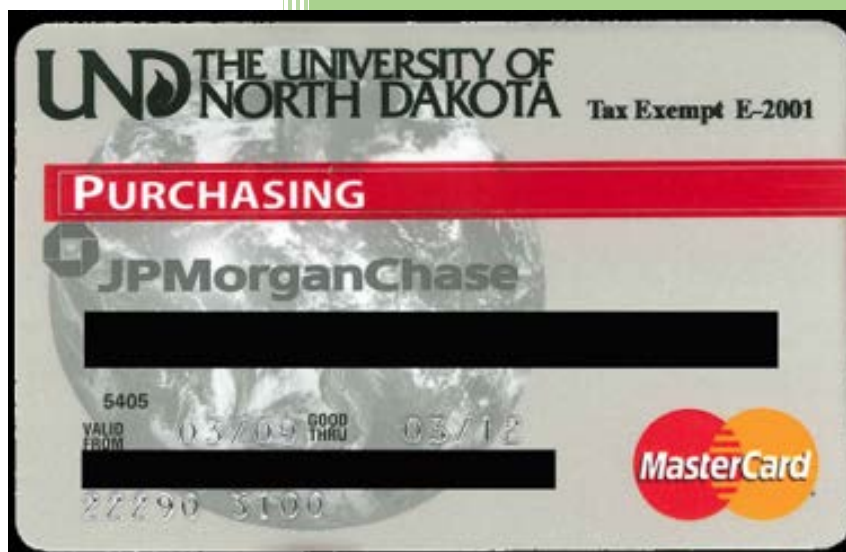


# University of North Dakota Purchasing Card User's Manual



Procurement & Payment Services



# UND PURCHASING CARD USER'S MANUAL

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# UND PURCHASING CARD USER'S MANUAL

## General Information – What You Need to Know

### Introduction

The North Dakota University System has contracted with JP Morgan Chase to offer an efficient, cost-effective method of purchasing and paying for goods and services within established procurement guidelines. Cards are available to faculty and staff with approval from the appropriate authorized departmental supervisor. The card is a privilege granted by the University and responsible use of the card is expected. Cardholders must follow all University policies and procedures when using the card as a procurement/payment mechanism.

The Purchasing Card is NOT intended to avoid or circumvent the appropriate procurement or payment procedures, or to be used for personal use.

The Purchasing Card is a University liability MasterCard, issued through and supported by JP Morgan Chase Bank. It is not a personal liability card.

Procurement & Payment Services administers the program and may be reached via e-mail at [UND.pcard@UND.edu](mailto:UND.pcard@UND.edu).

### Benefits of Using the Card

- Convenience – accepted at all MasterCard locations
- Expedites and simplifies the purchase of non-restricted items
- Combines ordering and payment processing into one process
- Reduces administrative costs associated with processing supplier invoices and payments
- Enhances cash flow for the University

### Approved Uses of the Card

The Purchasing Card may be used for a variety of expenditures incurred for the purpose of conducting University business. All purchases should have a transparent or documented business purpose. Typical purchases on the card include:

- Advertising expenses
- Airline/Amtrak tickets
- Airfare and Registrations for students and non-employees  
(Employee may use their pcard when making arrangements for students or non-employees)
- Books and other instructional supplies
- Conference Registration
- First night if deposit required for conference motel room
- General merchandise and supplies

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- Interdepartmental purchases
  - UND has determined that interdepartmental purchases are cost efficient to eliminate staff time on processing, and approving journal entries.
- Memberships/Dues
- Non-capitalized equipment
- Travel expenses\*
  - Lodging when in travel status
  - Rental Car
  - Parking
- Services/Fees

\*For cards that will be used internationally, it is strongly recommended that the cardholder notify JP Morgan Chase, **BEFORE** the trip, of the countries where the card will be used. The appropriate phone numbers can be found on the back of any P-card. If this is not done, the card may be suspended or declined due to the Bank's security procedures.

### Prohibited Uses of the Card

(This is not an all-inclusive list)

- Alcoholic beverages
- Cash advances/ATM transactions
- Capital equipment (Any tangible item costing \$5,000 or more with expected useful life more than one year)\*
- Controlled substances/items
- Donations/sponsorships
- Food\*
- Gift Cards\*
- Hazardous materials
- Leases\*
- Non-business/Personal items
- Radioactive Materials
- Splitting large transactions into smaller transactions to circumvent the approved transaction limit
- ND sales tax

\*Certain prohibited items may be considered for purchase on a case by case basis. To obtain authorization for purchase of a prohibited item, a waiver must be obtained. See section 'Obtaining a Waiver' in this manual.

#### **NOTE:**

*Poor management of the card may result in revocation of cardholder privileges.*

*Fraudulent or intentional misuse of the card will result in revocation of the card, and may result in restitution, criminal charges, and/or termination of employment.*

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## Card types, default funding, and card limits

### Card Types:

All purchasing cards are issued in the name of an individual. The individual must be a university employee, students including graduate students or student organizations are not allowed to obtain a purchasing card. P-cards are not issued to departments, but to individuals.

**General Purchasing Cards** - General Purchasing cards allow charges for general merchants such as Walmart, Lowes, airfare and other travel charges. This card will exclude charges for food/meals. This type of card is issued in the name of the employee.

**Team/Group travel Purchasing Cards** - These Purchasing cards allow travel charges for groups of students traveling for university sponsored activities. The cards are issued in the name of the employee accompanying the students while traveling. Groups using these cards may include athletic teams, music groups, programs/trips sponsored by the International Programs, and other student groups traveling for university sponsored activities/business.

### Default funding source:

Default funding source (fund and department) is assigned to each purchasing card at the time of issuance. All charges will be posted to this fund and department. Both the fund and the expense account code may be changed prior to posting in the general ledger through the PaymentNet reallocation process.

### Card limits:

Individual transactions limits are assigned to each purchasing card issued. The maximum single transaction limit is \$4,999 unless other arrangements are made through the P-card administrator. The monthly limit for each account is \$10,000 unless otherwise requested.

### Annual Training

Annual training is required for all Cardholders and Reviewers/Approvers per NDUS policy/procedure. The P-card administrator will communicate the details of the training and the accepted completion dates.

### Retention

Receipts/invoices/supporting documentation is submitted electronically along with the Monthly Statement of Account via email to [UND.pcstatement@UND.edu](mailto:UND.pcstatement@UND.edu). Paper documents used to create the electronic submission should be maintained in the department for a period of one year from date of submission.

## Cardholder Instructions – What You Need To Do

### Obtaining a P-card

A P-card is granted after completion of the following steps:

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- Complete and submit the [Purchasing Card Application and Use Agreement Form](#)
  - P-card Administrator will assign training to cardholder
  - Upon completion of training, cardholder will submit a signed [Travel Agreement for UND Purchasing Card](#) (if intending to use the card for travel purchases)
  - P-card Administrator will order the card
  - Card is mailed to cardholder
  - Cardholder should immediately sign the received card

## Expectations for Use of the Purchasing Card

All current purchasing policies and regulations apply to the use of purchasing cards.

Cardholders and Reviewer/Approvers are responsible for ensuring that all charges on the card comply with UND, NDUS, and SBHE policy and procedure, and are properly itemized, supported by a business purpose, and reallocated via the JP Morgan Chase PaymentNet system.

## Cardholder Responsibilities

- Sign your card immediately upon receiving the card
- Secure your P-card (do not allow others to use)
- Purchase goods/services allowable per UND policies and procedures
- Ensure sales tax is not charged
- Ensure business purpose of purchase is transparent and for travel expenses, clearly documented
- Retain copies of detailed invoices/receipts for all purchases
- Reallocate charges to the appropriate funding source before charges are posted to the general ledger
- Print, Sign, & Submit monthly statement of account attaching invoices/receipts and other supporting documentation
- Notify JP Morgan in the event card is lost or stolen (1-800-270-7760)
- Resolve all disputes in a timely manner.
- Destroy an expired card
- Return card to supervisor & complete a P-card Change Request Form upon termination from current department

## Making a Purchase

- For approved University business purchase of goods, services, or travel related expenses (except for meals) less than \$10,000.
- Confirm UND tax exempt status with the merchant and request the tax exemption on the purchase.
- Provide complete delivery address to the merchant
- Retain a copy of the detailed invoice/receipt to attach to the Monthly Statement of Account
- Upon delivery, inspect the order to verify accuracy, quality, and purchase price
  - Resolve any disputes as soon as possible

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## Declined Transactions

- Contact JP Morgan to determine the reason for the decline (1-800-270-7760) or look up the decline information in PaymentNet.
- If you need help resolving the decline, contact the P-card Administrator at 701-777-2771.
  - An example would be an unallowable MCC transaction.

## Returning items

- Returns should be processed as soon as possible
- Obtain and retain a credit receipt to attach to the Monthly Statement of Account
- If a restocking fee is charged, be sure to obtain documentation of said charge from the merchant and submit with Month Statement of Account

## Disputing a charge

- If a charge/item on the statement is incorrect, contact the merchant immediately to resolve the disputed charge.
- If the merchant does not resolve the discrepancy within 30 days, you may contact JP Morgan for assistance.

## Changes in credit limits

When a limit change for either a single transaction purchase or monthly transaction total is required:

- Complete a [P-card Change Request](#) form.
- Submit the completed, signed and approved form to [UND.pcard@UND.edu](mailto:UND.pcard@UND.edu).

## Obtaining a waiver

A waiver may be requested and considered for one time exceptions to certain prohibited items or uses of the purchasing card. Each waiver request will be considered on a case by case basis. Examples of items you would request a waiver for:

- Capital Equipment
- Purchase of food items
- Gift cards
- Leases

Any waiver granted must reference the waiver number for any applicable transaction in the notes section of PaymentNet

All waiver requests should be submitted to [UND.pcard@UND.edu](mailto:UND.pcard@UND.edu).

## Statement Reviewer/Approver Instructions – What You Need To Do

### Reviewer/Approver Responsibilities

- Review monthly statement of account and supporting documentation
- Verify the business purpose of the purchases

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- Confirm business purpose of all travel expenses is clearly documented
- Confirm receipts/invoices are attached for each transaction
- Verify sales tax was not charged
- Sign statement of account confirming review and approval is complete

The Departmental Statement Reviewer/Approver is the last line of defense for the department. They have the ultimate responsibility to insure the documentation is correct and complete prior to submission to Procurement & Payment Services.

Cardholders and Reviewers/Approvers are responsible for ensuring that all charges on the card comply with UND, NDUS, and SBHE policy and procedure.

## Failure to Follow P-card Policies and Procedures

### Audits

UND and NDUS internal auditors as well as Auditors external to our organization will periodically audit departments and/or transactions for compliance with purchasing card policies and procedures. Departments are ultimately responsible for all transactions on their employees purchasing cards and may be called upon to answer any questions posed by either internal or external auditors.

Procurement & Payment Services will audit Monthly Statements of Account for compliance with University policy and procedure. Non-Compliance and violations of procurement and accounts payable policies and procedures along with Purchasing Card policy and procedure may result in, but are not limited to, one or more of the following- verbal or written warnings; suspension or cancellation of the P-card; disciplinary action (including loss of employment); and civil or criminal penalties.

### Violation Definition

Recorded violations may include but are not limited to:

- Failure to submit Monthly Statement of Account and supporting documentation to Procurement & Payment Services ([UND.pcstatement@UND.edu](mailto:UND.pcstatement@UND.edu)) by the 20<sup>th</sup> of the month
- Missing receipt/documentation
- Undocumented business purpose of a transaction
- Allowing someone else to use your card
- Intentionally splitting a purchase to circumvent procurement policies
- Purchasing items with the card for personal use\*
- Purchasing unallowable items
- Failure to return the card to supervisor when reassigned, terminated, or upon request

\*Personal Use of P-card – If the offense is found to be accidental, the cardholder should have the supplier credit back the purchase. If the supplier cannot issue a credit, the cardholder is required to reimburse the University. (More than one accidental personal use, may lead to the P-card being revoked). If the offense is judged to be fraud, progressive administrative and/or disciplinary action, including criminal prosecution may result.



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## Notification of Violations

Violations are recorded for each cardholder account based on a revolving calendar year. One year from the date of a violation, it will be removed from the cumulative record of the Cardholder. Notification and processing of violations are as follows:

- **First Violation** – Written warning to Cardholder.
- **Second Violation** – Written warning to Cardholder, Supervisor, and Reviewer/Approver.
- **Third Violation** – 30 day suspension of card. Cardholder must contact Procurement & Payment Services ([UND.pcard@UND.edu](mailto:UND.pcard@UND.edu)) to reactivate card within 30 days after suspension or Purchasing Card will be canceled.
- **Fourth Violation** – Purchasing Card is canceled. The Cardholder must return the card to Procurement & Payment Services

## Other Information

### Corrections to P-Card transactions

P-Card transactions that have posted to the general ledger may be corrected using a [journal voucher](#).

### Contact Information

#### Email addresses

- [UND.pcard@UND.edu](mailto:UND.pcard@UND.edu)
  - General correspondence regarding your P-card account including but not limited to:
    - Waiver requests
    - Submission of P-card Change Form
- [UND.pcstatement@UND.edu](mailto:UND.pcstatement@UND.edu)
  - EXCLUSIVELY for the submission of signed Monthly Statement of Account and supporting documentation. Should not be used for correspondence regarding your monthly statement or subsequent violation(s).
- [UND.pps@UND.edu](mailto:UND.pps@UND.edu)
  - General correspondence to Procurement & Payment Services not specific to the Purchasing Card program

#### Phone numbers

- 701-777-2771 Procurement & Payment Services
- 1-800-270-7760 JP Morgan Chase Cardholder Customer Service