



Purchasing  
Card  
Cardholder  
Training

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# Introduction

- What is the Purchasing Card Program?
- How does it work?
- What are the appropriate and inappropriate uses of the system and the consequences of misuse?
- What are my responsibilities?

# Definitions

- **Cardholder:** NDUS employee whose name appears on the P-Card is responsible for all charges made with the card. The cardholder is responsible to:
  - Use the P-Card only for NDUS purposes and in accordance with NDUS policies, ND Century Code and their campus policies and procedures
  - Maintain detailed documentation of all transactions
  - Dispute transactions that appear incorrect/fraudulent
  - Reconcile monthly statements
- **Default departmental funding:** The NDUS budget fund and account number assigned to the cardholder's P-Card. Only one budget fund and account number can be assigned to a card. Cardholders can reallocate transactions to one or multiple funds.
- **Detailed Documentation:** Original or electronic detailed receipt, vendor invoice, charge slips, cash register receipts, printout of E-mail or web page transaction confirmation that must include:
  - Itemized description of goods or services purchased including unit price
  - Vendor name
  - Transaction date
  - Transaction total
- **Merchant Category Codes (MCC):** MCC's are codes assigned to a supplier by their merchant bank. The MCC identifies the type of business conducted by the supplier. Allowable MCC codes are assigned to the P-Cards by the P-Card Administrator based on institution's purchasing policies.

## Definitions Cont'd

- **Purchasing Card (P-Card):** A credit card issued to an NDUS employee for making authorized purchases of supplies and services, including travel arrangements. Purchases must be ordinary, necessary and reasonable both in amount and relative to a business purpose. NDUS will process a monthly payment for all P-Card charges directly to JP Morgan Chase.
- **Purchasing Card Administrator:** Each institution is represented by a Purchasing Card Administrator, who is responsible for administering the P-Card program.
- **Reconciliation/Reallocation:** The cardholder or card administrator should review the statement to ensure that the transactions and amounts listed are correct and the cardholder performed all transactions. Then the cardholder or card administrator assigns a fund-dept-account (project/program if applicable), attaches detailed documentation, indicates the business purpose for EACH transaction, AND traces it to the cardholder's statement. Reconciliation is performed on a monthly basis by the cardholder and approved by the reviewer. Cardholders should document the reconciliation by signing and dating the statement. The reviewer should document the review and approval by signing and dating the statement.

## Definitions Cont'd

- **Retention:** Follow current NDUS retention policy. Purchasing card documentation falls under the Accounts Payable category found at:  
<http://www.ndus.edu/makers/procedures/sbhe/default.asp?PID=128&SID=11>
- **Reviewer:** The cardholder's supervisor or another designated employee (other than the cardholder) who is familiar with the departmental budget and expenditures. The Reviewer is responsible to ensure purchases are necessary and reasonable both in amount and relative to a business purpose.
- **Statement:** The monthly detail listing of transactions to a cardholders P-Card.
- **Transaction Limit:** Cardholders have single transaction and monthly total purchase amount limits.

## Purchasing Card (P-Card)

- A credit card issued in the name of the NDUS employee
- Authorized for use with only certain categories of merchants
- For official NDUS business use only for transactions that comply with NDUS policy and procedure, North Dakota Century Code and the cardholder's campus policy and procedures.
- Tell the vendor that your NDUS institution is exempt from sales taxes. Your institution's tax exempt number is on each P-Card.

## PaymentNet

- PaymentNet is a web-based P-Card management tool offered by JPMorgan Chase.
- P-Card holders have the ability to:
  - View their activity and Statement of Account
  - Match transactions with receipts
  - Dispute transactions
  - Print off their Statement of Account
  - Cardholders will be provided with access to PaymentNet upon successful completion of Purchasing Card Training.

## A Purchasing Card is NOT

- A means to access cash or credit
- A means to avoid appropriate procurement or payment procedures
- A means to pay other departments
- A right of employment
- For personal use

## Cardholder Responsibilities

Each Cardholder is responsible for the following activities:

- Sign the P-Card immediately upon receipt.
- Safeguard the P-Card.
- Print the Purchasing Record Form or Statement of Account report in PaymentNet each month
- Reconcile monthly statement and receipts.
- Sign the Purchasing Record Form or Statement of Account to attest that all purchases are for NDUS business and in compliance with NDUS policy and procedure, North Dakota Century Code and the cardholder's campus policy and procedures.

## Cardholder Responsibilities Cont'd

- Forward signed and completed Purchasing Record Form or Statement of Account and original/electronic receipts, invoices, and other supporting documentation, to designated reviewer.
- Cardholder is responsible for allowing adequate time for reviewer to submit paperwork to your campus business office or accounting/finance department and should confirm with reviewer that paperwork was submitted before the required deadline.
- Notify the supervisor and JPMorgan Chase immediately in the event of a lost or stolen P-Card.
- Resolve disputes in a timely manner.
- Destroy and discard an expired Purchasing Card.

## Cardholder Responsibilities Cont'd

- Terminated employees or employees who transfer to another department must complete the P-Card change request form and email the Purchasing Card Administrator and their supervisor to cancel their P-Card.
- The cancelled P-Card will then be given to their supervisor
- The supervisor or Purchasing Card Administrator is responsible for shredding and disposing the card. Returned Purchasing Cards are not to be reissued to other employees for use.
- Any unauthorized charges that occur on the Purchasing Card must be IMMEDIATELY repaid by the cardholder to NDUS.

## Reviewer Responsibilities

Purchasing card purchases should be reviewed by a designated reviewer. The reviewer is defined as the cardholder's supervisor or another designated employee, who is familiar with the departmental budget and expenditures. The Reviewer's responsibilities include:

- Review information submitted by the cardholder. The reviewer should verify receipts for each transaction are attached to the cardholder statement.
- Verify that no personal transactions are on the statement. If personal transactions occur, the employee must repay the institution, including any applicable sales tax. If it is determined that personal or other unauthorized charges are occurring on the purchasing card, appropriate steps, up to and including dismissal, will be taken to resolve the misuse/abuse of the purchasing card.

## Reviewer Responsibilities Cont'd

- Verify that purchases are ordinary, necessary and reasonable both in amount and relative to a business purpose.
- Sign cardholder Purchasing Record Form or Statement of account to certify that purchases comply with appropriate policies and procedures.
- Forward the signed Purchasing Record Form or Statement of Account form with all original/electronic receipts and supporting documentation to your campus business office or accounting/finance department before the required deadline.

## Purchasing Card Default Chart of Account

- All cards are assigned with a default Chart of Account, which is the NDUS institution fund, department, and program number on the bottom of every card. This default Chart of Account is used to post P-Card transactions to the General Ledger.
- All P-Card transactions will be paid centrally by the campus business office or accounting/finance department. The transactions will be posted to PeopleSoft via the default Chart of Account, unless transaction is reallocated.
- If the transaction has already posted to the General Ledger, the department can make changes via a Journal Voucher Form.

# Policy and Procedure Violations and Guidelines

Failure to use the P-Card in accordance with applicable policies and procedures may result in revocation of the P-Card and may involve appropriate disciplinary action, up to and including termination and possible criminal prosecution.

Violations include but are not limited to:

- **Allowing someone else to use your card** - Only the NDUS employee whose name appears on the Purchasing Card is accountable for ALL charges made with that card. A cardholder shall NOT lend the Purchasing Card to anyone. If another employee in the department needs a Purchasing card, the Director/Supervisor of the department should request one for that individual.
  - Purchasing cards are not issued in the name of the Department. They are only issued to individuals.
  - The cardholder must be a NDUS employee. Students, including graduate students and student organizations are not allowed to obtain a Purchasing Card.
  - Purchasing Cards must be kept in a secure location, such as a locked drawer, and shall only be used to process transactions by the respective cardholder. In order to prevent exposure to fraud, the full Purchasing Card account number shall not be in locations that are accessible.
  - The JPMorgan Chase MasterCard Program provides liability protection to NDUS once notification of any loss, theft or fraudulent use is made. However, the same level of liability protection does not apply to cards that are made available to multiple users.
- Failure to submit statement and supporting documentation to your campus business office or accounting/finance department by the required monthly deadline

## Policy and Procedure Violations and Guidelines Cont'd

- Splitting a purchase to circumvent Purchasing Policies. Splitting purchases is making multiple purchases for the same business purpose within a short amount of time.
- Purchasing items with the card for personal use
- Purchasing unallowable items
- Repeatedly allowing sales tax to be charged when the purchases are tax exempt.
- Any unauthorized charges that occur on the Purchasing Card must be IMMEDIATELY repaid by the cardholder.

## Cardholder Disciplinary Action

- **First Offense** – Written or emailed warning to Cardholder.
- **Second Offense** – Written or emailed warning to Cardholder and supervisor.
- **Third Offense** – 30 day suspension of card. Cardholder must contact P-Card Administrator to reactivate card within 30 days after suspension.
- **Fourth Offense** – P-Card is canceled. The Cardholder must return the card to the Purchasing Card Administrator.

## Cardholder Disciplinary Action Cont'd

- These offenses will be tracked per employee in a twelve-month period beginning with the first offense.
- Purchasing Card Administrator reserves the right to suspend/cancel any card at any time if the Administrator deems the violation was intentional.
- Any Cardholder that has lost the privilege of the use of a Purchasing Card may request to be issued a new card after 120 days of having their card canceled. No Cardholder will be considered for reinstatement until all authorized personal charges on the previous card are paid back in full.
- The Cardholder and their direct supervisor must go through an Appeals Process, which is a review of the Cardholder's violation history and the justification for a new card. The appeals process will determine if a Purchasing Card will be reissued. If reissued, the Cardholder must fill out a new Purchasing Card Application and retake training.

## Returns, Credits, and Disputed Items

- The Cardholder is responsible for following up with the merchant or bank (JPMorgan Chase) on any erroneous charges, disputed items or returns, as soon as possible.
- Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect amounts, duplicate charges, credit not processed, as well as fraud and misuse.
- **Documentation of credits, returns and exchanges must be attached to the Purchasing Record Form or Purchasing Card Statement of Account.**
- Any item purchased with the Purchasing Card that is returned must be returned for credit. **Do not accept refunds in cash or check.**
- If you have a disputed charge and cannot reach resolution with the merchant, contact JPMorgan Chase Customer Service 1-800-270-7760. Disputed items must be resolved in a timely manner.

## Key Contact

**JPMorgan Chase Cardholder Customer Service:  
1-800-270-7760**

- For authorization assistance
- For questions concerning monthly statements
- To report a lost or stolen card 1-800-270-7760

## Additional Information

- For additional training information see Procurement & Payment Services website: <https://und.edu/finance-operations/procurement-and-payment-services/p-card/general-information.cfm>