

FLORIDA ATLANTIC UNIVERSITY PURCHASING CARD PROGRAM

Purchasing Card User Manual/University Agency Plan

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I. KEY WORDS & PHRASES

Approver

A person delegated the responsibility of reviewing Cardholder transactions to ensure the appropriateness of activity and the timely processing of charges. Often the Approver will reside in the same department/area as the cardholder.

Associate Purchasing Card Administrator (Associate Controller)

The individual in the University Controller's Office who administers the travel function and associated purchasing card Approver training.

Billing Cycle

The monthly billing period that begins the 5th day of each month and ends the 4th day of the following month.

Cardholder

A person designated by the Purchasing Card Administrator (Purchasing, pursuant to the Dean's, Director's or Department Head's recommendation) to be given a Purchasing Card to make purchases within preset limits, on behalf of FAU. A cardholder shall meet the purchasing card requirements as stated herein and have duties or responsibilities commensurate with the establishment of spending limits.

Cardholder Profile

Parameters that are set for a designated Cardholder that identify the Cardholder, set default accounting codes and provide restrictions or spending limitations in the Contractor's and Banner Purchasing Card systems.

Contractor

The bank issuing the purchasing card; the current contractor is Bank of America.

MCC

Merchant Category Code assigned to a merchant by VISA which identifies the primary goods or services provided by the merchant.

Monthly Limit

A maximum dollar value of charges that may be applied to a Cardholder's purchasing authority during a month.

Purchasing Card Administrator (Director of Purchasing)

The individual in the Purchasing Department who administers the cardholder profiles, card issuance, card cancellation, and cardholder training.

Reconciler

The individual who reconciles Cardholder receipts and/or logs to the Banner accounting activity records. Often, this is the same person as the Approver.

Transaction

A charge, credit, correction or other activity associated to any Cardholder or Agency account.

Single Transaction Limit

A dollar limit that may be applied to a Cardholder's purchasing authority on a per transaction basis.

University Agency Plan

A set of key controls and agency objectives that Florida Atlantic University must meet to participate in the Purchasing Card Program.

The procedures contained in this manual apply to all University employees who have been issued an FAU Purchasing Card or who have direct or delegated responsibilities under the Purchasing Card system.

II. GENERAL

Purchasing cards will be issued to those people who are in a fiscally responsible position and may only be used for official, university-related purposes. Purchases must follow appropriate state laws and University rules and policies and must be made with reasonable judgment. If there is a question about the official purpose of a purchase or if the use of the purchasing card to make a purchase is questionable, contact the Purchasing Office at 561-297-3080 for clarification.

State and University contract merchants/vendors should be used to purchase commodities unless the needed commodities are not available through state or University contracts. A list of state contracts and vendors can be obtained from the Purchasing web site at <http://www.fau.edu/purchasing>.

Any employee who knowingly and willingly makes purchases or attempts to make purchases that violate state laws, University purchasing card policy, or procedures contained in this manual or assists another employee in such purchases, or fails to report a known violation, may be subject to disciplinary action in accordance with the Cardholder Agreement.

Cardholders are encouraged to use certified State of Florida minority merchants, PRIDE of Florida (commodities made by prisoners), and purchase commodities that are made of recycled material or of recycled content.

Contact the Purchasing Office for non-routine or questionable purchases before the purchase is made. For example, computer software/hardware that must meet specific requirements, critical delivery schedules, or assurance of compatibility with existing equipment might require the use of a purchase order to ensure that specifications are met.

All transactions conducted within the State of Florida are exempt from State Sales and Use tax. The University's tax exemption number for the pCard program is listed on each purchasing card. Federal or local taxes are not exempt.

Merchants should not charge the purchasing card account until the merchandise is received by the cardholder or shipped by the merchant. Backorders may not be charged by the merchant in advance of shipping.

The merchant should ship the delivery receipt and the item purchased directly to the cardholder or designated departmental receiving point. Do not send items to Central Receiving that are purchased with the pCard. Under no circumstances shall items be sent to the Cardholder's residence.

There will be one primary Reconciler/Approver and one backup Reconciler/Approver in each department or center office; Approvers shall not approve their own charges.

The University's Office of Inspector General will perform periodic post audits of purchasing card activity.

Purchasing Cards will be immediately canceled and destroyed if the Purchasing Department is notified that:

- * Cardholder terminates employment
- * Cardholder no longer requires a Purchasing Card
- * Cardholder reports the loss or theft of Purchasing Card
- * Cardholder misuses the Purchasing Card
- * Termination of any grant, contract or budget authority for which the card was issued exclusively.

Infraction Policy:

Cardholders who violate the terms of the Cardholder Agreement will be subject to disciplinary action up to and including termination of employment. Additionally, failure to follow purchasing policies stated herein will be addressed as follows:

- 1) 1st Occurrence: Counseling and/or reduction of privileges
- 2) 2nd Occurrence: Reduction of privileges or revocation of Purchasing Card

III. GUIDELINES

A. Card Issuance and Cancellation

The Purchasing Card Administrator (Purchasing) is responsible for all card issuance and cancellation.

Cards are issued following the Purchasing Card Plan that is approved by the President of the University.

Cards must be returned to the Purchasing Card Administrator (Purchasing) when cardholder changes departments within the University or terminates employment with the University or when cardholder no longer requires a card.

B. Purchasing Card Limitations And Restrictions

Individual cardholder controls are determined by the cardholder's profile. Cardholder profiles are determined by Deans, Directors or Department Heads and approved by the Purchasing Card Administrator. (Purchasing)

The Purchasing Card Administrator (Purchasing) is responsible for establishing and maintaining cardholder profiles.

C. Cash Advances

Under no circumstances are cash advances on the FAU Purchasing Card allowed.

D. Purchasing Card Security

Use of the purchasing card is limited to the University employee whose name appears on the face of the card. The purchasing card should not be loaned to another person under any circumstances. If a cardholder is absent for an extended period of time, the department should seek to obtain another card for a different designated employee, either temporarily or permanently.

Each cardholder is responsible for the security of his/her card. All precautions should be used to maintain confidentiality of all information relating to the card, such as the cardholder account number and expiration date.

The Purchasing Card account number should never be left in a conspicuous place.

E. Reconciliation Of Charge Receipts

Reconciliations between the cardholder's charge receipts and what is reported as being charged by Bank of America must be prepared no less frequently than monthly and shall be signed and dated by the Approver.

Reconciliations may be prepared by the cardholder or the approver, but in no case may a cardholder approve his/her own card charges.

Reconciliation will utilize reports generated by the Controller's Office.

The Reconciler/Approver is responsible for following the procedures in Section IV, C. prescribed for receipts retention and reconciliation.

It is suggested that Cardholder supervisors review the reconciliation periodically to consider appropriateness of purchases. Internal control plans call for periodic internal audits of the program by FAU's Office of Inspector General. These audits will include, but are not limited to, the verification of proper record retention in accordance with State guidelines, monthly reconciliations and the appropriateness of purchases.

F. The Payment Process

The University is responsible for assigning persons to authorize payment of purchasing charge receipts daily.

The approver must be independent of cardholders.

Purchasing card charges are received by the University on a daily basis and should be authorized/paid on a daily basis.

Payments must be authorized within ten (10) business days of the charge appearing in the Purchasing Card system. All exceptions must be documented. Departmental Approvers shall initial and date the receipt simultaneously while inputting the transaction data into the Banner system.

Purchasing card Approvers must have confirmation of receipt of goods from the cardholders before payment can be authorized.

Purchasing card Approvers are responsible for notifying the Associate Purchasing Card Program Administrator (Controller) when they and their back-up will be absent or unable to process daily card charges for any reason.

Default accounting codes are automatically assigned to a given cardholder's card; charges which are not distributed to other accounts at the time of approval will be charged to the default account.

G. Training and Information

All cardholders and Reconciler/Approvers must attend training on the policies and procedures associated with the Purchasing Card Program. They must be informed of purchasing card statements and other sources of information relevant to the program.

H. Encumbrance

The Purchasing Card Program was established, in part, to lessen the amount of paperwork and processing time currently needed for small dollar purchases. Therefore, the purchasing card charges will not be systematically encumbered.

I. Registrations & Memberships

Registrations and Organizational Memberships may be processed using a university issued pCard VISA Card. While this is the preferred method of payment, Purchasing will continue to accept requisitions as well. As always, please ensure that these, and all other charges, are appropriate expenditures against the charged index and that you have the proper departmental approval, as required. Also note that travel accommodations are only permitted on specific pCards that are approved for travel. The following guidelines shall apply:

Registrations:

- 1) pCard Cardholders may place registrations directly with the organization either in person, by phone, fax, Internet or by mailing the registration form. The VISA account number should be properly indicated on the form.
- 2) A copy of the registration form will serve as the receipt and should be forwarded immediately to the area Approver. Each registration form should include the name of the conference, the date(s), the person(s) attending and TAR number(s), conference location, and cost.
- 3) A “Benefit to State” justification shall be written and sent to the Approver along with the registration form. This justification, along with the registration form, shall constitute a “receipt” and be retained by the area Approver for a period of five (5) years.
- 4) **Approver Note** : Use account code 261090 for registrations that are in-state and 262090 for out-of-state. Group registrations may be charged to a single card provided the individual participants are broken down by line and there is a name and TAR number for each in the description field. Be sure to retain the benefit to state and registration form as your receipt.

Organizational Memberships & Dues:

- 1) Florida statutes require that public funds not be used for dues to any association, group or organization the records of which are not open for inspection by any Florida citizen. Therefore, before a membership can be placed, it is the responsibility of the Cardholder to secure an “open records letter” from the organization. A blank open records form letter can be obtained from the purchasing web site at http://www.fau.edu/purchasing/memb_reg.htm . You are encouraged to check with the Purchasing Department first to determine if such a document is already on file, and can be obtained internally. To do so, please contact Judy Stanwyck at x72608. Note that membership dues can not be placed until you are in receipt of the above.
- 2) Membership dues and/or renewal forms may then be placed directly with the organization in person, by phone, fax, Internet or by mailing the appropriate payment form. The membership form must indicate group, departmental or organizational membership unless an individual membership is available at a lower cost and is desired. The following documents shall serve as the pCard receipt and must be forwarded to the area Approver immediately upon the payment of membership dues:

Completed membership form
Open Records Letter
Benefit to State Statement

- 3) **Approver Note:** Use Banner account code 493040 for organizational memberships. If you are approving an individual membership, use 493000. Be sure to retain the open records letter and benefit to state with your membership form as receipt.

IV. PROCEDURES

A. Deans, Directors and Department Heads will:

1. Recommend potential cardholders, Reconciler/Approvers and appropriate backups.
2. Ensure that potential cardholders are not assigned to approvers who are related to them.
3. Complete and sign the Cardholder Profile Information form
4. Complete and sign the Reconciler/Approver Profile Information form.
5. Complete and sign the Banner Access form for each Reconciler/Approver.
6. Forward completed forms to the Purchasing Card Administrator (Purchasing).
7. Ensure that employees who will be issued a purchasing card or have been delegated responsibilities under the purchasing card system meet the purchasing card requirements and have duties or responsibilities commensurate with the establishment of spending limits.
8. Notify the Purchasing Card Administrator (Purchasing) of changes in either a cardholder's or reconciler's status.
9. Ensure that cardholders who terminate employment or transfer stop using the purchasing card immediately upon notification of the termination or transfer. and reconcile all outstanding purchasing card transactions with the appropriate reconciler prior to termination or transfer.
10. Collect purchasing cards during the exit interview from employees who terminate from or transfer within the University.
11. Collect cards, then cut in half and submit with the Cardholder Termination/Transfer form to the Purchasing Card Administrator (Purchasing).

B. Cardholders will:

1. Attend University training and sign a Cardholder Agreement; acknowledge their responsibilities with respect to use of the card prior to receiving a purchasing card.
2. Follow appropriate state laws and university guidelines and use good judgment when making purchases. Abuse or misuse of this privilege subjects cardholder to disciplinary action.
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 Bank of America at 1-888-449-2273 and the University Purchasing Office at (561) 297-3080. Lost or stolen cards reported missing over the telephone to Bank of America will be blocked

immediately.

4. Contact the Purchasing Card Administer (Purchasing) to obtain a replacement card.
5. At time of purchase, request that State Sales and Use taxes not be charged to the purchasing card account. Show (read, if on telephone) the merchant the sales tax exemption number on the front of the purchasing card. If merchant insists on charging tax, purchase may still be made; receipts must be documented as such.
6. Obtain, sign and forward purchasing card receipts to the Reconciler/Approver within the time frame below. All receipts shall be marked "Okay to pay", signed and dated.

- a) Commodities: within 3 working days after receipt of goods/services.
- b) Travel: within 6 working days after charges are incurred.

If a receipt is lost or the cardholder cannot obtain a receipt, a replacement receipt form may be substituted on an exception basis.

7. Identify disputed items and contact merchant directly to resolve dispute: 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 and fax the form to Bank of America; a copy should be sent to the cardholder's reconciler. 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 prior to termination or transfer;
 - b. Return the purchasing card to Deans, Directors or Department Heads: and
 - c. Reconcile all outstanding purchasing card transactions with the appropriate Reconciler/Approver.

C. Reconciler/Approver (or back-up Reconciler/Approver) in Department will:

1. Attend training on the use of purchasing card and Banner Purchasing Card Application.
2. Maintain a folder where purchase receipts are retained until reconciled.
3. Monitor purchasing card transactions daily to ensure that transactions are received by the Approver promptly. As transactions are reviewed, enter appropriate account code and Index into the Banner Purchasing Card Application. Enter a description of the purchase and if appropriate, distribute the charges to the appropriate FOAPAL. This shall be done within 10 (ten) business days of the charge appearing in Banner. (Exceptions shall be documented).
4. Track disputed purchasing card items daily to ensure that the appropriate credit is received: notify cardholder if expected credit is not received on the next reconciliation report.
5. Research all transactions rejected by the payer and provide missing information within 24 hours of receipt of the rejected transaction.
6. Notify the Purchasing Card Program Administrator (Purchasing) when unusual or restricted transactions appear in the Banner Purchasing Card System.
7. Instruct Cardholder to make reimbursement, including sales tax, for unauthorized

purchases. Payment should be made directly to the Controller's Office by the Cardholder.

8. Ensure that each Reconciliation Report is reconciled and that within ten days of receipt appropriate purchasing card receipts are attached for each charge and credit. (Exceptions shall be documented). Reports should be maintained as follows:

- a. Each Reconciliation Report should be filed, clearly labeled with the cardholder and department name, month and year.
- b. All reports must be retained for five fiscal years or until after federal audit, whichever comes later;
- c. All reports must be made available to the Payer and/or Associate Purchasing Card Program Administrator (Controller's Office) for audit upon request.

9. Ensure compliance with this manual.

10. Secure vendor information including vendor name, address, phone number and FEID number for all new merchants and forward to Purchasing for entry into the Banner system.

D. Access Control Custodian or Designee (Administrative & Financial Technical Support Services) will:

1. Provide update capability to the Banner Purchasing Card function upon receipt of the password authorization form from the Purchasing Card Administrator (Purchasing).
2. Reset user passwords in the Banner system when properly notified.
3. Arrange for Purchasing Card reports to be produced and distributed.

V. TRAVEL GUIDELINES, SUPPLEMENT

Note: Not all pCards are approved for travel. Please refer to your Cardholder Profile Form for more information.

All travel-related pCard charges must be listed on the back of the Travel Reimbursement Form in the “State of Florida Purchasing Card Charges” section; do not list these charges on the front of the Reimbursement Form.

Tickets purchased through the in-house travel agency will not be charged to the traveler’s VISA pCard.

Authorized Expenses:

The following expenditures are authorized for both national and international travel: Please note that the FAU pCard may not function in all international locations; pCard holders are encouraged to confirm that the card will be accepted in the country of destination.

- **Airfare**
 - Coach class only.
 - An approved TAR must be obtained prior to purchasing an airline ticket.
 - The Provost’s Office shall approve all international travel prior to the purchase of the ticket.
 - Travelers are required to use the most economical means of transportation.

- **Registration Fees**

- **Hotel Rooms**
 - Single occupancy only.
 - Personal charges should be billed separately and paid for by the traveler at check-out.
 - For hotel rentals in Florida, the sales tax must be exempted
 - Daily hotel room rates exceeding \$200/night in Florida require prior approval.

- **Rental Cars**
 - A justification for a vehicle other than a compact car must be submitted and approved prior to travel.
 - The State Contract for rental cars may be viewed at:
http://dms.myflorida.com/dms/state_purchasing/state_contracts_agreements_and_price_lists/state_term_contracts/rental_vehicles

- **Business Related Phone Calls/Internet access/Fax Service**
- **Tolls**
- **Parking**
- **Taxis**
 - May include tips not exceeding 15% of the taxi fare.
- **Fuel** for Rental Car, University Fleet Vehicles or Department owned/leased vehicles (vehicles not issued to an individual). FAU vehicles only.

- **Emergency Car Repairs** FAU vehicles only.

The following travel expenses are authorized to be paid for third parties:

- **Airfare**
- **Hotel Charges**
- **Registration Fees**
- **Taxis**

Please note that the pCard holder must be present when the charges are made in order to sign the receipt. Under no circumstances can the pCard be given to a third party traveler in order to settle that traveler's charges.

Unauthorized Expenses:

The following general categories *may not* be purchased with the VISA pCard. In the case of grant funds, please check with Contracts & Grants. Please note that this is not as all-inclusive listing of the unauthorized expenditures.

Business-related airfare combined with personal airfare

First class and business class travel

Gasoline for personal vehicle usage

Personal items

Travel-related expenditures for third parties (excluding airfare, hotel charges, taxi and registration fees)

Personal phone calls

Car repair (non-emergency)

Movies

Meals*

Alcohol

Room service

Receipts:

Travel related receipts are due within six (6) business days after the charges are made

One copy of the receipt shall be filed with the pCard Approver

One copy of the receipt shall be filed with the travel reimbursement.

For a more detailed explanation of the above, refer to the web site located at:

http://wise.fau.edu/admin/fiscal/info/cm_iv-a.htm

- FAU is currently conducting a meal pilot program for Athletic Team Travel and the Department of International Programs. No other areas are permitted to charge meals to their pcards.

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777 GLADES ROAD
P.O. BOX 3091
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Purchasing Card Program Training Agenda, Travel

Cardholder responsibilities:

- 1) Sign and abide by the Cardholder Agreement (supplement for travel)
- 2) Ensure that the travel expenses are in accordance with FS 112.061
 - a) authorized vs unauthorized expenses

Authorized: airfare
 registration fee
 hotel rooms
 rental cars
 tolls
 parking
 taxis
 emergency car repair for state vehicles
 business related phone calls/Internet/fax service

Unauthorized: business related airfare combined with personal airfare
 first class and business class travel
 personal items
 personal calls
 non emergency car repair
 gasoline for personal vehicle usage
 movies
 meals
 alcohol
 room service

b) verify funding prior to travel

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VI. RESTRICTED ITEMS:

The following general categories should not be purchased with the VISA Purchasing Card. Please check with Grants & Contracts for questions concerning the appropriate use of grant funds.

- 1) Personal items: including, but not limited to, congratulatory telegrams, items of a decorative nature, wall hangings, awards, entertainment, refreshments and alcoholic beverages, personal subscriptions, coffee pots, microwaves, refrigerators, stoves, etc.
- 2) Meals *
- 3) Utility equipment: including, but not limited to, lighting, heating, cooling, fans, janitorial supplies, etc.
- 4) Travel (unless authorized)
- 5) Minor Construction/Renovation
- 6) Contractual Services
- 7) Printing & Promotional Items
- 8) Radioactive materials, controlled substances, explosives, pesticides or any other item prohibited by law, regulation or policy.
- 9) Items which are routinely procured from PRIDE.

LIMITED ITEMS:

The following items may be purchased on the pCard; it is suggested that you check with the appropriate Purchasing Agent first for compatibility and product/vendor recommendations.

- 1) Furniture items
- 2) Computer equipment/software

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3) Office equipment

- FAU is currently conducting a meal pilot program for Athletic Team Travel and the Department of International Programs. No other areas are permitted to charge meals to their pCards.

Purchasing Card Program

Training Outline for Commodity Purchases (to be detailed in class)

I. Cardholder Responsibilities:

- A. Sign and abide by the Cardholder Agreement
- B. Insure items purchased are appropriate against funding source and in accordance with university/State policy.
 1. Restricted Items
 2. Additional Information: www.fau.edu/purchasing
 3. Work closely with fiscal staff to verify funding
- C. Forward receipts to Approver Promptly
- D. Report lost/stolen pCard immediately
- E. Secure card at all times; do not relinquish card to others

II. Placing Orders

- A. Transaction types
- B. Registrations & Memberships
- C. Tax Exempt Status
- D. Shipping/Billing
- E. Declined Transactions/Order Splitting
- F. Returns/Discrepancies