

Ithaca College Purchasing Card Policy

I. Policy Statement

Ithaca College maintains a purchasing card program that allows authorized individuals to make specific, business-related purchases of non-travel related goods and services paid for directly by Ithaca College. Authorized individuals should make their purchases with an awareness that they are using College funds, the vast majority of which are derived from student tuition payments. It is our responsibility to be attentive to the reasonable and effective use of the resources provided by our students and their families for their education.

II. Purpose

This policy provides general guidelines for the appropriate and reasonable expenditure of Ithaca College funds for non-travel related goods and services.

III. To Whom This Policy Applies

1. Individuals authorized to make specific business-related purchases of non-travel related goods and services.
2. Individuals with supervisory responsibilities for Ithaca College budgets.
3. Individuals who initiate, review, approve, process, or record financial transactions on behalf of the College.

IV. Responsibility

The President, Vice Presidents, Deans and Directors are responsible for assuring that within their administrative units or schools:

1. Budgeted funds are available to meet all non-travel or business related commitments.
2. Proper authorization for purchases is obtained for any commitments made.
3. All expenditures follow appropriate Ithaca College policies, regardless of the source of funds.
4. There is recognition of the added conditions placed on expenditures paid from federal and/or state funds, or from restricted gifts, and those restrictions are accounted for when expenditures are planned.

V. Overview

Ithaca College established a Purchasing Card program to provide a convenient, cost effective, and decentralized method, for individuals whose jobs require them, to make frequent business-related purchases. By using the Ithaca College Purchasing Card you can dramatically shorten the payment cycle compared to that associated with the requisition process. Any individual who has been authorized to use a purchasing card may initiate a transaction in person, over the internet, or by telephone, within the limits of this policy, and receive goods. Payments to suppliers are made via the MasterCard settlement system. Accounts Payable will make periodic settlements with the bank.

Each program, department or division is responsible for designating an appropriate individual to approve Ithaca College non-travel related expenditures. Generally, this individual is the Dean, Director and or Department Head. This individual is responsible to verify that:

- The cardholder has followed all Ithaca College purchasing policies and procedures.
- All expenditures are reasonable and have a legitimate business purpose.
- All expenditures are supported by adequate documentation and are received in a timely manner for processing, and have been reviewed and approved on a monthly basis.

The Accounts Payable Department will review the purchasing card policies and procedures on a regular basis. Revisions may be made as part of the review process. The Financial Services Office staff will provide training on purchasing card policies and procedures. All changes and/or revisions will be published on the Accounts Payable web page and will be effective when issued.

This policy is divided into the following major sections:

- Types of Purchasing Cards
- Eligibility and Application Guidelines
- General Purchasing Card Guidelines
- Cardholder Responsibilities
- Departmental Coordinator and Supervisor Responsibilities
- Definitions

Types of Purchasing Cards

A Purchasing Card is a credit card issued by a financial institution to an organization to make direct purchases from vendors. The individual named on the card is authorized to make certain business purchases on behalf of the organization. Purchasing Card transactions do not require a requisition or purchase order to complete the transaction. In the event a department has a need to issue multiple Purchasing Cards it is recommended that a department card(s) be issued. A department purchasing card is issued in the department's name and would be the responsibility of the departmental coordinator. If you are interested in finding out more about departmental purchasing cards contact the Accounts Payable department at 274-3808. Ithaca College has established both an individual purchasing card and a departmental purchasing card that may be issued based on departmental needs.

Individual Purchasing Card

Individual purchasing cards are issued to authorized faculty and/or staff who have been approved to make business related purchases on behalf of the College. These cards are embossed with the cardholder's name on them and may only be used by the cardholder. The cardholder is responsible for ensuring the safekeeping of this type of card.

Department Purchasing Card

Department cards are designed to limit the number of purchasing cards that are issued within any one department. These cards are issued to a specific department and embossed with the department's name on the card. The Department Coordinator, or other designee within the department, is responsible for ensuring the safekeeping of this type of card. This would most likely be accomplished by "signing out" the card to an individual for authorized purchases and then making sure that this card is returned to the department along with the required supporting documentation for any purchases made.

Auxiliary Services Purchasing Card

Auxiliary services purchasing cards are issued to authorized staff in areas that the main purpose of the department is functioning in a supporting capacity to the College. The single purchase dollar limit on an auxiliary services purchasing card is \$5,000. These types of cards are limited to the following three areas:

- College Stores
- Dining Services
- Center for Print Production and Warehouse Operations

These cards are embossed with the cardholder's name on them and may only be used by the cardholder. The cardholder is responsible for ensuring the safekeeping of this type of card. All

guidelines in the Ithaca College Purchasing Card Policy apply to the auxiliary services purchasing card, with the exception of the single purchase limit.

Eligibility and Application Guidelines

Ithaca College benefits eligible faculty and staff are eligible to apply for a purchasing card provided their roles require them to make frequent business-related purchases. Due to liability concerns that potential fraud presents, departments are expected to limit the number of purchasing cards that are authorized for issuance to only those employees whose roles require them to make frequent business-related purchases. ****The Purchasing Card should not be issued to individuals for “just in case” purchases.**

Application Process

Ithaca College eligible employees are required to complete the online application process if they are interested in obtaining an Ithaca College Purchasing Card. Keep in mind that purchasing cards will only be issued to individuals whose roles require them to make frequent business-related purchases. For the credit card approval process to be completed an individual’s application must be approved by their departmental Director, Dean and/or Asst. Dean. All approved applications must be forwarded to the Accounts Payable department for final review and approval. **Note: the Ithaca College Purchasing Card Program Administrator (Manager of Accounts Payable) has final authority in determining whether an application meets the suggested guideline specifications.**

**Contact the Accounts Payable department if you are interested in applying for a departmental Purchasing Card.

The Program Administrator will maintain all records of credit card requests, limits, and cardholder transfers and lost/stolen/destroyed card information.

On-going Privileges to Use Purchasing Card

In addition to the initial review and approval by the College Purchasing Card Program Administrator in determining whether an application meets the suggested guideline specifications, a regular review of all cardholders’ purchasing activity will be performed on an annual basis. This review will not only assist in ensuring compliance with the College’s purchasing guidelines, but will allow the program administrator to determine the continued need for a cardholder to carry a College Purchasing Card. (For example, if during the program administrator’s review of cardholders purchasing activity, it is determined that a cardholder has not shown reasonable use of their purchasing card during the fiscal year their card privileges will be revoked.)

General Purchasing Card Guidelines

Purchasing Card Restrictions

The College's Purchasing Card is designed to provide a convenient, cost effective, and decentralized method for departments to make business related purchases for goods and/or services. The single purchase dollar limit on any business related purchase made using the Purchasing Card is \$2,000; with the exception of purchases made using the auxiliary services card. Under no circumstances should a transaction be split into multiple transactions in an attempt to stay within the single purchase limit of \$2,000. Any such attempt to split transactions for such a purpose will be considered misuse of the Purchasing Card and the cardholder will be subject to the consequences outlined below.

Purchasing cards are issued to cardholders with their name embossed on the front of the card. Because of this the cardholder is the only individual that is authorized to make purchases with that card. Any cardholder that shares or lends his/her Purchasing Card to another employee is considered to have misused the Purchasing Card and will be subject to the consequences outlined for misuse of the Purchasing Card.

****Note** that this policy allows for departments to have a more stringent set of Purchasing Card restrictions than are set forth within this policy.

Unauthorized Purchasing Card Use

The College's Purchasing Card shall not be used for the following types of transactions or purchases. **Note:** This list is intended to be representative, not comprehensive:

- Personal Purchases
- Cash Advances
- Consultants, Freelancers, or Contractors – individuals who are hired to perform a specific service or provide highly specialized advice or professional expertise. There are tax and insurance issues related to these types of payments. If you are unsure whether or not an individual is a consultant contact the Program Administrator.
- Capital Assets – a capital asset is an item that is permanent in nature having a useful life of no less than 5 years, is tangible, and is held for purposes other than investment or resale
- Needles or Syringes
- Radioactive Materials
- Research Animals
- Pest Control Services

- Security Systems – these systems must be coordinated through the Ithaca College Campus Safety Office
- Alcoholic Beverages

A cardholder who makes unauthorized purchases or carelessly uses their Purchasing Card may be personally liable for the total dollar amount of such unauthorized use plus any administrative fees charged by the issuing financial institution in connection with the misuse. The cardholder will be subject to disciplinary actions as outlined under the misuse section.

Making a Purchase or Return

Purchasing Cards can be used as payment for business related goods or services from a “Supplier of Choice” within the guidelines of this policy and any additional guidelines outlined by your department.

Purchases may be made in person, over the Internet, by phone, fax, or U.S. Mail.

Cardholders must always inform the supplier they are using an Ithaca College Purchasing Card and that Ithaca College is exempt from New York State Sales Tax. If you are charged sales tax, contact the merchant and obtain a credit to the card for the amount of the sales tax. Report any supplier who refuses to honor Ithaca College’s New York State Sales Tax Exemption Certificate to the Program Administrator.

Cardholders should utilize the following “checklist” when making a purchase:

1. Confirm that the supplier accepts MasterCard.
2. Direct the supplier to include the following information on the shipping label and packing list:
 - a. Cardholder’s name and telephone number
 - b. Complete delivery address
 - c. Order Number
3. It is extremely important that all purchases be sent to the cardholder or department ordering the merchandise, as this will ensure that the documents necessary for the record keeping are readily available to the cardholder.
4. If necessary, advise the individual within your department responsible for receiving merchandise of the supplier’s name and order number, anticipated delivery date, number of boxes expected, and carrier (ie. UPS, FedEx, USPS, etc.)

If items purchased using the Purchasing Card are found to be unacceptable, the Cardholder is responsible for obtaining a replacement or correction of the item as soon as possible.

If the Cardholder is disputing a charge, he/she must first contact the supplier for resolution. If these attempts fail, the cardholder is required to complete a Dispute Form, which may be obtained from the Program Administrator.

Purchasing for Federal and State Grants

Federal and State Grants may be audited and are subject to external and internal controls.

It will be the responsibility of the Cardholder to verify that all Purchasing Card receipts for Federal and State grants are signed by the Principal Investigator, have appropriate documentation and approvals, and are in compliance with the College policies and procedures as outlined in this document.

It is the responsibility of the Principal Investigator to review and sign all Purchasing Card receipts for Federal and State grant expenditures. By signing the receipt the Principal Investigator has ensured that the costs charged to the grant are allowable, allocable, and reasonable.

Consequences for Misuse of Purchasing Card

Individuals given Purchasing Card access by the College and their department are held accountable for all transactions related to their card. Consequences for misuse of the Purchasing Card are serious, and may include card suspension, card revocation, disciplinary action, employment termination and legal action.

The following responsibilities, while not all inclusive, are critical and must be followed by all cardholders:

- Review and approval of all purchasing transactions
- Required supporting documentation and/or receipt for each purchase, along with required information, must be submitted to the Department Coordinator within five (5) business days of purchase.
- Use of the Purchasing Card for personal use is strictly prohibited under any circumstances.
- Insuring that sales tax is not applied to Purchasing Card transactions. (Note: In the event sales tax is charged on a purchase the cardholder must supply a supporting statement explaining the circumstances.)

Failure to follow the above listed responsibilities and any additional responsibilities that may be listed in this policy will result in a minimum of the following consequences:

First Offense: Verbal warning to cardholder and supervisor

Second Offense: Written warning to cardholder, supervisor, and respective Vice President.

Third Offense: Card Cancellation – privileges revoked

The Program Administrator will be responsible for issuing the warning notifications and card suspension or cancellation.

Cardholder Responsibilities

In addition to proper adherence of this policy's purchasing guidelines, a cardholder is expected to maintain the proper and required documentation for every purchase made with their Purchasing Card, review their monthly statement for accuracy, and provide the necessary card security as described below.

Cardholder Record Keeping

Cardholders are required to obtain a receipt or supporting documentation as proof of purchase for each purchase made. This documentation will be used by the Department Coordinator to verify and post the purchase online to the departmental account(s) that the cardholder has indicated on the receipt. Listed below are the requirements:

- Cardholders must submit the receipts and/or supporting documentation, with description and reason for purchase, to their Department Coordinator within five (5) business days of the purchase.
- Cardholders must indicate on the receipt and/or supporting documentation the account number(s) the purchase is to be posted to along with the amount(s) and cardholders name and departmental phone number.

Failure to submit the supporting documentation and/or receipt to the Department Coordinator is considered a misuse of the Purchasing Card and subject to the consequences as outlined in this policy.

Note: All Purchasing Card transactions are subject to periodic audits to ensure compliance with the College's policies.

Review of Monthly Statement

At the end of each billing cycle, the Cardholder shall receive from the bank a monthly statement of account that will list the purchases made with their Purchasing Card.

The Cardholder is responsible for reviewing each transaction listed on the monthly statement for accuracy within five (5) business days of receipt of the statement. The Cardholder is responsible for reporting any errors on the statement to their Department Coordinator. The

Cardholder and Department Coordinator, in conjunction with the Program Administrator, will take the necessary steps to correct these errors.

After reviewing their monthly statement Cardholders must submit the statement to their Department Coordinator. The Department Coordinator must obtain signature/approval from the Cardholder's supervisor for each monthly statement. The approving supervisor's signature/approval of each Cardholder's monthly statement indicates that the Cardholder was authorized to make those purchases and they were made in accordance with applicable procedures.

It is the Cardholder's responsibility to safeguard their Purchasing Card and card number. A cardholder must not allow anyone else to use their Purchasing Card or account number. Any violation of this could constitute misuse of the Purchasing Card and subject to loss of card privileges and/or other consequences.

If the card is lost or stolen the cardholder shall immediately notify JPMorgan, who is available 24 hours a day, 7 days a week, at 1-800-316-6056. The Program Administrator and Department Coordinator are also to be notified immediately. A new card will 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 must be destroyed.

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Departmental Coordinator and Supervisor Responsibilities

Departmental Coordinator Responsibilities

Department Coordinators must review and post online transactions using the receipts and/or supporting documentation submitted to them by their department cardholders within ten (10) business days of receiving the open batch e-mail notification.

The Department Coordinator will work with the cardholder and their supervisor to obtain any delinquent receipts and/or supporting documentation. As necessary, the Program Administrator will send a reminder to cardholders and supervisors that paperwork needs to be submitted to their Department Coordinator.

The Department Coordinator will submit their cardholder's monthly statements with the supporting documentation attached to the cardholder's supervisor for signature/approval. After the supervisor has approved and returned the monthly statements to the Department Coordinator they will retain these statements for six (6) years for auditing purposes.

Online batches that are not updated within 10 business days of the open batch e-mail notification will be reported to the Department Coordinator's supervisor.

It is the responsibility of the Department Coordinator to notify their back up Coordinator and Program Administrator when they will need their assistance in updating online batches.

Supervisor Responsibilities

Department supervisors are responsible for reviewing all monthly cardholder statements, and signing them indicating the statements have been reviewed and the cardholder was authorized to make each purchase listed on a monthly basis. After approval, the supervisor will return all statements to the Department Coordinator for retention and auditing purposes. It is recommended that department supervisors perform a periodic review of the activity on all purchasing cards issued to faculty/staff within their department and determine if all cardholders' have a continued business need to carry a purchasing card. No cardholder may approve their own purchases or monthly statements.

Cardholder Separation

Prior to separation from the College, the cardholder shall surrender his/her Purchasing Card and all outstanding receipts or supporting documentation to their Department Coordinator. The Department Coordinator will forward the card to the Program Administrator for cancellation with the bank.

Definitions

Terms

Approval: Every credit card transaction must be reviewed and approved by an identified individual other than the cardholder and the departmental coordinator.

Cardholder: Employee who has been issued a Purchasing Card and who is authorized to make business related purchases in accordance with this policy.

Department Card: Purchasing card issued in the departments name. This type of card remains in the designated department and is kept in a secured location. It is released to an authorized faculty/staff member for purposes of College related purchases, and then returned to the department for safekeeping.

Department Coordinator: Designated departmental employee(s) responsible for reviewing online transactions and posting transactions to the proper accounts.

Individual Card: Purchasing card issued to authorized faculty and/or staff who have been approved to make business related purchases on behalf of the College. These cards are embossed with the cardholder's name on them and may only be used by the cardholder.

Program Administrator: The person responsible for all program details, including all cardholder inquiries. This person is also the Manager of Accounts Payable.

Requisitioner: An employee who has a need for materials or services that can only be fulfilled by a supplier. Under the Ithaca College Purchasing Card Program a requisitioner may be a cardholder.

Single Purchase Limit: A dollar limitation on purchasing authority delegated to a cardholder. Currently this limit is set at \$2,000.

Statement of Account: The monthly listing of all transactions by the cardholder, issued by the Financial Institution directly to the cardholder.

Supplier: A company from which a cardholder is purchasing materials and/or equipment or services under the provisions of this policy.