

Troy University

Purchasing Card Program

USER'S MANUAL

**Troy University Purchasing Department
Revised January 13, 2014**

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Purpose of the Card Program

The Troy University Purchasing Card Program has been established to provide a convenient means with which to make small dollar transactions within established usage limits. The program is designed to enhance purchasing options 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 on-line via the Internet. (See documentation and reconciliation requirements, p.17)

The **Purchasing Department** is responsible for managing the Program and each assigned cardholder is responsible for managing the Cardholder Account. The procedures contained in this manual apply to all University employees who have been issued a Troy University Purchasing Card or who have direct or delegated responsibilities under the Purchasing Card Program.

The Purchasing Card Program is not intended:

- To avoid or bypass established procurement or payment procedures;
- To replace certain established travel policies and procedures;
- For personal use.

The cards are intended exclusively to conduct **official University business**. Purchasing cards are generally limited to commodity purchases only. Purchases must follow appropriate state laws and guidelines and must be made with reasonable judgment. Contact the Purchasing Department for clarification **prior to making a purchase** if there is a question about the official purpose of a purchase or if the use of the Purchasing Card to make a purchase seems questionable.

Cardholder and Coder/Reviewer Eligibility:

Cardholder – a permanent employee of Troy University whose name appears on the Purchasing Card and is accountable for all charges made with that card.

All permanent faculty and staff members of Troy University will be eligible to apply for a Purchasing Card. The following criteria apply:

1. Authorization for cards must be requested through the potential cardholder's supervisor.
2. Approval of the card request must be approved by the Senior Vice Chancellor for the University Division of the potential cardholder.
3. Appropriate documentation which includes **adequate justification** for the request must be submitted prior to the issuance and use of the card for University purchases.
4. Cards will be issued at the approval of the Senior Vice Chancellor for Finance and Business Affairs.

Cardholders must be individuals of unquestioned honesty and integrity, who have consistently demonstrated the ability and willingness to follow University policies and procedures. Individuals who do not meet all of the above criteria shall not be issued a Troy University Purchasing Card and shall not be named to approve the charges of others.

A cardholder is **required** to attend training before a card will be issued. In this training, the cardholder will be instructed on appropriate order placement techniques, vendor selection, record keeping associated with the Purchasing card, proper receiving techniques, and dealing with any Card difficulties. The Department CODER/REVIEWER must also attend the training for cardholders in addition to the CODER/REVIEWER training.

Please note: Each time the Purchasing Card is used you are representing the University and acting as a University agent. This is a responsibility that should not be taken lightly. Use of the Card is a **privilege** granted by the University. Troy University will seek restitution for any inappropriate charges. Fraudulent or intentional misuse will result in the revocation of the card and/or possible criminal charges.

This manual provides the guidelines under which a Purchasing Card is issued and used. Please read it carefully. **Violations of the policies and procedures governing the use of the Purchasing Card could result in the loss of the card for you or your department/division.**

A **coder/reviewer** is a University employee within a department who is of unquestioned honesty and integrity who has consistently demonstrated a willingness to follow University policies and procedures. This individual will be responsible for:

- verifying that all charges against the Cardholder's account are backed up with support documentation;
- insuring that the documentation is retained within the department for the prescribed period of time;
- allocating individual charges to the correct general ledger account; and
- independence and objectivity with regards to the cardholder and related account charges, and for
- attending the training session for the cardholder and the training session for the coder/reviewer.

Administrative Responsibilities

The **Credit Card Program Administrator** (CCPA) will be the Director of Procurement. The **Purchasing Coordinator will assist the Administrator** (See Appendix B).

The **CCPA** will be responsible for:

- Establishing an internal control structure for use of the card;
- Monitoring appropriate use of the card;
- Training cardholders and other personnel regarding use of the card;
- Ordering replacement cards;
- Supervising and conducting internal audits of card use.

The **CCPA** will issue cards to individuals:

1. After recommendation by the Dean, Director or Department Head, and
2. After approval by the Division SVC, and
3. After the approval of the Senior Vice Chancellor for Finance and Business Affairs, and
4. After cardholder training has occurred, and
5. After the coder/reviewer training has occurred.

Issuance of Purchasing Cards

The cards issued will be considered purchasing cards. Each card will bear the name of the individual to which the card is assigned. Personal credit checks will not be required. Disputes for department card charges should be reported to the Credit Card Program Administrator for instructions on dispute resolution (see p. 22).

How to Obtain a Card

1. Complete a [Cardholder Application Form](#) for each prospective cardholder. **(Appendix # A)** This form must be signed by the Budget Officer in addition to the cardholder for the default account shown on the form and then forwarded to the CCPA. Budget Officers for more than one departmental account should include an addendum listing all accounts.
2. The application form also requires the signature of the appropriate Senior Vice Chancellor, Dean or Director if different from the Budget Officer. They will recommend (in writing) internal departmental dollar limits and transaction limits for the card in line with Card Policy. Limits suggested within this policy are recommended. A memo will need to be attached stating the justification for a purchasing card.
3. Forward original signed application forms to the CCPA in the Purchasing Department, 211 Wright Hall. Applications should be **delivered**, not forwarded through the hand-mail.
4. The cardholder and the individual (coder/reviewer) assigned to reconcile departmental transactions must complete training prior to card being issued.
5. The CCPA will order the card from the Bank and notify the recipient when it is available to be picked up.
6. **Issuance requires the assigned cardholder to pick up the card in person and sign for its**

receipt. Photo ID may also be required.

7. The cardholder must sign the Purchasing card Agreement before the card will be released for use. (See Appendix A, p.3).

Cardholder Communications

Cardholders will receive their cards enclosed in their Cardholder Kits. Enclosed in the Cardholder Kits will be a [Cardholder Agreement](#). **Each Cardholder must sign this agreement.**

Canceling a Card

To cancel a card, the card should be returned to the CCPA, 211 Wright Hall. The original Cardholder Agreement Form will be signed by the Administrator to record proof of the card return. This should be done in person by the assigned cardholder, if at all possible. For immediate cancellation, contact the Credit Card Program Administrator by telephone, fax, or email.

(Conni Moseley -T- 334-670-3946; F – 334-670-3750; E-mail – camoseley@troy.edu or Michelle Hodge – T -334-670-3402; F – 334-670-3750; E-mail – mhodge119638@troy.edu)

Card Controls

One of the benefits of a Purchasing card (and different from retail MasterCard) involves the restrictions that can be placed on any one card. These features include:

- The ability to prevent authorizations at specific merchant types (MCC restrictions);
- The ability to set individual spending limits;
- The ability to set per transaction dollar amount limits, and
- The ability to set limits on the number of authorizations per day or month.

To insure spending restrictions, some vendors have been blocked from usage in the Program. (The standard card configuration will block bars, taverns, caterers, cash advances, etc). If the card is presented to any of these merchants, the transaction will be declined. If a card is declined and you feel this should not have occurred, you may contact the customer service number indicated on the back of 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 the CCPA to implement changes.

The purchasing card will be set up with a maximum per transaction limit of \$1,500.00 and a maximum daily transaction limit of \$3,000.00 unless specific requests have been justified and approved administratively.

No individual transaction limit may exceed \$1,500.00 without prior administrative approval. Each Senior Vice Chancellor, Dean or Director may set lower individual transaction limits and may assign lower cycle credit and transaction limits to each card.

Purchasing Card Security

Each assigned cardholder must determine the best means for securing the purchasing card. In most cases, it is appropriate for individuals to carry the cards. If not, the cards must be stored in a secure place, such as a locked desk or locked cabinet. **In either case, the account number must be protected.**

Lost or Stolen Card

1. If a purchasing card is lost or stolen, contact the Credit Card Program Administrator immediately: T (334-670-3946) F (334-670-3750) email – camoseley@troy.edu.
2. The CCPA will notify University Police or appropriate law enforcement agency (depending upon your location) in addition to the bank.
3. Card replacements will take 3-5 working days.

Cardholder Employment Termination

Upon termination of employment of a cardholder, notification must be made to the CCPA for card cancellation. Human Resources will notify the CCPA regarding employee terminations; however, it is advisable for the cardholder or the cardholder's supervisor to make the notification. The assigned credit card must be returned to the CCPA. (A new card will be issued when the vacancy is filled and the procedures for obtaining a card have been followed).

If the Cardholder Changes Departments

In the event a cardholder moves to another University department, the CCPA must be notified. The cardholder's Purchasing Card must be cancelled. A new application must be submitted to secure a card for his/her new department subject to approval of the Senior Vice Chancellor, Dean or Director and the Senior Vice Chancellor for Finance and Business Affairs.

Tracking Cards and Necessary Changes

The CCPA maintains a list of all cardholders and associated limits. If changes in the limits established on the card or other elements (other than the cardholder name or the default account) are required, submit **Appendix # C** with appropriate signatures and requested changes, to the CCPA, 211 Wright Hall. Requests for changes are subject to the approval of the appropriate Senior Vice Chancellor and the Senior Vice Chancellor for Finance and Business Affairs. The CCPA will coordinate with the Bank to make the changes required. Such changes generally take five (5) working days.

Temporary limit increases may be requested via e-mail to the CCPA (camoseley@troy.edu). An amount for the increase should be indicated as well as length of time the change will be

required. The temporary card limit will revert to the original amount when the time frame expires. Again, the limit increase is subject to the approval of the appropriate Senior Vice Chancellor and the Senior Vice Chancellor for Finance and Business Affairs.

Card Renewal

A renewal card will automatically be mailed to the CCPA during the expiration month. The Administrator will distribute cards to the assigned cardholders after the Senior Vice Chancellor for Finance and Business Affairs has approved the renewal card for re-issuance.

General Cardholder Instructions

General Cardholder Instructions

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.
- **Split Transactions**: Card transaction limits must be followed as intended and approved. Dividing a large transaction into dollar amounts less than the single 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.** If the single dollar transaction limit is not realistic for the card use, the established limit should be reviewed with the Credit Card Program Administrator for appropriateness.
- **Personal service payments** will not be charged on this card due to tax reporting issues. (i.e., consultants, stipends, services to individuals not organized as a business).

☐ **Under no circumstances will a cardholder allow another individual to use the card.**

As listed in the cardholder agreement form, the following items **ARE NOT** to be purchased using this card:

Capital equipment and certain non-capital items should not be purchased on the purchasing card.

1. Capital items are generally defined to include items costing \$5,000 or more and having a useful life of a least one year or more.
2. Non-capitalized items are generally defined as items costing \$100.00 to \$4,999.99, regardless of useful life. Electronic equipment, computers and computer hardware should not be purchased. Some exceptions apply: individuals should check on purchasing restrictions with the Credit Card Program Administrator.
3. Furniture groupings **may not be purchased** with the Purchasing card. (Furniture groupings are defined as complete office groupings of furniture for one or more offices, departments, sites, locations, etc. i.e., desks, desks components, filing systems, multiple chairs for an office suite). Purchases of these items will result in the loss of Card privileges.

Cash advances

Controlled substances/items

Cylinder gases

Personal or non-business purchases, gifts (regardless of reason)

Memberships (except where combined membership/registration are required or if the membership has been specifically approved by the Institution).

Tax reportable services (1099)

Certain travel, entertainment or hospitality expenses

Alcoholic Beverages

Radioactive materials

Laboratory animals

Insurance (except where required for auto rental)

Any purchases prohibited by University policy or not related to University business

Internet Orders

Internet ordering is allowable via the Purchasing card. The expectations for Internet purchases require using a **secure socket layer browser session**. The secure socket layer browser session is defined as a secured ordering on-line server. If this condition has been met, a "lock "will appear in the lower right hand corner of the display screen.

Sponsored Funds

The use of purchasing cards versus any alternate form of procurement instrument does not change the existing cost, charging, and document retention requirements that must be met for procurement on sponsored accounts. Users are still required to demonstrate that the item procured is allowable on the accounts, and that the item purchased is necessary (allocable) for the project.

Grant administrators are responsible for assuring that the procurement is not expressly prohibited by sponsor regulations or by other federal guidance (such as OMB Circular A-21, Cost Principles for Higher Education). Grant administrators are also responsible for assuring that the item is allocable to the account. Furthermore, evidence or receipt (packing slip signed by receiver, etc) must be supplied for all sponsor funded purchases.

All stipulations of this policy apply to Sponsored Program spending.

Guide to Ordering and Placing an Order

1. Verify that the vendor accepts MasterCard. Give them the appropriate information.
2. Identify yourself as calling from or on behalf of Troy University and the department you are calling from.
3. Make sure you are talking to someone who can process an order for Troy University
4. **Advise the vendor that Troy University is a tax exempt, educational institution and that a tax exemption certificate can be faxed, if required.**
5. Place your order, insure availability.
6. Verify pricing.
7. Obtain discounts whenever possible.
8. Inquire on freight:
 - a. To be included in price;
 - b. Added as a line item on the invoice;
 - c. Freight collect (have the vendor charge the freight to the credit card).
 - d. **NOTE:** Only standard charges for freight and postage should be incurred. Do not abuse the convenience of ordering by credit card with excessive freight and postage charges. Overnight delivery and second day delivery charges should be an exception, not the norm.
9. Ask for the name of the person taking your order. (You should keep this information with your paperwork).
10. List any reference number or confirmation number given by the vendor.
11. Purchasing card users should be in the practice of asking for discounts and preferential pricing offered by local vendors.
12. The cardholder is responsible for ensuring receipt of materials and services and should follow-up with the vendor to resolve any delivery problems or discrepancies.
13. Evidence of receipt (such as a cash register receipt, packing slip signed by the receiver of the good, or a printed receipt from the web site) must be supplied for **all transactions**. All receipts must be **detailed – NO SUMMARY RECEIPTS ALLOWED**.
14. A form is provided on Appendix # D as a suggested format to record your order information for reconciliation to the actual card charges.

Tax Exemption

Be sure to remind the vendor of the tax-exempt status when making a purchase on behalf of the University. As an aid, the University's tax exempt number is on the face of the card.

Most expenditures from University funds are exempted from Alabama Sales Tax. Purchases from other states and shipped into Alabama are normally exempt from tax. I

Items picked-up in another state are not automatically exempted for Alabama sales tax. (For example, many University College sites located in Georgia are not automatically exempt for those sites buying for GA locations). Other exceptions may apply.

Verify whether or not a valid exemption applies prior to ordering. A tax exempt form is also available from the Senior Vice Chancellor for Finance and Business Affairs. Have the vendor's name and address available when requesting this form. The form should be forwarded solely for qualifying tax exempt status on behalf of Troy University.

Please note: Lodging tax for hotels, etc. and equipment rental taxes are not exempt from payment. This is not considered sales tax. You may request the exemption from the vendor: it is at the vendor's discretion to acquiesce.

TRAVEL

POLICIES PROCEDURES & GUIDELINES

Card Travel Policies

The University Purchasing Card can be used to pay for expenses associated with **approved out-of-state travel only**.

1. All travel must benefit the University and be approved at the appropriate level.
2. Out-of-state travel must be approved in advance.
3. Only those business expenses associated with approved out-of-state travel are allowable on the purchasing card.
4. Travel expense reports should be filed for in-state travel in accordance with the University's Travel Policy.
5. No in-state travel charges are allowed.
6. Travel charges are to be used for cardholder only unless otherwise approved by SVC of Finance & Business Affairs.

A copy of the approved out-of-state travel form and a copy of the employee expense report must be filed with the Coder/reviewer for any trip expenses charged to the employee's University Purchasing Card.

Travel expenditures include, but may not be limited to, the categories listed below. Please contact the CCPA if you need more information regarding an impending travel charge. Each category is explained in greater detail on the following pages.

1. Registration Expenses
2. Airfare and Related Booking Fees
3. Hotel Reservations
4. Car Rentals
5. Meals

Registration Expenses

The following instructions apply to registration expenses:

1. Review the registration form to assure that the expenses are allowable.
2. Call the company or access a web site to determine if the charge can be completed using the Purchasing Card.
3. Print the online registration form as a receipt or submit a copy of the completed registration form to the Coder/Reviewer.
4. Submit receipt to Coder/Reviewer for cardholder file and for reconciliation to credit card statement and Datatel account(s).

Additional charges in registration fees for membership dues are allowed only if membership is required by Troy University and previously approved by the Senior Vice Chancellor for Finance and Business Affairs, Senior Administration, or the Director of Procurement for Troy University.

- **Social activities** associated with an event are **not allowable**. Personal checks should be remitted directly to the registration site for these items.
- Registration for others cannot be paid.

Hotel Accommodations and Meals

The following instructions apply to hotel accommodations, meals and travel expenses:

- A cardholder may secure and pay for **hotel accommodations** for authorized out-of-state University travel (refer to the Troy University travel policy)
- Approved University group travel should not be charged to the University Purchasing card without prior approval from the Director of Procurement or the Senior Vice Chancellor for Finance and Business Affairs.
- **Meals** are allowable to the extent they are covered by the Troy University travel policy. (Refer to the travel policy).
- Meals for authorized group travel (see required approval conditions, above) consumed where hotel accommodations have been made can be charged to the credit card by the hotel restaurant. Itemized receipts are required. (**No alcoholic beverages allowed**).
- Individual meals consumed where hotel accommodations have been made are permissible. Itemized receipts are required. (**No alcoholic beverages allowed**).
- Meals consumed away from the hotel may be charged to the credit card. Itemized receipts are required.
- Meals for spouses and guests are subject to the University Travel policy.
- **Telephone charges** on hotel bills are not allowable unless a business relationship can be verified.
- **Personal calls and movie charges** are the responsibility of the traveler.
- **Internet charges** must be business related or will become the responsibility of the traveler.
- Submit detailed receipt(s) to Coder/Reviewer for cardholder file and for reconciliation to credit card statement and Datatel account(s).

Airline Tickets and Related Expenses

1. Call the airline, travel agent, or access their website to make travel arrangements and charge the airline ticket to the purchasing card.
2. Review the reservation to assure the coach fare. (Charges for first-class airfare are subject to the University's travel policy and require supporting documentation stating that no lower rate was available-see Travel policy).
3. Your travel itinerary or other documentation provided by the airline is required.
4. Submit detailed receipt(s) to Coder/Reviewer for cardholder file and for reconciliation to credit card statement and Datatel account(s).

- **Movie charges** are the responsibility of the traveler.
- **Meals** are allowable to the extent they are covered by the Troy University travel policy. (Refer to the travel policy).

Documentation



Reconciliation



Approval



Payment

Documentation

Proper documentation is required for the Purchasing Card just as for any other procurement transaction. This would include packing slips and **detailed** invoices, cash register receipts or detailed internet receipts and credits for each purchase charged/credited to the card by the cardholder.

Each department will be required to designate a **CODER/REVIEWER** for all credit card transactions within that department. **(See specific instructions for CODER/REVIEWER)**. Receipts and invoices must be given to the Coder/Reviewer to match against monthly individual statements to insure that all documentation is available for transaction audit (see reconciliation process).

Checks and Balances:

A separation of duties should be followed with the Purchasing Card. The person charging expenditures to the card should not be the person reconciling the account (i.e., CODER/REVIEWER). If a Coder/Reviewer is also a cardholder, he/she cannot reconcile his/her own account. A backup Coder/Reviewer must be available to perform this function. An Internal Control Self-Assessment questionnaire has been developed to help users assess the adequacy of their control environment. See Appendix # F. The Director of Procurement (Program Administrator) and/or Accounting Services will be responsible for periodic audits to insure that proper checks and balances are in place.

Reconciliation

To facilitate the reconciliation and payment process, the Coder/Reviewer assigned to reconcile the monthly statement is responsible for retaining and filing all credit card slips, cash register receipts, packing slips, or other documentation in a separate folder for each cardholder. The folders will be requested by the Purchasing Office or Accounting Services when an audit is conducted. Charges must will be modified by the CODER/REVIEWER through the BOA Smart Data Online and will be completed by the Datatel Interface.

Monthly statements are mailed to the individual cardholder by the credit card bank and are also available on-line at <https://sdol.mastercard.com>

Approval

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 individual cardholder.
- Proper evidence of receipt must be kept to complete the record for all purchases.
- Monthly cardholder statements must be approved by the appropriate authority at all required authority levels (based on per item spending). Most transactions will require the approval of the department chair, at minimum.
- **In no case may the cardholder approve his/her own card charges.**
- Administrative approval must be submitted for all charges for which payment is requested.

Payment

The closing date for the monthly cycle will be the last day of the month. Payment will be authorized by the CCPA to the Bank within fifteen days of closing, the 15th, or the next business day, as required by the Bank.

Default Accounts

The transaction detail of each purchase will be posted to the General Ledger on the University account number assigned by the Coder/Reviewer. This account number will be different from the default account number.

What will appear on the General Ledger Statement in Datatel?

Purchasing card transactions will be identified on the G/L statement with the first 28 letters of the vendor's name as it appears on the card statement, the transaction amount and a numeric transaction code.

Auditing Purchasing Transactions

(Departmental Guidelines)

How to Audit a Purchasing Card Transaction

- ❖ For each Purchasing card transaction, the Coder/Reviewer should keep the originating documentation along with any notes from order placement, the packing slip, printed receipt from the web site, cash register receipts, and original invoices. [The department will submit the documentation on a monthly basis. Submittal dates will be provided by the Purchasing Department. All documentation will remain with the Purchasing Department for audit and retention.](#)

- ❖ If the vendor name doesn't agree with the credit card documentation, ensure that the documentation does not belong to another transaction. Example: an order placed with a Chevrolet Division, but the vendor is General Motors. In this example, the two vendors refer to the same organization. You should notate this on the documentation submitted for payment.

- ❖ If you are unable to identify a transaction on your account by the vendor, the transaction should immediately be disputed on the Vendor Dispute Form, see Appendix # **G**. Make sure the dispute form is faxed or sent to the Bank and a copy is forwarded to the Credit Card Program Administrator in the Purchasing Department. Disputes must be filed within 60 days of the cycle ending date. Retain a copy for departmental records.

- ❖ Like any other purchase, users may experience "partial shipments." Note partial shipments on your record of transactions by using alphabet for entry: "A" for the first charge, "B" for the second, etc. As 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 slips, etc. An arithmetic error should be disputed.

- ❖ Review all receipts, packing slips, invoices, cash register receipts, or other transaction documentation to determine that Alabama State Sales Tax or Federal Excise Tax has not been charged.

- ❖ **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)-673-1044. There is a charge for this service, which will be billed to your card. This action should be used on an extremely limited basis.

- ❖ 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 the Credit Card Program Administrator as soon as possible. Cardholders may also contact the Bank to put a block on additional charges then contact the Credit Card Program Administrator. The Credit Card Program Administrator will contact the University Police or the appropriate law enforcement agency.

Resolving Errors, Disputes and Credits

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 dispute form must be filed to the Bank no later than 60 days from the cycle ending date.

The cardholder will contact the vendor first to resolve any outstanding issues (most exceptions can be resolved this way). If the cardholder is unable reach an agreement with the vendor, the next step is to contact the Bank's customer service center @ (800)-673-1044. Request **TEAM #2** assistance.

The Bank may ask the cardholder to complete a dispute form and fax or mail the completed form to the Bank. See Appendix # **G**. Please note the transaction number on the form. A statement of the dispute should be retained by the department and a copy should be forwarded to the CCPA.

If the cardholder is still unable to reach an acceptable solution, contact the Credit Card Program Administrator at Ext 3946 or via e-mail – camoseley@troj.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 (not the original charge). Reference should be made on the reconciliation that the credits related to previous charges and are a resolution of disputed charges.

Definitions

A. **Purchasing Card:** A charge card issued to a permanent employee of the University for the purpose of making authorized purchases on the University's behalf. The University will issue payment for charges made with the Purchasing Card.

B. **Cardholder:** Permanent employee whose name appears on the Purchasing Card and is accountable for all charges made with that card.

C. **Coder/Reviewer:** University employee within each department responsible for verifying that all charges against the Cardholder's account are backed up with support documentation and that the documentation is retained within the department. Coder/Reviewers have the ability to allocate individual charges to General Ledger accounts by department and object code. To be effective, the Coder/Reviewer must be in an independent position to objectively question any and all cardholder purchases.

Cardholders may not be their own Coder/Reviewers.

D. **Approver:** University employee within each department responsible for reviewing purchasing card transactions to verify that they are appropriate and supported by adequate documentation. To be effective, the Reviewer/Approver must be in an independent position to objectively question any and all cardholder purchases and review the accounts to which charges will be posted for General Ledger purposes.

E. **Department Contact:** University employee within each department responsible for receiving and disseminating Purchasing Card information within their department and for relaying Purchasing Card information from within their department to the Program Administrator. It is recommended that each department have only one Department Contact.

F. **Program Administrator:** The Director of Procurement is responsible for administering the Purchasing Card Program for the University and acting as the main contact between the University and the Bank.

G. **Transaction/Charge Limit:** A dollar limitation on the purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. This amount must not exceed the approved and established limits. Departments may establish lower limits on a per expenditure basis. It is recommended that individual travel and group travel requests transaction limits appropriate for customary travel.

H. **Daily spending limit:** A dollar limitation of purchasing authority assigned to the Cardholder for the total of all expenditures made during each day of the monthly cycle. This amount may not exceed the approved and established limits.

I. **Statement of Account:** A listing of all transactions charged to a cardholder's account up to the end of the monthly billing cycle. An individual statement is sent by the Bank, directly to the Cardholder, on a monthly basis.

J. **Default Account:** The University account code assigned to an individual cardholder's purchasing card. Only one default account will be assigned to any one Purchasing Card.

K. **Support Documentation:** A merchant produced or non-University document that records the relevant information for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount, and the merchant's name and address (e.g. sales receipt, original invoice, credit slip, or internet invoice).

Responsibilities Defined

Deans, Directors, Department Heads, Immediate Supervisors and Budget Account Managers will:

- 1.** Recommend potential cardholders, Coder/Reviewers and appropriate backups.
- 2.** Ensure that potential cardholders are not assigned to reviewers who are related to them.
- 3.** Sign the Cardholder Application form along with the applicant (Appendix A, p.1)
- 4.** Sign the Coder/Reviewer Application form (Appendix D).
- 5.** Forward completed forms to the Credit Card Program Administrator.
- 6.** Ensure that employees who will be issued a purchasing card or have been delegated responsibilities under the Purchasing Card Program meet the purchasing card requirements and have duties or responsibilities commensurate with the established spending limits.
- 7.** Notify the Credit Card Program Administrator (Director of Procurement) of changes in the cardholder, coder/reviewer, and approver's status.
- 8.** Ensure that cardholders who terminate employment or transfer stop using the purchasing card immediately upon notification of the termination or transfer, and review all outstanding purchasing card transactions with the appropriate approver prior to termination or transfer.
- 9.** Collect purchasing cards during exit interview from employees who terminate from or transfer within the University.
- 10.** Submit cards with the Cardholder Termination form to the Credit Card Program Administrator.
- 11.** Approve charges of the cardholder on a monthly basis, at minimum.

Cardholders will:

1. Attend University Purchasing Card training to acknowledge the responsibilities with respect to use of the card. The cardholder will be required to sign a **CARDHOLDER AGREEMENT**, (Appendix A, p.3) when the card is distributed, acknowledging these responsibilities for use of the card.
2. Follow appropriate state laws and institutional guidelines and use good judgment when making purchases. Abuse or misuse of this privilege subjects cardholder to disciplinary action up to, and including, dismissal from the University.
3. Ensure the physical security of the purchasing card and protect the account number. The purchasing card number must not be posted in the cardholder's work area. **Under no circumstances will a cardholder allow another individual to use the card.** If a purchasing card is lost or stolen, the cardholder will immediately notify BOA America at 1-800-673-1044 **AND** the Purchasing Department at telephone #334-670-3946 or fax 334-670-3750 or email camoseley@troy.edu. Lost or stolen cards reported missing over the telephone to BOA would be blocked immediately. **DO NOT HAVE BOA ORDER A NEW PURCHASING CARD FOR YOU.**
4. Contact the appropriate Dean, Director, Department Head, Immediate Supervisor, or Budget Account Manager to obtain a replacement card through the CCPA (Director of Procurement).
5. At time of purchase, request Sales and Use Tax exemption on purchases. The sales tax exempt number will be provided for University purchases. In certain cases, purchases will not be tax exempt. See discussion on tax exempt status.
6. Obtain, sign and forward purchasing card receipts within three working days of purchase to the assigned Coder/Reviewer for monitoring charges. If a receipt is lost or the cardholder cannot obtain a receipt, complete the **Missing Receipt Affidavit** documenting the transaction and that is was for official business then forward the form to the Coder/Receiver within three work days.
7. Identify disputed items and contact merchant directly to resolve disputes; document all attempts at dispute resolution. If a cardholder returns merchandise, a credit should be issued to the cardholder's purchasing card account and a credit receipt obtained. **Under no circumstances may a cardholder receive cash.** If the merchant refuses to resolve the dispute, the cardholder must complete and sign a **Cardholder Statement of Disputed Items** form (Appendix F) and forward the original form to the Credit Card Program Administrator (Director of Procurement) and send a copy to the cardholder's Coder/Reviewer. For canceled orders, obtain a cancellation number and include it on the dispute form.
8. Upon termination of employment or transfer to another position within the University:
 - a. Stop using the purchasing card.
 - b. Return the purchasing card to the CCPA or the Immediate Supervisor; and
 - c. Review all outstanding purchasing card transactions with the appropriate Coder/Reviewer prior to leaving the department.
9. **If an item cannot be authorized, it must be returned to the merchant for a full refund. Otherwise, the charge must be paid and the cardholder must provide reimbursement to Troy University by a personal check or from the Troy University Foundation.** The payer must be notified immediately. If reimbursing the University from a personal check, the Cardholder must submit a personal check to the Purchasing Department (made payable to Troy University) within 10 working days upon notification of the inappropriate charge. If reimbursing the University from the Foundation, the department will submit a request for Foundation funds within 10 working days of notification of the inappropriate charge. The receipt from the Troy University cashier must be attached to the Purchasing Card receipt documentation. The identical general ledger account to which the charge was applied must be reimbursed.

Coder/Reviewer (or Back-up C/R) in the Department will:

1. Attend training on the use of purchasing card.
2. Complete and sign the Coder/Reviewer application form along with supervisor.
3. Maintain a separate folder for each cardholder.
4. Monitor purchasing card transactions daily to ensure that transactions have been forwarded to the Coder/Reviewer within three working days. Transactions are to be monitored by the Coder/Reviewer to ensure the appropriate information including the object code has been modified in through BOA Smart Data Online prior to the Datatel interface process. The Coder/Reviewer shall enter a description of the purchase and distribute the charges to the correct general ledger accounts.
5. Track disputed purchasing items daily to ensure that the appropriate credit is received and notify cardholder if expected credit is not received on the next review report. (The CCPA must also be notified to close out disputed cases when associated credits are received).
6. Research all transactions rejected by the Payer (Purchasing Department) and provide missing information within 72 hours of receipt of the rejected transaction.
7. Notify the University CPPA when unusual or restricted transactions appear in the Datatel or within BOA Smart Data Online.
8. Collect **FULL** reimbursement from the cardholder for unauthorized purchases and submit immediately upon receipt to the Payer.
9. Ensure that each verified Purchasing Card Monthly Statement is reviewed by the cardholder and that appropriate purchasing card receipts are attached for each charge and credit. Reports should be maintained as follows:
 - a. The BOA Expense Report should be generated at the end of each calendar month for each cardholder.
 - b. All reports and documentation must be retained within the department for one month.
 - c. Reviewed/approved statements and receipts should be maintained in the same location as other departmental official business records.
 - d. All statements must be made available to the Credit Card Program Administrator for audit upon request.
10. Ensure compliance with this manual.

APPENDIX

Index to Appendix

A. Cardholder Application (2 pgs)

Cardholder Agreement (1pg)

A-1 Instructions for Agreement/Application form

B. Contact Information

C. Purchasing Card Cardholder Change Form

D. Coder/Reviewer Application Form

E. Purchasing Card Missing Receipt Affidavit

F. Dispute Form

Appendix A

TROY UNIVERSITY CARD PROGRAM PURCHASING CARDHOLDER APPLICATION

Cardholder's Name _____ (printed)

Department Name _____ TROY Address _____

E-Mail Address _____ Phone # _____

Date of Birth _____ Social Security Number _____

Name of Assigned Coder/Reviewer _____ C/R Phone # _____

As dean, director or department head, I approve the issuance of a Purchasing Card to this Troy University employee and assure that the above employee has met the requirements of a University cardholder.

Signature _____
(Dean, Director of Department head) _____ Date _____

Signature _____
(Senior Vice Chancellor for Finance and Business Affairs) _____ Date _____

Intended card use _____
(general description)

Single transaction limit **\$1,500.00** _____ Spending limit per Day **\$3,000.00**
(Unless otherwise approved limits will be based on levels established under this policy)

The Troy University Purchasing Card is intended to be used for low value, non-capital purchases. All purchases with this card must comply with the guidelines in the Troy University Card Policy and with extramural funding agency restrictions. The following items **ARE NOT** to be purchased using this card:

- | | | |
|-------------------------------|-----------------------------|---|
| Capital equipment & furniture | Cash Advances | Controlled substances/items |
| Cylinder gases | Personal items | Non-business purchases |
| Memberships (See Policy) | Alcoholic beverages | Tax reportable services (1099) |
| Radioactive materials | Laboratory animals | Certain travel, entertainment or hospitality expenses |
| Insurance | Leases of business property | |

Any purchases prohibited by University policy or not related to University business:

If the card is lost or stolen, the cardholder has the responsibility to notify the Bank immediately, and the Credit Card Administrator.

Failure to adhere to procedures may result in revocation of cardholder privileges

PURCHASING CARDHOLDER APPLICATION TROY UNIVERSITY CARD PROGRAM

(To be completed when card is picked up)

I hereby acknowledge receipt of Purchasing Card: # _____
Expiration date: _____

As holder of this Purchasing Card, I agree to accept responsibility for the protection and proper use of this Purchasing Card as detailed above, and in the cardholder manual. I assume all responsibility for the assigned card.

Signature _____ Date _____

Date released: _____ (Cardholder, please sign the back of your card now)

Credit Card Operation Administrator Signature

_____ Date _____

Training Session has been attended by the Cardholder and departmental coder/reviewer ____ Yes ____ No

Date: _____ (Cards cannot be issued until session date is recorded).

Coder/Reviewer's Name and title _____

Card return:

I hereby acknowledge return of Purchasing Card # _____
Expiration date: _____

Signature of Credit Cardholder _____ Date _____

Signature of Credit Card Operations Administrator _____ Date _____

Reason for Return:

- Loss of card privileges
- Change of Department by Cardholder
- Lost or stolen Card Police Report Filed ____ Yes ____ No
- No longer need use of the card
- Cardholder termination
- Card Expired

Voluntary _____

Involuntary _____

Troy University Purchasing Card Agreement

Troy University has agreed to provide you with a Purchasing Card ("Card") to make certain purchases on behalf of the University. By accepting the Card you assume the responsibility to protect the University from unauthorized and improper use of the Card. **In recognition of that responsibility, I, the undersigned, acknowledge receipt of the Troy University Purchasing Card (# listed below) and hereby agree to the following items: (please initial each statement).**

- I have been provided:
 - A copy of the Troy University Purchasing Card Program User's Manual ("Manual")
 - Training on the use of the Card
 - An opportunity to ask questions to clarify my understanding of the Purchasing Card Program
- I shall comply with the terms and conditions of this Agreement and with all the provisions of the University Purchasing Card Manual, which are incorporated herein by reference.
- I understand the Purchasing Card is State property as are the goods and services purchased with the Card.
- I understand that when I make purchases using the Card, I make the University liable for those purchases in accordance with its agreement with BOA.
- I shall protect and properly use the Card as outlined in this agreement and the Manual. I shall use the Card solely and exclusively for authorized University purposes in accordance with the Manual, University policies, and the laws of the State of Alabama. I understand that I cannot, and will not, use the Card to purchase certain restricted items that are described in the manual. I agree that I cannot, and promise that I shall not use the card for personal purposes or make any personal purchases whatsoever for myself or any other person when using the Card.
- I will keep receipts and turn them in to the Departmental Coder/Reviewer and will resolve any discrepancies concerning my Card purchases, and shall follow proper Card security measures. I will immediately report to the Purchasing Card Program Administrator ("Administrator") any Card purchases that appear unauthorized or made by someone other than the undersigned.
- I will immediately report the loss or theft of the Card to BOA Customer Service at 1-800-673-1044 and to the Purchasing Card Administrator @ 334-670-3946.
- **I understand that fraudulent, improper, or unauthorized use of the Card may subject me to disciplinary action, including termination of my employment.**
- I understand that my failure to use the Card in accordance with this Agreement and the Manual may result in my being personally liable for all charges to my Card for fraudulent, unauthorized or improper purchases made with the Card furnished to me. I hereby agree and promise to pay to the University on demand all Card charges, fees, interest, costs, including attorney fees, that the University may incur as a result of fraudulent, improper, or unauthorized purchases made with the Card furnished to me for which I am found liable or responsible. In addition to any other remedies it may have, I further hereby consent to and authorize the University to deduct and withhold from my salary, wages, or any other monies due or that become due to me from the University such amounts as equal to the charges, fees, interest, costs, including attorney fees, incurred by the University as a result of such fraudulent, improper, or unauthorized Card purchases.
- I understand that Troy University may terminate my use of the Card at any time without reason or cause. Upon request by the University or upon termination of my employment by the University, I shall immediately return my Card to the Administrator. I acknowledge that at all times the Card is and shall remain the property of BOA.
- I understand that if I choose to use my personal vehicle to pick up University related purchases, I do so at my own risk. I understand that I must be appropriately insured under Alabama law, and I understand that the University does not provide primary insurance for employees when they are using their own vehicles.
- I understand the Purchasing Card Transaction limits that have been assigned to me for individual and daily limits and that all purchases are subject to authorized budget availability.

Cardholder Signature _____ Date _____
Card # _____ Administrator review: _____

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 (social security number & date of birth)
- Provide information for cardholder transaction limits
- Verify approval and support of department head.
- Verify approval of Financial Affairs.
- Act as a return form if the card is canceled for any reason.

Filling out the Form:

Cardholder's Name: print name as it will appear on the Purchasing Card

Department Name: Troy University department name

System Address: Building, Room Number (and City/St/Zip if off-campus address).

Email address: email address for cardholder

Phone Number: Campus or System phone number of cardholder

Date of Birth: mm/dd/yy

Social Security Number: cardholder's social security number - (A social security number is not mandatory. Any number with the same pattern (xxx-xx-xxxx) will be satisfactory, but the Bank customer service person will ask for this number to use this information to activate the card). The CCPA will be using the Datatel identification numbers in the SS# pattern when requesting cards from the Bank.

Signature of the Dean: First level of spending authority approval level required, at minimum.
Or Department Head

Signature of the SVCF&BA Required on all applications not covered by a memorandum of approval

Intended card use: General department purchases or intended for a more specific use. This Card will be blocked for certain expenses. (See Manual for list).

University Default: All charges for the assigned purchase will be paid by the Card Operations

Account Number: Program Administrator and charged to a default account. This account will be cleared on by the Coder/Reviewer on a weekly basis when transactions are modified through BOA Smart Data Online.

Spending limit per Cycle: \$3,000 will be the standard daily cycle limit unless application is accompanied by justification for higher limits and approved by the SVC for Finance and Business Affairs.

Single Transaction Limit: Cardholder limit per transaction/order. \$1,500.00 will be the standard single transaction limit unless application is accompanied by justification for higher limits.

Signatures: The cardholder must sign to acknowledge receipt of the card. The CCPA will also sign to acknowledge release of the card and that the appropriate training sessions have been attended by the cardholder and assigned Coder/reviewer. Session dates will be recorded. If the card is returned for any reason, the cardholder must sign acknowledge the return of the card and the CCPA will sign to acknowledge receipt of the returned card and note the reason for the return.

APPENDIX B

Contact Information

Credit Card Operations Program Administrator:

Conni Moseley, Director of Procurement and Asset Management
211 Wright Hall
Troy University
Troy, AL 36082
T - (334)-670-3946
F – (334)-670-3750
camoseley@troy.edu

Assistant Credit Card Operations Program Administrator:

Michelle Hodge, Purchasing Coordinator
211 Wright Hall
Troy University
Troy, AL 36082
T – (334)-670-3402
F – (334)-670-3750
mhodge119638@troy.edu

BOA Bank, N.A.

Business Lending Customer Service 1-800-673-1044

PACS TEAM #2

Telephone Number (877)-399-1685
Hours of Operation 8 a.m. to 8 p.m. EST Mon-Fri.

TDD for the Hearing Impaired (888)-500-6267

Automated Account Information (800)-535-6806
▪ Emergency assistance 24 hours a day, 7 days a week
▪ Report an account lost or stolen
▪ Merchant authorization

Online website address: <https://sdol.mastercard.com>

APPENDIX C

**Purchasing Card
Cardholder Change Form**

Check One:

____ Accounting Code ____ Credit Limit ____ Personal Info ____ Name Change

____ Delete/Close (include card with this form)

Master Card Account # _____

Cardholder Name _____

Department _____

Areas for Change: (Complete only the fields to be changed)

Accounting Code: From: _____
To: _____

Credit Limits: Single Purchase Limit:
From \$ _____ to \$ _____
Credit Limit per Daily Cycle:
From \$ _____ to \$ _____

(Requests for changes are not automatic. Requests must be approved by the Senior Vice Chancellor for Finance and Business Affairs. Additional justification may be required).

Personal Information: (Cardholder)

Name: _____

SSN: _____

Date of Birth _____

E Mail Address _____

Name Change:

Previous Name (of current cardholder) _____

New Card Name _____

APPROVALS:

Cardholder: _____ Date _____

Program Administrator: _____ Date _____

Senior Vice Chancellor for F& BA: _____ Date _____

Return this form to Conni Moseley, Credit Card Operations Administrator, Purchasing Department, 211 Wright Hall

Appendix D

**TROY UNIVERSITY PURCHASING CARD PROGRAM
CODER/REVIEWER APPLICATION FORM**

Name: _____
Last First MI

University Address: _____

University Telephone # _____

Email address _____

Does reviewer have the authorization to distribute charges from one budget to another? Yes No

Coder/Reviewer is a person who is the first individual to review charges of the cardholder. This person has access to all departmental cardholder accounts under an assigned hierarchy (group of cardholders). The coder/reviewer is responsible for accessing BOA's Smart Data Online to review cardholder charges as prescribed in the Purchasing Card Policies and Procedures Manual in order to modify the transaction data as appropriate in accordance with the prescribed policy.

By signing below, I acknowledge the following:

- **I have attended the training session for cardholders within my hierarchy;**
- **I have attended the coder/reviewer training;**
- **I have read and understand the manuals and training information as provided to me by the Credit Card Program Administrator;**
- **I agree to comply with the responsibilities as listed in the Purchasing Card Manual for this position of responsibility;**
- **I understand that non-compliance with the policy as written could result in the revocation of cardholder privileges, as well as, potential disciplinary action, including dismissal.**

I have been approved by my immediate supervisor to serve in this capacity in behalf of my department, division or location.

Signed: _____ Date _____

Name of supervisor authorizing this action:

Signature of Supervisor:

_____ Date _____

Date of Coder/Reviewer Training _____ Trainer _____

Appendix E

Purchasing Card Missing Receipt Affidavit

Cardholder _____ M/C Account Number _____

Department _____ Campus Location _____

Reference Number _____ Transaction Date _____

Vendor/Merchant _____ Total Amount _____

Items Purchased: _____ Item Amount: _____

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Detailed explanation for missing documentation:

I certify that the amounts above were expended for Troy University purchases. If charged to a grant or contract, I certify that the claimed expenses comply with the conditions of the grant or contract.

Cardholder Signature Date

Supervisor's Signature Date

**Appendix F
Cardholder Statement of Disputed Item**

BOA America 1-800-673-1044 Customer Service. Ask for PACS TEAM #2.

Cardholder Name: _____
Cardholder Number _____
Statement Date _____ **Merchant** _____
Transaction Date _____ **Reference** _____
Transaction Amount _____ **Posting Date** _____

Check the item that best describes your dispute. IF you have any questions, please call BOA America or your CCPA.

Alteration of Amount
The amount of the sales draft was altered from \$ _____ to \$ _____ (include copy of sales draft)

Unauthorized Mail or Phone Order

I certify that the charge listed above was not authorized by me or any person authorized by me to use this account. I have not ordered merchandise by phone or mail, or received goods or services as represented above.

Cardholder Dispute

I did participate in the above transaction. However, I dispute the entire charge, or a portion, in the amount of \$ _____
Because _____

Credit Not Received

The merchant has issued me a credit slip for the transaction listed above; however, the credit has not posted to my account. The date on the voucher is between 30 and 90 days old. (Include a copy of the credit voucher).

Imprinting of Multiple Slips

The above transaction represents multiple billings to my account. I only authorized one charge from this merchant for \$ _____. I am still in possession of my card.

Merchandise Not Received (Check one)

My account has been charged for the above transaction, but I have not received this merchandise. I have contacted the merchant.

Merchandise Returned

My account has been charged for the above transaction, but I have since contacted this merchant and canceled the order. I will refuse delivery should the merchandise still be sent.

Inadequate Description/Unrecognized Charge

I do not recognize this charge. Please supply a copy of the sales draft for my review.

I am no longer disputing this charge

Other (Explain)

