

BEREA COLLEGE Purchasing Card Policy	Document No	FIN031
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Introduction

This program has been established to provide a more efficient method for purchasing small dollar items (under \$2,000) and for paying travel related expenses with the use of a Purchasing Card. The Purchasing Card itself looks and performs like a Visa credit card and is issued under Berea College’s agreement for this program with PNC Bank.

The small dollar purchasing aspect of the program is intended to replace the use of purchase orders for small dollar items where no value is added by processing such purchases through the formal procurement system. The travel aspect of this program allows employees considered to be frequent travelers to use this card for travel related expenses. This should significantly reduce the use of personal funds, personal credit cards, and reduces the need for cash advances for College related travel. The card is not intended to replace the traditional purchasing process for goods or services purchased in excess of \$2,000 or where value is added by using the purchasing system.

The goals in establishing this program are to allow departments to acquire small dollar goods or services in a timely manner, to allow for greater ease and flexibility, to decrease the use of cash advances and personal funds for frequent travelers, to increase vendor satisfaction in terms of billing and payment processing, and to reduce the number of purchase requisitions, purchase orders, and the associated check processing for items for which no value is added in the regular purchasing system.

Obtaining a Purchasing Card

Recommendations for those employees who should have a Purchasing Card, primarily those who are responsible for making a significant number of small dollar purchases (those under \$2,000) and those who are identified as frequent travelers, are made by departmental directors/managers and must be approved by the Administrative Committee Member or Associate/Assistant Vice President who has responsibility in that area.

Those who are considered frequent travelers are employees whose positions require them to travel often on College business. Examples would be certain Admissions and Development employees. This does not include employees, including faculty, who occasionally travel to professional training or development conferences. However, mechanisms will be in place to prepay airfare and other significant costs in situations where occasional travel occurs in order to alleviate the requirement of a significant amount of personal funds and/or personal credit cards being used.

Those employees who wish to receive a Purchasing Card will be required to complete an application, attend an orientation session, pass a purchasing card policy exam, and sign a Cardholder Agreement before obtaining a card. The purchasing card policy exam will be administered at the completion of the orientation session. A passing score is considered to be 90% or higher. If an employee fails to pass the exam, the employee will need to attend another orientation session and retake the exam. Additionally, all cardholders will be given a copy of this policy statement prior to and during the orientation session. Although the card is issued in the name of the employee, personal credit history is not affected by its use.

The mandatory orientations are held online through a Zoom meeting. After the applicant has completed their orientation, the Purchasing Card Program Administrator will schedule a time to pick-up the purchasing card in person and to sign the cardholder agreement. Each card will require phone activation before the card can be used.

Purchasing cards are renewed every three years. All cardholders will be required to sign an updated cardholder agreement upon each card renewal. Justification for purchasing card limits and usage will be reviewed each year by the appropriate Administrative Committee Member or Associate/Assistant Vice President. If a cardholder has not used their purchasing card for 12 consecutive months, the purchasing card will be closed and the cardholder will receive notification from the Purchasing Card Program Administrator that the purchasing card has been terminated. Should the employee wish to receive another purchasing card, they must complete a new application, attend an orientation session, pass the exam, and sign a cardholder agreement.

Purchasing Card Program Administrator

The Purchasing Card Program Administrator's function is to oversee the Purchasing Card Program, order additional cards when needed, and to act as liaison with PNC Bank. The Purchasing Card Program Administrator can be contacted if there are questions regarding the program, when there are problems encountered with card use or vendor authorization, and when a card is lost or stolen.

Berea College Purchasing Card Program Administrator:

Michael Hurt

Purchasing Card Coordinator

Lincoln Hall Suite 010

(859) 985-3084

expense@berea.edu

Guidelines for Use of the Purchasing Card

The Berea College Purchasing Card is to be used for purchases of goods or services that are \$2,000 or less, and for college-related travel/conference expenses (e.g. airfare, hotel, and registration fees), which may exceed \$2,000. **Exceptions may be made in an emergency or if pre-approved**

by the Controller or Vice President for Finance. The card must be used in compliance with Berea College financial policies and procedures. The cardholder is responsible for all charges made to the card, so individual cards must be kept secure and protected at all times. All cardholders will be required to sign the back of their card in the presence of the Purchasing Card Program Administrator and at no time should an individual other than the cardholder sign for a purchase.

Personal use of any Purchasing Card is strictly prohibited. All purchases made on the card must be for official College business. Misuse of the card will result in revocation of the card, disciplinary action up to termination, and possible filing of criminal charges.

Purchases will be limited based on budgetary needs. There will be a dollar limit per transaction, as well as a billing cycle dollar limit, that can be expended for authorized purposes. These limits will be set by the Administrative Committee Member or Associate/Assistant Vice President with the cardholder being notified of these limits at the time the card is issued. Transactions for more than the card's limit will be denied at the point of sale. It is not acceptable practice to split the cost of the purchase into multiple transactions for purchases that exceed the \$2,000 purchase limit or the card transaction limit. Such action may result in termination of card privileges.

Use of the card is restricted to the cardholder. ALL charges made to the cardholder's account are the sole responsibility of the cardholder. Again, **at no time should an individual other than the cardholder sign for a purchase.** Use of the Purchasing Card by students is prohibited. As with all purchases, the card should be used only for those purchases that are in the best interest of the College.

Sales tax should not be paid on Kentucky purchases or in other states where our tax-exempt status is honored. The cardholder is responsible for ensuring that sales tax is not charged. Some internet and phone orders may require the payment of sales tax at the time of purchase but the vendor normally has a process to claim a refund of the sales tax. Cardholders should use their judgment when claiming refunds for sales tax amounts less than \$5. The necessary efforts should still be made up front to ensure sales tax is not charged on purchases; however, the refund process for amounts below \$5 is not necessarily cost effective. . In those cases where a tax-exempt number and/or form is needed, tax exemption certificates for Kentucky, as well as a number of other states, may be printed from the Purchasing Department link on the Berea College website at <https://www.berea.edu/vpf/office-of-purchasing/> or by contacting the Purchasing Manager directly. As of the revision date of this policy, Berea College has exemption certificates for the following states: Florida, Illinois, Indiana, Kansas, Kentucky, Maine, Missouri, New York, Ohio, Tennessee, and Wyoming.

There are situations, even when the amount is under \$2,000, where a Purchasing Card should not be used, but where such transactions should follow the regular method of procurement and payment. These include:

- Controlled substances
- Fuel for personal or motor pool vehicles

In general, the Purchasing Card System should work as follows:

- The cardholder is responsible for obtaining itemized receipts for all Purchasing Card transactions. When an itemized receipt is not available, itemized supporting documentation must accompany the receipt. In many cases, when placing orders by phone or fax, the packing slip may provide the itemization needed. All transaction receipts must be imaged within the Chrome River software.

Regular, at least monthly, reporting of charges via the Chrome River website (<https://www.berea.edu/vpf/office-of-accounting/>) is required.

- Transactions must be reported on either a Non-Travel or Travel Report in Chrome River. Expense descriptions and account codes are required to be entered for each transaction. This function may be performed by either the cardholder or another designated person. A separate “delegate” will need to be setup by the cardholder in Chrome River if this function is delegated to another individual. It is the responsibility of the cardholder to review and approve reports submitted by their delegates. This approval must be completed before the reports will be routed to their supervisor for approval. The cardholder is ultimately responsible for the card transactions. Any misuse of the function by either the delegate or cardholder will result in loss of card privileges and possible further disciplinary action.
- Approval functions may be performed by either the cardholder supervisor or temporarily by another designated person. A separate “approval delegate” will need to be setup by the cardholder in Chrome River if this function is delegated to another individual temporarily due to vacation, sabbatical, leave, etc. The appointment of an approval delegate must be approved, via email, by the Administrative Committee Member or Associate/Assistant Vice President of the respective department.
- Transactions and supporting documentation must be reviewed by the account delegate or cardholder and submitted in Chrome River once all transaction details are verified. Card supervisors are responsible for ensuring that transactions are appropriate in amount, type, and account. Once this information has been verified, the card supervisor must check the “approved” box in Chrome River. All charges are to be attached to a report, reviewed and approved no later than the 15th of the month following the date of the transaction. However, as detailed below, charges are uploaded to Banner only after the report has been approved at all applicable levels.
- Each Chrome River user is given a unique username and password for the website. This information must not be shared for any reason. Misuse could result in the loss of card privileges.
- Departmental budgets are charged each day for Purchasing Card transactions as they are approved. One of the features of Chrome River is a drop-down menu in which you can select the Banner general ledger account for expensing each purchase. Charges can be split into multiple accounts if necessary. It is suggested that each cardholder or their designee code these charges weekly, or as often as possible. Charges are uploaded to Banner after being attached to a report and the report has been approved at all applicable levels.

The monthly billing will be paid directly by Accounts Payable.

All travel expenses, including those charged on Purchasing Cards, must be accounted for on the Travel Report as indicated in the travel policy. A copy of receipts should be included in the images stored with the card transaction in the Chrome River platform. Travel forms will be routed to the Purchasing Card Coordinator, Lincoln Hall, Suite 010, for approval.

Fuel charges and Rental vehicles

Note that vehicle fuel charges should never be charged to the Purchasing Card unless you are traveling in a rental car. When using a College vehicle, fuel charges should be paid with the fleet card provided with each vehicle. For personal vehicle use, the traveler is personally responsible for fuel charges and will be reimbursed at the standard mileage rate.

When using the Purchasing Card to pay for car rental, employees are to decline the additional insurance offered by the rental agency. College employees traveling on official College business are covered by College sponsored insurance, as well as coverage provided by Visa. For more information on the valuable benefits of being a purchasing cardholder (including travel and emergency services), refer to the *Visa Corporate Card Guide the Benefits* summary available on the Finance Office website; see Policies and Procedures tab (<https://www.berea.edu/vpf/policies-and-procedures/>).

Cash Advances

Cash advances should be used sparingly and responsibly. Local ATM cash advances should be avoided whenever possible due to the high amount of fees associated with such transactions. If time permits, cash advances are to be obtained via Chrome River.

All ATM cash advances will be charged to the cardholder's personal accounts receivable account with the College until all supporting documentation has been provided and approved in the form of a Travel Report in Chrome River. The travel expenses and associated ATM fees will be charged to the designated departmental account and credit for the ATM cash advance will be posted to the cardholder's personal accounts receivable account.

Software Acquisition

When making a decision to purchase new software, IS&S should be contacted prior to purchasing. A Software & Services checklist must be completed prior to the purchase of 3rd party solutions that are to be installed on campus, as well as internally developed software and cloud based (externally hosted) Software as a Service (SaaS) solutions. For more information or to access the checklist, please go to <https://www.berea.edu/iss/resources-and-documents/>.

User Account Maintenance

Changes may be made in the credit limits, name/address of cardholder or card supervisor. Credit limit changes must first be approved by the Administrative Committee Member or

Associate/Assistant Vice President of the respective department. Temporary increases in credit limits may be appropriate in some cases. To make these and other changes, contact the Purchasing Card Program Administrator either by phone or by e-mail (expense@bera.edu).

Hurst Office Suppliers

All Hurst Office Supply questions and inquiries, excluding purchase declines, should be addressed to the Purchasing Manager. Purchase declines should be addressed to the Purchasing Card Program Administrator. New cardholders who wish to make Hurst Office Supply purchases with their Purchasing Card should notify the Purchasing Manager prior to their first purchase in order to verify that their account is established and activated.

Returns, Credits, and Disputes

The following relates to problems with a purchased item or billing resulting from use of the Purchasing Card:

- If a purchase needs to be returned, send/take the item back to the supplier and request a credit to the Purchasing Card used in the original transaction. The cardholder is responsible for verifying that the credit appears on a subsequent statement.
- Attempt to resolve the problem with the supplier or vendor directly.
- If a charge needs to be disputed, please contact PNC Customer Service at 1-800-685-4039. Also, please notify the Purchasing Card Program Administrator of the disputed charge(s).

Fraud

Purchasing card holders are encouraged to enroll in [PNC Fraud Text Alerts](#). Text alerts provide direct notification to cardholders within minutes of the occurrence of a suspicious transaction. This gives the cardholder the ability to identify suspicious transactions quickly, lessening cardholder inconvenience with declined transactions. Instructions for this service can be found online at <https://www.bera.edu/vpf/office-of-accounting/>.

Should the cardholder suspect fraudulent transactions have occurred, the cardholder should immediately contact the PNC Security Department to determine if the transaction is fraudulent. If the PNC Security Department determines fraud has occurred, the Purchasing Card Program Administrator should be notified immediately. The cardholder must complete a Billing Dispute for each fraudulent transaction and submit to the Purchasing Card Program Administrator for review. Once reviewed, the Purchasing Card Program Administrator will email the completed Billing Dispute to PNC. **Please note, the Billing Dispute must be submitted to PNC within 60 days of the date the transaction is posted to the cardholder's account.**

PNC Security Department

1-888-561-1874

Controls/Audits

As a part of the College's internal control procedures, the Internal Auditor will perform monthly reviews of Purchasing Card statements and documentation to verify compliance with established policies and procedures. Failure to adhere to policies and procedures laid forth in this document will be noted and discussed with departmental directors/managers and/or Administrative Committee Members.

A cardholder who makes unauthorized purchases or uses the Purchasing Card in a careless or reckless manner will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged in connection with the misuse. The cardholder must then surrender the card and will be subject to Berea College disciplinary actions regarding misuse of College resources. It is considered a privilege to participate in this program and it is expected that policies will be followed.

Any suspected misuse or abuse of Purchasing Cards should be reported to the Purchasing Card Program Administrator or Internal Auditor.

Billing Address

All Berea College purchasing cards have the same billing address. When making online purchases, the billing address should be entered as follows:

CPO 2201
101 Chestnut Street
Berea, KY 40404-0001

Lost/Stolen Cards

Lost or stolen Purchasing Cards must be reported immediately to the Purchasing Card Program Administrator or the PNC Customer Service Center if the Purchasing Card Program Administrator is not available. Prompt notification will help protect the College against fraudulent card use. The old card will then be cancelled and a new card will be requested.

PNC Customer Service	1-800-685-4039
Berea College Purchasing Card Program Administrator	(859) 985-3084

Departmental Transfers

Cardholders transferring to another College department must immediately notify the Purchasing Card Program Administrator. The existing Purchasing Card may remain open; however, a new Purchasing Card Application must be completed by the new department. The Purchasing Card Program Administrator will update all the necessary card information with PNC Bank once an approved application is received.

Cardholder Separation

Prior to separation from service at Berea College the cardholder must surrender his/her Purchasing Card to the Purchasing Card Program Administrator. Upon receipt of the card, the Purchasing Card Program Administrator will ensure that the card is cancelled.