

TEMPLE UNIVERSITY PURCHASING CARD PROGRAM POLICIES AND PROCEDURES

When using the Temple Purchasing Card (TPC) a dramatic reduction in the procurement cycle for small dollar purchases (\$2000 or less) can be achieved. The traditional process includes pricing inquiry, order placement, delivery of goods, invoice and voucher review. Requisitioners who have been issued credit cards may initiate transactions in person or by telephone, within the limits of this Policy. Payments to vendors are made via the Visa settlement system. Accounts Payable makes periodic settlements with the bank. The TPC is a win-win-win program for your department, the University and the vendor. It eliminates the need for requisitions, short orders, check requests, etc., expedites the delivery of goods and services and provides quick payment to the vendor.

HOW TO OBTAIN A TEMPLE PURCHASING CARD

Application - Please login to TUmarketplace to obtain forms to apply for a Pcard.

Authorized Approval - All applications will be approved via the workflow process in TUmarketplace. The approvals will be based on the applicable FOAPAL string. **Every** required Fund and Org to be utilized on the requested card will need to be added to the requisition, so that accurate approvals are acquired.

Customized Controls - An improved feature of this card is the ability to customize controls. See Page 5 under TPC Controls and Features for further details. To customize controls for a particular card, attach a note to the Administrator and be sure to include a phone number of the person to contact.

Activating Your Card - Purchasing will contact the Cardholder when their card is available. All Cardholders are required to attend a brief orientation prior to activation of their card. At that time, the Cardholder must review and sign the Cardholder Agreement. The card will be activated immediately following orientation.

Authorized Use - The Temple Purchasing Card can be used for the purchase of most small dollar goods and services up to \$2,000 per transaction. The \$2,000 per-transaction limit, effective 10/2006, represents an increase over the former \$1,000 limit.

Examples:

RIGHT A transaction for a SINGLE item with a UNIT PRICE that does not exceed \$2,000, i.e., one file cabinet @ \$2,000.

WRONG A transaction for a SINGLE item with a UNIT PRICE that exceeds \$2,000, i.e., one file cabinet at \$2,050.

RIGHT A transaction for MULTIPLE items whose TOTAL COST does not exceed \$2,000, i.e., 4 file cabinets @ \$450 each for a total of \$1800.

WRONG A transaction for MULTIPLE items whose TOTAL COST exceeds \$2,000, i.e., 5 file cabinets @ \$450 each for a TOTAL COST of \$2,250.

RIGHT A transaction for DIFFERENT items whose TOTAL COST does not exceed \$2,000, i.e., a table @ \$600 and three cabinets @ \$350 each for a TOTAL COST of \$1650.

WRONG A transaction for DIFFERENT items whose TOTAL COST exceeds \$2,000, i.e., two tables @ \$400 and four cabinets @ \$350 each for a total TOTAL COST of \$2,200.

In all WRONG examples above, TPC Policies and Procedures prohibit the transaction, and will be declined at the point of sale. A transaction MAY NOT be split into multiple transactions to stay within the single transaction limit of \$2,000. Split transaction purchases will be reported to Temple via Exception Reporting and the Cardholder's card privileges will be revoked

Sales Tax - Temple University is an Instrumentality of the Commonwealth of Pennsylvania, and as such, is exempt from Pennsylvania sales tax. All goods purchased within Pennsylvania, or shipped from outside of the state to Temple University are sales tax exempt. Temple University is also sales tax exempt in many other states. A list of those states is included as Appendix A. Goods and services purchased in any of these states are sales tax exempt. Cardholder is responsible for informing the vendor that the goods are not to be taxed.

Unauthorized Purchases – The card is not intended for repetitive type purchases or purchases for which a University contract exist (office supplies, business cards, bottled water, etc.). Appendix B contains a list of goods and services that are unallowable by TPC Policies and Procedures and will be blocked at the point of sale. This list may change from time to time as policy changes. All Temple University Policies and Procedures must be followed at all times, regardless of whether a transaction is automatically blocked at the point of sale. Although the card controls are designed to automatically limit unacceptable usage, it is the Cardholder's responsibility to be aware of Temple University's Policies and Procedures and ensure that all purchases conform to these Policies.

Eligible Cardholders - For purposes of TPC policy, an employee must be at "H"/"T23" level or above to be eligible to obtain a card. However, individual Deans or Budget Unit Heads may restrict this further.

CARDHOLDER RESPONSIBILITIES

The Cardholder is responsible for ALL CHARGES made on the card. The card cannot be used for personal purchases and doing so will result in revocation of the card and possible disciplinary action. A Cardholder who makes unauthorized purchases may be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by the Bank in connection with the misuse.

Card Security - It is the Cardholder's responsibility to safeguard the credit card and account number to the same degree that a Cardholder safeguards his/her personal credit information. The Cardholder must not allow anyone to use his/her account number.

If the card is lost or stolen the Cardholder must immediately notify the Bank's Customer Service at 1-800-270-7760 And Temple University's Card Administrator at 215-204-7685. The Bank's Customer Service Representatives are available 24 hours a day, 7 days a week.

A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be cut in half and returned to Purchasing.

Orders may be placed by phone or in person. Under NO circumstances should a card number be written on a fax order. If you need to fax an order, request that the vendor phone you to receive your credit card number.

Record Keeping - Whenever a credit card purchase is made either over the counter or over the phone, documentation shall be retained as proof of the purchase. Such documentation will be used to verify the purchases listed on the Cardholder's monthly statement of account.

Data Retention- All purchasing correspondence related to the purchasing credit card program (Pcard) will be retained for a minimum of seven (7) years to be consistent with other purchasing retention procedures or until the cardholder program is cancelled or replaced with a new agreement, but not less than the seven (7) year minimum.

Including but not limited to:

Pcard application form

Cardholder agreement form

Email monthly audit correspondence

Administrator User Access form

Internal Audit department spot check memorandum

Bank correspondence

Original support documentation along with a copy of the monthly statement MUST BE maintained at the departmental level for each card. Support documentation includes original sales documents, packing slips, invoices, cash register tapes, credit card slips,

etc. A purchase log may be maintained by the Cardholder or the department, but is not mandatory. Proper records are critical to enable audit substantiation. **IF THIS ROUTINE IS NOT ADHERED TO, THE PURCHASING CARD MAY BE REVOKED.** The careful matching of complete support documentation by the cardholder to the PaymentNet online statement is vital to the success of this program.

An email is sent to Cardholder when a transaction has processed. Either at that time or prior to end of the billing cycle all charges must be reviewed and verified. The billing cycle ends the 20th of each month, and cardholders have until the 24th of each month to reconcile.

Each card will have the Cardholder's primary cost center number assigned to it. Four digit general ledger account numbers will automatically be assigned to each transaction based on the commodity purchased and the Merchants Commodity Code (MCC). Temple's FMS on the Web allows a cardholder (* with appropriate FMS access) to view their monthly transactions online between the 26th of the month and the last day of the month. The Purchase Card Preview Validation option available on FMS on the Web provides a cardholder the capability to view Visa card transactions and allows a cardholder change the four digit general ledger account number accordingly if necessary. This information will be transmitted from the Bank directly to Accounts Payable each month. The charges will be processed for payment, using the cost center and account number assigned based on the purchase. Cardholders who are responsible for multiple cost centers will have separate cards for each center. Should the Cardholder want to change a specific charge to another cost center, a journal entry transaction may be completed to accomplish this. * To obtain FMS access please contact, Paul Amrhein of General Accounting at 215-204-3125.

Disputed Charges - Cardholder is responsible for resolving disputes directly with the merchant or on Paymentnet. Your first step is to contact the merchant to resolve. If you are unable to resolve the dispute with the merchant and the transaction is still in the current month's transaction cycle (prior to 20 th) you can logon to Paymentnet, click on the transaction and click on dispute. If the dispute occurs after the current cycle (after the 20 th) contact the bank via 800#. The bank number is located on the back of your Purchasing Card.

Credits and Returns - The Cardholder is responsible for ensuring that returns and their associated credits have been properly reflected on the monthly statement. Credit balances will not be carried forward into the next billing cycle. Cardholder may not request that an anticipated credit be deducted from a monthly statement. The charge transaction will be processed in the month that it occurred and the credit processed the following month or when it is received. The only exception to this will be at fiscal year end, at which time, an anticipated offsetting credit may be applied against a charge transaction. At no time may Cardholder request a refund check from the bank.

If purchased items or credits do not appear on the monthly statement within 60 days after the date of the transaction, the Cardholder shall notify the TPC Administrator at 1-7685.

Rebates - If a rebate is associated with a Purchasing card transaction, it is the cardholder's responsibility to deposit the full amount of the rebate via a Treasurer's Receipt with the Bursar's Office. The account and cost center number that expensed the original purchase is the account and cost center that should be credited the full amount of the rebate. In addition, any gift cards or other incentives received as a result of a Pcard purchase should be used for University purposes. All supporting documentation should be retained by the cardholder as per the Pcard policies.

DEPARTMENTAL RESPONSIBILITIES

Cardholder Separation - Prior to separation from either the department or Temple University, the Cardholder shall surrender the Temple Purchasing Card and the current month's supporting documentation to his/her approving manager. The manager is to immediately notify the TPC Administrator to cancel the card and indicate that (1) the Cardholder has separated from the department and (2) the card has been destroyed (3) manager or department administrator will review final PaymentNet statement.

Cardholder Absence - Should the Cardholder be unable to approve his/her monthly statement due to an extended leave of absence or for a period of time, it is the responsibility of the Cardholder's approving manager or departmental cardholder administrator to complete the monthly record keeping. The approving manager/administrator must review and approve the monthly PaymentNet statement on or before the 24th of the month.

TPC CONTROLS AND FEATURES

Reports and Monthly Account Summaries - Monthly reports and summaries, listing all transactions, will be issued by the Bank to the TPC Administrator. These listings will allow Purchasing to track all Cardholders' activities and act as a checklist to anticipate which approved monthly statements are due from which Cardholders.

More than two (2) reminders to a Cardholder that an approved monthly PaymentNet statement is delinquent will be grounds for canceling the TPC from that user.

Customized summary listings and usage reports are available to appropriate departmental personnel and/or Budget Unit Heads. These can be used to track multiple cards for one or more Cardholders and serve as a management tool for reviewing transactions and usage. Contact the TPC Administrator at 1-7685 to review sample Management Reports and discuss your reporting needs.

Controls - Embedded into the card are default controls that have been put in place by Purchasing based on University Policies and Procedures. These controls cover

transactions that will be declined if the Cardholder attempts to complete a transaction which is (1) over the \$2,000 per transaction limit; (2) for unallowable goods and services (listed in Appendix B); or (3) for any type of cash advance or ATM transaction.

Card controls can be further enhanced and transactions restricted or blocked based on any number of features, including:

- \$ limit per transaction
- \$ limit per cycle
- \$ limit per commodity
- # of transactions per day
- # of transactions per cycle
- Merchant Commodity Code

Limits may also be set for spending for groups of Cardholders, or for spending within certain merchant categories. Transactions that are attempted and fall outside of the control parameters will be declined at the point of sale. Details of these transactions are available on report.

All of these controls are available at the Cardholder level, based on that individual's purchasing needs. Similar controls by department, unit or subgroup can also be accommodated.

On-Line Access Transactions - Cardholder status changes, including all of the above controls, are considered "routine Cardholder maintenance" and can be updated by the TPC Administrator effective either the same day or next day. In addition, on-line access is available, to individual departments for the purpose of viewing transactions and reports.

TEMPLE UNIVERSITY PURCHASING CARD PROGRAM

Sales Tax Exempt States

Arizona
Colorado
Connecticut
Idaho
Illinois
Iowa
Kansas
Kentucky
Louisiana
Maine

Massachusetts
Michigan
Minnesota
Missouri
Mississippi
Nebraska
New Jersey
New York
North Carolina
Ohio

Pennsylvania
Rhode Island
South Dakota
Tennessee
Texas
Utah
West Virginia
Wisconsin
Wyoming

Non-Exempt States

Alabama
California
Florida
Georgia
Hawaii
Indiana

Maryland
Montana
Nevada
New Mexico
North Dakota
Oklahoma

Oregon
South Carolina
Vermont
Virginia
Washington
Washington, D.C.

States with No Sales Tax

Alaska
Arkansas
Delaware
New Hampshire

APPENDIX A

TEMPLE UNIVERSITY
PURCHASING CARD PROGRAM
Unallowable Purchases
Blocked Goods and Services*

- Alcoholic Beverages
- Prescription Drugs
- Gift Certificates /Cards
- Cellular Phones
- Gasoline
- Radioactive Material
- Contract Maintenance
- Rental or Lease of Equipment
- Entertainment
- Services usually provided through Office of Facilities Management
- Hazardous Material
- Laboratory and Research Animals
- Temporary Help
- Travel
- Reservation of or payment for a hotel room
- Personal Gifts
- Contracting Services
- Financial Services
- Restaurants/Meals
- Business Cards
- Stationary
- Bottled Water
- Florist
- Computers, Monitors, Laptops & Printers
- Space Heaters
- Personal Air Conditioners
- Hot Plates
- Incandescent Light Bulbs

Notes:

- * Each of the above categories will be blocked in their entirety. However, within each category above, there are many subgroups. If you have an authorized need to purchase a specific commodity within one of the categories listed above, contact the TPC Administrator at 1-7685.
- ** In addition to the categories listed above, an extensive list of additional categories and subgroups within each category is available from Purchasing. Please be aware that cards can be issued or blocked for any combination of categories or subgroups. Contact the TPC Coordinator to discuss ways in which the TPC can improve the procurement process for your department.