

DRAKE UNIVERSITY

Wells Fargo Bank MasterCard Purchasing Card Program

Policy and Procedures Manual

April 2010

Introduction

The purpose of the Purchasing Card Program is to streamline and simplify the purchasing and payment process for small dollar purchase of goods & services and/or travel & entertainment. The Program is designed to shorten the approval process and reduce the paperwork of check and expense reimbursements. The goal of the Program is to:

- Reduce the cost of processing small dollar purchases
- Receive faster delivery of required merchandise
- Simplify the payment process
- Provide cardholders with empowerment to choose
- Provide cardholders with a convenient method to pay travel and Entertainment expense.

The card is a privilege granted to departmental faculty and staff that must be used in a responsible and appropriate manner. Fraudulent or intentional misuse of the card may result in revocation of the card and/or disciplinary action up to and including the termination of the Cardholder. Cardholder activity is reviewed monthly by the Accounting Office.

This reference guide will provide you with the policies and procedures of the Program, including:

- Application Guidelines
- General Cardholder Information
- Expired and Reissued Card Guidelines
- Cardholder Use and Reconciliation Guidelines
- Approvers/Reconciler Guidelines
- Application/Approver/Cardholder Agreement Forms

It is important to read the following information carefully, as you will be responsible for adhering to the University's established policy and procedures.

If you have any additional questions, please contact your supervisor, Department Custodian, or the Purchasing Card Administrator.

Purchasing Card Administrator
Tammy Agey
Old Main Rm 328
271-3180
Email: Tammy.Agey@drake.edu

Pcard Application Guidelines

1. **Cardholder Application** – Department heads/Budget Managers must complete a Purchasing Card Application Form. The Application must be signed by the intended Cardholder and Department Head/Budget Manager prior to submittal. (Link to Form)
2. **Cardholder designated Approver** – The designated Approver of the new Cardholder will be required to complete the Purchasing Card Approver Agreement Form. They will sign and date the form indicating that as an Approver they understand the procedures and responsibilities as a Card Approver. Both forms must be submitted to the Program Administration at the same time before the card application can be processed. (Link to Form)
3. **Receiving Card** – The Purchasing Card will be mailed by Wells Fargo, to the Program Administrator at the campus mailing address within 7 to 10 business days from receipt of the Application form. The Cardholder will be notified to pick up the card from the Administrator.
4. **Cardholder Signs User Agreement Form** – The new Cardholder will be expected to read and sign the Purchasing Card User Agreement indicating that they understand the procedures and the responsibilities of a Cardholder. At this time, the Cardholder will then be given their Card, a copy of the Purchasing card Policies & Procedures and training material for the Wells Fargo website where the Cardholder will review monthly statements.
5. **Activate Card** – The Cardholder will need to activate the card by calling the 800# on the sticker on the front of the card. You will be asked for verification purposes to provide a piece of information, such as the last four digits of your Social Security number. All Cardholders are required to sign the back of the Purchasing Card upon activation of the card.
6. **Passwords/Login ID's** – At the time the Cardholder picks up their Purchasing Card, the login ID's and temporary passwords will be given to them to allow access to the Wells Fargo Purchasing Card site. For security reasons, the Cardholder will be prompted to change the password every 60 days. If you get locked out at any time, contact the Program Administrator to reset the password.

The Cardholder Application, the Cardholder Agreement and the Approver Agreement will be maintained in the Accounting Office.

General Cardholder Information

Each Purchasing Card will be embossed with the individual employee's name. The employee is responsible for the proper use of his/her card.

- It is the Cardholder's responsibility to safeguard the Purchasing Card and the account number to the same degree that a Cardholder safeguards his/her personal credit information.
- At NO time should another Drake employee or student utilize your Purchasing Card or Card number. A violation of this may result in the Cardholder having his/her card withdrawn and disciplinary action taken.
- The employee is expected to use the Purchasing card exclusively for University business. Personal use of the Drake Purchasing Card is not allowed and may result in the Cardholder having his/her card revoked and disciplinary action taken.
- Misuse of the Purchasing card or using it for non-university purposes is fraud and may result in revocation of the card and/or disciplinary action up to and including termination of the cardholder.

Merchant Category Control Groups (MCCG):

Merchant Category Control Groups have been set up by the University and Wells Fargo. These help determine what Vendor Categories are approved or restricted for University purchases. If a particular Merchant Category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your purchase will be declined. The University has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If your card is declined at a merchant you feel it should be accepted at, contact your Program Administrator for consideration.

Limitations and Restrictions:

- Each card is assigned a monthly and single purchase limit.
- A purchase **may not** be split into multiple transactions to stay within the single purchase limit.
- Purchases may be declined because the vendor may be an unauthorized vendor. (See MCCG section above)
- If a purchase is declined, contact your Program Administrator to determine reason.
- A written request (Email) to the Program Administrator by a Cardholder's manager is required to request any limit changes. The request must include reason for change and if this is a temporary/permanent limit change. If it is temporary, the date to return limits to their normal levels.

Lost or Stolen Cards:

- Immediately notify Wells Fargo Bank Customer Service at 800-932-0036 and your Program Administrator.
- A new Purchasing Card will be issued to the Cardholder after the reported loss/theft.
- The old card will immediately be disabled at the time it is reported lost/stolen.
- Review Card activity for any unauthorized charges.

P-Card Delegation

P-Card delegation is prohibited. P-Card delegation is the practice of allowing an individual other than the cardholder whose name appears on the front of the P-Card to have access to the P-Card or the P-Card number to initiate or complete a transaction. P-Card delegation increases the risk of fraud and cardholder liability.

P-Card delegation includes allowing an individual other than the cardholder to:

- Have physical possession of the P-Card to make payments to point of sale vendors;
- Have access to the P-Card number and expiration date to make payments via telephone, internet, or in person;

P-Cards are issued in an individual's name. Only that person named on the P-Card is the authorized user.

Receipts Retention/Record Log:

- It's an IRS requirement of this program that an itemized receipt for all goods/services purchased be maintained. The receipt must be legible, itemized, and contain the vendor name, date of purchases, and price of items and total.
- Accounting will maintain all Cardholder statements.
- Orders placed via phone, fax or mail, must request a receipt, detailing merchandise price, freight, etc., be included with the goods mailed/shipped.
- In cases where appropriate documentation has not been obtained by the cardholder, documentation should be provided showing every effort was made to obtain the documentation. The merchant name, item description, price and date of transaction should be attached to the statement with an explanation of the efforts made to obtain the documentation. This should be kept with the statement in lieu of the missing receipt.
- Travel and Entertainment Charges must include additional documentation to support the expenditure. The cardholder must note in the description and on the receipt the business purpose and names of the attendees, if the expense is for more than themselves.

Sales Tax

- The University is tax exempt and Card users are expected to make sure sales tax is not charged before initiating a transaction. The Iowa Tax Exemption number is embossed on the front of the card.
- You can access the list of other State Exemption numbers by going to Sales Tax Exemption Listing. (Link to form)

Expired and Reissued Card Guidelines

- A Purchasing Card typically expires after three years at the end of the expiring month listed on the card.
- A new card will be mailed to the Program Administrator before the expiration date of the old card.
- The Program Administrator will send an Email when reissued cards are available for pick up in the Accounting office. The applicable Cardholder will need to turn in the expired card, and sign New Card log prior to receiving the newly issued card.

Termination/Transfer:

- Should you leave the University, the Cardholder's account will be closed and the card should be submitted to the Program Administrator to dispose of the card.
- Should you transfer between University departments, the individual may keep their Purchasing Card upon approval from the New Department's Budget Manager/Department head. The Budget Manager/Department Head will complete a Application Form and Click the Box marked "Department Change". They need to complete applicable areas of change such as: limits, approver and FOAPAL, then submit to Accounting. A new card will not be issued, only the information within the profile will be changed.
- In a termination situation, the Budget Office Manager should collect the card from the employee and notify the Program Administrator immediately. The collected card must be turned into the Program Administrator in the Accounting Office for disposal.

Information Available to Cardholders in the Reporting Tool:

- Statement Review Tab- Cycle to Date, Previous statements and Open statements.
- Personal Profile Tab – view email address, privileges, card limits, Approver's name, FOAPAL default and Unit.

Cardholder Use and Reconciliation Guidelines

Making a Purchase

- You are encouraged to use the Purchasing Card whenever you need to make a purchase for items exempted from the requirement of a Purchase Order.
- All purchases must be made in compliance with Drake University's Accounts Payables Guidelines and Procedures:
http://www.drake.edu/busfin/policies_folder/policies_index.php(Link)
- Confirm the vendor/supplier accepts MasterCard
- Inform the supplier that the purchase is for Drake University and is sales tax exempt. The Iowa Sales tax number is embossed on the front of the Cardholder's Card.
- Always request an **itemized** receipt; this will need to be attached to month end statement.
- Purchases cannot be split to avoid single purchase limits.
- If a purchase is declined, contact your Program Administrator.
- If you are asked for the billing address from a vendor, which is sometimes done to verify with the issuing bank, use the following; Drake University, 2507 University Ave, Des Moines, IA 50311.

Returns, Credits, Disputed Transactions:

- If an item needs to be returned for any reason, Cardholders can send them back to the vendor in a manner mutually agreed upon.
- The vendor should issue a credit for the items that are returned. This credit should appear on a subsequent monthly statement. Documentation for this credit should be supplied by the vendor and kept for reconciliation/retention purposes.
- To dispute a charge in the current cycle period, click the Dispute Button found at the bottom left of the statement screen. You will be forwarded to complete some additional Wells Fargo forms.
- To dispute items from a previous cycle period, contact your Program Administrator and they will coordinate the forms needed to be faxed to Wells Fargo. Wells Fargo acts as the arbitrator, never assume the dispute will be resolved in the University's favor.
- A fraudulent charge, i.e., a charge appearing which, was not authorized by the Cardholder, must be reported immediately to Wells Fargo per the 800 number on the back of the Card. And then notify your Program Administrator. Wells Fargo will send via email/fax applicable forms to be completed by the Cardholder. The Card will immediately be cancelled, and a new one reissued.

Statement Review:

- Each Cardholder is responsible for reviewing all transactions to ensure that they are legitimate and that all required documentation is included with each statement.
- Drake University's P-card cut-off is the 20th of each month
- Cardholder's receive and email when the statement is available for review. Usually on the 21st. If the 20th falls on a weekend, this review is available that following Tuesday.
- The Cardholder has a two-day window to review the "Open Statement". They must log into Wells Fargo Commercial Card Reporting (CCER) via the link provided in the email. (Link to Pcard Cycle Calendar)
- Review, make appropriate Account coding corrections if necessary;
- It is recommended that a business purpose is included in the Description box.
- Click Receipts attached for all applicable receipts
- Print your Statement via the "Print" button, Sign the Statement and submit to your Approver with the attached detailed receipts.
- Click the "Review Complete" button to approve your statement. By clicking this button, this ensures all transactions posted are legitimate purchases made by the cardholder on behalf of the University.

Approver/Reconciler Guidelines

An Approver can designate a person to serve the role of Reconciler. The Approver must complete the Application form Reconciler area and submit to Accounting.

Reconciler's Responsibility:

- Gather receipts for all charges
- Add descriptions to all charges
- Review FOAPAL coding for accuracy, change as needed.
- Print statement, attach Receipts and submit to Approver.

Approver's Responsibility:

- It is the Approver's responsibility to review all their assigned Cardholder's statements
- They must log in Monthly to Wells Fargo and click the "Review complete" button.
- This ensures all cardholders were authorized to make such purchases on behalf of the University. This also ensures that all purchases were made in compliance with Drake University's Accounts Payable Guidelines
- The Approver has a 5 Day window to complete their review. Their window opens either when the Cardholder clicks their "Review Complete" button or at the close of the 2 day Cardholder window, whichever comes first. (Link to Pcard Cycle Calendar)

- Click the “Review Complete” button and sign the paper copy, ensure proper documentation is attached and description complete for all transactions, and then submit to Accounting.
- **Each Reconciler/Approver should feel personal obligation to question and report purchases that do not appear to be in the best interest of the University/Operating Unit.** This is not an easy task for many because of the reporting relationships involved in most cases and the potential for retribution in extreme circumstances. However, misuse of a p-card, or using it for non-university purposes, is fraud. As an Approver, not reporting such situations is condoning fraud. Reconcilers and Approvers may report inappropriate transactions directly to Accounting.
- **The Cardholder cannot supervise the Approving Official.** The approving official may supervise the Cardholder.

Drake University
Purchasing Card Approver's Agreement

I agree to all of the following qualifying factors regarding my responsibilities as a Drake University MasterCard Purchasing Card Approver.

1. I will review/Approve monthly the Purchasing Card statements on the Wells Fargo site for proper coding, description on transactions, and purchases are within the policies of Drake University.
2. I understand that not reporting misuse of the Purchasing Card is condoning fraud and subject to disciplinary action up to and including termination.
3. I will review monthly the Purchasing Card statements to ensure receipts for all transactions are attached and descriptions added.
4. I will sign each Monthly statement with attached receipts. By signing the Cardholder statement as an Approver, I am indicating that the Cardholder was authorized to make the purchases and the purchases were made in accordance with the applicable procedures
5. I will question and report purchases that do not appear to be in the best interest of the University.
6. I will submit the statement to Accounting upon completion of review.

My signature below certifies that I have read and agree to the responsibilities described above.

Approver's Name (Print) _____

Email Address _____

Dept Name: _____ Dept. Org # _____

Signature _____ Date: _____

Drake University Purchasing Card Application

New Card Request *Dept. Change Request* *Approver Request* *Reconciler Request*
(Complete Section 1,2,3) (Complete Section 1) (Complete Section 1)

Section 1: Cardholder/Approver/Reconciler Information:

Name: _____
(As it will appear on card-maximum 20 characters)

Department Name: _____

Previous Depart Name: (only if Dept change is checked above) _____

Drake E-Mail address: _____

Business Telephone: (___) _____ - _____

Social Security No: (only last 4 digits) - _____

X _____
Departmental Head/Budget Manager

Date ____-____-____

Section 2: Authorization Limits and Restrictions:

Authorized Limits:

Single Transaction Limit: \$3,000

_____ Include Travel Privileges

Monthly Transaction Limit: \$8,000

Section 3: Reporting Information:

Account Defaults: FUND, ORG & PROG _____
(Maximum 22 characters)

Approver's Name: _____ Reconciler: _____

If Reconciler Request: List names of cards responsible for reconciling:

Section 4: For Accounting Use Only

X _____
Purchasing Card Administrator

X _____
Processed Date

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|---|
| DRAKE UNIVERSITY MasterCard Purchasing Card User Agreement |
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You are being entrusted with a University Purchasing Card, issued by Wells Fargo Bank. The card is provided to you based on your need to purchase materials for the University. It is not an entitlement nor reflective of title or position. The card may be revoked at anytime without your permission. Your signature below indicates that you have read and will comply with the terms of this agreement.

1. I understand that I will be making financial commitments on behalf of the University and will strive to obtain the best value for the company.
2. I have read and will follow the Purchasing Card Policies and Procedures. Failure to comply with this Agreement may result in either revocation of my use privileges or other corrective action, up to and including termination.
3. I understand that under no circumstances will I use the Purchasing Card to make personal purchases, either for myself or for others. Using the card for personal charges could be considered misappropriations of the University's funds and could result in corrective action, up to and including terminations of employment.
4. I agree that should I violate the terms of this Agreement and use the Purchasing Card for personal use or gain that I will reimburse the company for all the incurred charges and any fees related to the collection of those charges.
5. The Purchasing Card is issued in my name. I will not allow any other person to use the card. I am considered responsible for any and all charges against the card.
6. The Purchasing Card is the University's property. As such, I understand that I may be periodically required to comply with internal control procedures designed to protect the company assets. This may include being asked to produce the card to validate its existence and account number.
7. If the card is lost or stolen, I will immediately notify Wells Fargo Bank by telephone at 800-932-0036 and the University's Program Administrator.
8. I will review the card activity statement, which will report all purchasing activity during the statement period. Since I am responsible for all charges on the card, I will reconcile the statement, attach receipts for all purchases, and resolve any discrepancies by either contacting the vendor or Wells Fargo Bank.
9. I agree to surrender the company Purchasing Card immediately upon termination of employment, whether for retirement, voluntary, or involuntary reasons.
10. I will notify vendors upon making purchases, that Drake University is Tax Exempt. The Tax Exemption number is embossed on the front of the card.

Employee Name (Print)

Purchasing Card Acct. No.

Employee Signature

Date

Program Administrator Signature

Date

