



**PROCUREMENT CARD PROGRAM
POLICIES AND PROCEDURES MANUAL**

**Guide for
Department Representatives**

Revised 07/07

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SIU PROCUREMENT CARD PROGRAM POLICIES, PROCEDURES, AND DETAILED INSTRUCTIONS

I. PURPOSE

To outline the policies for the Procurement Card (P-Card) Program, which allows individuals to have a P-Card issued to them to make purchases on behalf of the University. The University is responsible for paying the issuing bank for purchases made by Cardholders using the P-Card.

II. SPECIFICS ABOUT THE PROGRAM

The University has chosen to use the “per purchase” limitation as its primary tool in controlling card usage. A reasonable monthly limit is also placed on the card based on anticipated usage. However, we do not put a limit on the number of transactions a Cardholder can make in a day or month.

Cards will be set up with \$3,500 per purchase and \$15,000 per month limits with approval from the Cardholder’s Fiscal Officer. Higher limits may be requested by completing a **Higher Transaction or Monthly Limit Request Form**. Competitive selection may be required for purchases of \$5,000 and over through the Purchasing Department as stipulated by the University’s guidelines.

Random audits will be conducted monthly.

The University has chosen to have documentation (statements and receipts) retained by the using department rather than a central location such as Accounts Payable. This documentation must be kept by the department for seven (7) years in their office and/or in archives in a manner that allows for efficient retrieval for auditing.

III. DEFINITIONS

- A. **Approver** – The person responsible for approving all P-Card transactions using the on-line reallocation system for the six-digit account numbers to which the Cardholder’s purchases may be reallocated. This person may be a cardholder, however, they **may not** be an approver for their own card.
- B. **Cardholder** - A person to whom a University P-Card has been issued. A Cardholder may or may not also be a Departmental Card Manager.
- C. **Default Account** - The six-digit account number and six-digit sub code assigned to a Cardholder. There is only one default account for each P-Card issued. All charges made with a P-Card will be posted into the specified default account. The purchase may be reallocated by the Departmental Card Manager using the on-line reallocation system.

- D. **Departmental Card Manager** - The person assigned to reconcile a Cardholder's charges. A Cardholder may reconcile their own account. A Departmental Card Manager may or may not be a Cardholder and may manage more than one Cardholder's account.
- E. **Fiscal Officer ("F.O.")** - The person who is listed in the financial accounting records as being responsible for funds of a particular account.
- F. **Issuing Bank** - The bank with which the University is currently contracted that issues the P-Cards.
- G. **P-Card** - A credit card issued to an individual employee of Southern Illinois University for the purpose of making authorized purchases on its behalf. The University is responsible for paying approved charges made using properly issued P-Cards.

IV. POLICIES

A. BACKGROUND

The major purpose of the P-Card Program is to reduce the amount of time spent, and paperwork required, when making certain types of purchases for the University. This will reduce costs in many ways including reducing the number of purchase orders and checks that must be printed and issued, and reducing the number of invoices that must be matched and paid.

B. DESCRIPTION OF RESPONSIBILITIES

1. THE DIRECTOR OF PURCHASING

- a. Is responsible for contracting with an issuing bank to support this program.
- b. Make recommendations to appropriate line management, Human Resources, and General Counsel for card suspension/revocation or other appropriate disciplinary action.

2. P-CARD ADMINISTRATOR

- a. Updates the University's information with the issuing bank. (Such as approved limit increases, new applications, changes in Cardholder information, etc.)
- b. Trains Departmental Card Managers, Approvers and other users of the P-Card software system.

- c. Obtains and verifies appropriate authorization signatures and completed application forms for each requested P-Card.
- d. Updates the P-Card Policies and Procedures Manual as necessary. Obtains appropriate approvals for all changes from any entity affected, such as Accounting Services, Accounts Payable, etc.
- e. Assists Cardholders, Departmental Card Managers, suppliers, and others when necessary for problem resolution.
- f. Serves as the primary liaison for the issuing bank, suppliers, using departments, and any other parties that are necessary to the program.
- g. Designs all forms and other documents used for the P-Card Program. Obtains appropriate approvals as necessary from General Counsel, Internal Audit, etc.
- h. Notifies Director of Purchasing, Human Resources, General Counsel, and appropriate line management of Cardholder violations or fraudulent card use.
- i. Maintains the following documents:
 - 1. Properly signed application forms.
 - 2. Memos listing approved exceptions to any spending limitations signed by Department Dean/Director, etc.
 - 3. Copies of forms submitted to the issuing bank.

3. ACCOUNTS PAYABLE

- a. Responsible for ensuring that the monthly electronic payment to the issuing bank balances with the daily transaction records (that are reviewed by the Departmental Card Manager).
- b. Performs random audits on cardholders.

4. FISCAL OFFICER

The Fiscal Officer is the default account assigned to a P-Card:

- a. Serves as Approver for the cards issued within their area of responsibility. Can assign approver status to an authorized delegate by submitting the “**Approver Agreement**” form.
- b. Selects a Departmental Card Manager for their area of responsibility to reconcile transactions against credit card receipts.

- c. Selects appropriate individuals within their department to receive P- Cards (those who have the responsibility for making purchases and their backups for that function). The Department/Division Head must also approve each person selected to be a Cardholder (a space for his/her signature is included on the application form). If the Fiscal Officer and the Department/Division Head are the same, then the Fiscal Officer must sign both spaces.
- d. Modifies the process within their department or area to support approval of purchases, such as modifying a current **Transaction Request** form that already includes options for purchase requisitions, to include an option for using the P-Card.
- e. Notifies the Carbondale Campus P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a card.
- f. Takes appropriate disciplinary measures with any Cardholder under them who inappropriately or fraudulently uses their P-Card and informs Department Head and other appropriate individuals (refer to **Section IV.E**).
- g. Never requests or directs a Cardholder to make a purchase which violates any portion of the guidelines set forth in the Policies and Procedures Manual, or any other relevant rules or regulations.
- h. *Never have a student worker access the P-Card System as a Delegate for anyone. Student workers are not authorized to have access to the P-Card Solution.*

5. DEPARTMENTAL CARD MANAGER

The Departmental Card Manager is responsible for each card that they are to reconcile:

- a. Maintains documentation for seven (7) years in their office and/or in archives in a manner that allows for efficient retrieval for auditing purposes of the following:
 - 1. Receipts and telephone order records.
 - 2. Monthly Cardholder statements that have been approved by the Cardholder.
- b. Reviews monthly transactions on a daily basis using the on-line reallocation system and reallocate the charges to appropriate, allowable accounts.

- c. All transactions **must be reconciled and approved** within thirty days of the transaction date. Failure to do so could result in the revocation of the P-Card.
- d. Notifies the Carbondale Campus P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a P-Card.
- e. Acts as liaison between the P-Card Administrator and each Cardholder within their area by forwarding information as requested.
- f. Never requests or directs a Cardholder to make a purchase, which violates any portion of the policies and procedures, or any other relevant rules, regulations or guidelines.
- g. Maintains an updated version of the Policies and Procedures Manual and Prohibited Purchases and Exceptions List, and promptly requests a new one if theirs is lost.
- h. *Never have a student worker access the P-Card system as a delegate for anyone. Student workers are not authorized to have access to the P-Card System.*

6. **CARDHOLDER**

The Cardholder is responsible for the following (this person may or may not be a Departmental Card Manager but cannot be the Approver):

- a. Uses the P-Card in accordance with all pertinent policies, procedures, guidelines, etc., and in the best interest of the University.
- b. Submits supporting documentation for each purchase such as receipts or telephone order records promptly to the Departmental Card Manager; including any known reallocation information or performs the reconciling function promptly, as described above, if they are the Departmental Card Manager.
- c. Maintains an updated version of the Policies and Procedures Manual and Prohibited Purchases and Exhibitions List, and promptly requests a new one if theirs is lost.
- d. Ensures that sales tax is not charged at the time of purchase, or requests a credit promptly from the supplier if sales tax is included in error.

- e. Surrenders their card willingly upon termination of employment or upon change in duties that no longer includes the purchasing function, or upon request from the P-Card Administrator, Internal Audit, or their line management.
- f. Notifies the Carbondale Campus P-Card Administrator promptly of any known or suspected inappropriate or fraudulent use of a P-Card.
- g. Reports to the Carbondale Campus P-Card Administrator promptly (confidentially if necessary) any request or direction by his/her supervisor(s) or any other person to use the P-Card in an inappropriate or fraudulent manner.

C. MANAGEMENT REPORTS

P-Card Administrator is responsible for generating requested reports to the Director of Purchasing and others as needed, in a timely manner to facilitate the continuous review of the program.

D. POLICIES & PROCEDURES MANUAL

The Policies & Procedures Manual is written and maintained by the P-Card Administrator. The Departmental Card Managers and Approvers will be notified of all changes made to the Manual in a timely manner.

E. INAPPROPRIATE OR FRAUDULENT USE OF P-CARDS

In the event that a P-Card is used inappropriately or fraudulently, or appropriate documentation for purchases are not maintained, the procedures described below must be followed:

1. The P-Card Administrator will be notified promptly, who will in turn notify the Director of Purchasing, Director of Human Resources, and the Cardholder's appropriate line management in writing.
2. For serious or multiple infractions, the Cardholder's line management will discipline the Cardholder and/or other employees of the University involved in the infraction in a manner appropriate with the seriousness of the situation.

This discipline may include, but is not limited to, a memo describing the infraction and signed by the employee added to the employee's personnel file (copies to the P-Card Administrator). The employee should acknowledge the error and state his/her agreement to obey all policies, procedures and regulations in their future use of the card.

3. The P-Card Administrator, Director of Purchasing or Director of Human Resources may also request that actions such as those described below be taken if the infraction is deemed to be substantial in nature.

An approval from the cognizant Vice Chancellor which could be in the form of a memo to the P-Card Administrator describing the infraction and actions taken.

Suspend cardholder and/or departmental card privileges at any time due to inappropriate or fraudulent card use or lack of appropriate documentation for purchases. Serious or multiple infractions will result in card revocation.

Require reimbursement from a Cardholder and/or other University employee(s) for any inappropriate or fraudulent purchases made using the P-Card. This reimbursement would preferably be done willingly from the parties involved; however, the University may initiate legal proceedings to recover amounts owed.

Termination of employment of the individual(s) involved.

What Constitutes Inappropriate/Fraudulent Card Use?

1. Lack of proper documentation, repeated un-reconciled transactions and prohibited purchases are examples of inappropriate card use that will result in suspension of card privileges for a minimum of 30 days.
2. Continued offenses will result in longer suspensions and possible card revocation. The Cardholder's dean/director, vice chancellor and Human Resources will receive written notification of the offenses.
3. Fraudulent card use such as purchasing personal items, **stringing** and returning items for cash will result in revocation of the Cardholder's privileges, written notification as described in Item 2 above, reimbursement to the University, and possible suspension of departmental card use.

F. CANCELING A P-CARD

When the need arises to cancel an individual's P-Card (termination of employment, resignation, retirement, transfer to another department or new position, which no longer requires a card, etc.) the following procedures apply:

The CARDHOLDER'S SUPERVISOR must:

Email or send a memo to the P-Card Administrator, in a timely manner, stating whose card is to be canceled and a brief reason why. Reclaim the card, cut the card in half, and return the destroyed card to the P-Card Administrator.

The P-CARD ADMINISTRATOR must:

After waiting an appropriate time for all purchases to be processed by merchants (usually about three weeks), submit the appropriate forms to the issuing bank to cancel the card.

G. EMPLOYEE TRANSFERS WITHIN A DEPARTMENT

1. If a Cardholder is transferred to a new position within the department under the same F.O. and will still need to make purchases using their P-Card, the same card should be used. In this situation, the F.O. must promptly notify the P-Card Administrator of any changes to be made (such as the Departmental Card Manager, Cardholder's address, default account number, etc.).
2. If a Cardholder is transferring to a new position within the department, but will not have the same supervisor and/or will no longer be purchasing items for the department, the card must be retrieved and canceled as described in [Section IV.F](#).

H. OTHER

1. The following individuals may not be Cardholders or Departmental Card Managers:

P-Card Administrator

Assistant P-Card Administrator

Any individual with approved computer access to the P-Card Management Software.

2. On-line access to the University's reallocation system is a prerequisite for being a Departmental Card Manager.
3. To provide reasonable assurance of accountability, independence and internal control over P-Card transactions, it is hereby Southern Illinois University Carbondale's operating procedures that a nepotism "relative" relationship not exist between a P-Cardholder, Departmental P-Card Manager, and P-Card Approver. For purpose of this determination, "relative" means a connection between persons by blood, marriage, adoption, domestic partnership, or other personal relationship including co-habitation.

V. PROCEDURE FOR P-CARD PROGRAM

A. OVERVIEW OF THE P-CARD PROGRAM

1. THE PROGRAM

Southern Illinois University has entered into an agreement with **Bank One** to provide P-Cards by MasterCard. The P-Card Program is intended for purchasing transactions of less than \$3,500. The use of the card supplements and may replace the use of some annual orders, and invoice vouchers. **Total responsibility and accountability** for the card resides at the departmental level.

Non-compliance to the program's policies and procedures may result in suspension of P-Card privileges at the Cardholder and/or departmental level.

The Cardholder is responsible for and accountable to the University for all charges made with the P-Card. The Cardholder **may not** make personal purchases on the P-Card.

NOTE: In any one fiscal year, a Department cannot purchase goods from the same supplier totaling more than the **Small Limit Maximum** as identified in the Illinois Procurement Code. If the Department anticipates spending more than the allowed amount, they should submit item(s) on a Purchase Requisition and forward it to the Purchasing Department for processing. For more information, see **Purchasing Instructions**.

2. PURPOSE

This program is designed to dramatically improve efficiency in purchasing low dollar goods and services for University use from suppliers that accept the MasterCard credit card.

3. BENEFITS

The use of the P-Card will:

Allow employees to obtain certain goods and services much faster and easier.

Sharply reduce paperwork and processing time in the employee's department, Purchasing and Accounts Payable.

Enable employees to be more efficient and to focus on the value-added aspects of their jobs.

Provide cost savings through consolidated payment (one monthly payment to MasterCard versus multiple supplier payments).

B. CARDHOLDER POLICIES AND PROCEDURES

1. OBTAINING A CARD

Requests for P-Cards are made at the departmental level by completing the P-Card **Cardholder Agreement** form and the **Cardholder Account** form. These forms must be approved at the Fiscal Officer and Department Head levels then forwarded to the P-Card Administrator in Purchasing (Mail Code 6813) for processing.

A Departmental Card Manager must be designated prior to P-Cards being issued to a department. This person must complete a **Departmental Card Manager Agreement** form and will reconcile P-Card activity, reallocate transactions, and maintain the required documentation for Cardholders within their area.

2. TRAINING

Training on the P-Card Web Solution is mandatory for Approvers and Departmental Card Managers. Cardholders do not have access to the web solution and are given “Informative Training” when they pick up their new P-Card.

3. KEEPING YOUR CARD SECURE

Always keep the P-Card assigned to you in a secure place. Treat it as if it were cash. If your P-Card is lost, stolen or misplaced, follow the procedures in **Section V.B.8**.

4. ISSUANCE OF CARD

- a. The P-Card is issued by **Bank One** for MasterCard services in coordination with Southern Illinois University.
- b. Southern Illinois University Procurement **Cardholder Agreement** and **Cardholder Account** form must be completed, approved and returned to the P-Card Administrator before the P-Card will be ordered.
- c. The Southern Illinois University P-Card Cardholder Account form must be approved by the Director of Purchasing or Designee.

- d. A Departmental Card Manager and cardholder must be determined before a P-Card will be issued to anyone in the department.
- e. The Departmental Card Manager will instruct and monitor Cardholders in the proper use and responsibilities of the card.
- f. The Departmental Card Manager must have on-line access to the University's P-Card System in order to review and approve monthly Cardholder transactions.
- g. Each P-Card is identified to a "default" account number to which all expenses will be charged unless otherwise directed by the Departmental Card Manager in the reconciliation process.
- h. The Cardholder must be a Southern Illinois University employee or Graduate Assistant.
- i. The P-Card is to be used only by the named Cardholder.
- j. The P-Card Administrator will receive the new P-Cards and will notify the Cardholder. They will be required to pick-up their card showing the required ID, at which time they will be given "Informative Training."

5. ACCOUNT RESPONSIBILITY

Use of the P-Card will result in charges that must be paid but, have not been encumbered. It is essential that charges not be made in excess of available balances. The Cardholder's cooperation will be essential in this matter.

6. USE OF CARD

A. LIMITATIONS

- 1. Cardholder Account Form Established Limits
 - a. Single Purchase Limit shall not exceed \$3,500 per transaction. This amount includes all shipping, postage, freight, and handling charges.
 - b. Exceptions to established limits must be requested by submitting a **Higher Transaction/Monthly Limit Request** form.

2. Making successive purchases (“**stringing**”) to circumvent the \$31,300 competitive selection limit is not permitted.
3. The card is not to be used to modify or pay for any regular Purchase Order or annual orders.
4. Transactions with suppliers or individuals where a conflict-of-interest may exist are strictly prohibited.
5. Acceptance of gratuities (i.e., merchandise, cash, or services) for making purchases is not allowed.
6. When using the P-Card, the Cardholder agrees to:
 - a. avoid purchasing unnecessary items;
 - b. perform a price/cost analysis; and
 - c. avoid purchasing from parties debarred, suspended, or otherwise excluded by federal or state agencies from being awarded a contract.
7. Non-use of the P-Card for twelve consecutive months will result in withdrawal of the P-Card by the issuing Bank.
8. The Cardholder **may not** make personal purchases on the P-Card. The University will be authorized to make salary deductions for any personal charges made by Cardholders.
9. Misuse or fraudulent use of the P-Card may result in disciplinary action and possible termination of employment. Periodic reviews for proper card use will be conducted.

B. PREFERRED SUPPLIERS

When a State or University contract is available, the contracted supplier will be recommended to the University community. A list of these contracts and their suppliers is provided and can be accessed on the **Prime Vendor** section of the Purchasing web site.

C. PROHIBITED PURCHASES/EXCEPTIONS LIST

View the **Prohibited Purchases/Exceptions List** before making any purchase utilizing a P-Card.

D. TAX EXEMPTION

The University is exempt from sales and use tax in Illinois, thus the Cardholders should avoid paying sales tax on purchases from suppliers registered in Illinois. Purchases from suppliers outside the State of Illinois may or may not be exempt. Southern Illinois University is imprinted on each card along with the words **IL Tax** and the tax-exempt number to assist the Cardholder in avoiding being charged sales tax by the supplier. The University's tax-exempt status and exemption number should be emphasized when telephone orders are placed. An IRS issued **SIUC Tax Exemption Letter** is available for faxing to any Supplier requesting documentation.

E. RECEIPT OF GOODS

The Cardholder is responsible for ensuring receipt of materials purchased and for following-up with the supplier to resolve any problems regarding delivery, order discrepancies or damaged goods. When placing the order, the Cardholder should ensure that complete shipping instructions are given to the supplier (see **Section VI.A.3.**). The supplier should be asked to include a credit card receipt in the package. The Cardholder must save the P-Card receipt and the shipping documentation.

F. RECEIPTS/DOCUMENTATION

1. Each and every purchase must be supported by a receipt from the supplier. Packing slips alone are not acceptable.
2. The receipt must include:
 - a. Supplier
 - b. Amount
 - c. Date
 - d. Itemized description of item(s) purchased. If the P-Card receipt only includes the total purchase amount, attach the detail receipt, packing slip with detail information, or invoice to the receipt.

G. TRANSACTION LOG

1. A record of each purchase **can** be recorded by the Cardholder on the electronic order log to aid the Departmental Card Manager in accounting for each purchase. However, keeping a "**Transaction Log**" is at the discretion of the Fiscal Officer. The following information for completing the log is listed below:

- a. Cardholder's name, printed or typed, as it appears on the card should be on each page of the log.
 - b. Transaction date for each purchase.
 - c. Brief description of the item(s) purchased.
 - d. Name of the supplier where the item(s) was purchased.
 - e. The total dollar amount of the transaction.
 - f. Cardholder's signature on the Cardholder line, which indicates that the transactions listed were valid purchases made using the P-Card.
 - g. Date the log is certified.
2. The appropriate transaction information and supplier receipts must be forwarded to the Departmental Card Manager.

H. RETENTION OF DOCUMENTATION

All documentation related to each transaction must be retained and accessible for audit for seven years plus the current year. Such documentation includes the Bank Statement, receipts, P-Card transaction slips, packing lists, any restricted item approvals that may be required, competitive quotations, etc.

7. DISPUTED TRANSACTIONS

- a. A disputed transaction can result from failure to receive goods, fraud or misuse of the card, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The Cardholder is responsible for the follow-up first with the supplier and, if necessary, with **Bank One**, on any erroneous charges, disputed items or returns. A supplier has three (3) days to issue a credit. If the supplier fails to issue an anticipated credit in the allowed time period, a formal dispute of the charge should be issued to the bank.
- b. The procedure for handling disputed transactions is as follows:
 1. The Cardholder must contact the supplier first to resolve any outstanding issues. Most concerns can be solved in this manner. If the Cardholder is unable to reach an agreement with the supplier, contact **Bank One** Customer Service Center at 1-800-316-6056 or FAX 1-847-931-8861 between 7:00 a.m. and 7:00 p.m., Monday through Friday. The Customer Service Representative will give the caller a reference number and provide them with a Statement of Questioned Item form to complete and submit with

supporting documentation to the Bank. The Cardholder should complete this form, noting the reference number. These forms may be sent by fax or mail to: **Bank One**, Disputes Department, PO Box 2015, Elgin, IL 60121-2015.

2. All questioned items must be communicated to **Bank One** within 60 days of the cycle date. During the investigation, credits will be issued to the Cardholder's account for the amount questioned. Upon completion of the investigation, the Cardholder will be notified of the resolution. If the dispute is not settled in the Cardholder's favor, the account will be charged for the disputed transaction amount.

8. LOST, STOLEN, MISPLACED CARDS

- a. Immediately upon realizing the P-Card is lost, stolen or misplaced, the Cardholder must notify:

- 1) **Bank One** **1-800-316-6056**
- 2) P-Card Administrator 453-6728
- 3) Departmental Card Manager

Bank One will inactivate the card and issue a new one. The new card will be sent to Purchasing for processing and distribution.

- b. The Cardholder's department may be liable for all charges incurred until the card is reported lost, stolen or misplaced.

9. RENEWAL/CANCELLATION OF CARDS

- a. A new P-Card will be mailed to the Purchasing P-Card Administrator prior to the expiration of the current card. The Cardholder will be required to pick up the card in person showing the required ID.
- b. The P-Card Administrator must immediately cancel the P-Card with **Bank One** if the Cardholder terminates employment, transfers to another department, or assumes duties that do not require the use of the P-Card.
- c. When a P-Card is canceled, the Departmental Card Manager must reclaim the card, cut the card in half, and return the destroyed card to the P-Card Administrator.
- d. A cover letter or email must be sent to the P-Card Administrator explaining the circumstances for cancellation.

- d. Determine that the price quoted is the best that can be obtained.
- e. Ensure that no sales tax is charged.
- f. **Remember to obtain a receipt at the time of purchase.**

2. BY PHONE, FAX OR MAIL

A written record must be made when placing a telephone order. Store this record in the same manner that your department stores receipts. Remember, the Cardholder is the only person authorized to place the order. When necessary, someone else may pick up the goods. However, the person picking up the goods should only sign shipping or receiving papers, not the credit card slip.

Follow the applicable instructions for making purchases in person. In addition:

- a. State that you are calling from Southern Illinois University and that you will be making a University purchase on a MasterCard P-Card.
- b. Emphasize that the University is exempt from sales tax and give them the tax-exempt number if requested.
- c. Record the name of the person taking the order. Place the order and ask the supplier if there will be any shipping or handling charges. Remember the total order amount including shipping cannot exceed \$3,500.
- d. Give the supplier the P-Card number and expiration date.
- e. Give the supplier your name, department name, phone number and delivery instructions.
- f. Request that a receipt and/or packing slip be sent with the goods. Retain this with the record of the purchase.

3. SHIPPING/DELIVERY

Remember to give the supplier your name, department name, building name, room number, phone number and complete delivery instructions if you are not picking up the goods.

Recommended method:

- a. Have goods shipped directly to your campus address via UPS, Federal Express, or other method as suitable for the purchase.
- b. Use the method set up for your individual department. You will be informed during training of this procedure, if applicable.
- c. If direct shipment is not possible, use the following address:

Southern Illinois University
ATTN: Your name and campus address
Central Receiving
204 Industrial Park Road
Carbondale, IL 62901-6729

If this is not done correctly, the goods may be returned to the supplier as undeliverable.

When receiving goods, whether via direct delivery or through Central Receiving, **always** retain all boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. The Cardholder is responsible for inspecting the goods upon arrival.

4. RETURNS, DAMAGED GOODS, CREDITS

The Cardholder is responsible for making any necessary returns. The Cardholder should work directly with the supplier. Here are some guidelines:

- a. Always retain boxes, containers, special packaging, packing slips, etc., until you are certain you are going to keep the goods. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- b. Read all enclosed instructions carefully. Often a phone number and other instructions for returning goods are included on the packing slip and/or receipt.
- c. Many suppliers will require the Cardholder to obtain a “Materials Return Authorization Number” (RMA) before they will accept a return. If the Cardholder neglects to get this number, the package may be refused and/or no credit issued to the Cardholder’s account.
- d. In some cases, there may be a restocking fee (usually a percentage of the purchase price). Ask the supplier if there will be one. If the supplier is responsible for the error or problem, the Cardholder

should not have to pay this or any other fee. However, if the supplier is not fully responsible, the Cardholder may have to pay the restocking fee. The Cardholder may use the P-Card to pay this fee as long as it does not exceed any of the Cardholder's limits.

- e. If the Cardholder needs help in packaging goods for return, limited assistance may be available through Central Receiving. If you have questions, call Expediting at 453-4785. However, the Cardholder is ultimately responsible for packaging goods for return.
- f. Finally, make sure that the charge for the returned items:
 - 1. never appears on the Cardholder's monthly statement, or
 - 2. is credited properly.

If this does not happen, refer to "**Dispute Procedures**" for instructions on how to resolve the problem.

5. REFUSAL OF CARD OR ACCOUNT

Should you be declined at the point of sale for any reason, please contact your P-Card Administrator or **Bank One** at 1-800-316-6056. Every effort will be made to determine why the transaction was declined.

B. RECONCILIATION

1. STATEMENT FROM BANK ONE

The monthly P-Card statement from the Bank will be mailed to the cardholder. The calendar month starts on the 6th and ends on the 5th of every month. Statements usually arrive around the 12th of each month. If the statement is not received by the 12th, contact the P-Card Administrator.

The statement must be reviewed and approved by the Cardholder each month. All charges that were electronically received by the University during the calendar month will appear on this statement and the monthly Financial Accounting System (FAS) statement.

The Cardholder statements must be reviewed and approved monthly to ensure that receipts and other acceptable documentation supports each purchase. Failure to have the appropriate documentation, authorization signatures, etc., for each statement may result in revocation of the card and/or termination of employment. The Cardholder will be audited for compliance on a regular basis.

After the Departmental Card Manager has determined that the appropriate receipts and other supporting documentation are on file for each purchase

on a statement, the Cardholder must verify the charges were correct and related to University business.

2. FINANCIAL ACCOUNTING SYSTEM (FAS) STATEMENTS

Charges made or reallocated to an account will appear on the appropriate FAS statement each month. P-Card transactions will be shown as follows:

Reference 1	Cardholder's first initial and last name
Reference 2	P-Card Systems #xxxxxxx
Description	Name of Supplier (vendor)
Line Item	
Accounting	The specific sub codes (accounting code) for the good(s) or service(s) provided

Note: The charges that appear on the P-Card statement will not appear on your FAS statement until the transaction has been reconciled and approved.

3. REVIEWING/REALLOCATING CHARGES ON-LINE

Information Technology has worked in conjunction with P-Card to develop a computer program that allows charges to be reviewed on the PC File Server. This program will also allow reallocation to other accounts or sub codes. P-Card purchase information is transmitted daily from **Bank One** and transferred to this program.

The general information below gives a brief overview of the program. It is intended to be an overview for supervisors and others who need to know what P-Card does and how it relates to FAS.

Charges are available for review by the Departmental Card Manager after the supplier submits the charge through their bank and **Bank One** receives and processes the data. This normally takes one to three days.

Individual purchases are downloadable to view approximately two days after being processed by P-Card. The transaction will appear on-line at the Cardholder's computer.

Reallocation of charges is necessary only when the default account assigned to a P-Card does not fit the Cardholder's needs. A transaction may be reallocated to another account and/or CUSAS code as long as the account has been authorized for use on that card.

Individual purchases are posted to FAS:

1. Approximately two days after being processed, the transaction will appear on-line at the Cardholder's computer.
2. All charges electronically received during a calendar month are automatically processed one or two days before that month's statement is generated.

VII. ATTACHMENTS

All attachments and forms mentioned in the User's Guide can be found on the **P-Card Forms** Section of the Purchasing website.

Helpful information may also be found on the **P-Card General Information** Section of the Purchasing website.