

# **WESTERN MICHIGAN UNIVERSITY PURCHASING CARD POLICY AND PROCEDURES MANUAL**

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## ***PROGRAM OVERVIEW***

Welcome to the Western Michigan University Purchasing Card Program. This program has been designed to allow for the direct procurement of small dollar purchases by the end-user through the use of a credit card. Our intent is to eliminate the need for low value requisitions, purchase orders, and vouchers. For you, the cardholder, using the card will provide faster turn-around time on your orders, greater flexibility in ordering, and reduced paperwork processing.

## ***BACKGROUND***

When the University investigated our business practices, we determined that we needed a more efficient means of processing small dollar, low value orders.

The results of our investigation showed that a large portion of the requisitions and vouchers we processed were under \$5,000.00; accounting for a low percentage of the money we spend each year on the procurement of goods and services. The purchasing card program is designed to delegate the authority and capability to purchase these low value items directly to the departmental level.

## ***CONTROLS***

WMU's JP Morgan Chase Visa Card program uses both internal management controls, as well as, extensive reports to manage and audit the process to ensure that procedures are followed.

The card is a privilege granted to you by the University. It is expected that you will use it responsibly, for purchases that are in the best interest of the University. Charges to the WMU Procurement Card that exceed University policy or are considered inappropriate use of university funds, will be payroll deducted from the cardholder's paycheck. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges/ termination of employment.

## ***OBTAINING A CARD***

Complete the application available online at <http://www.obf.wmich.edu/documents>, have your immediate supervisor approve it and return to the Purchasing Department. **You must be a regular University employee to obtain a WMU Purchasing Card.**

Your personal credit history will in no way be affected by the JP Morgan Chase WMU Purchasing Card. Statements will be paid directly by Accounts Payable.

Your card will be sent to the WMU Purchasing Department by JP Morgan Chase. **To receive your card you will be required to complete a cardholder agreement and attend a training session. Cards not activated within 3 months of receipt will be removed from the system.**

### **Grant and Contract Procurement Cards**

Application forms for a grant procurement card are available online at <http://www.obf.wmich.edu/grants-contracts/docs/PCard%20Application%20-%20Grant%20and%20Contracts.pdf>

Additional Policies for Grants and Contracts Procurement Cards are available online at <http://www.obf.wmich.edu/grants-contracts/docs/pro-card-procedures-oct2009.pdf>

## ***GUIDELINES FOR CARD USE***

The WMU Purchasing Card can be used at any Visa merchant.

Each individual purchasing card transaction must not exceed \$5,000.00 (including shipping). Transactions greater than your limit will be denied at the point of sale. It is **not** permissible to make multiple charges in the same day to the same merchant in order to facilitate a charge that exceeds \$5,000.00.

**All purchases must be made in compliance with University purchasing policies. Use of the card for personal purchases is strictly prohibited. Charges to the WMU Procurement Card that exceed University policy or are considered inappropriate use of university funds, will be payroll deducted from the cardholder's paycheck.**

Each card will have a monthly spending limit. The monthly spending limits are set by you and your supervisor based on your current spending needs. All monthly limits are subject to final approval by Grants and Contracts and/or the WMU Purchasing Department. If you find a need to have your monthly limit increased, a signed memo/email by your supervisor should be forwarded to the WMU Purchasing Department.

The following items are strictly prohibited from being purchased on the card:

- alcoholic beverages
- automobile service/repair
- bus lines- charters, tour buses
- cash advances, traveler checks, wire transfers, money orders
- carpet cleaning
- computers and desktop peripherals (must be purchased thru Total Tech)
- drugs/narcotics (controlled or other)
- employment agencies/temporary help services
- flowers
- gasoline/fuel
- independent contractors and personal services
- laboratory and X-ray fees
- maintenance contracts – may use to pay recurring charges only after the Purchasing Dept has established a vendor contract.
- personal purchases
- travel and entertainment including airlines, auto rentals, hotels and motels, eating places, bars, taverns, cash advances, travelers checks

**Only the authorized cardholder may use the card. Delegation of authority is not permitted. Merchants may require that the signature on the card match the signature on the receipt. No one other than the signatory is authorized to use procurement cards that are assigned to an individual. The only students permitted to use departmental procurement cards are graduate assistants.**

**Students may be utilized to pick-up goods and services by having the cardholder order the merchandise by telephone or fax, with the student following up with the vendor to secure items or services.**

If, in the course of using the card, you encounter a merchant who is not currently Visa Card capable, and would like to become a Visa Card merchant, please have them contact the WMU Purchasing Department at 387-8800.

### ***GENERAL CARDHOLDER INSTRUCTIONS***

Your visa card may be used for phone, fax, internet, or pick-up orders. It can be used at any Visa card merchant.

You will be responsible for retaining receipts, packing slips, etc. for all of your purchasing card purchases. Receipts should be itemized whenever possible. When placing an order over the phone, please remind the merchant that WMU is tax exempt institution and an itemized receipt will be required. At the end of each billing cycle, all receipts pertaining to a particular statement should be attached to that statement, filed, and retained in your department. All purchases **MUST** have itemized back-up documentation supporting the expense. If the cardholder can not produce an itemized receipt, the cardholder will be responsible for repaying the University for that expense. Cardholders will also be required to maintain a log of all purchasing card activity. This log is for your use only and will be

helpful in reconciling your monthly statement. A sample log is attached for your convenience (See pg. 6). You will be required to maintain complete files of all receipts in accordance with current University retention policies. All cardholders will also be required to adhere to their department's policies and procedures for procurement card use.

For telephone and catalog orders, make sure to give the merchant your complete campus mailing address as well as your name, which should be indicated on the outside of the package. You should instruct the merchant to ship directly to your departmental address.

You will be responsible for ensuring receipt of materials as well as any follow-up efforts required to resolve any delivery problems, discrepancies, damaged goods, billing problems or returns. A Material Return form must be filled out if the package is being shipped from campus. If assistance is needed, please feel free to call the Purchasing Department for help.

If you wish to dispute a monthly charge please contact the vendor first. If the problem can not be resolved at this level complete the dispute form on the JP Morgan Chase Website. If purchased items or credits are not listed on the monthly statement, the cardholder should retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear within 60 days after the date of purchase, the cardholder should notify the Purchasing Department.

## ***RECONCILIATION***

Monthly statements will be accessed and printed, by you, from the [www.paymentnet.com](http://www.paymentnet.com) website. You should compare all of your receipts, packing slips and your log for the month with your statement. Monthly statements will be charged against your monthly accounting report as "JP Morgan Chase" under object code 4570.

After the statement has been reconciled for the month, the statement must be reviewed, approved, and signed by someone administratively senior to the cardholder. This review/approval/signature procedure may be delegated by the unit administrator to another appropriate person within the unit. **The cardholder may not approve their own statement.**

You should devise a filing system that will allow for easy access to these records should Internal Audit or Purchasing request backup documentation on a particular transaction or group of transactions. **Remember, failure to produce adequate documentation will result in automatic revocation of your card. (Some departments may require more extensive expenditure reviews, please consult your business manager for guidance).**

## ***AUDITS***

Periodic audits of each cardholder's transaction file and monthly summaries may be conducted by the WMU Internal Audit Department. Additionally, the WMU Purchasing

Department will be reviewing the daily transaction activity reports to ensure that cardholders are adhering to the WMU, and JP Morgan Chase policies and procedures.

### ***LOST OR STOLEN CARDS***

If your Visa Card is lost or stolen, contact Michelle Hastings, Procurement Card Administrator, at 387-8043 (8 a.m. -5 p.m. weekdays – 998-9995 after hours and weekends). If the card is issued on a grant/contract you will need to also contact Grants & Contracts at 7-4707. Your card will automatically be de-activated and a replacement card will be mailed to the Purchasing Department within one week. You will be contacted when your replacement card has arrived.

### ***CARD EXPIRATION AND EMPLOYMENT TERMINATION***

All cards will be issued with an expiration date. All Cardholders will need to re-apply for a new card prior to the expiration date. A reminder email will be sent 2 months prior to your expiration date. You will need to fill out the application and return it to Michelle Hastings, Mail Stop 5342. Please be sure to destroy your expired card before disposing of it. Replacement cards will be campus mailed to you the month your current card expires.

The card is University property. If you terminate your employment, the card must be cut in half and returned to the Purchasing Department. Employees transferring to another department must contact Michelle Hastings, 7-8043, to transfer current card number to the new department or re-apply for a new card.

### ***KEY CONTACTS LIST***

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Procurement Card Administrator  
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Accounts Payable  
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JP Morgan Chase Help  
800-748-9584