
Policy Type: Administrative
Applies to: Faculty and staff

POLICY DATES

Issued:
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The University of Mount Union offers a Purchasing Card Program, an innovative program that simplifies the way in which you may order and pay for goods. The Purchasing Card program is a fast, flexible purchasing method for processing limited purchases from suppliers that accept credit cards. **The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method of the delegated purchasing and payment for authorized dollar transactions.** The Purchasing Card can be used with any supplier that accepts Master Card as a form of payment, and the program is administered through Huntington National Bank.

The Purchasing Card Program is designed to delegate the authority and capability to purchase limited items directly to you, the user. The Purchasing Card will enable you to purchase approved commodities directly from the vendors without the issuance of a purchase order. Generally, these will be smaller dollar purchases (under \$1,000) that do not require a purchase order. Purchase orders are required for any purchase over \$1,000. Exceptions may be made with approval from your College Dean or Area VP and the Business Office. Please reference the University Purchasing Procedure Policy for more details.

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PROCEDURE

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USE OF THE PURCHASING CARD:

- The Purchasing Card is issued in an individual's name, not a department. **Only the person whose name is on the card may use that card.** Each account manager and cardholder will be held responsible and accountable for the appropriate use of the cards.
- The Purchasing Card may be used at any vendor that accepts Master Card and is not on the restricted list. It may be used for in-store purchases, mail, telephone, fax, or internet orders.
- The Purchasing Card may be used to purchase authorized items within approved limits. (See purchasing policy)
- The Purchasing Card is not intended to avoid or bypass appropriate purchasing or payment procedures. Purchasing Card transactions may not be split to divide a larger purchase which is over the cardholder's single transaction limit.
- The Purchasing Card is to be used for Mount Union official business purposes only. **Personal purchases will be considered misappropriation of funds that may result in personnel disciplinary action, criminal charges, or both.**
- The Purchasing Card must be returned to the Business Office Card Administrator immediately upon transfer or termination.
- Employees who spend over \$2,500 per year are required to use a purchasing card. Those who use less than that or less than once per year may not be granted card approval.

CONTACTS:

Company's Purchasing Card Administrators: Purchasing Office – x 2280

Mount Union's Card Administrators will be responsible for answering questions, resolving issues, and the administration of this program. All Purchasing Card requests must be approved by the Business Office.

Department Approver (Budget Officer):

The department manager is responsible for designating cardholders and approving monthly Purchasing Card expense reports of cardholders to ensure they are in accordance with all state, federal, and Company laws, policies, and procedures. The Business Office depends on the help of Department Approvers to help keep the Purchasing Card program running smoothly.

When reviewing and approving monthly credit reports, please keep in mind the following:

- Is this purchase a valid use of Department and University funds?
- Is a proper business description provided for all charges?
- Are all receipts attached?
- Is the account allocated to the correct department account?

As the first reviewer of expense reports, you have a valuable role to play in helping to make sure that issues are addressed in a timely manner, we are meeting IRS and auditor requirements as identified under the Travel and Entertainment policy, and that we are preventing misuse and abuse of the Purchasing Card program.

Cardholder:

The cardholder is designated by the Department Manager or Budget Officer to utilize the Purchasing Card by purchasing small dollar procurements. The cardholder will be responsible and accountable for all transactions against that card.

Huntington National Bank's Customer Service:

The Purchasing Card Program is serviced by Huntington National Bank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist with general questions about the Purchasing Card. If a Purchasing Card is lost or stolen, call Customer Service at **1-866-643-4203** immediately. Also, report this to a Purchasing Card Administrator.

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Prompt, immediate action can reduce our liability of fraudulent activity. Remember Mount Union is responsible for all charges made on the card until it has been canceled.

PURCHASING CARD CONTROLS

Transaction Limits:

The Purchasing Card has a single transaction limit determined by the Business Office for each card. This is the amount available on the Purchasing Card for a single purchase. A transaction includes the purchase price plus freight and installation. Cardholders should not attempt to make a purchase greater than the transaction limit. Splitting a purchase so that it fits under the set card limits can result in termination of credit card privileges. Limits can be temporarily raised to accommodate out of the ordinary expenses with appropriate supervisor approval.

Credit Limits:

Cardholder limits may vary and will be determined by the Purchasing Card Administrator based upon cardholder's requirements.

Restricted Vendors:

The Purchasing Card program may restrict use with certain types of suppliers and merchants. The Purchasing Card will be declined if presented to a type of vendor that has been restricted.

Restricted Purchases:

The Purchasing Card **may not** be used for the following purchases:

- Capital Assets
- Office Supplies
- Gift Cards (Unless approved per the Gift and Gift Card Policy)
- Consulting or professional services
- Hazardous chemicals or materials
- Insurance of any type
- Leases
- Any Technology or Network equipment (computers, printers, routers, wireless access points, etc.)
- Personal items
- Postage (stamps)
- Prizes, gifts and awards (plaques are allowable)
- Purchases involving equipment trade-ins
- Services
- Telephone services and equipment
- Used equipment
- In-flight Wi-Fi internet access
- iTunes or other electronic music downloads
- Any other purchase prohibited in the University of Mount Union Purchasing Policy

Security of the Purchasing Card:

The cardholder is responsible for the security of the Purchasing Card. This card shall be treated with the same level of care as the cardholder would use with his/her own personal credit cards. The card should be maintained

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in a secure location. The only authorized individual to use the Purchasing Card is the cardholder whose name appears on the card. The card is to be used for business purposes only.

If fraudulent activity is suspected on the card, Huntington will contact the cardholder directly to further investigate. It is the responsibility of the cardholder to work directly with Huntington to address any fraud concerns

APPLYING FOR A PURCHASING CARD:

To obtain a Purchasing Card, the following process should be followed:

- Fill out the Cardholder Application found on iRaider under Forms-> Purchasing. This application will provide Purchasing with necessary information for approval and must be signed by your Budget Officer or immediate supervisor.
- Sign a copy of the last page of this policy manual verifying review that you understand and agree to the program policies. Your supervisor or budget officer must also sign and approve.
- Return both forms to Shawn Bagley in the Purchasing Office. Failure to properly complete these forms with proper signatures will result in returned applications.
- Upon receipt of properly approved paperwork, a card will be requested for your use. Purchasing cards take 5-10 business days to arrive. Upon arrival, card user will be scheduled for training with the Purchasing Office.

Purchasing Card Activation:

The cardholder must call 1-888-737-7474 to activate the Purchasing Card before using it.

The cardholder will be held accountable and responsible for all transactions charged against the card.

TRANSACTION DOCUMENTATION

For the University to comply with IRS rules and regulations, cardholders must keep a valid receipt of all purchase transactions. If a receipt is lost or not given, a missing receipt form must be completed and attached in its place. This requirement is waived for receipts under \$50. All receipts should have at minimum:

- Transaction Date
- Vendor Name
- Description of Purchase –Must be a valid business purpose
- Transaction Amount
- Receipts for meal purchases should include the names of any guests that attended

RECONCILIATION

Cardholders are required to reconcile their credit card transactions every month. Step by step instructions can be provided by contacting Shawn Bagley in the Purchasing Office.

All cardholders will receive monthly email notification when statements are ready to view via the Huntington online account portal. The web address for this portal is commercialcardservice.com. Cardholders must access their online account to allocate all transactions to the proper account to be charged, enter a business description for the purchase, and complete an expense report. A default budget account number can be created for each cardholder to simplify the process, but if a transaction is to be charged against another account number other than the default it must be changed.

The cardholder must complete the online portion and print an expense report, attach original receipts for each purchase, and submit to their supervisor for review every month that the cardholder has charges. No report is necessary if there are no charges for that month. The supervisor should review the expenses as well as the detailed receipts to verify that all purchases were made in compliance with the rules of the purchasing card policy as well as the University of Mount Union Travel Policy. After review, the supervisor should forward the signed and approved expense report along with the original receipts to the Business Office for processing.

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Due dates are as follows:

Online reports are due to be completed by the 15th of the month following the transactions cycle

Approved reports with receipts are due to the Business Office by the last day of the month.

Past due notice will be sent to area Deans and VPs on the 1st of every month

Card privileges will be temporarily shut off one week following notice.

Card privileges will be revoked for any card transactions 30 days old that have not been submitted and approved to the Business Office.

If a report goes more than 6 months past due, the total amount of outstanding charges will be treated as taxable income and federal taxes will be deducted accordingly from your next paycheck.

Example timeline for above:

- Card is used in the month of August
- September 1st- Statements are emailed and expense reports for all August transactions can be started
- September 15th – Online reports due
- September 30th – Approved reports and receipts due to Business Office
- October 1st – Deans and VPs notified of any past due reports
- October 8th – Past due cardholders will have cards temporarily deactivated
- October 31st – Card privileges will be revoked if still past due

Any discrepancies identified shall be promptly investigated with documentation of action taken recorded as an attachment to the expense report. It is the cardholders' responsibility to resolve all discrepancies.

BILLING AND PAYMENT

Accounts Payable will receive a monthly total of all charges to the account, which will be remitted to Huntington National Bank.

Employees do not pay their own monthly statement. The program does not affect your personal credit rating in any way. The Purchasing Card program carries corporate liability.

The expense report and all receipts will be filed and kept within the Accounting Department.

RETURNS, CREDITS AND DISPUTED CHARGES

Should a problem arise with a purchased item or charge, every attempt shall be made to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits, and disputed charges.

- Returns: If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns.
- Credits: If an item is accepted as a return by the supplier, a credit for this item should appear on the following month's statement. All credits should be indicated in the expense report. It is the responsibility of the cardholder to make sure credits appear on the following month's statement.
 - Disputed Charges: If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated in the transaction expense report. A copy of the form and letters shall be kept as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should contact Huntington customer support at 877-647-8287. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to

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the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

Please remember that the Business Office is willing to assist in any dispute resolution, but cardholders must contact Huntington directly to initiate the dispute.

CARD TERMINATION

When a cardholder terminates employment with the University, the purchasing card must be turned in to Human Resources during the employee's exit interview. In the event this does not occur, the department has the specific obligation to reclaim the purchasing card and return it to the Business Office prior to the employee termination date. Failure to do so may result in revocation of all departmental card privileges.

Non-compliance to Mount Union purchasing procedures will be grounds for revocation of cards. Non-adherence to these procedures will result in revocation of individual cardholder privileges.

Multiple notifications to a single department for insufficient budgets may result in revocation of all departmental cards.

CARD ABUSE: MISUSE & FRAUD

Any usage of the purchasing card outside the policies listed here will be deemed abuse of the card program. Card abuse will be separated into two categories: Misuse and Fraud. Misuse of the card is defined as any action that goes against the policies set forth herein but is still a valid University purchase. An example would be having a vendor split a transaction so that it fits under the user's transaction limits to avoid established transaction limits.

In cases of card misuse, the University employs a three-strike policy. The consequences of card misuse are outlined as follows:

- 1st occurrence- Purchasing department will make the cardholder aware of the infraction, and training sessions will be used as necessary
- 2nd occurrence- Cardholder's card privileges will be revoked for a period of no less than one calendar month. Their supervisor or budget officer will be notified
- 3rd occurrence- Cardholder's will lose card privileges for no less than one calendar year. A meeting will be held with the cardholder and their supervisor to determine whether the cardholder's privileges will be returned after this time.

Documentation of cardholder misuse will be kept in the Purchasing office.

Area Vice Presidents will also be made aware of cardholder's infractions in their area.

Fraud on the other hand will be considered as any action that benefits the cardholder and serves no benefit to the University. An example of fraud would be purchasing an electronic device for a class and taking the device for personal use. **Fraud on the purchasing card is grounds for immediate termination.** The University reserves the right to withhold money from a cardholder's paycheck to reclaim funds from any fraudulent purchases.

Participating Employee Acknowledgment of Responsibilities

By participating in the University of Mount Union Purchasing Card Program as a Cardholder, you assume responsibilities pertaining to the operation and administration of the Card Program. These responsibilities include but are not limited to the following:

The Mount Union Purchasing Card is to be used for business expenditures only. The Purchasing Card may only be used under the parameters and procedures established for the Purchasing Card Program. The Mount Union Purchasing Card may not be used for personal purposes.

The card will be issued in the name of the employee. By accepting the card, the employee assumes responsibility for the card and will be responsible for all charges made with the card. The card is not transferable and may not be used by anyone other than the Cardholder.

The Mount Union Purchasing Card must be maintained with the highest level of security. If the card is lost or stolen, or if the Cardholder suspects the Card or Account Number to have been compromised, the Cardholder agrees to immediately notify Huntington Bank at 1 877-643-4203 and the Business Office.

All charges will be billed and paid directly by Mount Union. Monthly, the Cardholder will receive an online statement listing all activity associated with the Card. This activity will include purchases and credits made during the reporting period. While the Cardholder will not be responsible for making payments, the Cardholder will be responsible for the verification and reconciliation of all Account activity. Failure to submit receipts and approve transactions on-line by the 15th of each month and submit receipts by the end of the month will result in revocation of card privileges until the proper documentation has been turned in.

Cardholder Accounts may be subject to periodic internal control reviews and audits designed to protect the interests of Mount Union. By accepting the card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the card to validate its existence and produce statements and receipts to verify appropriate use.

Parameters and procedures related to the Purchasing Card Program may be updated or changed at any time. The University will promptly notify all Cardholders of these changes. The Cardholder agrees to and will be responsible for the execution of any program changes.

The Cardholder agrees to surrender and cease use of their card upon termination of employment whether for retirement, voluntary separation, resignation or dismissal. In addition, the Cardholder must surrender and cease use of the card in the event of transfer or relocation. The Cardholder may also be asked to surrender the card at any time deemed necessary by management.

Misuse or fraudulent use of the Card may result in disciplinary actions and may be grounds for dismissal.

By signing below, I acknowledge that I have read and agree to the terms and conditions of this document. I certify that as a participating Cardholder of the University of Mount Union Purchasing Card Program, I understand and assume the responsibilities listed above.

Employee Signature

Title

Name (Print)

Date

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Responsibilities

Position or Office	Responsibilities
Purchasing	Card administration

Contacts

Subject	Office	Telephone	E-mail/URL	
Purchasing Card	Business Office	(330) 823-6566	businessoffice@mountunion.edu	

History

All changes must be listed sequentially, including edits and reviews. Note when the policy name or number changes.

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