

# **DICKINSON COLLEGE PURCHASING CARD PROGRAM POLICIES AND PROCEDURES MANUAL**

## **Introduction**

Dickinson College has established a Purchasing Card Program to provide expanded convenience and controls for low dollar purchases, and to establish a payment methodology that will support the future purchasing directions of internal and external transactions. The Purchasing Card, an institutional credit card, is designed to give controlled buying power directly to the Departments/Divisions and to eliminate many small-dollar purchase orders and checks.

Wells Fargo Visa is the provider of the Dickinson College Purchasing Card. Visa is readily accepted by most vendors and is a convenient purchase and payment tool for low dollar purchases. In addition, the Purchasing Card contains several benefits and insurance coverage.

Purchasing cards allow for Cardholder or Reconciler review, coding of transactions, and reporting online in *Wells Fargo's Commercial Card Expense Reporting system*.

All required forms and policies and procedures manuals have been posted on the Financial Operations website at [http://www.dickinson.edu/info/20082/financial\\_operations/1335/dickinson\\_purchasing\\_card](http://www.dickinson.edu/info/20082/financial_operations/1335/dickinson_purchasing_card).

## **Key Contacts**

Purchasing Card Administrators:

- Miriam McMechen, Assistant Controller (x1806)  
*Accounting Program Administrator ([mcmechen@dickinson.edu](mailto:mcmechen@dickinson.edu))*
  - Cardholder user setup and maintenance
  - Reconciliations
  - Recordkeeping
  - General ledger posting
- Kari Travitz, Accounting Technician (x1383)  
*Accounting Program Administrator ([travitzk@dickinson.edu](mailto:travitzk@dickinson.edu))*
  - Cardholder user setup and maintenance
  - Reconciliations

Wells Fargo contacts:

- Customer Service (24 hours/day, 7 days/week) \*
  - Phone: 1-800- 932-0036

\*Your Access Code is required which is the last 4 digits of your employee ID number.

- Report lost/stolen cards \*\*
  - Phone: 1-800- 932-0036

\*\*Cardholders must also notify one of the Purchasing Card Administrators after reporting a lost or stolen card.

## **Requesting a Card**

An employee, who has been delegated purchasing authority by his/her departmental Budget Officer/Approver, may apply for a Purchasing Card. A [Purchasing Card Account Form](#) must be

completed, signed by the Budget Officer/Approver responsible for the applicant's departmental budget, and forwarded to the Purchasing Program Administrator for approval.

The [Purchasing Card Account Form](#) requires the Dickinson employee ID number which is used to identify the Cardholder and verify credit card ownership when a card is activated or canceled or when the Cardholder calls in to customer service. The Dickinson employee ID number can be found at the bottom of the employee identification card or on an employee's pay advice. If all else fails, an employee can contact HR Services to obtain his/her ID number.

The [Purchasing Card Account Form](#) is also used to define Cardholder purchase limits and set default accounting information. The standard monthly credit limit is \$1,000. If an employee requires more than the standard credit limit, a written justification must be included with the application. Please be aware of the total costs of purchases (including freight and handling) when approaching the monthly limit.

An employee is required to provide his/her department name and default general ledger number in the FOAPAL structure (Fund, Organization, and Program) in order to establish accounting defaults when making purchases. This information allows the charges to be posted to the cardholder's home program and department. Uncoded account numbers will default to the General Ledger based on the Merchant Category Code assigned by the vendor's bank.

All prospective Cardholders are *required* to sign a [Cardholder User Agreement](#) in order to be eligible to receive a Purchasing Card.

Purchasing Cards are automatically renewed before the expiration date. Replacement cards will be mailed directly to the Purchasing Program Administrator approximately one month before the expiration date. The Purchasing Program Administrator will arrange delivery of new cards to cardholders.

### **Cardholder Training**

Training sessions will be arranged by the Program Administrators upon request.

### **Cardholder Agreement**

The Cardholder must sign the [Cardholder User Agreement](#), which states the employee will secure the card and adhere to Dickinson's policies and procedures for proper use of the card. A card will not be issued if this form is not signed by the Cardholder and the Cardholder's Manager.

### **Activating a Card**

New cards will have an activation sticker on them with a phone number for the Cardholders to call. The Cardholder will be prompted to enter the card number, followed by the last four digits of his/her employee ID number for individual cards or number provided by Program Administrator for departmental cards. The Cardholder will also set a PIN (Personal Identification Number). This PIN is known only to the Cardholder and cannot be supplied by the Program Administrator. If a PIN is unknown, the Cardholder will need to contact Wells Fargo.

### **Safeguarding a Card**

Always keep your card in a secure place. Just as you would with your personal credit cards, treat the Purchasing Card as if it were cash.

Only the Cardholder whose name is embossed on the Purchasing Card is authorized to use the card. All Purchasing Card transactions must be reviewed and coded by the Cardholder or Reconciler on Wells Fargo's website. The Cardholder is responsible for ensuring all charges made with the card are in compliance with the [Purchasing Card Program Policies and Procedures Manual](#). The Cardholder's departmental Budget Officer/Approver must review and approve monthly transactions through the Wells Fargo website. The Budget Officer/Approver is also responsible for ensuring that departmental funds are available in the general ledger account(s) for Purchasing Card purchases.

Department cards carry the name of the department and are assigned to a specific employee, typically a Staff Associate. The assigned employee is responsible for maintaining a [Departmental Purchasing Card Sign-Out Log](#) for departmental use of the card, which includes the requesting employee's signature and dates used, and is also responsible for securing the card when not in use. The assigned employee has the same reconciliation responsibilities and approval requirements as individually-named Cardholders.

### How it Works

1. Cardholders make authorized business-related purchases by charging their Wells Fargo Visa card and obtain transaction receipts.
2. Cardholders or Reconcilers review the transactions daily/weekly on the *Wells Fargo Commercial Card Expense Reporting system*. NOTE: In order to establish the business purpose of a transaction, the Cardholder or Reconciler must adequately describe the transaction in the description field within the system.
3. Cardholders or Reconcilers code transactions to the appropriate general ledger account number(s) for all charges within the current billing cycle.
4. Cardholders or Reconcilers upload the receipts to the website for all charges within the current billing cycle.
5. Departmental Budget Officer/Approver reviews and approves the Cardholder's transactions through the *Wells Fargo Commercial Card Expense Reporting system*.
6. Wells Fargo pays the merchant when the vendor submits the transaction for payment.
7. Dickinson College pays Wells Fargo once each billing cycle.
8. Transactions are downloaded from the *Wells Fargo Commercial Card Expense Reporting system* and posted to the ledger on or about the 11<sup>th</sup> day of each month.

### Appropriate/Inappropriate Card Use

Common uses of the Purchasing Card may include, but **are not limited to**:

- Books, periodicals, subscriptions and newsletters
- Audio and video tapes
- Photo, art, shop and lab supplies
- Flowers, small gifts, etc.
- Conference and seminar registration fees
- Office supplies
- Internet-based purchases
- Repairs
- Small dollar retail purchases
- Travel related expenses (hotel rooms, airfare, car rentals, etc.)

The Purchasing Card **must never be used to purchase items for personal use or for non-College purposes** even if the Cardholder intends to reimburse the College.

A Cardholder who makes an unauthorized purchase with a Purchasing Card (as defined below) or uses the Purchasing Card in an inappropriate manner will be subject to disciplinary action including possible card cancellation, termination of employment at Dickinson College and criminal prosecution.

As one of the safeguards of the Purchasing Card program, certain Merchant Category Codes (MCC's) that are believed to be of no value to the College, have been blocked. For example, a Cardholder can not use the card at an off-track betting establishment or at a mobile home dealer. Unfortunately, since MCC's are determined by the vendor's bank, there is a chance that a vendor has been incorrectly classified by the bank without our knowledge, and the card may be rejected. If a vendor says your card has been denied, call the Wells Fargo customer service number noted on the back of the card.

If you are uncertain whether a commodity and/or vendor are authorized for purchase with the Purchasing Card, please contact one of the Purchasing Card Administrators.

Please do not use the Purchasing Card at campus locations, as credit card sales carry certain fees which must be paid by the vendor. There are mechanisms in place to allow for the purchase and billing of goods or services on campus without the card.

### **How to Purchase**

The Purchasing Card can be used at any vendor which accepts Visa. Purchases are made in the same manner as any other credit card (in person, internet, telephone, facsimile, mail-order form, etc.).

Be sure to identify yourself as a Dickinson College employee and provide the vendor with the College's tax-exempt ID number, which is printed on the face of the card (see Sales/Use Tax section below for further information on tax exemption).

Also, be sure to obtain receipts for all transactions. Receipts are required to be uploaded to transactions within the Wells Fargo system.

If the credit card is declined, the Cardholder should contact Wells Fargo customer service at the number noted on the back of the card.

### **Preferred Suppliers**

In some cases, the College has negotiated rates with vendors. Please contact the Purchasing Program Administrator to determine if a preferred vendor can be used before making a purchase, when possible.

### **Sales/Use Tax**

As a corporation with a primary purpose of education, Dickinson College is categorized as a non-profit corporation, incorporated in the Commonwealth of Pennsylvania and is exempt from the payment of most Pennsylvania Sales and Use Taxes. The Pennsylvania exemption number is embossed on the front of the Purchasing Card. Vendors may also ask for the PA Exemption Certificate (REV-1220), which can be found at <http://www.dickinson.edu/departments/finops/travelexemption.html> along with other state certificates held by the College. If traveling in any of these states, print and carry the appropriate form with you. Use of the form is subject to the instructions on each form.

If tax is inappropriately charged to a Purchasing Card, it is the responsibility of the Cardholder to obtain a credit from the vendor.

### **Shipping/Receiving**

The Cardholder is responsible for ensuring receipt of materials and services and to follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.

If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the vendor and retaining that receipt with the supporting documentation for the purchase. **Receiving cash or checks to resolve a credit or return is prohibited.** If a supplier accepts an item as a return, a credit for this item should appear on the following month's Purchasing Card Statement.

If materials are ordered by phone, the Cardholder is responsible for advising the vendor to include a sales receipt in the package, as it will be used for supporting documentation. To ensure proper delivery of merchandise, the Cardholder must inform the vendor to include the following information on the outside packing label:

- Cardholder Name
- Campus Mailing Address (including building name and room number)
- Phone Number

### **Review/Verification of Charges**

Cardholder Purchasing Card transactions are typically available for review/reallocation in the *Wells Fargo Commercial Card Expense Reporting system* within 24-48 hours after receipt of transaction by Wells Fargo.

Cardholders or Reconcilers must review and complete any account coding to transactions by six days after the month end billing cycle date or transactions will be paid and charged to the system generated default account/center of the Cardholder. If at any time you are charging a department outside of your established default department, you must obtain authorization from that departmental Budget Officer/Approver and include the authorization with your uploaded receipt. Authorization may be in the form of email.

The standard monthly billing cycle is from the first day of the month until the last day of the month. If the month end is on a weekend, the cycle may be extended a day or two. The dates for each cycle are listed on the top of the statement.

Budget Officers/Approvers are required to review the validity of the Cardholder's transactions in accordance with the [Purchasing Card Program Policies and Procedures Manual](#) and approve the transactions for that billing period.

After the billing cycle cutoff, the Accounting Program Administrator exports the transaction file from Wells Fargo into Banner. Reallocation of account/center numbers cannot be made after the file has been exported. *Wells Fargo Commercial Card Expense Reporting system* transactions will be in inquiry mode only after the Statement Reviewed box has been clicked.

General ledger descriptions on the monthly download will include:

- General Ledger account number
- Vendor name
- Amount of purchase

- Cycle end date

## **Errors and Disputes**

If a Cardholder cannot resolve a disputed item directly with the vendor, the Cardholder should notify Wells Fargo customer service at the number noted on the back of the card. Customer service will then assist the Cardholder in resolving the dispute.

If fraud is suspected, please notify Wells Fargo customer service at the number noted on the back of the card. The card will be canceled, and a new card issued.

## **Reconciliation/Approval of Transactions**

The Cardholder must retain the original charge slip, sales receipt, packing slip, invoice, or any other information related to each purchase and include it with the uploaded receipt on the Wells Fargo website.

## **Record Keeping/ Retention**

It is the Cardholder's responsibility for obtaining purchase documentation from the vendor (sales receipts, packing slip, etc.) to support all purchases made with the Purchasing Card.

Purchasing Card transaction documentation and monthly reconciliations will be subject to audit by the Office of Financial Operations. Documentation must fully support the Purchasing Card Statement and adequate descriptions must be included in *Wells Fargo Commercial Card Expense Reporting system* to support the business purpose of each transaction.

Examples of acceptable supporting documentation include, but are not limited to:

- Uploaded sales receipt or invoice
- Uploaded packing slip
- Uploaded cash register receipt
- Internet confirmation from uploaded email (if there is no packing slip with the goods when received)
- Uploaded copy of order form or application

Business meal transactions must include names of attendees and business purpose in the documentation to comply with Internal Revenue Service (IRS) Accountable Plan regulations. If there are a large number of attendees, listing the type of group is acceptable.

## **Audit's Role**

The Office of Financial Operations will audit Purchasing Card documentation on a rotational basis. Audits will be conducted in accordance with an IRS accountable plan and will focus on Purchasing Card policies and procedures noted in this document, as well as the College's [travel policy](#). Any findings noted during the audit are documented and communicated to the Cardholder and/or the Cardholder's Budget Officer/Approver. Repeated noncompliance with College policies and procedures is considered to be a misuse of the card and may result in revoking card privileges. This process is intended to provide a review of the program's performance, ensure required documentation is properly maintained, and solicit feedback needed to improve the program.

Purchasing Cards are also subject to review and audit by the College's external auditors and granting agencies, where appropriate.

### **Reporting Lost or Stolen Cards**

If a Purchasing Card is lost, stolen or damaged, the Cardholder must **immediately** contact Wells Fargo at 1-800-932-0036. It is imperative that the Cardholder contacts the bank immediately for suspension of the Purchasing Card, as the Cardholder is responsible for all charges made on the card until it has been cancelled at the bank. The Cardholder must also notify the Purchasing Card Administrator after reporting the incident to the bank. The Cardholder's card will be cancelled, and Wells Fargo will issue a new Purchasing Card.

A Purchasing Card that is found after it has been reported lost or stolen must be destroyed by cutting it in half. The same procedure applies if the card is damaged. Both card halves must be forwarded to the Purchasing Card Administrator.

### **Canceling the Card**

Reasons for cancellation include:

- Cardholder is no longer employed at the College
- Cardholder is transferring to another department within the College
- Cardholder goes on leave without pay
- Cardholder is requested to surrender card due to violations of policies

A Purchasing Card can be cancelled at any time. In the event that it is necessary to cancel a card, the Cardholder must return the card to his/her Budget Officer/Approver. The Budget Officer/Approver will cut the card in half and forward the card to the Purchasing Program Administrator.

When a Cardholder terminates employment with the College, the department Budget Officer/Approver has the specific obligation to reclaim the Purchasing Card and return it to the Purchasing Program Administrator prior to the employee's termination date. Failure to do so may result in revocation of all Purchasing Card privileges. If a terminated employee continues to use this card, the Budget Officer/Approver's department will be liable for all charges. The terminated employee may also be subject to criminal prosecution.

If the Office of Financial Operations has to contact a single department on multiple occasions because of insufficient funds within the departmental budget, that department's cards may be revoked entirely.

If it is found that a Cardholder has not used the Purchasing Card for six (6) consecutive months, the card may be revoked at the discretion of the Purchasing Card Administrators with the Budget Officer/Approver's approval. The Purchasing Program Administrator will solicit from the Cardholder any reasonable explanation for non-use of this privilege. Use of departmental cards is encouraged in cases where the need for a Purchasing Card is less frequent during the year.

Non-adherence to these procedures will result in termination of individual Cardholder privileges and may result in the loss of the entire department's privileges to use the Purchasing Card.

## DEFINITIONS

Purchasing Card: A card issued to an employee of Dickinson College for the purpose of making authorized business-related purchases on behalf of the College. The College will issue payment for charges made with the Purchasing Card.

Cardholder: The Dickinson College employee whose name appears on the Purchasing Card and is accountable for all charges made with that card. Cardholders have the ability to allocate individual charges to general ledger account numbers. The Cardholder may also refer to the assigned employee responsible for securing a Department Card.

Budget Officer/Approver: The Dickinson College employee within each Department/Division responsible for approving a Cardholder's transactions. A Budget Officer/Approver may oversee more than one Cardholder account, depending on how the department elects to manage its accounts. The Budget Officer/Approver is also responsible for verifying that all charges against the Cardholder's account for that department are backed up by the appropriate supporting documentation, and that the documentation is forwarded to the Accounting Program Administrator for review.

Purchasing Card Administrator(s): The Dickinson College employee(s) responsible for administering the Purchasing Card Program for the College and acting as the main contact between Dickinson and Wells Fargo. Administrators consist of the Accounting Program Administrator and the Purchasing Program Administrator, both identified at the beginning of this document.

Wells Fargo Commercial Card Expense Reporting system: A web-based solution that provides transaction reporting, accounting information, and online review of Cardholder records. The system is a secure web site, which is derived and maintained by Wells Fargo, using the company's internal servers. Access to *Wells Fargo Commercial Card Expense Reporting system* requires a secure password for each Cardholder, Reconciler and Approver in order to review, change and approve Purchasing Card transactions.

Monthly Spending Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during the monthly billing cycle. The Budget Officer/Approver and the Purchasing Card Administrator(s) establish the limit for the individual Cardholder in accordance with the Purchasing Card program guidelines.

Supporting Documentation: A merchant produced or non-College document that records the relevant details for each item purchased including quantities, dollar amounts, a description of what was purchased, the total charge amount, the merchant's name and address (i.e. sales receipt, original invoice, packing slip, credit receipt, etc.).

Purchasing Card Account Form: The Form required to be completed by prospective Cardholders to obtain a Purchasing Card, make changes to an existing Purchasing Card, or to cancel a Purchasing Card.

Cardholder User Agreement: An Agreement Form signed by the Cardholder and the Budget Officer/Approver, which verifies that the Cardholder has read and understands the guidelines set forth in the [Purchasing Card Program Policies and Procedures Manual](#) and agrees to comply with them.