

Policy No. 911**Responsible Department: Accounts Payable Responsible Administrator:** Accounts Payable Accountant**Effective Date:** September 2003 **Reviewed/Updated Date:** September 2019 **Date of Scheduled Review:** June 2022 **PURCHASING CARD POLICY****PURPOSE**

The purpose of the Purchasing Card Program is to improve the purchasing process by streamlining purchases, expanding user flexibility, and increasing efficiency.

SCOPE

All ACU employees using the university purchasing card for operational and business purchases.

**Purpose
Cardholder Responsibilities**

1. Ensure the proper and secure use of the p-card and respect the card as if it were their own.
2. The cardholder may initiate transactions on behalf of others in his/her department; however, the cardholder is responsible for all use of his/her card.
3. Ensure that sufficient budget funds exist for making purchases and only use FOAP numbers the cardholder is authorized for.
4. Review and follow the **p-card website** including all other university policies.
5. On a monthly basis, in **SDOL** (JP Morgan's Smart Data On-Line website), reallocate monthly charges, and provide valid business purposes.
6. Provide monthly expense reports to Accounts Payable.
7. Reports should be electronically sent to accountspayable@acu.edu.

Supervisor Responsibilities

1. Ensure each transaction is a legitimate ACU business expense. If the expense is related to a federal, state, or private grant project, the supervisor must ensure that the expense is allowable under the grant. The supervisor signature on the expense report shows approval of all transactions that have been made by the cardholder and that the expense is allowable for the grant project (if applicable).
2. Ensure the cardholder(s) follows p-card policies as well as all other university policies.
3. Ensure fraud does not occur by a cardholder, including a cardholder being reimbursed through other means for items purchased on the p-card.
4. In **SDOL** (JP Morgan's Smart Data On-Line website), ensure the cardholder(s) allocates their p-card transactions to appropriate FOAPs as well as provides business purposes.
5. Ensure the cardholder(s) provides completed expense reports on a timely basis to Accounts Payable.
6. Reports should be electronically sent to accountspayable@acu.edu.

Changes to a Purchasing Cardholder's Supervisor

Please use the **P-Card Change or Close Request** form to notify Accounts Payable of a change to a cardholder's supervisor. Noting these changes is important for reporting purposes. Please send the form electronically to Accounts Payable at accountspayable@acu.edu.

Cardholder Agreement & Testing

Before a new cardholder receives his/her p-card, he/she will be required to sign the **Purchasing Cardholder Agreement** and pass the p-card test. The **Purchasing Cardholder Agreement** references the cardholder's responsibilities as well as any prohibited purchases which must be agreed to by the cardholder prior to receiving and maintaining a university purchasing card. Each cardholder must receive at least a 75 on the test. The purpose of the purchasing card test is to educate purchasing cardholders on reporting deadlines, prohibited purchases, and the p-card policy. Each cardholder will be required to re- take the test any time the card is up for renewal.

Making Purchases

The p-card can be used for all ACU purchasing needs including operational and business related expenses. When making a purchase with a p-card, it is recommended that cardholders check as many sources as possible to assure optimal price, quality, and delivery. The card can be used in the following methods:

- In person
- Telephone
- Internet (secure websites only)
- Mail order form

Sales & Use Taxes

ACU purchases made in Texas and for use in Texas are generally exempt from Texas sales and use taxes. It is the responsibility of the cardholder to obtain tax exempt status when making a purchase. ACU's tax ID number is printed on the front of each p-card for tax exempt verification. If the vendor requires additional proof, ACU's **Texas Sales & Use Tax Exemption Certification** is available for viewing and printing. Purchases made in other states are generally subject to that state's sales tax laws.

Prohibited Purchases

The following items should not be purchased with an ACU purchasing card:

- Travel expenses (with the exception of fuel in a university vehicle)
- Fuel in a personal vehicle - If an individual is using their personal vehicle for ACU business, he/she needs to track mileage and turn in a **Concur** expense report for mileage reimbursement. Mileage reimbursements not only cover fuel costs but also wear and tear on the vehicle.
- Gift cards, gift certificates, or store credits
- Gifts purchased over 30 days in advance without an intended business purpose
- Certain gifts, awards, prizes, and reception costs – please see ACU's **Gifts, Awards, Prizes, & Receptions Policy** when making such purchases
- Cash advances
- Cash as a credit for returned items
- Alcoholic beverages or tobacco products
- Personal purchases (personal memberships such as Amazon Prime memberships are prohibited)
- Personal utility bills

- Spousal or family expenses
- Cell phones or cell phone monthly bill payments – see the **Cell Phone Policy**
- Internal ACU purchases such as ACU Billing, ACU Press, ACU Theater tickets, ACU Athletic tickets, ACU dinner tickets, ACU Meal Plans, or CopyCat are prohibited. These purchases should be made using a departmental FOAP.
- Telephone and computer purchases – such items should be purchased through the Information Technology department
- Other purchases in violation of university policy – see the **Employee Handbook** for more detail

Receipts & Documentation

It is recommended that a receipt be obtained for all transactions. For all meal expenses, an itemized receipt must be obtained regardless of the amount. For other purchases not related to meals, an itemized receipt is required for transactions totaling \$25 or more. If the amount of the transaction is below \$75 and documentation of the purchase cannot be obtained from the vendor, fill out a **Missing Receipt Statement** in its entirety and put the statement in the receipt's place in the monthly expense report. If the amount of the transaction is \$75 or more, vendor documentation must be provided or cardholder reimbursement will be required. If the cardholder does not provide receipts over \$75 on three occasions, their card will be suspended until proper documentation is provided. If an employee has been terminated and receipts are missing that cannot be obtained by the department, the supervisor will be asked to fill out a **Missing Receipt for Terminated Employees** form to be submitted along with the corresponding monthly report.

A receipt can be one of the following:

- Invoices
- Sales receipt
- Itemized E-mail Receipt
- Cash register tape
- Packing slip/ Order Form

All receipts must provide the following information:

- Vendor name
- Date of purchase
- List of items purchased
- Unit cost
- Total cost

Other required documentation includes:

- A business purpose for each charge. (Business purposes can be written into a report if the reallocation deadline has passed, but it is preferred that all business descriptions are saved on **SDOL** when allocations are processed.)
- For meals and items purchased on behalf of another, include a list of attendees and their business or employment affiliations.
- For fuel charges, indicate if the fuel was put into a rental or ACU vehicle (fuel for a personal vehicle may not be purchased using the p-card).

Account Allocation

Each cardholder has a default FOAP that is initially charged to each p-card transaction. If a p-card transaction should be applied to a FOAP other than the default FOAP, the reallocation must be completed in [SDOL](#) (JP Morgan SmartData On-Line website) by 5 p.m. on the 3rd business day of the month following the month in which the charge occurred. Business purposes/ comments should also be saved on [SDOL](#) before the deadline.

Changes to Default P-Card FOAPs

For any changes to a cardholder's default FOAP on [SDOL](#), please provide a completed **P-Card Change or Close Request** form electronically to Accounts Payable at accountspayable@acu.edu. Please allow 1- 2 business days for these changes to be applied on [SDOL](#). Changes to default FOAPs affect future transactions only after the change has been applied.

Expense Reports & Supervisor Approval

If the cardholder has made any transactions, an expense report from [SDOL](#) (JP Morgan's Smart Data On- Line website) must be printed at the end of the month. The expense report should be reviewed, approved, and signed by the cardholder and the cardholder's supervisor. The dates of the expense report should include transaction posting dates from the 1st day of the month through the last day of the month. If the report was turned in without the full dates of the month, the cardholder will be asked to rerun the report or they will be asked to fill out an **Omitted P-Card Charges** form to be submitted along with the corresponding monthly report. It is the cardholder's and supervisor's responsibility to ensure the expense report includes receipts, business purposes for every transaction, appropriate signatures, and other documentation listed on the **p-card website**. The expense report should be completed and electronically submitted to Accounts Payable by the 14th day of the month following the month in which transactions occurred. If the 14th falls on a weekend, the expense report is due on the following Monday.

Billing Discrepancies & Returns

The cardholder is responsible for resolving discrepancies directly with the vendor and requesting that any credit or additional charges be generated for the next billing cycle. If the cardholder is unable to resolve a discrepancy, the cardholder must fully document the situation and process the dispute form which can be received by contacting JP Morgan Chase. Disputes must be submitted to JP Morgan Chase within 60 days of the original transaction date. When a cardholder has returned an item, he/she is responsible for assuring that a credit appears on a future p-card statement.

Credit Limit Changes

To change the credit limit of a purchasing card, the **Purchasing Card Credit Increase Request** must be filled out fully and proper signatures must be provided prior to the limit change being processed by Accounts Payable. Temporary or emergency credit limit changes should be noted accordingly on the signed form submitted to Accounts Payable. On the form, provide an explanation/business purpose for the limit change.

P-Card Closure & Employee Termination

To request the closure of a purchasing card, complete the **P-Card Change or Close Request** form and electronically send the form to Accounts Payable at accountspayable@acu.edu. If a card is closed due to employee termination, please shred or return the purchasing card to Accounts Payable as well as completing and providing a signed **P-Card Change or Close Request form**. Any outstanding p-card expense reports and supporting receipts must be provided to Accounts Payable regardless of the

cardholder's employment status. If an employee has been terminated and receipts are missing that cannot be obtained by the department, the supervisor will be asked to fill out a **Missing Receipt for Terminated Employees** form to be submitted along with the corresponding monthly report.

Compliance

The Accounts Payable department is responsible for monitoring p-card transactions for compliance with ACU policies and IRS guidelines. The signed p-card expense reports and their related documentation are audited on a monthly basis and filed by Accounts Payable.

If a cardholder does not submit his/her p-card expense report by the deadline or if a report is received in Accounts Payable that is in violation of the purchasing card policy, the cardholder and supervisor will receive an email notification from Accounts Payable allowing 7 days for the proper documentation to be provided. The cardholder will receive three email notices before the cardholder's p-card is suspended.

Please note that the Finance department reserves right to suspend a card if a purchasing card report has not been received within 90 days of the reporting due date regardless of how many notices were sent to the cardholder. The suspension will be lifted after the proper documentation is received. Beginning December 1, 2012, if a cardholder has been suspended three times over a three year period, the cardholder will be permanently suspended from receiving an ACU p-card.

The p-card is a privilege granted to faculty and staff and must be used in a responsible and appropriate manner. Student employees are **not** eligible to receive a purchasing card. Fraudulent misuse of the card or policy disobedience can result in any of the following circumstances:

- Temporary card suspension
- Permanent card suspension
- Financial restitution
- Employment termination
- Other disciplinary actions set forth under university policy

If a supervisor is not meeting their supervisor responsibilities, penalties may include:

- The suspension of all cards underneath the supervisor
- Employment termination
- Other disciplinary actions set forth under university policy

Contact Information:

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