ESU | KU

Procurement Card
Guidelines and Procedures

A. Purpose

To establish the limits and define the usage of the Kutztown University/East Stroudsburg University (ESU|KU) Shared Services Procurement Card (P-Card). The card is provided to certain ESU|KU employees and is intended for official University use only.

B. General Overview

The University Procurement Card Program utilizes an internationally accepted Commercial Credit Card issued to Authorized University Personnel to be used for business purposes only. It is primarily designed for small dollar amount purchases of goods and supplies and will reduce or eliminate the use of on-line requisitions and purchase orders related to these items.

The card is NOT for personal use nor is it to be used for the payment of contracted services. Controls are in place to ensure that the card is only used for specific types of purchases and within specific dollar limits.

Comprehensive information concerning the Commercial Credit Card Programs can be found at the following link: https://www.kutztown.edu/about-ku/administrative-offices/procurement-services/for-staff-and-faculty/commercial-credit-card-program.html

C.   Obtaining a Procurement Card

1. The P-Card is an institutional program, approval is not contingent on, nor will impact, the individual's personal credit history.

2. The Procurement Card Program is administered by the Procurement Services Office, which will coordinate the issuance, maintenance, and cancellation of all cards with the University's current processor.

3. All P-Cards are provided with the appropriate University logo and are issued in the name of an individual user.

4. The ESU/KU P-Card Program does not issue, support, or maintain departmental cards.

5. Individuals may request cards by submitting a completed Cardholder Agreement Form, with all applicable signatures, to the KU/ESU Card Systems Administrator, Room 223, Stratton Administration Building, Kutztown University, Kutztown, PA 19530.

6. Fully executed applications (complete information and all signatures acquired) may also be emailed to: vink@kutztown.edu to be followed by the hard copies.

7. Supervisors signing the Cardholder Agreements accept responsibility for all actions/uses of the Procurement Card by their employees.

8. The KU/ESU Card Systems Administrator will review the request for enrollment and approve, or request additional information as necessary.

9. All cards will be received from the issuing bank and inspected by the KU/ESU Card S y st ems Administrator.

10. Cardholders will be contacted by the Card Systems Administrator to arrange for them to pick up their cards, receive training, and receive online access as needed.

11. Card usage is limited by the type of merchant and by the total amount of the expenditures.

12. Current dollar limitations are by the single transaction dollar amount and by the total monthly dollar limitation set.

13. Current account limitations vary and customizations are limited.

14. To obtain a card, an ESU/KU employee must:
    a. Follow the link to the Procurement Card section of the KU Procurement Services web page https://www.kutztown.edu/about-ku/administrative-offices/procurement-services/for-staff-and-faculty/commercial-credit-card-program.html

    b. Navigate to the Forms link

    c. Scroll down and select the Card Cardholder Agreement

    d. Fill in the Agreement Form with the required information and print; form needs to be signed by all the appropriate levels of approval and then forwarded to the Card Systems Administrator

15. Employees will be notified when the request is approved or denied and if additional information is needed.

D. Receiving a Procurement Card
1. Once the card has been received from the bank the Card Systems Administrator will contact the cardholder to schedule training. The cardholder will receive the card assigned to him/her after the completion of the training.
   Note: Cards will not be distributed without required training.

2. Cards must be issued directly to and signed for by the cardholder.

E.   Cardholder Liability & Responsibility

1. Individual cardholders are responsible for the proper use and safeguarding of Procurement Cards issued to them. The card number, the card itself, and all documents related to the card transactions must be properly secured at all times.   Lost or stolen cards must be promptly reported to the following:
    - Bank of America 24/7 Customer Service: 888-449-2273
    - One (1) of the Card Systems Administrators:
        - Mary Vink – vink@kutztown.edu or 610-683-4904

2. If a cardholder abuses the Procurement Card privileges or the provisions of the Procurement Card Policy, the card may be forfeited and cancelled, and the employee may be subject to disciplinary action up to and including dismissal.

3. If the University determines that a purchase is not in compliance with the program regulations, or the card was purposely misused, it reserves the right to collect from the employee the cost of these purchases. The collection may be accomplished through payroll deduction or other collection processes.

F.   Using the Card

1. Ensure the purchase costs are reasonable and the best value for the University. Protect these funds as if they were your own.

2. Make official University business purchases only, avoid prohibited purchases. Please refer to the Summary of Uses found on the Procurement Card web page.

3. Once a vendor is selected, confirm the goods are available and meets specification and delivery requirements, you should do the following:
    a. Confirm that the vendor agrees to accept your commercial credit card.

    b. **Inform the vendor of the University's tax-exemption status from Pennsylvania State sales tax.** The University's tax-exempt number will be printed on each Procurement Card. Please refer to the Procurement Card Web page for tax-exempt information and a copy of the certificate at http://www.kutztown.edu/about-ku/administrative-offices/procurementservices/for-staff-and-faculty/forms.htm.

    c. Cardholders must review receipts for each purchase to ensure that the Pennsylvania State sales tax has not been assessed. If sales tax has been assessed on a purchase, it is the cardholder's responsibility to contact the vendor to obtain credit.

4. All items must be shipped through the University's Central Receiving (i.e. Storeroom). DO NOT SEND SHIPMENTS DIRECTLY TO YOUR DEPARTMENT.

5. **Shipping Information should be as follows:**

Attn: Cardholder's Name (P-Card Purchase)   Attn: Cardholder's Name (P-Card Purchase)

Kutztown University   **East Stroudsburg University**

University Storeroom   University Storeroom

425 Baldy Road   149 S. Green Street

Kutztown, PA 19530   East Stroudsburg, PA 18301

>   ___NOTE___: *Cardholders should make prudent selection of shipping options. The cost of shipping heavier packages and/or routine packages via Federal Express or UPS overnight or 2-day Express can be very expensive. Priority handling or expediting of shipments should only be utilized when absolutely necessary. Prudence must be demonstrated and expenses justified with all expenditures of university funds.*

6. Cardholders should instruct the vendor to include all receipts with the merchandise when shipped.

7. The cardholder must retain all receipts, receiving reports, delivery tickets, order forms, or other documentation supporting charges against the card. Acceptable forms of receipts include but are not limited to: invoices, sales receipts, packing slips, order forms, email confirmations, etc.

8. Kutztown University/East Stroudsburg University Shared Services issued Procurement Cards may only be used to purchase small dollar goods and supplies for business purposes only. A list of authorized and unauthorized uses can be found on the Procurement Services website. Please refer to the Authorized Use List found on the Procurement Card Web page.

9. The Procurement Card program incorporates Merchant Category Code (MCC) blocking. Every vendor is assigned an industry-specific code that defines the types of goods and services that they provide. Certain types of these codes have been blocked or restricted from Procurement Card use. If a department experiences a card decline from a vendor that provides eligible goods or supplies, the Card Systems Administrator should be notified.

G. Tax Exempt Status

1. ESU/KU are exempt from Pennsylvania state sales tax. The individual university's tax exempt ID number is located on the front of the travel card under the university logo.

2. It is the cardholder's responsibility to contact the merchant prior to making a purchase to ensure tax exempt status.

3. If a merchant needs a copy of the Pennsylvania Exemption Certificate for either KU or ESU, they can be downloaded at http://www.kutztown.edu/about-ku/administrative-offices/procurementservices/for-staff-and-faculty/forms.htm.

H. Transaction Declines

If your transaction is declined by the vendor please call the Card Systems Administrator to determine the cause. Samples of various causes for declines and their solutions may be found in section "W" of this guide.

I. Card Limits

1. Limits are generally set at a maximum monthly amount and a single transaction limit based on the agreement selected at the time of application.

2. The cardholder may request either a one-time or permanent increase to the limit by submitting an Exception Form clearly indicating the business justification and acquiring the written approval of their cost center manager.

3. If the cardholder is the cost center manager his/her immediate supervisor must approve the increase. Final approval will be made by the Card Systems Administrator.

II. Transaction Review

1. Cardholders are encouraged to review transactions on a regular basis (e.g. weekly basis). This is in addition to the monthly requirement. A more frequent review may help identify unauthorized purchases that sometimes occur.

2. To access and review the charges the cardholder must go to www.baml.com/paymentcenter. This website provides cardholders the ability to monitor card activity and print the monthly statement.

III. Monthly Statement

1. Each month, cardholders that had transactions must log on to Payment Center to download and print their statement. The statement will reflect all charges for that billing cycle.

2. If the cardholder did not use his/her card during the month or if there is a credit balance on the account no billing statement will be provided.

IV. Monthly Paperwork Reconciliation

1. P-Card and Travel Card account holders are responsible for the maintenance of all paperwork documentation associated with any and all activity on their account. If a cardholder has both a PCard and a Travel Card this means that they must maintain two (2) separate sets of documentation.

2. Please refer to the **Monthly Reconciliation Process** for complete information concerning the types of necessary documentation and the process for submission.

V. Budget Impact

1. All Procurement Card transactions will be charged to the cardholder's department budget on a monthly basis usually after the 15th of the month.

2. All transactions will be charged to the Default Cost Center indicated on your Procurement Card Cardholder Agreement unless otherwise notated in the "Alternate Cost Center" section on the Monthly Transaction Log accompanying the statement paperwork.

N. Violation of Procurement Card Procedures

Kutztown University/East Stroudsburg University Shared Services is offering the Procurement Card Program to provide the campus with an alternate, flexible method of purchasing low dollar threshold items. This flexibility, however, comes with certain responsibility. The University is responsible for the appropriate expenditure of Commonwealth funds and must assure appropriate internal controls. Cardholders who fail to reconcile their monthly paperwork properly, submit late paperwork, or purchase items outside the acceptable purchases may have their Procurement Card privileges restricted or their card suspended or cancelled.

   a. If a cardholder does not submit their paperwork by the hard due date given in the CSA's initial email or does not make an attempt to contact the CSA with a valid reason for the lateness, their card will be suspended until the paperwork is submitted.
   b. If a cardholder's credit is suspended three (3) consecutive times their account will be closed and their p-card privileges will be removed.
   c. A cardholder may re-apply for a p-card after one (1) year.

O. Return of Goods/Purchases

1. Cardholders are responsible for the return of all unwanted goods. All returns must be credited to the Cardholder's account. Cash refunds are strictly prohibited.

2. If an item is not satisfactory, it is the cardholder's responsibility to contact the vendor to explain the circumstances and to inquire about their return policy.

3. Items to be returned should be forwarded to the University's Shipping/Receiving Department with clear instructions for the return shipment of the purchase (who/what/when/where/how).

4. If the cost of the return shipment is to be paid by the University the Shipping & Receiving Department will need to be notified which cost center should be charged.

5. Returns will be credited to the cardholder's account and reflected in subsequent statements.

P. Cardholder Record Keeping and Monthly Statement Reporting Process

1. Whenever a cardholder makes a Procurement Card purchase, documentation shall be retained as proof of the purchase. The documentation will be used to verify the purchases listed on the Cardholder's Monthly Statement of Account.

2. At the end of each billing cycle, each cardholder will download the Statement of Account for the previous cycle from the bank at: www.baml.com/paymentcenter
   a. Each cardholder is responsible for reviewing and verifying the accuracy of all charges, reconciling the statement to the individual transaction documentation (receipts, delivery slips, logs, etc.), and notifying the vendor of any discrepancies or erroneous charges listed on the statement.

   b. Cardholders must clearly identify any **purchase to be charged against an "Alternate Cost Center" on their Monthly Transaction Log in the Alternate Cost Center column.**

   c. Each monthly statement must be signed by both the cardholder and their immediate supervisor.

   d. All monthly paperwork log/statement/receipts need to be received in the KU/ESU Procurement Card Administrator's office by the 15th of each month unless otherwise directed.

   e. If a receipt is missing a Procurement Card Missing Receipt Form must be completed, signed, and forwarded along with the remainder of the required monthly paperwork.

   f. Notify the Card Systems Administrator and the bank of the appearance of any fraudulent charges appearing on their monthly statement.

3. Each cardholder's supervisor is responsible for:
   a. Reviewing and verifying the validity and accuracy of all the charges made by their employee.

   b. Approving and signing the monthly statement and forwarding the original paperwork to the Card Systems Administrator by the 15th of each month unless otherwise directed.

4. The Card Systems Administrator will review the appropriateness of all charges made against University procurement cards on a monthly basis. Any cardholder deviating from the normal approved purchases will be contacted by the Card Systems Administrator for further clarification and possible action.

5. Cardholders, who habitually fail to reconcile their monthly paperwork properly, submit late paperwork, or purchase items outside the acceptable purchases may have their Procurement Card privileges restricted or their card suspended or cancelled.

Q. Dispute Resolution
1. It is the Cardholders responsibility to contact vendors to resolve any erroneous charges that appear on the Procurement Card Monthly Statement.
   a. If the problem cannot be resolved with the vendor, the cardholder should contact the Bank of America Merrill Lynch Cardholder Customer Support Team at **1-888-449-2273**. Representatives are available 24 hours a day for assistance.

b. Describe the nature of the issue; provide the date and amount of the transaction; note on the monthly reconciliation that item is in dispute.

c. The cardholder should also notify the Card Systems Administrator immediately of any disputed charges and follow the Bank of America Merrill Lynch dispute resolution process.

2. Cardholders should keep copies of all documentation dealing with disputed items until they are resolved.

3. The Card Systems Administrator will work with the cardholder, the card processor and the merchant, as necessary, to attempt to resolve the dispute.

R. Chip and Pin Card (POS)
1. The Procurement Card has an embedded chip because it provides greater security when making purchases at chip-enabled terminals.

2. Chip cards are more secure because of a unique process that is used to determine if the card is authentic and that makes the card more difficult to counterfeit or copy.

3. To use a chip card insert it face-up into a chip-enabled terminal and follow the directions on the screen.

4. If a personal identification number (PIN) is requested please refer to the 4-digit number provided at the time of issuance.

5. If you forget or lose your PIN it can recovered it at www.baml.com/PINCHECK. A one-time registration is required.

S. Lost or Stolen Cards
1. Cardholders are responsible to safeguard their Procurement Card, passwords, and account numbers. A Cardholder must not allow others to use his/her account number. **A violation of this policy will result in the Cardholder having his/her card withdrawn and disciplinary action may be taken.**

2. If a Procurement Card is lost or stolen, the Cardholder must immediately notify the bank's Cardholder Customer Support Team at **1-888-449-2273**. Representatives are available 24 hours a day for assistance.

3. The Cardholder must also immediately notify the KU/ESU Card Systems Administrator so that a new card may be issued and documents updated.

4. Cards that are subsequently found after being reported lost or stolen must be destroyed.

T. Fraud

1. If there is a transaction on your account that you do not recognize contact the Card Systems Administrator at (610) 683-4904.

2. Any documents that contain a credit card number should be kept in a secure location to prevent unauthorized personnel from acquiring the number.

3. To help prevent fraud on your account:
   a. Make online purchases from merchants that request the 3-digit security code from the back of your card

   b. Never send payment information via email

   c. Look for the padlock icon at the bottom of your browser window

   d. The web address or URL should begin with http**s**:// on any page where you enter your credit card number

   e. Review receipts before you sign them

   f. When your card is returned to you be sure it is <u>your</u> card

   g. Report missing and/or stolen cards immediately to the Card Systems Administrator
   h. Do not use your ESU/KU card to make a purchase when using public Wi-Fi

   i. Review your transactions on a regular basis. We recommend a frequency of at least once per week
   ***Note*:** Neither MasterCard nor the card processor will ever call or write cardholders for personal account information.

4. Types of fraud schemes:
   a. "Smishing" or SMS phishing uses cell phone text messages to deliver the *bait* to induce people to divulge their personal information. The *hook* (the method used to actually capture people's information) in the text message may be a website URL, but it has become more common to see a telephone number that connects to an automated voice response system

   b. "Vishing" or voice phishing is the criminal practice of using the telephone system to gain access to private personal and financial information from the public for the purpose of financial reward.

   c. "Skimming" takes place when an employee "skims" a customer's credit card with a small, handheld electronic device that scans and stores the card data from the magnetic strip on the back of your card. Often this is completed just prior to the card being returned to you. Try to keep your card in your sight as much as possible.

U. Policy Exception Request

1. Exceptions to the "Unauthorized Items" section can be requested for unusual and/or extraordinary situations. These purchases will be reviewed on a case-by-case basis with the submittal of an Exception Request Form.

2. The appropriate form must be completed, necessary signatures acquired, and submitted to the Card Systems Administrator **at least three business (3) days prior** to the anticipated need. Any request must be reviewed, approved, and processed prior to items being purchased.

V. Cardholder Separation, Transfer, or Termination

1. Cardholders transferring to another University department must notify the Card Systems Administrator via a Procurement Card Change Form to document changes in location, departmental cost centers, etc. Please refer to the Forms available on the Procurement Card Web page.

2. Prior to separation, or termination from University employment, the Cardholder must surrender the Procurement Card to the Card Systems Administrator.

3. All documentation for outstanding transactions shall be given to the Cardholder's immediate supervisor for processing at the end of the statement period.

W. Compliance Reviews

1. Audits of the P-Card program are conducted regularly by both the Card Systems Administrator and outside audit firms.

2. Non-compliance items noted during the internal audit will be communicated by the Card Systems Administrator to the cardholder, the cardholder's supervisor and other ESU/KU personnel, as appropriate.

X. Contacts

1. To report lost/stolen cards, erroneous charges, purchasing assistance, or additional information
   a. **Bank of America Merrill Lynch Cardholder Customer Service:**

   24 hours a day/7days a week support center - **1-888-449-2273**

   b. **Kutztown University/East Stroudsburg Shared Services Card Systems Administrators**

   Mary Vink
   Procurement Agent
   610-683-4904

Y. **Transaction Declines – Samples of Cause and Solution**

Cause	Solution
Exceeded the monthly credit limit	Check to be sure that you haven't exceeded the monthly credit line. If you have, call the Card Systems Administrator and request a line increase.
Transaction exceeds the single transaction limit	Check the single transaction limit on your card by reviewing the Enrollment Form. If you need to have your transaction limit raised, call the Card Systems Administrator and request a line increase.
Mistyped credit card number, expiration date, security code	This is an easy mistake to make when shopping online. Double check the card number, expiration date, billing address and security code you typed before hitting "enter" to avoid having your card declined.
Expired card	If you don't regularly use your credit card, be sure you are using a card that hasn't expired. If the card has expired contact the Card Systems Administrator.
Suspicious charge	The card processor will be quick to suspend an account if fraud is suspected. If your card is declined call the Card systems Administrator to determine next steps.
International purchase	Call or email the Card Systems Administrator *before* you travel overseas or make an international purchase so the card company won't suspect suspicious activity

Z. **Definitions**
   1. **Account Statement** – the listing of all transactions by the cardholder in a given month.

   2. **Bank** –the financial institution that issues the travel cards based on enrollment forms approved by ESU/KU Shared Services. This institution fulfills contractual obligations of the travel card programs in accordance with ESU/KU Shared Services and the Pennsylvania State System of Higher Education (PASSHE).

   3. **Cardholders** – employees who have been issued a travel card and who are authorized to make purchases in accordance with these procedures.

4. **Card Systems Administrator** – the person responsible for the day-to-day operation of the program and for training cardholders regarding policy, procedures and information retrieval.

5. **Chip Card –** a chip card is a standard-size plastic credit card that contains an embedded microchip as well as the traditional magnetic stripe. The chip encrypts information to increase data security when making transactions at a chip-enabled terminal.

6. **Cost Center** – ESU/KU organizational or program unit with an allocation of funds.

7. **Cost Center Manager** – individuals who have been delegated the responsibility for monitoring, reconciling, committing, and expensing funds from a particular cost center.

8. **Disputed Charges** – transactions that appear on the cardholder's statement which the cardholder does not recognize or determines to be incorrect or invalid.

9. **Merchant** – a vendor from which a cardholder is purchasing travel under the provisions of this policy.

10. **Merchant Category Code (MCC)** – a four-digit number assigned to a business to classify the business by the type of goods or services it provides.

11. **Monthly Limit** – a monthly amount limitation of purchasing authority delegated to a cardholder.

12. **Official Use** – the card is to be used for official ESU/KU business only. It may not be used for personal use in any manner whatsoever, even with the intent to reimburse ESU/KU. The card is to be used while on ESU/KU travel for the employee's travel expenses.

13. **Single Transaction Limit** – a transaction amount limitation of purchasing authority delegated to a cardholder. This dollar limit may vary from cardholder to cardholder.

14. **Supervisor** – individuals who have the responsibility for monitoring, reconciling, committing, and expensing funds for particular cost centers. This individual must approve account requests when the cost center manager is the cardholder of record.