

**UPDATED JUNE 2009  
PURDUE UNIVERSITY  
PURCHASING CARD PROCEDURES**

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## GENERAL INFORMATION

### INTRODUCTION AND OVERVIEW

The Purdue University Purchasing Card is intended to provide an efficient, cost-effective method of purchasing and paying for small dollar transactions within established usage limits. The program is designed to replace a variety of purchasing options, such as small-dollar purchase orders, standing order and stockless form 100 acquisitions, and reduce the need for incidental/petty cash transactions. The card may be used with any merchant who accepts MasterCard, either in-store, by phone, mail, fax or online via the Internet, see Appendix L.

The Purchasing Card Program is not intended:

- To avoid or bypass appropriate procurement or payment procedures.
- To replace our current corporate card travel programs.
- For personal use.

The cards are intended to be used to conduct University business. Primarily used by Business Office staff, the cards are available to other staff with approval from the appropriate Dean, Director or Department Head.

This manual provides the guidelines under which a Purchasing Card is issued and used. Please read it carefully.

A cardholder is required to attend training before a card will be issued. In this training, the cardholder is instructed on appropriate order placement techniques, vendor selection, record keeping associated with the Purchasing Card, proper receiving techniques, and dealing with any Card difficulties. In addition to the cardholder, appropriate business office personnel will also attend training to support the cardholder.

Finally, remember you are representing the University each time you use the Purchasing Card. You are acting as a University agent, and as such you must be aware of Procurement Ethics, see Appendix B. This is a responsibility that must not be taken lightly. Use of the card is a privilege granted by the University. The University will seek restitution for any inappropriate charges. Fraudulent or intentional misuse will result in revocation of the card and/or possible criminal charges.

The Purchasing Card has proven to be an efficient and effective procurement tool. If you have questions, comments or suggestions for improvements or procedural or policy changes please feel free to pass them on to me.

Larry E. Pherson,  
Director of Purchasing and Sponsored Programs Administration

## **OVERVIEW**

The Purchasing Card is a MasterCard, issued through, and supported by, JP Morgan Chase, formerly First Chicago/NBD Bank.

E-Commerce and Credit Card Operations administers the program and may be reached via e-mail at ECCO@Purdue.edu.

The final page in this handbook is a list of contacts to assist in resolving any problems you may encounter.

## **CARD ISSUANCE**

Cards are issued at the recommendation of the Dean, Director or Department Head.

To ensure success of the card program, the department/business office will play a key role and needs to provide:

- Appropriate internal control structure and staffing to monitor use of the cards.
- Appropriate staffing and /or organization to accommodate vendor contacts necessitated by use of cards.
- Appropriate staffing and/or organization to accommodate accounting distribution and to deal with occasional vendor or card provider problems which may result through using the cards.
- Willingness and ability to utilize electronic means to edit and transmit the accounting distribution data or posting to the General Ledger.
- Commitment to assuring that the card will be used only for allowable transactions and that records and transactions will be maintained in the prescribed manner (See Appendix D).
- Assurance that cardholders and other business/department office personnel are properly trained in Purchasing Card processes and procedures.
- The staff in E-Commerce and Credit Card Operations must order replacement cards and all situations, such as a worn magnetic strip, should be reported.
- Complete the Internal Control Self-Assessment questionnaire, see Appendix M.

## **CARD CONTROLS**

One of the benefits of a Purchasing Card (and different from a retail MasterCard) is the restrictions that can be placed on any one card. Dollar limits can be set by transaction or billing cycle and the number of transactions can be limited by day or cycle. In addition, certain types of vendors can be excluded from card use. This is all coded into the card account and is checked by the vendor with each transaction.

As a point of information: some vendors have been “blocked” from usage in the Program. The standard card configuration will block auto rentals, hotels and motels, restaurants, bars, taverns, caterers, cash advances, etc. Housing and Food Service’s cards will block only auto rentals, hotels and motels, and cash advances. If the card is presented to any of these merchants, the transaction will be declined. If an individual card is declined and you feel this should not have occurred, you may contact the Bank’s customer service at the number indicated on the Card. This will determine if it was declined because of the merchant blocking or if the card has exceeded the monthly credit limit or single transaction dollar limit imposed. This information will be helpful if you need to contact E-Commerce and Credit Card Operations to implement changes.

Individual transaction limits exceeding \$2,500 require special approval by ECCO/ Comptroller.

Each dean director or department head may set lower limits, and they will assign credit and transaction limits to each card. Regarding signature delegation for the card, signature delegation refers to the authority to sign on behalf of the Department Head, not approval on behalf of the Comptroller. The recommended pre- or post-audit procedures will assure the ability to allocate a transaction and appropriate Comptroller approval.

## **CARD TYPES**

### *Individual Card*

A card is issued in the name of an individual. The JP Morgan Chase/Purdue Purchasing Card will in no way affect personal credit history. Monthly charges will be paid directly by the University. The individual card provides the University with full dispute rights and limits our liability. The standard transaction amount is up to \$2,500 for individual cards. Individual Cards must not be used by anyone other than the person who is issued the card.

### *Department Card*

For a Department Business Office, a card alternative is a “department card”. This card will not bear an individual's name, but the department’s name. In doing this, it is important to realize that most rights for dispute to the Bank are forfeited. However, disputes should always be filed for department card charges that are not resolved with the merchant.

Nevertheless, this card may still be of value to a department to replace “incidental” purchases. The card can be set-up with tighter restrictions (such as: \$100/transaction and a low cycle limit, \$1,000.00). The maximum cycle transaction limit is \$3,000 for department cards.

If the card is signed out to authorized/designated users (See Appendix D-1), the benefit/risk ratio may be reasonable for utilization of this card.

**CARD SECURITY**

Each department/division/business office needs to determine how to secure the cards. In some areas it is more appropriate for individuals to carry the cards. If not, the cards must be stored in a secure place, such as a locked cabinet or locked desk in the business office. In either case, the account number must be protected as any blanket or open vendor order number has been in the past.

The individuals' name on the card bears the responsibility for purchases charged to the card and must only be used by the cardholder appearing on the card.

For a department card, a sign-out procedure must be established within the department, see Appendix D.

## GENERAL CARD PROCESSES

### HOW TO OBTAIN A CARD

- Complete and sign the Purdue University Purchasing Card Agreement/Application (Appendix A).
- The agreement form needs the signature of the Department Business Manager and the respective dean, director or department head. They will establish dollar limits and transaction limits for the card.
- Forward original signed application forms to E-Commerce and Credit Card Operations (ECCO), Freehafer Hall (FREH).
- ECCO will order the card from the Bank, and notify you when it is available to be picked up.
- The cardholder and business office personnel, who support the cardholder, should then arrange to participate in training. The card will not be released until training has been completed.
- For the first-time issuance of an individual card, the cardholder may need to pick up the card in person, and sign for its receipt, instead of mailing. Photo ID may also be required.
- For a department card, the Department Business Manager will need to arrange to pick up the card.

### CANCELING A CARD

For immediate cancellation, call JP Morgan Chase at the number on the back of the card. In addition, send an email to [ECCO@Purdue.edu](mailto:ECCO@Purdue.edu) to notify ECCO of the situation.

To cancel a card, complete an Appendix I form and send to the E-Commerce and Credit Card Operations (ECCO) in FREH. Then shred and dispose of the card.

The original Cardholder Agreement Form (on file in FREH) will be signed by ECCO staff to record proof of the card return.

### LOST OR STOLEN CARD

If a Purchasing Card is lost or stolen, immediately notify:

JP Morgan Chase (800-316-6056). You can call this number 24 hours/day, 365 days/year.

Notify the E-Commerce and Credit Operations (ECCO) staff via e-mail at [ECCO@Purdue.edu](mailto:ECCO@Purdue.edu). Advise if a replacement card is being sent. Card replacement will take 3-5 working days.

## **CARDHOLDER EMPLOYMENT TERMINATION**

Upon termination of employment of a cardholder, the Department Business Manager must make sure that ECCO is notified of the termination for card cancellation. Complete an Appendix I and send to ECCO in FREH. The Purchasing Card must then be cut up or destroyed; this can be done by the department requesting the cancellation.

## **CHANGE OF DEPARTMENT FOR THE CARDHOLDER**

In the event a cardholder moves to another University Department, a Business Manager must notify ECCO about the transfer. The cardholder can submit an Appendix I to notify ECCO of his/her new department.

## **TRACKING CARD AND NECESSARY CHANGES**

ECCO maintains folders with the application and change documents for all cardholders. If changes in the limits established on the card or other elements (other than cardholder name) are required, submit an Appendix I with appropriate signatures, requesting changes, to ECCO/FREH. ECCO will coordinate with the bank to make the changes required. Such changes generally take five (5) working days.

## **TEMPORARY CARD CHANGES**

A Business Manager notifying ECCO via e-mail at [ECCO@Purdue.edu](mailto:ECCO@Purdue.edu) can process temporary limit increases. The message should state only the name on the card, the last four digits of the card number, the amount of the increase and the length of time the change will be required. The temporary card limit(s) will revert to the original amount(s) when the time frame expires.

## **CARD RENEWAL**

A renewal card will automatically be mailed to ECCO during the expiration month. Cards will be forwarded to Business Managers for distribution in their respective areas. For cards that do not expire on the typical monthly expiration, ECCO will call or email the responsible person to pick up the card.

## **CONTACT LIST**

Who Do I Contact with Problems? See the last page for a list of contacts.

## GENERAL PURCHASING GUIDELINES

### CARD PURCHASES TO AVOID

The following issues must be considered when preparing to use the Purchasing Card for a purchase:

- Funds are not encumbered, so if there are funding deadlines, this will not secure funds as the encumbrance process does.
- Capital equipment should not be purchased on the Purchasing Card. Capital items are generally defined to include items costing in excess of \$5,000 (as of 7/1/09) and having a useful life of at least two-years. Exceptions need to be authorized by Purchasing. If the exception is authorized, a memo must be sent to Property Accounting notifying of the capital equipment purchase. Include a copy of the supporting order and who authorized the exception and the date. In addition, this information must be maintained with the supporting documents.
- Split Transactions: Card transaction limits must be followed as intended and approved. Dividing a large transaction into dollar amounts less than the single dollar card limit in order to circumvent the card system must be avoided. Purchasing card privileges may be revoked for splitting purchases to circumvent the approved transaction limit, unless ECCO formally approves an exception. If the single dollar limit is not realistic for the card use, the established limit should be reviewed for appropriateness.
- Personal service payments must not be charged on this card (due to tax reporting issues).
- As listed on the cardholder agreement form, the following items ARE NOT to be purchased using this card:  
Capital equipment, Cash advances, Controlled substances/items, Cylinder gases, Personal or non-business purchases, Memberships, Tax reportable services (1099's) Travel\*, Entertainment or Hospitality

### EXPENSES (only allowable on hospitality cards)

\* Airline ticket purchases are allowed on the Purchasing Card, in addition to pre-registration expenses. Lodging expenses, car rental, meals, etc. are not allowable charges on standard Purchasing Cards.

### INTERNET ORDERING

Internet ordering is allowable via the Purchasing Card. The expectations for Internet purchases require using a secure socket layer browser session, see Appendix L for the full guidelines and expectations.

## **SPONSORED FUNDS**

The usage of a purchasing card versus any alternate form of procurement instrument does not change the existing costing, charging, and document retention requirements that must be met for a procurement on sponsored accounts. Users are still required to demonstrate that the item procured is allowable on the account, and that the item purchased is necessary (allocable) for the project. Business Office staff members are responsible for assuring that procurement is not expressly prohibited by sponsor regulations or by other federal guidance (such as OMB Circular A-21, Cost Principles for Higher Education). The Principal Investigator is responsible for assuring that the item procured is allocable to the account. Furthermore, evidence of receipt (packing slip signed by receiver or notations on the original documentation that the PI has been contacted and agreed to receipt of the goods) must be supplied for all sponsor funded purchases.

## **ORDERING AND RECEIPT OF MATERIALS AND SERVICES**

Purchasing card users should be in the practice of asking for discounts and preferential pricing offered by local vendors.

The cardholder is responsible for ensuring receipt of materials and services and will follow-up with the vendor to resolve any delivery problems or discrepancies.

Evidence of receipt (such as a cash register receipt, packing slip signed by receiver, notations on original documentation that the requestor has been contacted and agreed to receipt of the goods, or a printed receipt from the web site) must be supplied for all transactions.

## **REGISTRATION EXPENSES**

The policy for charging registration expenses is as follows:

1. Make a copy of the approved Form 17, Request for Approval to Travel on University Business. Section 15 of the approved Form 17 will indicate that registration expenses will be charged.
2. Review the registration form to assure the expenses are allowable.
3. Identify and highlight on the registration form any meals that are covered by the registration fee.
4. Attach the Form 17 copy to the registration form.
5. Call the company or access their web site to charge the registration using the approved purchasing card for travel expenses (see Appendix L for Internet ordering expectations) and indicate this on the registration form.
6. File the above paperwork awaiting the purchasing card transaction listing and the traveler's submission of the Form 25, Travel Reimbursement Request.
7. When the purchasing card transaction listing is received, verify the charges are correct, and confirm the charges.
8. When the traveler submits the Form 25, verify that the prepaid meals are properly accounted for, complete the review of the Form 25, sign, and submit for payment. Make sure to indicate that registration expenses were charged to a Purchasing Card. Retain a copy of the Form 25 with the Purchasing Card supporting documentation. Additional charges in registration fees for membership dues, meals, social activities, etc. are generally not reimbursable. Where these costs are an integral part of the registration fee and cannot be separated out, there is no other alternative but to approve it. However, if these costs are separately identified they should not be included as part of the registration fee and will not be approved. When applicable, staff members should forward a personal check in payment of individual activities not reimbursable by University funds.

## **AIRLINE TICKET EXPENSES**

The policy for charging airline ticket expenses is as follows:

1. Make and retain a copy of the approved Form 17, Request for Approval to Travel on University Business, as the Purchasing Card supporting documentation. Section 15 of the approved Form 17 will indicate that registration expenses will be charged.
2. Call the airline, travel agent or access their web site to charge the airline ticket using the approved purchasing card for travel expenses (see Appendix L for Internet ordering expectations) and indicate this on the Form 17.
3. Review the reservation to assure coach fare and note this on the Form 17.
4. File the above paperwork awaiting the purchasing card transaction listing and the traveler's submission of the Form 25, Travel Reimbursement Request.
5. When the purchasing card transaction listing is received, verify the charges are correct, and confirm the charges.
6. When the traveler submits the Form 25, verify that the prepaid meals are properly accounted for, complete the review of the Form 25, sign, and submit for payment. Make sure to indicate that airfare expenses were charged to a Purchasing Card. Retain a copy of the Form 25 and airline ticket with the Purchasing Card supporting documentation.

## **TAX EXEMPTION**

**\*\*BE SURE TO REMIND THE VENDOR OF THE TAX EXEMPT STATUS WHEN MAKING A PURCHASE.**

Most expenditures from University funds are exempted from Indiana Sales Tax and Federal Excise Tax.

Purchases from other states, shipped into Indiana are also exempt from tax. However, items picked up in another state are not exempted for Indiana Sales Tax. When using a Hospitality P-card, food and beverage provided by a caterer or restaurant establishment are not exempt.

Our Indiana Sales Tax Exemption Number is: 003123723 004 1

See the link to Appendix F for the tax exemption form, which needs to be on file with any vendor so they will not charge us tax. It may be necessary to fax this certificate to the vendor. Some suppliers will not honor the University's tax-exempt status; if possible; find an alternative supplier in such cases. On occasion, a vendor will request Purdue's Federal Employee ID Number, in those circumstances; contact our Tax Accountant (ext. 47921) for assistance.

**DOCUMENTATION AND RECONCILIATION**

**DOCUMENTATION**

Proper documentation for the Purchasing Card is the same as any other procurement transaction:

A record of what is being purchased should be signed by the requesting individual, and co-signed by the business office representative with comptroller authority.

The record should note that an individual has placed the order.

Proper evidence of receipt must be kept to complete the record for all purchases. Examples of receipt include cash register receipt, packing list, printed receipt from the web site or a signed notation on the documentation that the requestor has been contacted and agreed to receipt of goods. To facilitate the reconciliation and payment process, the cardholder who does not work in a business office is responsible for forwarding all credit card slips, cash register receipts, packing slips, or other documentation, to the business office.

The cardholder, and/or department/business office must maintain a transaction log/summary to expedite reconciliation and distribution of charges, see Appendix D-1. This log is used for department Purchasing Cards that are taken off-campus.

**CHECKS AND BALANCES**

A separation of duties should be followed with the Purchasing Card (as with any other financial transaction). The person placing the order should not be the person reconciling the account. In circumstances where one person handles all phases of a transaction, a Business Manager should receive and review the reconciliation of the Cycle Statements. An Internal Control Self-Assessment questionnaire has been developed to help users assess the adequacy of their control environment, see Appendix M.



## **RECONCILIATION AND APPROVAL PROCESS**

Vital to the success of the Purchasing Card Program is the ability for a Business Office to handle account distribution via PaymentNet reconciliation processes.

Transaction detail is received from the Bank on a daily basis in electronic format and placed into PaymentNet under the Cardholder's Account number. Cardholder activity reports can be generated by the reconciler at anytime.

The closing date for the monthly cycle will be approximately the 6th day of the month.

The Purdue Purchasing Card monthly bill will be paid to the bank within seven days of closing, the 13th or next business day. At this time all unallocated charges will need to be reconciled by the 15<sup>th</sup> of the current month. Once all unallocated charges have been distributed from ECCO's default account number to the correct account information, it will then be uploaded into SAP by the 20<sup>th</sup> of the current month. The charges will then post to the allocated accounts.

Business office staff should also reconcile their default account general ledger report monthly to assure that transactions posted and that the default account balance is reasonable, given the purchasing activity on the card. This is an important control activity.

## **ACCOUNT RECONCILIATION**

Transactions from Purchasing Cards will be accumulated and posted to the General Ledger on a monthly cycle, closing the 6th of each month.

All Purchasing Card transactions will be reconciled through the PaymentNet System on a daily/weekly/monthly basis and posted to the general ledger at completion of reconciliation process.

In addition, all Purchasing Card default accounts will be reconciled on a monthly basis.

Clearing of charges to sponsored program accounts should be done within 15 calendar days to minimize incremental interest earnings loss. Federal charges should be cleared first, followed by other sponsored programs charges. All other charges should also be cleared by the last working day of each month.

## **AUDITING A PURCHASING CARD TRANSACTION**

For each Purchasing Card Transaction, the Business Office should keep the originating documentation along with any notes from order placement, the packing slip, printed receipt from the web site, and/or cash register receipts. Transaction documentation must be retained for seven years after the end of the fiscal year that the transaction occurred.

If the vendor name doesn't agree with the credit slip/packing slip, ensure that the documentation does not apply to another transaction. Example, an order is placed with a Chevrolet Division, but the charge slip indicates General Motors as the vendor. In this example, the two vendors refer to the same organization. You would usually find some reference on the packing slip.

If you are unable to identify a transaction on your account by the vendor, the transaction should immediately be disputed on PaymentNet, using the Dispute button. This button is on the screen of the individual transaction in PaymentNet.

Like any other purchase, users may experience "Partial Shipments." Note partial shipment on your record of transactions by using alphabet for entry: "A" for first charge, "B" for the second, etc. Partial shipments may span more than one statement period; keep appropriate copies of the transaction with each statement reconciliation.

Verify extensions and additions on attached receipts, charge/credit slips, or packing slips. An arithmetic error should be disputed.

Review all receipts, packing slips, invoices, cash register receipts or other transaction documentation to determine that Indiana State Sales and Use Tax or Federal Excise Tax has not been charged. Where inappropriate Sales and Use Tax or Federal Excise Tax has been charged, the Business Office must work with the vendor to recover the tax.

If inappropriate purchases appear, justification should be required of the originator. Insufficient justification may result in the loss of card privileges or other appropriate disciplinary action.

To obtain a copy of a charge or credit slip, call the Bank's Customer Service Department at (800)316-6056. There is a \$5.00 charge for each copy, which will be billed, to your card.

Disputed billing can result from failure to receive goods or services charged, non-authorized charges, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed etc.

In the event of suspected fraud, notify ECCO at [ECCO@Purdue.edu](mailto:ECCO@Purdue.edu), as soon as possible. For individual cards, the cardholder may contact the Bank to put a block on additional charges, and then contact ECCO. ECCO will contact the University Police and Internal Audit.

## **RESOLVING ERRORS, DISPUTES, RETURNS, AND CREDITS**

The cardholder is responsible for following-up with the vendor or the Bank on any erroneous charges, disputed items or returns as soon as possible. A disputed charged may be processed directly on PaymentNet.

The cardholder will contact the vendor first to resolve any outstanding issues (most exceptions can be resolved this way). If the cardholder is unable to reach agreement with the vendor, the next step is to contact the Bank's customer service center, telephone number (800) 316-6056. The Bank may ask the cardholder to complete some required forms, which they will fax to the cardholder. A copy of the dispute form should be retained in the originating Business Office. If the cardholder is still unable to reach an acceptable solution, contact ECCO at ECCO@Purdue.edu.

Documentation should be retained explaining each credit received for returns or exchanges. This should be kept with the monthly billing on which the credit appears.

## **GENERAL LEDGER STATEMENT**

Purchasing Card transactions will be identified in SAP as a document type PC and in the text field it will have the Pcard name, the last four digits and as much of the vendor's name as possible. This entry will be a debit to the account number specified during the reconciliation process in PaymentNet.

## **EXPECTIATIONS FOR USE OF PURCHASING CARDS IN ACADEMIC BUSINESS OFFICES**

All current purchasing policies and regulations apply to the use of purchasing cards. The Card is simply a tool to be used to order small dollar transactions and purchase incidental items.

### **Proper Signature authorization:**

Signature delegation and account management guidelines should be followed before placing any orders.

- Proper back-up documentation from individual authorized to expend funds on the account(s).
- Business Office Form 0009 on file which grants official signature delegation for the Department Head.
- The request needs to be reviewed by person with appropriate comptroller authority, either pre- or post-audit.

### **Direct Charge or Recharging of Expenses:**

All transactions must be distributed to proper accounts replacing the ECCO default account within PaymentNet on a date set by ECCO for each cycle. A message will be displayed on the greeting page on PaymentNet with the deadline for each month.

### **Sponsored Accounts/Ag Appropriated Funds:**

Because of the uncertainty of when Purdue will be billed for the charges, care should be taken when using the purchasing card during the last 90 days of a sponsored program activity or charging Ag appropriated funds.

### **Special Reminders:**

- The billing cycle ends on the 6th day of each month.
- Segregation of duties for ordering, reconciliation, and uploading to general ledger is needed.
- When a staff member terminates, the purchasing card(s) in their name must be cancelled.

**APPENDIX LIST**

Appendix A: Cardholder Agreement/Application.

<http://www.purdue.edu/ecco/pdf/appendixa.pdf>

Appendix A-1 Instructions for Cardholder Agreement

Appendix B NAEB Code of Ethics

Appendix C Credit Card Miscellaneous Sample Log Sheet

Appendix C-1 Sample Sign-Out Sheet for Department Card:

Appendix F Sales Tax Exempt Form: [http://www.purdue.edu/Taxes/Tax\\_Exemptions/taxemptforms.html](http://www.purdue.edu/Taxes/Tax_Exemptions/taxemptforms.html)

Appendix I Cardholder Change Form:

<http://www.purdue.edu/ecco/pdf/appendixi.pdf>

Appendix K Sample of Screen in General Ledger of MSA

Appendix L Guide to Purchases through the Internet

Appendix M Internal Control Self-Assessment

Back Cover Contact list

**APPENDIX A**      <http://www.purdue.edu/ecco/pdf/appendixa.pdf>

**APPENDIX A-1**      Instructions to fill out the Purchasing Cardholder Agreement/Application form.

The agreement form is intended to:

Provide a very basic understanding of card use and restrictions.

Provide security protection for the cardholder (Mother's maiden name, Last 4 digits of Purdue ID number, and date of birth.)

Provide information for cardholder transaction limits

Verify approval and support of department head and business office.

Verify approval by the Comptroller.

Act as a return form if the card is canceled for any reason.

If a named card, complete the Liability Waiver.

## **FILLING OUT THE FORM**

*Cardholder's name:* print name, as it will appear on the Purchasing Card maximum of 21 Characters

*Department Name:* (your university department)

*Building Address:* Official Building mailing address

*Signature:* Cardholder's signature

*Date:* Date of Cardholder Signature

*Print Name:* Printed name of Cardholder or Responsible Person

*Date of birth:* Responsible/cardholder's date of birth....MM/DD/YYYY

*Mother's Maiden Name:* Responsible person/cardholder's mother's maiden name

*Phone#:* Responsible person/cardholder's campus phone number

*Email address:* email address for cardholder

*Purdue ID Number:* Responsible person's/cardholder Last 4 digits of PUID

*Intended card use:* General Department Purchases or intended for a more specific use

*Note:* The standard card will be blocked from use for: Cash advances, Travel and hospitality expenses.

*Spending limit per Cycle:* Recommended to set high enough to cover six weeks of transactions

*Single transaction limit:* Cardholder limit per order/transaction

*Reconciler Name:* Name of PaymentNet Reconciler

*Reconciler ID:* Career Account name of reconciler for the card

*Reconciler E-Mail Address:* Email address of reconciler for the card

*Signature/date:* Signature of Business Office Manager and date

*Printed Name:* Printed name of Business Office Manager

*Signature/date:* Signature of Department Head or Director and date signed

*Additional Information:* Name and phone number of Primary contact in case ECCO has question regarding the application

**Side two of agreement form:** ECCO will complete balance of form.

*Responsibility and Financial Liability Agreement:* If the card is in a person's name, the cardholder will need to read and sign the Agreement.

**Please print off all three pages of the Appendix A and send to ECCO.**

**APPENDIX B**

**NAEB Code of Ethics**

Use of the Purchasing Card at the department levels carries with it responsibilities. The Purchasing function is being handled in a decentralized manner by an ever-growing number of individuals. The following code of ethics is being offered to provide guidance in the procurement function.

National Association of Educational Buyers

**CODE OF ETHICS**

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as State or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other authorized third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

**APPENDIX C**

**CREDIT CARD MISCELLANEOUS**

For a department card, you must maintain a sign-out sheet. This will allow you to keep a record of who has used the card and when. This is especially important for charges that are disputed. A sample log sheet can be found below.

In maintaining a transaction log (on paper, or by computer), you should keep the following information:

- Date of transaction
- Internal tracking number
- Vendor Name
- Vendor Phone
- Account Number to Charge
- Brief Description
- Order Amount
- Order receipt date



## APPENDIX C-1 Appendix C-1 ALCOHOL NOT ALLOWABLE ON PU CARDS

Original Itemized Receipt Required

### DEPARTMENT CARD SIGN-OUT SHEET

Date

Time

Out Name Staff/Professor Vendor

Estimated

Amount

Date

Returned Time In

Bus. Office

Initials

Signing above indicates acknowledgement and acceptance that you are authorized to commit funds on behalf of the University and your business unit through the use of a University Purchasing Card. All expenses must be made by you on behalf of and for the benefit of the University department, school, office or other University entity in which you are employed.

Compliance with University purchasing policies and procedures, including providing documentation in order to perform the reconciliation process of the University purchasing card is mandatory. All receipts, statements and other documentation related to card usage are University property and the University reserves the right to audit all records related to card usage. Single transaction and cycle limits may not exceed the authorized amount for the card. The card must be kept secure at all times by the cardholder and if lost or stolen immediately reported to JP Morgan Chase for cancellation at 1-800-848-2813. See back of card.

Cardholders may not make personal purchases with the Purchasing Card and cardholder privileges may be revoked for such use. The Cardholder agrees to reimburse the University for any inappropriate charges, including expenses and charges incurred by the University in connection with such transactions. Fraudulent or intentional misuse of the card by the cardholder will result in revocation of the card, restitution and/or criminal charges. The University reserves the right to pursue all legal remedies available to it with respect to inappropriate card usage. The University further reserves the right to revoke cardholder privileges at any time and without notice. Circumstances that may automatically trigger cancellation of the card includes, but is not limited to: termination of employment; change in position; failure to report a lost or stolen card.

**APPENDIX F**

GENERAL EXEMPTION CERTIFICATE: All Purdue Purchasing Cards have our Tax Exempt Number embossed on the card. However, not all items purchased may be eligible for tax exemption. Please see below link for further information for Tax Exemption Forms.

[http://www.purdue.edu/Taxes/Tax\\_Exemptions/taxemptforms.html](http://www.purdue.edu/Taxes/Tax_Exemptions/taxemptforms.html)

**APPENDIX I**      <http://www.purdue.edu/ecco/pdf/appendixi.pdf>

**APPENDIX K**

Screen-Print of General Ledger in SAP

Assignment	Document Number	B A	DocType	Doc Date	P K	Amount	Local Currency	Text
20080821	101574377	10	PC	8/21/2008	40	153.97	USD	E CENTER CAL 4605OVERNIGHT PRINTS JAMES SCHWEITZER
20080821	101574378	40	PC	8/21/2008	40	41.98	USD	7297LAFAYETTE OFFICE MACH JUDITH BONDAR
20080821	101574379	20	PC	8/21/2008	40	7.00	USD	7126EXPEDIA*FEE 271401001 MILITARY SCIENCE WL
20080821	101574381	40	PC	8/21/2008	40	65.00	USD	1669BKST PURDUE WEST LYNN BETZ
20080821	101574381	40	PC	8/21/2008	50	-98.40	USD	5197MICROGROUP INC ORPD CAL
20080821	101574382	10	PC	8/21/2008	40	54.97	USD	6121STAPLES 0011635 SLA ADMIN 3 WL 8182A1
20080821	101574383	40	PC	8/21/2008	40	21.40	USD	PACKAGING SS COMPUTING 3 WL
20080821	101574383	40	PC	8/21/2008	40	140.00	USD	5701CANNON IV
20080821	101574385	40	PC	8/21/2008	50	2232725.55	USD	- ZZ PAYMENT TO CHASE BANK

## APPENDIX L

### Guide to Purchases through the Internet

#### Expectations for Internet Purchases

- All current restrictions to purchasing card use also apply to the use of the card for Internet transactions. Please refer to the Documentation and Reconciliation section of this handbook for a complete list of restricted items. On-line purchases must be made with vendors using a Secure Sockets Layer (SSL) browser session. There are several ways to confirm that a secure area has been accessed. All SSL capable browsers have a symbol to indicate secure mode, but the secure mode may not appear until going further into the web site. Specifically, look for the following:

Browser Symbol Location Normal (Insecure)

Mode Symbol

Secure Mode Symbol

Netscape 1.2, 2.0, 3.0 Lower Left Broken Key Complete Key

Netscape

Communicator 4.0

Lower Left Open Lock Closed Lock

Microsoft Internet

Explorer

Lower Right No Symbol Appears Closed Lock

- Customers must use the same care and common sense in supplier selection as they would with any other purchasing method. The objective should be to balance quality and service with price.
- Receipt documentation is maintained to support the Internet order.
- Web sites that present an on-line receipt, reflecting the billing amount and a company logo or name will serve as proper documentation. Simply print the on-screen document.
- Web sites that reflect the billing amount only will serve as proper documentation by printing the on-screen receipt and then writing the company name on the document.
- Web sites that do not present an on-line receipt can still be utilized. The customer should print screens that reflect the items being purchased and the amount, and then ensuring that transaction date, vendor, and other pertinent information is recorded on the printed documentation.

## APPENDIX M

### Internal Control Self-Assessment

This section is designed to help assess the adequacy of the control environment. Evaluate the adequacy for any question answered “No”.

#### **General Procedures**

1. Are card limits periodically evaluated to ensure limits are appropriate?
2. Upon initial set up of a card, are reviews done to ensure limits are correct?
3. Have procurement cards for employees who are no longer employed in the department been closed?
4. Do procedures exist to ensure that cards are returned on the date of employee termination or transfer from the department?
5. Is the re-charge process done timely?

#### **Department Cards**

1. How many department cards are there?
2. Are the departmental cards located in a locked cabinet, desk, or safe?
3. Are procedures followed for checking out and using the department cards?  
(similar to Appendix D and D1)
4. Do these procedures require the potential user to state where they will be using the card?
5. Is the potential user required to sign for the card?
6. Does someone from the business office initial the sign in/out sheet when the card is returned with all receipts?

#### **Individual Cards**

1. How many individual cards are there?
2. Is the individual, whose name is shown on the card, the only person allowed to use the card?

**Transactions**

1. Are procedures in place to ensure capital equipment is not purchased using the procurement card?
2. Are detection measures adequate to identify split transactions (if they occur)?
3. Is Indiana Sales Tax not paid (exemption certificate)?
4. Is the originating documentation along with any notes from order present and the packing slip, cash register receipts, printed receipt from the web site, or a receiving notation on the original document maintained as supporting documentation?

**Segregation of Duties**

1. Is the person making purchases different than the person who is approving the purchases?
2. Has the person approving the purchases been granted comptroller authority?
3. Is the person performing the reconciliation different than the person who is purchasing and approving the purchases?
4. Does the Business Manager review and approve the reconciliation, attached documentation and sign the intramural?

**CONTACT LIST**

**Errors, Disputes, Returns, Credits**

JP Morgan Chase Purchasing Card Customer Service Department

Phone: 800-316-6056

Fax: 847-931-8861

7:00am to 7:00pm CST

**Copy of Charge/Credit Slip**

Customer Service Dept.

Phone: 800-316-6056

(\$5.00 charge)

**To report Lost or Stolen Cards**

1. JP Morgan Chase, Phone (800)316-6056, 24hrs/day

2. E-mail: ECCO@Purdue.edu

**Card Management Changes, Questions**

E-mail: ECCO@Purdue.edu

E-Commerce and Credit Card Operations Administrator, ECCO / FREH

Voice: (765) 494-7378

Fax: (765) 496-1112

E-Commerce and Credit Card Operations Account Clerk, ECCO / FREH

Voice: (765) 494-7367

Fax: (765) 496-1112

E-Commerce and Credit Card Operations Manager, ECCO / FREH

Voice: (765) 496-7873

Fax: (765) 496-1112

**Housing and Food Service Contacts**

Bobbi Gibson or Jane White or Doug Smith

Residence Halls and HFS Director's Office

Ext. 42183