overview 3

1.2 Purpose of Program 3

1.3 Program Oversight 3

1.4 Program Goals 3

**2. GENERAL GUIDELINES FOR PCARD ISSUANCE** 3

2.1 Eligibility 3

2.1 Purchasing Authority 4

2.3 PCard Application Process 4

2.4 Credit and Transaction Limits 4

2.5 PCard Account Set-Up 4

**3. Using the Purchasing Card** 4

3.1 Preferred Suppliers and eMarket Portal 4

3.2 Recommended Use 4

3.3 Unauthorized Use 5

3.4 Grant Funding 5

3.5 Merchandise Ship-To Requirement 5

3.6 Merchandise Credi, Exchange, Rebate 5

3.7 Charge Dispute Resolution 5

3.8 Pennsylvania Sales Tax 5

**4. Card security and maintenance** 6

4.1 General Card Security 6

4.2 Lost or Stolen Cards 6

4.3 Fradulant Charges 6

4.4 Abuse, Misuse, and Negligence 6

4.5 Card Expiration 6

4.6 Cardholder Account Maintenance 6

4.7 Account Suspension 7

4.8 Account Closure 7

**5. roles andResponsiblities** 7

5.1 Separation of Duties 7

5.2 Cardholder Responsiblities 7

5.3 Approver Responsiblities 8

5.4 PCard Administrator Responsiblities 8

**6. Reconciliation and documentation** 9

6.1 Reconciliation 9

6.2 Receipts 9

6.3 Record Retention 9

6.4 Expense Allocations 9

6.5 Department Audits 9

**APPENDIX A: CARDHOLDER APPLICATION** 10

**APPENDIX B: cardholder agreement** 11

1. INTRODUCTION

## Overview: The Purchasing Card (PCard) is a VISA credit card issued by Bank of America through the Swarthmore College Busines Office to individual employees. The PCard is issued on behalf of the College, with corporate liability resting with the College for payment of transactions. The card does not involve personal credit or an individual credit check.

## PCards may be used only for official College business. Cardholders and departmental approvers shall ensure the appropriateness of transactions and compliance with all relevant laws, rules, regulations, departmental procedures, policies, and the College’s mission. This policy provides the framework forPCard use and the following references will provide cardholders and departments further details on account management and procedures.

## PCard User Guide

## PCard Approver Guide

## Reimbursement and Expenditures Guidelines

## Purchasing Policy

## Purpose of Program: The Purchasing Card Program is designed to streamline the purchase-to-pay process and to facilitate payment for travel related expenses and small dollar purchases that cannot be made through the College’s eMarket portal. This program is designed to reduce the use of employee expense reimbursements, travel advances, petty cash and small dollar check requests.

# Program Oversight: The PCard program has been established by the College’s Vice President of Finance and Administration. Administration of the program will be done through purchasing, as part of the Business Office.

**1.4 Program Goals**

* + Increased purchasing and AP process efficiency by replacing paper-based process with electronic solutions
  + Improved transparency
  + Enhanced departmental budget tracking and reporting capability
  + Decreased transaction processing costs associated with travel and small dollar purchases

**2. GENERAL GUIDELINES FOR PCARD ISSUANCE**

**2.1 Eligibility:** PCards may be issued to full-time employees with significant business related travel and/or having buying responsibilities for the College. Generally, the PCard is used for employees that anticipate spending at least $2,500 per year on the card.

**2.2 Purchasing Authority:** College personnel who will be responsible for making purchases are expected to have appropriate authority for their role. Purchasing Authority is granted by the divisional vice president, department head, or budget manager.

**2.3 PCard Application Process:** Employees may apply for a PCard by completing the process outlined below:

* + - Complete a Cardholder Application (Appendix A), requiring vice president, department head, or budget manager authorization.
    - Sign and accept the Purchasing Card Cardholder Agreement (Appendix B)
    - Forward both completed forms to the PCard Administrator
    - Schedule and complete Cardholder and/or Approver training
    - PCard Administrator will submit card application to Bank of America. Typically the cards will be delivered to the Program Administrator in one to two weeks.
    - Employee will be notified to pick up cards from Program Administrator.

**2.4 Credit and Transaction Limits**: Cardholders are granted a $2,500 transaction limit and $7,500 monthly limit. Purchases must not be artificially split to circumvent transactional spending limits. Higher limits may be extended by the PCard Administrator on a temporary or permanent basis with the appropriate level of departmental approval.

**2.5 PCard Account Set-Up:** The Bank of America PCard reconciliation software is called Works. Banner GL codes within Works are configured based on a cardholder’s Purchasing Authority and in accordance with the cardholder’s PCard Application form.

**3. USING THE PURCHASING CARD**

**3.1 eMarket Portal and Preferred Suppliers:** The eMarket Portal should be considered the preferred method of purchasing select commodities to ensure that the College receives superior customer service and competitive prices. Preferred suppliersare business that have partnered with Swarthmore College to provide discounted pricing, customized invoicing, college-wide sales tax-free account status, and added services.

**3.2 Recommended Use**: Typical purchases would include the examples provided below; however all purchases are subject to approval of department’s budget manager.

* Dues, memberships, licenses, application fees
* Travel and related expenses (hotel, meals, auto rental, airline, rail)
* Conference and seminar registrations
* Books, publications, periodicals, subscriptions, newsletters, videos
* Small local purchases

**3.3 Unauthorized use:** The following examples represent general guidelines for supplies that should not be purchased using the PCard:

* Supplies that may be purchasing using the eMarket Portal
* Any transaction that exceeds the cardholder’s available budget.
* A personal purchase, even with the intent of reimbursing the College.
* A transaction whereby the College is required to sign any type of contract or agreement (e.g., lease, independent contractor, and consultant).
* College Bookstore
* A transaction that violates any College Financial Policy
* Gift Cards
* Cell phones or accessories
* Purchases that represent significant risk or liability to the College for items or services with special health, safety, occupational, or environmental risks (e.g., radioactive material, animals, weapons, controlled substances)

**3.4 Grant Funding:** Purchaess utilizing grant funding must adhere to all of the granting agency policies, restrictions, and guidelines.

**3.5 Merchandise Ship-To Requirement:** Cardholders are instructed to verify the delivery address is to an on-campus address. Use of a home address for a ship-to location for merchandise purchased using the College PCard is prohibited.

**3.6 Merchandise Credit, Exchange, and Rebate:** The cardholder is responsible for contacting the merchant when goods purchased with the PCard are not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or an exchange. If merchandise is returned for credit, merchants will issue all credits directly to the individual PCard account. The credit will appear on a subsequent statement. Rebates must be payable to the College rather than individual employees.

**3.7 Charge Dispute Resolution:** Cardholders are responsible for resolving any charge disputes directly with the merchant and/or Bank of America (1-888-449-2273) within 60 days of the transaction date.

**3.8 Pennsylvania Sales Tax:** Swarthmore College is a non-profit educational institution and is exempt from PA Sales Tax. The card has been hard-coded to be tax exempt, although an occasional tax charge may be added to the transaction. It is the cardholder’s responsibility to fulfill the merchant’s requirements and ensure tax is not assessed to the purchase. When ordering from another state with a Swarthmore College ship-to location, the transaction will fall under the Pennsylvania state sales tax laws.

**4. CARD SECURITY AND MAINTENANCE**

**4.1 General Card Security:** The PCard Program utilizes an (EMV) Chip and PIN technology. It is the cardholder’s responsibility to safeguard the PCard, the associated account number, and PIN at all times. PCards must be kept in a secure location and should only be used to process transactions by the respective cardholder. No one other than the cardholder whose name is on the card is authorized to use the PCard; cards are not transferable between individuals or departments. In order to limit exposure to fraud, the full PCard account number and PIN should never be recorded electronically or on paper. Cardholders should treat their PCard with the same level of care as one does their own personal credit.

**4.2 Lost or Stolen Cards:** In the event of a lost or stolen card, the cardholder is required to immediately contact Bank of America 1-888-449-2273 (24/7), his/her supervisor, and the Program Administrator. After reporting to the bank, the account will be closed and a new account and card will be reissued. The Program Administrator will notify the cardholder via email when the new card is ready to be picked up (5-10 days).

**4.3 Fraudulent Charges**: If a transaction is fraudulent, Cardholders should notify Bank of America and the program administrator immediately. The account will be closed and a new account and card will be reissued, so Cardholders should destroy their current card. Bank of America will provide an affidavit for the Cardholder to sign and return, verifying the fraudulent charges. Program Administrator will notify Cardholder via email when the new card is ready to be picked up.

Fraudulent transactions are violations in which deception was practiced for unfair or unlawful gain. An example of a fraudulent violation of the PCard would be an intentional personal purchasing using the College PCard. When a PCard is used intentionally by a cardholder in a fraudulent manner, the College is obligated to report the fraud to the Bank. In so doing, the College may provide the name and contact information of the employee that committed the fraud to Bank of America regardless of whether or not restitution has taken place.

**4.4 Abuse, Misuse, and Negligence:** Abuse, misuse, and negligence are violations for which no personal gain results, such as failing to maintain original receipts, lack of proper and timely account reconciliations, or failing to safeguard account information. PCard suspension is a possible corrective action for prevalent missing receipts or a violation of PCard policy which is enforced at discretion of the Business Office.

**4.5 Card Expiration:** Cards expire at the end of the month shown on the card. The cardholder will receive a replacement card during the first or second week of the month the card is due to expire. Once the replacement card is activated, the cardholder should destroy the old card.

**4.6 Cardholder Account Maintenance:** Since cardholder’s reconciliation set-up information is very specific to each department, employee account authorization change requests should be in writing and approved by the department or budget manager.

**4.7 Account Suspension**: Departments must notify the PCard Administrator if a cardholder is placed on an extended administrative or medical leave, or if a situation warrants immediate account suspension.

**4.8 Account Closure**: Upon employee separation, transfer, or if a PCard account is no longer deemed necessary, the terminating employee or the department issuing the account may request closure of a PCard account in writing.

Before closing an account, cardholders are responsible for providing all necessary documentation to their department head or budget manager before their departure date. Cardholders may be held personally liable for unsupported transactions.

**5. ROLES AND RESPONSIBLITIES**

**5.1 Separation of Duties:** Departmental PCard roles and responsibilities must include proper separation of duties so that one doesn’t have sole access to complete a financial transaction. Each cardholder is established with a designated reviewer. This appropriate separation of duties requires a minimum of two people to sign-off on a transaction.

**5.2 Cardholder Responsibilities:**

* Completes an initial cardholder training prior to obtaining a PCard.
* Safeguards the card, card number, and PIN
* Adheres to the purchase limits and restrictions of the PCard.
* Is accountable for all activity on the purchasing card, with respect to the departmental budget as well as this policy.
* Uses the card only for appropriate College business.
* The cardholder will reimburse the College for any improper charges
* The cardholder may be subject to disciplinary or legal action for improper use of the purchasing card.
* The cardholder’s purchasing card may be suspended or revoked for improper use.
* Obtains receipts for all purchasing card transactions and uploads images of receipts as attachments to the online reconciliation software. If necessary, obtain duplicate copy of receipts and/or packing slips from the merchant.
* Reconciles the credit card activity against receipts on a monthly basis and verifies proper credit is given for returns, adjustments, or erroneous charges.
* Ensures that an appropriate credit for the reported disputed item or billing error appears on a subsequent cardholder statement.
* Attempt to resolve disputes or billing errors directly with the merchant within 30 days. Notifies the Program Administrator if the dispute or billing error is not satisfactorily resolved.
* Immediately reports a lost or stolen card to Bank of America at 1-888-449-2273 (24/7), supervisor, and the PCard Administrator.
* Cooperates with bank investigations of suspected fraud or College investigations into alleged improper activities. Failure to comply with bank requests to complete the Fraud Affidavit will result in reversal or denial of credits for fraudulent purchases.
* Returns the PCard to supervisor upon terminating employment with Swarthmore College.

**5.3 Approver Responsibilities:** The Card Administrator in conjunction with the the department will establish one or more designated PCard approver(s) for each department. Approvers must receive training before any employees in the assigned department may receive a PCard. Responsibilities include:

* Reviewing cardholder transactions on-line in the Works application.
* Reviewing merchant receipts attached to the cardholder reconciliation.
* Reviewing and changing accounting codes in the Works application in advance of the monthly cut-off date established by the PCard Administrator.
* Periodically reviewing a list of their cardholders to assure continuing need for the PCard.
* Requesting PCard Administrator to cancel a cardholder’s card (e.g. terminated employees, transferring departments, loss of purchasing card privileges) while assuring that all expenses on that card are properly allocated, as approved by Department Head.
* Ensures the appropriate separation of duties within the department

**5.4 PCard Administrator Responsiblities**

* Manages the day-to-day operation of the purchasing card program and ensures adherence with program requirements.
* Provides training to cardholder and departmental approvers before releasing PCards.
* Maintains signed Cardholder Agreement, signifying agreement with the terms of the PCard program.
* Designates default accounting codes for purchases on the PCard.
* Performs accounting code maintenance as needed.
* Oversees the approval and issuance of new purchasing cards.
* Reviews usage and monitors compliance with campus purchasing policy.
* Acts as liaison between the College and the issuing bank.
* Cooperates with bank and College investigations of suspected fraud or misuse.
* Handling disputed charges/discrepancies not resolved by a cardholder.
* Reconciling transaction totals of Bank of America’s monthly statement with the Works on-line billing reports and transaction totals posted to Banner.

**6. RECONCILIATION AND DOCUMENTATION**

**6.1 Reconciliation**: PCard reconciliation is managed by departments in the Works application. (See the College PCard User Guide and the PCard Approver Guide for detailed procedure). PCard transactions must be accurately identified and allocated to ensure data is ready for posting to the College’s general ledger by the required due date. Failure to reconcile PCard transactions and/or failure to submit required documentation may result in the suspension or revocation of the PCard privileges.

**6.2 Receipts**: All receipts must be detailed and itemized. Receipts should show all items purchased, not just a total amount. The same would apply for restaurant receipts. Payment-alone signature receipts will not be considered by auditors as proof of the purchase if it is not accompanied by the merchant’s itemized receipt.

**6.3 Record Retention**: The record retention requirement for PCard data is 7-years for College operating fund expenses. When using grant funding sources, the cardholder is responsible to verify that the grant’s record retention requirements.

**6.4 Expense Allocations:** Each PCard is associated with one or more Banner account number. The Banner expense account numbers have been cross-referenced with the Merchant Category Codes (MCC) so that the charges may be initially properly allocated. Cardholders are required to review the account allocation and make appropriate changes if necessary before signing off the transactions. See the PCard User Guide for detailed instructions.

**6.5 Department Audits:** To ensure compliance with the Purchasing Card policy and procedures, the monthly charges will be reviewed by the PCard Administrator. PCard purchases are also subject to audit by the Business Office, external auditors, and State or Federal government.

**APPENDIX A: CARDHOLDER APPLICATION**

To be eligible for a PCard, individuals must be a full-time employees with significant business related travel and/or having buying responsibilities for the College of at least $2,500 per year on the card. All new cardholders are approved by President’s staff members and budget managers

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print name as it should appear on the card

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Banner ID Office phone Email address

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title Office location (building and office number)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Department name Presidential Staff Division

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Supervisor (PCard approver) Proxy (if applicable)

**Credit limit** (monthly/transaction)

$2,500/$1,000 $5,000/$2,500 $7,500/$2,500 Default

**Account Access**

GL1: Fund:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

GL2: Org: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

GL3: Account: Unrestricted - access to all expense accounts .

GL4: Program:

11 Instruction

21 Academic Support

31 Student Services

41 Institutional Support

42 Fundraising Activities

51 Physical Plant

61 Student Aid

71 Auxiliary Activities

81 Public Service

92 Projects

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Cardholder Signature Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Budget Manager (for each Org) Signature Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

President’s Staff (for each Org) Signature Date

**APPENDIX B: CARDHOLDER AGREEMENT**

Please read the Swarthmore College Purchasing Card (PCard) Policy. Acknowledge below that you understand the requirements for cardholders as described and agree to accept the following terms and conditions associated with having the Swarthmore College PCard issued by Bank of America:

1. As described in the PCard Policy, the card must only be used for College business expenses.
2. Timely reconciliation of the PCard statement is expected monthly. All receipts must be uploaded to the Bank of America Works software. Failure to submit receipts, or other satisfactory documentation, of College business expenses, may result in your personal liability for the unsubstantiated balance. In signing this form, you authorize the College to make a payroll deduction, to withhold the amount equal to an unsubstantiated balance on the PCard that has been deemed to be for your personal expenses as described above.
3. When you terminate employment with the College, you are required to return your PCard along with any original receipts not yet submitted to the PCard Administrator, no later than your last day of employment.
4. Failure to comply with the terms of the Swarthmore College PCardprogram as outlined in the Swarthmore College PCard Policy may result in forfeiture or voiding of the PCard.
5. Improper use of the Swarthmore College PCardmay result in disciplinary action up to and including termination from your position with Swarthmore College.

I have read and understand the Swarthmore College PCard Policy, agree to accept the cardholder and/or departmental approver responsibilities, and agree to the terms and conditions described above.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Employee Signature Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Employee Name (Printed) Date