



The Evergreen State College  
Procurement Card Guide

JP Morgan & Chase/VISA



# THE EVERGREEN STATE COLLEGE

## *PROCUREMENT CARD HANDBOOK*

For

Card users and  
Approving Officials

# Definitions

As used in this document, the following definitions shall apply:

## **Approving Official**

Individual(s) within the purchaser's organization responsible for designating card custodians and recommending purchasing card limits within their organization. They will advise custodians and cardholders of applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein. An approving official must have signature authority for the account that will be charged for Procurement Card purchases.

## **Card Custodian**

Individuals that are assigned the responsibility of card security and use within a department. Custodians may be issued a card upon approval of their Department Head. Custodians may designate employees (Purchasers, Cardholders) within their organization to use the purchasing card to purchase specific items. Custodians will initiate new purchasing card requests, advise cardholders of applicable limits and ensure that proper card usage, security, controls, timely bank statement reconciliation, retention of transaction documentation and other related responsibilities are followed as described herein.

## **Cardholder**

Individuals who are assigned a purchasing card issued in their name upon approval of their Department Head or are provided a card on a temporary, as needed basis by the Custodian. Cardholders shall maintain security of the purchasing card while in their custody. Cardholder must maintain charge receipts, sales tickets and any other documentation related to card purchases.

## **Program Administrator**

The Purchasing Manager serves as Purchasing Card System Program Administrator, and is responsible for providing training, advise, direction, consultation and assistance to Approving Officials, Card Custodians, and Cardholders.

## **Transaction Limit**

Single transaction purchase limit. Includes applicable tax and shipping and handling. (\$1000.00 per transaction, unless approved by the Purchasing Manager).

## **Departmental Log Sheet**

Departmental log sheet to be maintained by Card Custodian and/or Cardholders that will constitute part of the official public record for purchasing card transactions and will be retained along with all receipts, detailed packing slips, and detailed invoices by each department and be available for audit. The retention schedule for these documents is six years.

# The Evergreen State College Purchasing Card

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# Welcome To The Evergreen State College Purchasing Card Program!

This program has been designed to allow for the direct procurement of some purchases by the end-user through the use of a Purchasing Card. The intent is to eliminate the need for small dollar requisitions, petty cash and blanket orders. Using the card will provide quicker turn-around time on orders, greater flexibility in ordering, and reduced paperwork processing. The purchasing card concept is designed to delegate the authority and capability to purchase these low-value items directly to the person to whom it most matters, the end user.

We hope the Purchasing Card is helpful in conducting business for the College. Please do not hesitate to ask questions regarding any aspect of the Purchasing Card Program. We welcome input and suggestions for improvement of this program.

## Using This Handbook

This handbook will provide the basic steps for using the Purchasing Card Program. It covers usage compliance issues, documenting transactions, reviewing and approving statements, reviewing and reallocating transactions, and more. For further details on any topic, contact the College's Purchasing Manager, the Program Administrator, at 867-6356.

## Key Contacts – Who to Call

### 1) **Card Administration (Program Administrator)**

Call the Purchasing Manager (6356) for questions regarding:

- Activation of new accounts.
- Deactivation of cards for employees transferring departments or leaving the university.
- Policy and procedures for the Purchasing Card.
- To decrease or increase the limit on a card.
- To report a lost or stolen card **after** you have contacted JP Morgan Chase Visa.

### 2) **JP Morgan Chase Customer Service: (800) 270-7760 (24 hours/day)**

Customer service is available 24 hours a day, 7 days a week. They can assist with the following:

- **CARD IS LOST OR STOLEN (Call Immediately)**
- Card has not been accepted by a vendor
- An unknown transaction appears on the statement.

## Overview of the Purchasing Card Process

- Authorized cardholders use the Purchasing Card VISA (provided through a state contract with JP Morgan Chase) to purchase allowable small dollar goods for the College via telephone, fax, internet, by mail or in person
- Purchases made with the Purchasing Card must be logged into a **Departmental Log Sheet** (See attached) if using a Department Card.
- Card Custodians/Cardholders review transactions on the PaymentNet web site, verify that amount being billed is correct, list the amount of Washington sales tax (or use tax when applicable) and shipping and handling you were charged, type in a short description of the item purchased and adjust the budget coding if necessary.
- Card Custodians/Cardholders match actual charges and receipts to those listed on the monthly statement supplied by PaymentNet. Card Custodians/Cardholders note charges in the departments' log as being reconciled once they have appeared on the monthly statement.
- The Cardholder or Card Custodian is responsible for handling disputes.
- Disputed items are entered into the log (if not already entered) and remain pending until they are processed by the bank and appear on future statements.
- The Card Custodian/Cardholder prints and electronic statement, the reconciled charges from their log, attaches the PaymentNet report of transactions and receipts and obtains approval from their authorizing official. This information is then kept in the departments' file. This file will be subject to both internal audit, by the College's Purchasing Manager, and state audit.
- The transactions made on the Purchasing Card are billed directly by PaymentNet to the College, even though the name of the Card Custodian/Cardholder is on the card. The College pays the Bank, once data is downloaded by Accounts Payable into the Banner system, for all charges made by every Card Custodian/Cardholder. The merchants are paid by Visa within 48-72 hours from the point the merchant gives/transmits the transaction to Visa.
- Questioned transaction charges are credited by PaymentNet until the problem is resolved

## Differences Between The Purchasing Card And A Personal Credit Card

- The College is liable for **all charges** made on the card **before** the card is reported lost or stolen to JP Morgan Chase.
- Purchases made for personal use violate the terms of use of the Purchasing Card. Cardholder will be personally liable to pay the College for such transactions.
- The maximum per transaction limit is set at \$1000.00. The department may set a lower limit for any Cardholder. The College's Purchasing Manager may authorize a higher limit for specific cards on an as needed basis. **Each card is excluded from specific merchant types such as travel vendors, vehicle vendors, access to cash. (Reference Policy & Procedure)**
- Each card has limits that can be specified by the Department for each Cardholder. Possible limits include; dollar limits by day and/or cycle, and transaction number limits per day and/or cycle.
- The card belongs to the College, not the individual. When an employee terminates their employment with the College, or transfers to another department, the Purchasing Card must be returned to the Program Administrator (Purchasing Manager).
- Cardholders are trained to be purchasing agents for the College. They must sign an agreement holding them responsible for their actions in performing this vital college function.
- Purchases are subject to review by any, or all of the following:
  - Your departmental approving official
  - Card Custodian
  - Business Services
  - Purchasing
  - Internal Audit
  - External Audit

# What The Cardholders and Approving Officials Actually Do In The Purchasing Card Process

## Program Administrator (Purchasing Manager)

Order and Activate New Accounts  
Manage Card Distribution and transaction limits  
Train New Cardholders and Card Custodians  
Provide support and assistant to Cardholders and Card Custodians  
Act as liaison between The Evergreen State College and JP Morgan Chase  
Conduct annual internal audit of each p-card

## Card Custodians/Cardholders

### Place the Order

- In person, by phone, by mail. Exercise caution if making purchases over the Internet or via fax.
- Inform merchant this is a purchase by The Evergreen State College and should be accorded any applicable discounts.
- Give accurate delivery information (see page 13 for detailed instructions.)
- **Request a complete, detailed receipt to accompany the shipment. (It must include descriptions of each item purchased).**
- Do not allow COD deliveries.
- If your transaction is declined:
  - Phone orders: Have merchant re-enter the card number and expiration date. It may have been done incorrectly.
  - The transaction amount may be over the card's limit or number of allowed transactions per month. Check with approving official or program administrator.
  - The transaction link between the merchant and its bank may be down. Ask the vendor to try again later.
  - Contact JP Morgan Chase's customer service department, 800 -270-7760 to determine why the transaction was declined.
- **Log appropriate data into the Departmental Purchase Log (see Attached).**
- Check cardholder's account on the PaymentNet website to verify the transaction and budget coding associated with the purchase. Cardholder must sign on to the PaymentNet website prior to the 28th day of each month to review your transactions. This includes indicating the amount of Washington sales tax (or use tax) and/or shipping and handling charged, adding a short description of the items purchased, and updating the account coding.

### Receive the Goods and Obtain a Receipt

- For goods ordered by phone, fax, or mail, this will be done after receipt of goods in the form of a receipt, packing slip, or order form. **Receipts should**

**be routed directly to the cardholder or card custodians; do not forward them to Accounts Payable. Itemized receipts are required for each purchase – failure to keep receipts may cause the card to be revoked. The cardholder is responsible for obtaining receipts.** All receipts must contain the following information:

- Cardholder name/Number/Vendor identification
- Date purchase was made
- Description of each item purchased
- Per item cost if available from vendor

Verify the Goods Received Agree With What Was Ordered

- Work with the vendor to correct any problems

Reconcile Transactions

- Retrieve monthly electronic statement containing all cardholder's transactions over the previous month.
- Verify all transactions are correct by comparing to **the Departmental Purchase Log**.
- Promptly investigate discrepancies noting action taken on the Departmental Purchase Log. Work with merchandise vendor or JP Morgan Chase to resolve problems.
- Attach original detailed sales receipts to the monthly statement.
- **Mark each entry appearing on the monthly statement as being reconciled on the Departmental Purchase Log. (Y in reconciled column).**
- Take the monthly statement, departmental purchase log, and receipts to the departments Approving Official who must sign to approve the statement.
- File the approved monthly statement, departmental purchase log, and receipts. A new departmental purchase log should be created each month.
- At the end of each fiscal year (July 1 to June 30), the Card Custodian will hand deliver the monthly files to the purchasing office. The information in this file is considered to be the official public record for the college, and needs to be retained by the college for six years.

Track Purchasing Card delegations

- Keep a log sheet detailing who is in possession of the card.
- Inform your Program Administrator of employee transfers or terminations, and your own transfer or termination.

## Approving Officials (Account Manager)

Review the monthly statement, departmental purchase log **and receipts** for each Cardholder who has transactions during the cycle period.

Sign off on each monthly statement. The cardholder cannot approve his/her own transactions. If the approving official does not have signature authority for all of the accounts on the departmental purchase log, an authorized signature must also be obtained (email authorization is acceptable). Take appropriate action for violations.

## Receipt of Materials

When ordering, state that the order is a college purchasing card purchase. Furthermore, **require the vendor to include a detailed sales receipt in the package with the filled order.** This is needed for proof of purchase documentation. Also, insist the vendor mark the outside packaging label with your name, the department name, Central Receiving's address, and "Purchasing Card" or VISA. An example is given below:

**Attn: Jane Doe, Department Name  
PURCHASING CARD/VISA  
The Evergreen State College  
Central Receiving  
2700 Evergreen Parkway NW  
Olympia, WA 98505**

**NOTE: It is important to instruct the vendor to ensure the Purchasing Card number is not displayed on the outside of the package. This will help ensure the confidentiality of the card number.**

When receiving a shipment, it is the responsibility of the cardholder to properly inspect the shipment. (Refer to Procurement Card Policy & Procedure regarding damages & returns)

If Central Receiving receives a package and it is inappropriately marked, they will not be able to determine the location on campus to make the delivery and the package will be returned to vendor.

Central Receiving will coordinate returns in the same manner as with purchase order shipments. The cardholder is responsible for securing the appropriate credit when the goods are returned. Keep the return documentation with the department log sheet.

## Authorized And Unauthorized Purchases

The card is a privilege granted to you by the College and it is expected that you will use it responsibly. **The College will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card may be referred to the Purchasing Office and TESC Police.**

### Authorization To Make A Purchase

Your Approving Official or Card Custodian will let you know what you are authorized to purchase and the limits that go with that authorization.

### Allowable Transactions

The Purchasing Card concept is designed to delegate the authority and capability to purchase low value items directly. Use it to purchase tangible items that cost less than \$1000.00.

**ALL PROCUREMENT OF INFORMATION TECHNOLOGY (COMPUTER-RELATED, MULTI-MEDIA, RADIO AND TELEPHONE COMMUNICATIONS) PRODUCTS MUST BE PURCHASED BY THE ' I.T. BUYER' LOCATED IN THE COMPUTING & COMMUNICATIONS DEPARTMENT.**

### Prohibited Transactions

- Alcoholic beverages
- Food
- Business cards
- Computers and computer related equipment and software (purchases restricted to IT Buyer)
- Controlled substances
- **Equipment inventoried by the College**
- Freight charges for incoming shipments billed separately
- Gasoline
- Hazardous chemical materials (except when authorized by purchasing manager)
- Insurance
- Leases, rentals
- Moving expenses
- Personal items
- Radioactive materials (except when authorized by purchasing manager)
- Telephones and related equipment (purchases restricted to IT Buyer)
- Telephone calls, calling cards
- Transportation, lodging, and meals (except for student groups when accompanied by faculty or staff and when authorized by purchasing manager)
- Weapons and ammunition

**Do not use purchasing cards for the following types of transactions**

**Transaction Types**

- Cash advances
- Contracts requiring authorized signatures
- Gifts or donations
- Payments to individuals, employees, students
- Purchases involving trade-ins

**Do Not Purchase Goods From The Following**

**Excluded Merchant Types**

- Airlines, Automobiles, Vehicle Rentals
- Quick Payment Services, Financial Institutes, Cash Advances, Securities
- Hotels and Motels (except for student groups when accompanied by faculty or staff and when authorized by purchasing manager)
- Restaurants, Bars, Cocktail Lounges, Nightclubs or Taverns

# Violations And Consequences

All transactions are subject to review by the following:

- Your departmental approving official
- Card Custodian
- Director of Business Services
- Purchasing
- TESC internal audit
- State of Washington Audit

## Violations

The following actions violate the terms of the Purchasing Card agreement, and are subject to the consequences below:

- Using the card to obtain items listed previously as Prohibited Transactions
- Failure to approve transaction on PaymentNet's website in a timely manner
- Failure to promptly reconcile and approve the departmental log
- Failure to have complete receipt documentation
- Failure to track delegation of the purchasing card

## Consequences

Any or all of the following actions may result from violating the terms of the Purchasing Card Agreement:

- Written warning may be given to the Cardholder
- Card may be suspended
- Cardholder may be required to obtain additional training before determining if the card is to be reinstated
- Reporting the violation to the appropriate Vice President
- Card cancellation
- Termination and/or criminal prosecution - In the event of willful or neglectful default of this obligation, the College shall take any recovery action deemed appropriate, which is permitted by law

## Disputes

**On all disputes, call the vendor first to correct the problem. If your dispute is not corrected or satisfied by the vendor, call JP Morgan Chase's customer service number and tell them you have a disputed purchase:**

**(800) 270-7760**

A representative of JP Morgan Chase will take down all of your information concerning the purchase problem. Immediately thereafter, the College will be credited for the amount of the disputed purchase until the dispute is resolved. Disputes must be communicated to JP Morgan Chase within 60 days of the end of the cycle in which the transaction first appeared.

The following may be formally disputed with JP Morgan Chase:

- Unauthorized charges, including unauthorized phone or mail order charges.
- Difference in amount authorized and amount charged.
- Duplicate charges.
- Transaction which is yours but you are challenging for other reasons
- Your account has not yet been credited in the Purchasing Card system but you have received a credit voucher from the merchant or have been told by the merchant they will issue a credit.
- Failure to receive goods.
- Returned merchandise.
- Unrecognized charges.
- Altered charges.
- Defective merchandise.