

# Policies & Procedures



Chapter	PURCHASING CARD	Part: <b>B</b>
Subject	APPLICATION AND FINANCIAL INFORMATION	Date: 07/01/09
		Page 1 of 5

## OVERVIEW

The Purchasing Card is ideally suited for simple, straightforward purchases. No personal purchases are allowed. The Individual and his/her supervisor is responsible for securing the Pcard, purchases, returns, refunds, reconciliation of the account and submission of the Statement of the Account to the PCard office. Budget Managers that delegate a card to individuals under their supervision, also delegate the scope of responsibility for the card to that individual. The University secures credit; there is no individual credit check or liability (other than fraudulent use). Lost or stolen cards need to be reported immediately to JPMorgan Chase at 1-800-270-7760.

## PURPOSE

To make purchasing items quick, flexible, easy and cost effective. To reduce paperwork by not using requisitions, low-dollar purchase orders or check requests. The individual will control the card, purchases and maintain the records, receipts, etc. There will be one, monthly reconciliation for one single monthly payment.

## BENEFITS

Reduction in paperwork: requisitions, check requests, petty cash are not needed when you use your Purchasing Card. Reduction of petty cash funds, and cash exposure. Allows an employee to deal directly with suppliers. Faster processing time for end users. Personal funds are no longer needed for University purchases. Reduces processing for cardholder, Purchasing and Accounts Payable. Consolidated invoicing for a single monthly payment saves time, stationery, checks, postage and filing.

## ALLOWABLE PURCHASES\*

Essentially you will use the card to substitute for some purchase orders, check requests, petty cash purchases as well as travel advances.

- Dues, memberships, licenses, application fees
- Conference and seminar registration fees
- Books, publications, periodicals, subscriptions, reprints, newsletters, videos and audio recordings
- Advertisements
- Interlibrary loans to external libraries
- Photo, art, shop and lab supplies
- Miscellaneous supplies - low dollar value
- Computer supplies and software – **NOTE:** Software is limited to **non-network applications**. If purchasing software for installation on a network, review the IRT website to determine whether or not it is compatible with existing University systems and that it can be installed and supported by IRT.
- Office Supplies
- Airline, hotel and rental car reservations for University related business travel
- Recurring Charges (e.g. cell phones) vendors will have to be provided with updated card information when a card is lost or stolen or a cardholder is terminated.

# Policies & Procedures



Chapter	PURCHASING CARD	Part: <b>B</b>
Subject	APPLICATION AND FINANCIAL INFORMATION	Date: 07/01/09
		Page 2 of 5

**Purchases made with grant funding are subject to the terms of the grant and supersede any University Policies. [Accounts Payable and Purchasing Approvals](#)**

- Personal charges, even with the intent of reimbursing the University.
- Any transaction that exceeds your available budget.
- Traveler's Checks or cash withdrawals from ATM machines.
- On Campus purchases of any sort or for services that can be performed by another on-campus department, (e.g., Facilities and Copy Shop). Note: Campus bookstore is exempt from this restriction.
- Any purchase that would require Facilities Services to deliver, install or engineer the space in which the item is going. (e.g. furniture, carpeting and electric power) [Guidelines for Furniture Purchases \(PDF\)](#)
- Purchases presenting significant potential risk or exposure to liability for the University. *For example:* items or services that present special health, safety, occupational, or environmental risks (e.g., radioactive materials and animals).
- Any contract, agreement or arrangements whereby the University is required to sign any type of contract or agreement (e.g., leases, independent contractors and consultants). [Drexel University Contract Protocol](#) and [Drexel University College of Medicine Contract Protocol](#)
- Any item that exceeds your transaction limit (generally \$2,000.00) or would cause your monthly limit to be exceeded (generally \$7,500.00).
- Alcoholic beverages.

**Exceptions may be requested by directing an e-mail to [PCard@drexel.edu](mailto:PCard@drexel.edu) and are at the discretion Director of Operations or their delegates.**

## DEPARTMENT/CARDHOLDER RESPONSIBILITIES

- Identify requirement(s) to fill your need (Purchasing will provide assistance if you need help selecting a vendor).
- Determine your available funds.
- Place order with vendor.
- Pick up items OR have them shipped. Addresses MUST include: your name, department and phone number. Main Campus residents **MUST** use the Central Receiving address of 34<sup>th</sup> & Ludlow, Philadelphia, PA 19104. All other campuses should use their street addresses along with their room number.
- Receive goods.
- Reconcile monthly cardholder statement by the due date posted on PaymentNet. This date is typically the 26th of the month.
- Retain original receipts with a copy of the "Statement of Account", forwarding the approved copy to the Purchasing Card Office by the due date posted on PaymentNet. This date is typically the 12th of the month.
- Notify vendor or JPMorgan Chase of any discrepancies or credits due.
- Immediately reporting lost or stolen cards to JPMorgan Chase at 1-800-270-7760 **AND** the Purchasing Card Office at 267-228-6342 or [pcard@drexel.edu](mailto:pcard@drexel.edu).
- Surrender the Purchasing Card to the Purchasing Card Office upon internal transfer, transfer to another department, or termination of employment

# Policies & Procedures



Chapter	PURCHASING CARD	Part: <b>B</b>
Subject	APPLICATION AND FINANCIAL INFORMATION	Date: 07/01/09
		Page 3 of 5

## APPLICATION PROCESS

**(NOTE:** ALL transactions must be for the use and benefit of Drexel University. Personal purchases are **NOT** allowed.)

### To obtain a Purchasing Card:

1. Complete an application available on the Purchasing Website: [www.drexel.edu/procurement](http://www.drexel.edu/procurement)
  - a. Application form must be complete with signature approval of the dean/director and includes:
    - i. A transaction & monthly limit
    - ii. A default fund and organization number for all PCard transactions to be charged
2. Forward an original completed form to Purchasing Card Office, University Procurement, 3201 Arch Street, Attn: Pcard Office.
3. If approved, the Pcard Office will set up the cardholder through JP Morgan Chase Bank. The Pcard Office will then notify cardholder in order to schedule training.

## STATEMENT OF ACCOUNT

Reconciliation is the responsibility of the cardholder. Transactions will be maintained using the PaymentNet software provided by JP Morgan Chase Bank. At the end of each billing cycle, a monthly statement will be printed out by the cardholder, which is then approved by the Budget Administrator/Dean/Chair, depending upon the cardholder's position.

## MONTHLY CYCLE\*

- **20<sup>th</sup> of the Month:** Cut-off for Purchasing Card billing cycle
- **26<sup>th</sup> of the Month:** Individual Cardholder statements reviewed in PaymentNet – transactions reviewed by Cardholder. Any discrepancies are reported via the software, cardholder contacts vendor that initiated charge to resolve problem. If the problem cannot be resolved, the cardholder must report the discrepancy using the PaymentNet software.
- **26<sup>th</sup> of the Month:** Cardholder Budget Administrator/Dean/Chair approves "Statement of Account".
- **12<sup>th</sup> of the Month:** Following the cycle, signed copy of the "Statement of Account" is due in the University Procurement Pcard Office.

\*The due dates are approximate as the cycle closes as close to the 20th of the month depending on how each month ends. If the 20<sup>th</sup> is on a weekend, the cycle will close the previous business day.

# Policies & Procedures



Chapter	PURCHASING CARD	Part: <b>B</b>
Subject	APPLICATION AND FINANCIAL INFORMATION	Date: 07/01/09
		Page 4 of 5

## CREDIT LIMIT

Each card will be given the standard limits of \$2,000/transaction, \$7,500/month. Higher or lower limits may be requested using the Drexel Purchasing Card Change Form and **MUST** include the department budget manager's and dean/director's signatures. Please note: The credit limit is NOT tied to your available budget funds. The Cardholder is responsible for determining if funds are available for any transaction.

Higher per transaction or monthly limits may be extended for limited purchases on an as needed basis or sometimes at the suggestion of the Procurement Department. These requests are best made via email, providing info about the purchase: vendor, items being purchased, fund/orgn to be charged.

## PAYMENTS, DISCREPANCIES, MISTAKES, CREDITS

The Treasurer will automatically make payments on a monthly basis for all Purchasing Card transactions billed within the prior month's cycle.

The fund and org provided on your PCard Application Form automatically defaults for all transactions; it is up to the PCard holder to reassign if necessary.

### Discrepancies, Mistakes, Credits:

Cardholders are responsible for resolving any issues directly with the vendor and/or JPMorgan Chase Customer Service Center (1-800-270-7760). Discrepancies that cannot be resolved with the vendor directly must be submitted to JP Morgan Chase Bank via PaymentNet.

## FRAUDULENT USE OF CARD

**ALL** transactions must be for the use and benefit of DREXEL. Personal purchases are strictly forbidden. Fraudulent use will not be tolerated.

If fraudulent use occurs, the Purchasing Card privileges will be terminated for that cardholder and the cardholder will be required to reimburse the University for any and all fraudulent purchases.

Disciplinary action will be taken according to University policy.

## CORRECTIVE ACTIONS FOR VIOLATING CARD POLICY\*

**Personal Use of Card** – If the offense is found to be accidental, the cardholder will be required to reimburse the University. (More than one accidental use, may lead to card termination). If the offense is judged to be fraud, the card will be terminated, cardholder may be subject to potential disciplinary actions up to and including termination of employment and criminal prosecution.

**Sales Tax:** While the University holds Sales Tax Exemptions in various states (e.g. PA, New Jersey) it is not a blanket exemption; meaning there are some sales taxes for which we are not exempt. It is up to the Cardholder to ensure we do not pay any sales tax for which we are legitimately exempt.

# Policies & Procedures



Chapter	PURCHASING CARD	Part: <b>B</b>
Subject	APPLICATION AND FINANCIAL INFORMATION	Date: 07/01/09
		Page 5 of 5

**NOTE:** *Drexel University holds state sales tax exemptions in Pennsylvania, New York, Florida, Rhode Island and New Jersey. If you are ordering online from another state and are having it shipped to a Pennsylvania campus, it will fall under the Pennsylvania state sales tax laws. The same rule applies if you are ordering from the New Jersey campus; the New Jersey tax laws will be applied. The Pennsylvania sales tax exemption laws are complex, therefore, if you have any questions of whether or not an item is taxable, please contact our [Tax Office](#)*

**Receipts** – If a cardholder is found to be missing sales receipts, the card will be suspended until the cardholder can produce the receipts. If a secondary receipt cannot be obtained from the vendor, a lost receipt form must be completed for each missing receipt. This form must be signed by a Dean or Vice-president. If the cardholder continuously fails to keep receipts the card will be revoked.

**Intra-campus Purchases** (e.g. Faculty club, or any Drexel run programs) – Warning for the first two violations. Third offense the card will be revoked.

**Non-allowable purchases** (e.g. alcoholic beverages, radioactive materials, live animals) – depending upon the circumstances of the purchase, the card can be revoked immediately.

**Monthly Reconciliation** – Failure to reconcile by the monthly due date without contacting the administrator in advance: first and second offense the card will be suspended until the reconciliation has been completed. Third offense the card will be revoked.

**Monthly Statement Submission** - Failure to submit a statement by the monthly due date without contacting the administrator in advance: first and second offense the card will be suspended until the statement has been received. Third offense the card will be revoked.

**Poor card management** - Multiple offenses in different categories will result in card suspension pending a review.

\*Circumstances will be taken into consideration prior to enacting any corrective actions.