

**CHICAGO STATE UNIVERSITY  
PURCHASING CARD  
POLICY AND PROCEDURES MANUAL**

**Contact Names**

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The Office of Financial Affairs (FA) is responsible for the management and administrative decisions of the University's P-Card Program. The Vice President of Administration and Financial Affairs designates the Assistant Director of Accounting as the University P-Card Administrator, who is responsible for overall management of the University's P-Card Program, University-wide, including development and administration of policies and procedures for the program.

The P-Card Administrator is responsible for day-to-day operational activities of the program, University-wide. The P-Card Administrator accepts all applications from the Fiscal Officers and submits them to the bank. Additionally, the P-Card Administrator sets up the Fiscal Officers' role in *PaymentNet™*, which is the software used to manage P-Card transactions.

The P-Card Administrator is also responsible for administrative decisions regarding travel and business entertainment charges.

P-Card Administrator:

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Website

Refer to the P-Card website for the Policy and Procedures Manual and all forms:  
[www.csu.edu/financialaffairs/pcard](http://www.csu.edu/financialaffairs/pcard)

JPMorgan Chase Commercial Payment Solutions (bank) Disputes, lost or stolen cards, account balances, etc.

JPMorgan Chase 3995 South 700 East, Suite 400 Salt Lake City, UT 84107 Phone: 1-800-270-7760 (ask to be transferred to Disputes) Fax: 1-801-590-1321

**This manual is intended to provide guidance on the proper use of the Chicago State University Purchasing Card. A glossary is included to define certain words used herein. These terms are indicated in *italics* the first time they appear.**

**We hope this manual and card will assist you in acquiring the goods and services you need.**

## Table of Contents

	<u>Page</u>
1. Purpose	1
2. Benefits	1
3. Issuance of P-Card	1
4. How it Works	2
5. Purchasing with the P-Card	2
5.1 Purchase in Person	2
5.2 Purchase by Phone, Fax or Mail	3
5.3 Purchase via the Internet (www)	4
5.4 Avoid Duplicate Shipments	5
5.5 Returns, Damaged Goods, Credits	6
5.6 Conflict of Interest	6
6. Authorized P-Card Use	6
7. Prohibited P-Card Use	7
7.1 Penalties for Misuse of P-Card	7
7.2 Restricted P-Card Use	8
7.3 Violations and Consequences	9
7.4 Splitting or Stringing Purchases	9
7.5 Department Warning	9
8. Declined Cards	9
9. Reconciliation	10
10. Disputed Transactions	10
11. Payment	11
12. Audits	11
13. Lost, Stolen, Misplaced or Damaged Cards	11

14.	Cancellation of Cards	11
15.	Updating Cardholder/Department Information	12
16.	P-Card Roles and Responsibilities	12
17.	Definitions	15

## 1. Purpose

The Chicago State University *Procurement Card*, referred to as the *P-Card* simplifies purchase and payment for certain items costing \$1,000.00 or less. The advantage of the P-Card is that the bank pays the vendors directly for purchases within a few days, and the University pays a single monthly payment to the bank for all University charges. The P-Card should be used by units whenever possible for purchases of supplies and some contractual purchases such as registration fees, subscriptions, membership fees, small repairs and travel in accordance with applicable purchasing procedures, from any vendor that accepts MasterCard™.

P-Card purchases must be in compliance with all procurement, allowable expenditure and funding, payroll, and tax-related policies of the Accounting and Finance Policies and Procedures Manual <http://www.csu.edu/financialaffairs/financialaffairspoliciesandprocedures.pdf> for additional information. Also, see section below on P-Card holder and reconciler responsibilities.

**NOTE: This card cannot be used for personal purchases.**

## 2. Benefits

The use of the P-Card will:

- 2.1 Improve Chicago State's purchasing process by allowing employees to obtain certain goods and services faster and easier;
- 2.2 Enable employees to be more efficient and to focus on the value-added aspects of their jobs;
- 2.3 Significantly reduce paperwork and processing time in obtaining goods and services;
- 2.4 Provide cost savings through consolidated payment (one monthly payment to J.P. Morgan Chase versus multiple vendor payments); and
- 2.5 Allow prompt payment to the vendor. Vendor should receive payment within 72 hours of transmitting purchase to bank.

## 3. Issuance of P-Card

- 3.1 The P-Card is issued by Chicago State University in coordination with J.P. Morgan Chase. The *Cardholder* must be a Chicago State University employee.
- 3.2 The following requirements must be met before a P-Card will be issued:
  - 3.2.1 The *Purchasing Card Application* must be completed.
  - 3.2.2 The *Conflict of Interest Disclosure* form must be completed.
  - 3.2.3 The Cardholder and the *Primary and Secondary Approving Official* must attend a training session. Contact a P-Card Administrator to register.

**3.2.4** The *Purchasing Card Agreement* must be completed.

**3.3** The P-Card will be mailed directly to the Cardholder. If P-Card is not received within 10 days refer to **#13 Lost, Stolen, Misplaced or Damaged Cards**.

**3.4** The P-Card will display Chicago State University, Cardholder's name and the University's Tax Exempt number.

**3.5** The Cardholder, as well as the Primary Approving Official, must have Internet access and a CSU e-mail account.

#### **4. How it Works**

**4.1** Cardholder makes an authorized business-related purchase by charging it on their CSU P-Card. The Cardholder's *single transaction limit* is \$1,000.00 and the *monthly spending limit* is \$15,000.00.

**4.2** Cardholder retains all receipts and *supporting documentation* until the Monthly Commercial Card Statement is available.

**4.3** The *vendor* submits the transaction to J.P. Morgan Chase for payment.

**4.4** Cardholder reviews transactions daily/weekly on PaymentNet™ at [www.paymentnet.com](http://www.paymentnet.com) and, if necessary, reallocates each charge to the appropriate *University account number/FOAP*.

**4.5** Primary Approving Official approves the Cardholder's transactions on PaymentNet™. In the absence of the Primary Approving Official, the Com Approving Official assumes responsibility.

**4.6** The *Fiscal Officer* is responsible for ensuring the receipts are reconciled to the *Commercial Card Statement* from J.P. Morgan Chase.

**4.7** Cardholder forwards the proper receipts, supporting documentation, Purchasing Card Monthly Commercial Card Statement to Accounts Payable. Refer to #9.9 for deadline for submittal of documents.

**4.8** Chicago State University pays J.P. Morgan Chase once each billing cycle.

#### **5. Purchasing with the P-Card**

##### **5.1 Purchase in Person**

- a. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.
- b. Determine whether the P-Card is the most appropriate tool to use for this purchase. Check the list of prohibited charges (see Section 7 on page 7) to make sure the item(s) is not

restricted.

- c. Be sure that the total amount, including all shipping, handling, freight, etc., will not exceed your card's single transaction limit (\$1,000.00).
- d. Determine that the price quoted is the best price available from the vendor.
- e. Prime Vendor contracts need to be utilized whenever possible; contact the Purchasing Office for more information.
- f. Goods must be immediately available at time of purchase.
- g. Emphasize that no sales tax is charged. Chicago State's Tax Exempt Number is printed on the P-Card.
- h. Obtain a receipt at the time of purchase. The receipt must include:  
  
Vendor information (names, location, etc.);  
Amount (itemized); and  
Date of transaction.
- i. Follow your department's instructions regarding recording the purchase. Retain the receipt and supporting documentation.
- j. After making a purchase, retain all boxes, containers, special packing slips, etc., until you are certain you are going to keep the goods. The Cardholder is responsible for inspecting the goods at time of purchase.

## **5.2. Purchase by Phone, Fax or Mail**

### **5.2.1 Phone and Mail**

- a. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.
- b. Determine whether the P-Card is the most appropriate tool to use for this purchase. Check the list of prohibited charges (see Section 7 on page 9) to make sure the item(s) is not listed.
- c. Be sure that the total amount, including all shipping, handling, freight, etc., will not exceed your card's single transaction limit (\$1,000.00).
- d. Determine that the price quoted is the best price available from the vendor.
- e. Prime Vendor contracts need to be utilized whenever possible; contact the Purchasing Office for more information.
- f. When you call, state that you are calling from Chicago State University and that you will be making your purchase with a MasterCard.
- g. Record the name of the person taking the order, place the order, give the vendor your

P-Card number and expiration date, and your name as it appears on the card.

- h. Emphasize and/or indicate that no sales tax is charged. Chicago State University's Tax Exempt Number is printed on the P-Card.
- i. Request the vendor to indicate P-Card on their shipping label, packing slip, or receipt in place of where they would normally put a Purchase Order Number.
- j. Give the vendor a shipping address as follows:

Attn: Your Name, Your Department Name  
Building Name and Room Number (delivery location)  
Chicago State University  
Central Receiving, O&M 107  
9501 S. King Drive Street  
Chicago, IL 60628

- k. Request that a receipt and/or packing slip be sent with the purchase. Retain this with your record of the purchase. The receipt must include:

Vendor information (names, location, etc.);  
Amount (itemized); and  
Date of transaction

- l. Follow your department's instructions regarding recording the purchase. Retain your receipts and supporting documentation to attach to your Monthly Statement.
- m. After making a purchase, retain all boxes, containers, special packing slips, etc., until you are certain you are going to keep the goods. The Cardholder is responsible for inspecting the goods when they are received.

### **5.2.2 Fax**

- a. Read the above.
- b. A fax cover sheet is available on-line at [www.csu.edu/financialaffairs/pcard](http://www.csu.edu/financialaffairs/pcard).
- c. If the vendor requires that the original hard copy of the order form be mailed, be sure to clearly mark it Confirming Order – Do Not Duplicate.

### **5.3 Purchase via the Internet (www)**

- a. Follow proper internal procedures specific to your department to obtain authorization to make the purchase.
- b. Determine whether the P-Card is the most appropriate tool to use for this purchase. Check the list of prohibited charges (See Section 7 on page 9) to make sure the item(s) is not restricted.
- c. Be sure that the total amount, including all shipping, handling, freight, etc., will not exceed your card's single transaction limit (\$1,000.00).
- d. Determine that the price quoted is the best price available from the vendor.

- e. Prime Vendor contracts need to be utilized whenever possible.
- f. Indicate Tax Exempt Number. Chicago State's Tax Exempt Number is printed on the P-Card.
- g. Request the vendor to indicate P-Card on their shipping label, packing slip, or receipt in place of where they would normally put a Purchase Order Number.
- h. Give the vendor a shipping address as follows:

Attn: Your Name, Your Department Name  
Building Name and Room Number (delivery location)  
Chicago State University  
Central Receiving, O&M 107  
9501 S. King Drive Street  
Chicago, IL 60628

- i. When placing an order on a web site, check to see if the site is running a secure web server by looking at the key or lock symbol in the lower corner of the web browser. If the icon is broken, the web server is not secure and your credit card number will be sent across the Internet in plain text. Although the chances are small, someone intercepting your message would be able to read your credit card number. If the icon is solid, the web server is running secure web server software and your credit card number will be encrypted. Encryption transforms data into unreadable form to ensure privacy. Department policies and good judgment should be used when ordering over the Internet. As with other purchases, the Cardholder is ultimately responsible for purchases made with their card and is therefore responsible to determine if a web site is the most appropriate method to use to make a given purchase.
- j. Print copies of web screens showing products, pricing, completed order forms, etc. **The receipt must include:**
  - Vendor information (names, location, etc.);
  - Amount (itemized); and
  - Date of transaction.
- k. Follow your department's instructions regarding recording the purchase. Log the transaction on the Purchasing Card Transaction Control Log and attach receipt and supporting documentation.
- l. After making a purchase, retain all boxes, containers, special packing slips, etc., until you are certain you are going to keep the goods. The Cardholder is responsible for inspecting the goods when they are received.

#### 5.4 Avoid Duplicate Shipments

- a. When using the P-Card, there is no need to submit a requisition, DPV, or Request for Payment to the Purchasing Department
- b. If an unnecessary form is submitted for a P-Card purchase and a duplicate shipment is received, the Cardholder is responsible for resolving the issue.

## 5.5 Returns, Damaged Goods, Credits

- a. If goods purchased with a P-Card need to be returned, the Cardholder should work directly with the vendor. Here are some tips:
  1. Request a credit receipt for returned items. Some vendors may not provide this receipt unless requested.
  2. Always retain boxes, containers, special packaging, packing slips, etc., until you are certain you are going to keep the goods. Some items such as software or fragile pieces cannot be returned without the original packaging materials.
  3. Read all vendor supplied instructions carefully. Often a phone number and other instructions are included on the packing slip and/or receipt.
  4. Many vendors require you to obtain a Return Authorization (RA) Number (assigned by vendor) before they will accept a return. If you neglect to indicate this number on the return, the package may be refused and/or no credit issued to your account.
  5. In some cases, there may be a restocking fee (usually a percentage of the purchase price). If the vendor is completely responsible for the error or problem, you should not have to pay this or any other fee. However, if they are not fully responsible, you may have to pay. You may use the P-Card to pay this fee as long as it does not exceed any of your pre-approved limits.
  6. Make sure that the charge and subsequent credit for the returned item(s) is credited properly.

If this does not happen, refer to Section 10 (Disputed Transactions) for instructions on how to resolve the problem.

## 5.6. Conflict of Interest

The P-Card cannot be used to make a purchase from any State of Illinois employee, or any State of Illinois employee who owns more than seven and one half percent (7 ½%), or together with a spouse or minor child more than fifteen percent (15%), of the total distributable income of the business enterprise.

## 6. Authorized P-Card Use

- 6.1. Only the Cardholder whose name is embossed on the P-Card is authorized to use the card. The Cardholder is ultimately responsible for the card and ensuring all charges made with the card are in compliance with the P-Card Policy and Procedures Manual.
- 6.2. The total value of any one charge made with Chicago State's P-Card may not exceed the single transaction limit (\$1,000.00).
- 6.3. Common uses of the P-Card may include, but **are not limited to**:
  - Items traditionally purchased on Direct Payment Vouchers (DPV's);
  - Books;
  - Lab supplies (For exceptions see "Prohibited P-Card Use", Section 7);

- Periodicals; and
- Subscriptions.

**Note: Departments are encouraged to use existing University contracts.**

## **7. Prohibited and Restricted P- Card Use**

Due to administrative controls and/or legal requirements, limitations apply to the use of the P-Card. The P-Card cannot be used for the following transactions or purchases in accordance with the State of Illinois Procurement Code Conflict of Interest (30 ILCS 500/50-13) and Chicago State University's Institution Policy Manual Article VIII Course & Vendor Contracts:

- Purchases from University employees, their spouses, parents, or children.
- Purchases from business concerns of which an employee (or an employee's spouse, parent(s) or children) is a sole or principal owner, major officer, or primary employee.
- Purchases when the vendor requires an agreement or any contract to be signed by an authorized University representative.

### **7.1 Prohibited items as follows:**

P-Card may not be used for the purchase of the following items:

- Purchases from University employees, their spouses, parents, or children.
- Purchases from business concerns of which an employee (or an employee's spouse, parent(s) or children) is a sole or principal owner, major officer, or Com employee.
- Purchases when the vendor requires an agreement or any contract to be signed by an authorized University representative.

#### Specific items as follows:

- Alcoholic Beverages
- Attorney Fees
- Biological agents, radioactive materials, recombinant deoxyribonucleic acid (RDNA), Laminar flow fume hoods and biological safety cabinets
- Capital Development Board purchases
- Carpeting and draperies
- Cash advances
- Chemicals and gases
- Coin-operated devices
- Computer software and peripherals
- Consulting Fees
- Construction/renovation
- Contracts – two party signed agreements for goods and/or services, including professional and artistic services and maintenance agreements, services including labor, indemnity, and/or insurance requirements (for example, tent rental, leases, catering, on-site repairs or those with independent contractors which may require IRS 1099/1042 forms)
- Donations
- Equipment and furniture with a unit cost of \$100 and above
- Explosives, weapons, ammunition, or detonating equipment or material
- Fines, late fees or penalties

- Gift Certificates and Gift Cards
- Health Care Provider Fees
- Imported goods that must go through customs
- Independent Contractor Fees Professional and Artistic Services, including temporary employment agencies
- Lab or specialty gases (examples: liquid nitrogen, helium, nitrous oxide) A valid contract must be in place for cylinder rental before purchasing gases
- Maintenance Contracts
- Personal items
- Postage Stamps
- Typesetting, printing, binding (including office forms and signage which has not been approved by Publications and Duplicating Services)
- Purchases involving trade of University property
- Services involving labor, including installation charges, indemnity, and/or insurance requirements (examples: tent rental, catering, on-site repairs)
- Telecommunications equipment, including office telephones, cellular phones, calling cards, pagers, wireless communication equipment
- Trade-in of equipment that is inventoried

Additional items may be added to this list at the discretion of the individual Fiscal Officer or the Purchasing Office.

## **7.2 Restricted P-Card Use**

P-Cards may be used for the following items when corresponding requirements are met (or when written approval for exceptions are approved by the Vice President of Administrative & Financial Affairs).

**Business meals** that exceed two times the allowable amount (including tip) must be approved.

[See Business Expense Policy Procedure No. 20.3](#)

**Flowers/floral arrangements** may only be purchased under certain circumstances. [See](#)

[Business Expense Policy Procedure No. 20.3](#)

**Food and beverage** supplies for official office reception areas are allowable. [See Business](#)

[Expense Policy Procedure No. 20.3](#). All food and catering purchases must be from the

University's designated food service company.

**Internal transactions** - The use of the P-Card for "internal" transactions is allowable for units that sell primarily to external customers, including auxiliaries and activities. For example, use of the P-Card is allowable at Cordell Reed Student Union, University-owned bookstores, Conferences and Institutes, Division of Intercollegiate Athletics, and other University sponsored programs and events. However, gift cards and gift certificates may not be purchased from these "internal operations" with a P-Card (see "Prohibited Items"

above).

**Laboratory animals** - May be purchased if the department contacts the Purchasing Office, to obtain shipping instructions before the purchase.

**Off-campus repair of equipment by corporations** may be charged on a P-Card if the amount of the repair is known in advance to be less than the cardholder's maximum per transaction limit.

### **7.3 Violations and Consequences**

**7.3.1 The P-Card must NEVER be used to purchase items for personal use or for non-University purposes even if the Cardholder intends to reimburse the University.**

**7.3.2** A Cardholder who makes an unauthorized purchase with a P-Card, as defined in Section 7, or uses the P-Card in an inappropriate manner may be subject to disciplinary action including card cancellation and possible termination of employment. A Cardholder may also be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the bank in connection with the misuse. When appropriate, notification of fraudulent use will be shared with both the Campus Police and with the Chicago Police Department for possible criminal prosecution. Approving Officials are encouraged to contact the P-Card Administrator to report misuse and coordinate appropriate disciplinary actions.

### **7.4 Splitting or Stringing Purchases**

When using the P-Card, *splitting or stringing* of orders is strictly prohibited. Repeated occurrences shall result in cancellation of the card.

An example of stringing is if a Cardholder wants to purchase items totaling \$1,100.00 at one time from a vendor. The Cardholder knows that the single dollar limit per transaction is \$1,000.00. Some items are then bought on one transaction and the other items are bought on a second transaction, thus avoiding the transaction limit.

### **7.5 Department Warning**

Office of Financial Affairs shall give warnings to the Primary Approving Official for any of the following occurrences:

- Failure to review and approve transactions by the designated deadline;
- Abuse by Cardholders; or
- Improper documentation provided during department audit.

### **8. Declined Cards**

During a transaction, a Cardholder's P-Card could be declined due to Merchant Commodity Codes (*MCCs*), single transaction, or monthly spending limits, etc. If this should occur, call JPMorgan Chase at 1-800-270-7760 before calling the Office of

Financial Affairs.

For every transaction or purchase, the MCC of the vendor is compared to the list of authorized MCCs for the P-Card being used. If a vendor has a MCC that is not included as an authorized code, the transaction will be refused. MCCs and card limits provide the University and the Cardholder additional security that the P-Card will not be misused.

## **9. Reconciliation**

- 9.1** Transactions are posted on PaymentNet™ daily as they are received from the bank.
- 9.2** Cardholder reviews transactions on PaymentNet™ and, if necessary, reallocates each charge to the appropriate University account number.
- 9.3** Primary Approving Official approves the Cardholder's transactions on PaymentNet™. In the absence of the Primary Approving Official, the Secondary Approving Official assumes responsibility.
- 9.4** The Primary Approving Official must reconcile the receipts to the on-line transaction file. The reconciling of purchases to the on-line transaction file must be made by someone other than the purchaser.
- 9.5** Any discrepancies in billing must be marked as disputed charges on PaymentNet™.
- 9.6** The Cardholder's *Commercial Card Statement* must be signed by both the Cardholder and Primary Approving Official, verifying that all charges made within the billing cycle match the charges on the statement. Billing cycles will end on the last business day of the month.
- 9.7** The signed and approved Commercial Card Statement and all receipts shall be submitted to Accounts Payable. Departments are responsible for retaining documentation for grants according to the grant's guidelines.
- 9.8** If receipts are missing, the Cardholder must request a copy from the vendor. An *Affidavit for Lost Receipt* form is acceptable only if the vendor was unable to provide a receipt copy.
- 9.9** If a transaction is not approved by the required date (see Billing Cycle Schedule), the following action will take place:

If not approved within:

- 1<sup>st</sup> day of Month: An e-mail reminder will be sent to the Cardholder and Primary Approving Official;
- 10 days: Payments will be made to the bank and Cardholder's default account will be charged;
- 30 days: The P-Card will be cancelled.

## **10. Disputed Transactions**

### **10.1 Dispute of Statement Item**

Items that appear as daily on-line charges from JPMorgan Chase may be disputed, as long as the disputed transaction is reported to JPMorgan Chase within sixty (60) days after the statement's closing date.

If there is a problem with a charge, the Cardholder or the Primary Approving Official should first contact the vendor where the purchase was made and try to resolve the discrepancy. If this does not remedy the situation, the Cardholder or the Primary Approving Official should immediately dispute the transaction on PaymentNet™.

During JPMorgan Chase's investigation, they will not issue a credit to the P-Card account in question for the disputed amount until the dispute has been resolved.

When the investigation is complete, the Cardholder or Primary Approving Official will be notified of the resolution. Account adjustments will be made as necessary.

## **11. Payment**

Chicago State University pays JPMorgan Chase once each billing cycle.

## **12. Auditing Department P-Card Programs**

The Accounts Payable, Internal and External Auditors may conduct periodic reviews of P-Card use. P-Card violations that will result in a review of cardholder privileges include but are not limited to:

Use of the card for unallowable purchases;  
Lack of documentation of purchases;  
Unacceptable documentation of purchases;  
Late documentation of purchases; and/or  
Failure to reconcile charges.

Cardholders who misuse or fraudulently use the P-Card will be subject to investigation, disciplinary action and/or termination of employment, and may be subject to criminal prosecution. The University is authorized to deduct from the cardholder's salary any personal charges made on the P-Card. Cardholders are responsible for always keeping the P-Card secure.

## **13. Lost, Stolen, Misplaced or Damaged Cards**

Immediately upon realizing the P-Card is lost, stolen, misplaced or damaged, the Cardholder must notify all of the following:

- JPMorgan Chase 1-800-270-7760
- Fiscal Officer
- P-Card Administrator

## **14. Cancellation of Cards**

If a Cardholder terminates employment, transfers to another department or assumes different duties that do not require the use of a P-Card, the *Purchasing Card Maintenance Form* should be completed immediately and submitted to the P-Card Administrator.

## 15. Updating Cardholder/Department Information

Changes to update Cardholder or Department information must be submitted on the Purchasing Card Maintenance Form.

When a new Approving Official assumes responsibilities for existing Cardholders, the Purchasing Card Maintenance Form must be completed. If any other changes are necessary, contact the PCard Administrator for assistance.

## 16. P-Card Roles and Responsibilities

The University's P-Card program has four defined Departmental roles: (1) Fiscal Officer/Department Card Manager (DCM), (2) Cardholder, (3) Reconciler, and (4) Approver. These roles and corresponding responsibilities are outlined as follows:

### 16.1. Fiscal Officer/Department Card Manager (DCM)

The Fiscal Officer is the designated P-Card DCM for the department. The DCM is responsible for general supervision of the program and is also the principal contact person in his/her department for information related to the P-Card program, including relevant University policies. The DCM is also responsible for elevating and reporting any questionable or non-compliant P-Card activity to the P-Card Administrator.

Training in the use of the P-Card software, policies, and procedures is mandatory for all DCMs. DCMs are responsible for ensuring that employees in their departments with a P-Card role receive appropriate training.

DCM responsibilities include:

- Supervising and monitoring the P-Card program;
- Requesting new cards as needed;
- Making necessary changes to existing cards;
  
- Setting limits for each cardholder based on a review of actual purchasing needs and responsibilities as follows:
  - Dollar limit per transaction (maximum \$1,000), and
  - Dollar limit in a billing period (maximum \$15,000 - see the Maintenance Form to request exceptions)
- Determining which employees need access to the software;
- Ensuring that the Procurement Card Agreement and Application forms are completed, signed and submitted by the Cardholder and approved by the Fiscal Officer;
- Ensuring that a copy of the Procurement Card Agreement and Application is retained by the department and the original copy is forwarded to the P-Card Administrator;
- Ensuring that cardholders, reconcilers, and approvers perform their duties in an accurate and timely manner; and
- Collecting P-Cards and handling related termination procedures of P-Card privileges for staff members who are terminating employment with their department or the University, or who no longer need P-Card privileges in the department. This includes notifying the P-Card Administrator of the staff member's departure or change in job responsibilities.

Note: Students, including graduate students, may not be cardholders, reconcilers, DCMs, or approvers. Students, including graduate students, may not be delegates for any of the P-Card functions or roles, or have access to the P-Card software.

## 16.2 Cardholder

The Fiscal Officer determines which employees in the department may have P-Cards. The Fiscal Officer may designate as many cardholders as she or he wishes; however, each cardholder may have only one card. Cardholders must be employees who have responsibilities for purchasing supplies and small equipment for their departments.

The P-Card may be used only for University purchases, and the cardholder is personally responsible for all charges made on his or her P-Card. A P-Card may be used only by the person to whom it is issued. It may not be loaned to others, including employees in the same department. Additionally, establishing an account with a vendor using an employee's P-Card as the default payment method and then providing access to that vendor account to any other person, including other employees, is also considered "loaning" or "sharing" of a P-Card and is strictly prohibited.

A cardholder who misuses or fraudulently uses the P-Card will be subject to investigation, disciplinary action, and/or termination of employment by the University, and may be subject to criminal prosecution.

To obtain a P-Card, an employee must complete the [Procurement Card Agreement and Application](#) and have it approved by his or her authorized Fiscal Officer.

**Cardholder Responsibilities** By accepting and using a P-Card, a Cardholder agrees to:

- Notify the bank issuing the P-Card, the P-Card Department Card Manager, the Fiscal Officer, P-Card Administrator immediately if the P-Card is lost or stolen. (The cardholder's department may be liable for all charges incurred until the P-Card is reported lost or stolen to the bank.)
- Make purchases of supplies and some contractual purchases such as registration fees, subscriptions, membership fees, small repairs and travel; competitively where practical. Cardholders are encouraged to use prime and preferred vendors when possible.
- Consider performance, quality, suitability, delivery, and service when choosing vendors.
- Make purchases that are for University projects or activities and comply with any funding restrictions applicable to the Fund Organization Account Program (hereinafter called FOAP). This includes restrictions outlined for grants and contracts funds and gift and endowment income funds. (All P-Card purchases for small equipment and supplies must be in compliance with Sections (to be defined).)
- Understand and comply with the list of prohibited and restricted purchases in this policy.
- Give complete shipping instructions when placing orders to vendors, and ask vendors to include receipts with the shipment. (Receipts should include the vendor's name, amount of order, date, and an itemized description of the item(s) purchased.)
- Pay no sales tax on purchases from vendors registered in Illinois. ("Chicago State University"

and the University's sales tax exemption number are printed on P-Cards.) Cardholders should emphasize the University's tax exempt status and exemption number when placing orders.

- Provide the department reconciler with original receipts for all P-Card transactions. If the purchase is for a business meal or refreshment, the receipt must contain the names of all attendees, the business purpose of the meal, and a statement that no alcohol was charged to the P-Card. [See Business Expense Policy Procedure No. 20.3](#) for additional information regarding allowable limits.
- Not engage in stringing or making successive purchases to avoid circumventing the P-Card's assigned single transaction limit regardless of whether the purchase is with one or several vendors. The practice of "Stringing" orders is a direct violation of the Illinois Procurement Code.
- Verify that small equipment and supplies purchased with his/her P-Card are received and follow up with the vendor on any delivery problems, discrepancies, or damaged goods.
- Provide the unit with all documents related to the P-Card purchase, including packing lists, any approvals that were obtained for a restricted purchase, and competitive quotations.
- Handle any returns of purchases made on the P-Card as credits to the P-Card.

### **16.3. Reconciler**

The Fiscal Officer assigns a P-Card reconciler for each cardholder. Reconcilers match each cardholder's card statement created in PaymentNet™ with transaction information sent electronically by the bank and the original receipt. Transaction information is downloaded from the bank daily into PaymentNet™.

Reconciler responsibilities include the following:

- Check PaymentNet™ for items to be reconciled once each day.
- Review and reconcile each transaction with the order log and with the original receipt within seven business days of its appearance in PaymentNet™.
- Ensure that the proper FOAP was used for the purchase; assign the correct FOAP, if necessary. Expenditures must comply with any restrictions applicable to the FOAP. This includes all restrictions specified for gift and endowment income funds and grant and contracts funds. (If a FOAP is not assigned, the transaction is charged to the default FOAP established for that cardholder.)
- Initiate corrective action if the charge is inappropriate or inconsistent with University policies and procedures.
- Ensure the purchase follows established department and University policy (5 years) regarding retention of records for the purchases.

## 16.4 Approver

The Fiscal Officer may assign an Approver for each Cardholder in the department; however, this role is *optional*. The Fiscal Officer must assign an Approver if the Cardholder and Reconciler is the same person. The Approver does not approve the transaction as such because the transaction has already been charged to the FOAP by the time the approver sees the charge transaction details. The Approver's main responsibility is to verify that the charge made is a proper expenditure of University funds and to verify that the FOAP used is correct.

Approver responsibilities include the following:

- Check PaymentNet™ for items to be approved at least once each day;
- Review the FOAP used for a particular transaction within two business days of being reconciled;
- Initiate corrective action if the charge is inappropriate or inconsistent with University policies and procedures;
- Ensure that the correct FOAP has been used for the purchase; and
- Approve the reconciled transaction in PaymentNet™.

## 17. Definitions

- 17.1. Affidavit for Lost Receipt\*: The form that must be completed when a receipt is lost and cannot be obtained from the vendor or J.P. Morgan Chase.
- 17.2. Assistant P-Card Administrators: The Chicago State University employees from the Office of Financial Affairs (along with the P-Card Administrator) responsible for administering the P-Card Program for the University.
- 17.3. Cardholder: The Chicago State University employee who has been authorized by the Fiscal Officer and the P-Card Administrators to make purchases on the P-Card. This person is accountable for all charges he or she makes with that card.
- 17.4. Conflict of Interest Disclosure\*: The form that must be completed to identify an actual or potential situation in which the personal interests of a vendor or employee are, or appear to be, in conflict with the best interests of the University.
- 17.5. Commercial Card Statement: A report available from J.P. Morgan Chase through PaymentNet™ detailing transaction activity for an individual card account number for purchases made during the monthly billing cycle.
- 17.6. Fiscal Officer: The Chicago State University employee who has been assigned responsibility for an account through an approval process. The Fiscal Officer has overall budgetary responsibility for the department's P-Card program and is responsible for following sound business practices. The Fiscal Officer assigns P-Card roles to employees within the department, balancing control and operating convenience in those designations. The size and organization of the department influences how this separation is accomplished. If a department is small, the Fiscal Officer might designate the same employee to perform two or more P-Card roles. However, to ensure maximum separation

of duties, no one employee may function in all four roles (see below for explanation of each P-Card role).

The Fiscal Officer retains final responsibility for control of the program in his/her department. An essential part of this control is the Fiscal Officer's responsibility, or delegation of responsibility, for review and reconciliation of monthly financial reports and statements.

- 17.7. Merchant Commodity Code (MCC):** The MCC is a four digit code assigned to every vendor that accepts MasterCard.

MCCs are assigned by the vendor's bank. Chicago State University has no control over what MCC is assigned to a vendor.

- 17.8. Monthly Spending Limit:** The total amount of charges allowed per card per month.

- 17.9. PaymentNet™:** An Internet-based financial reporting system owned by J.P. Morgan Chase. The system is a secure web site, which is derived and maintained by J.P. Morgan Chase, using the vendor's internal servers. Access to PaymentNet™ requires a secure password for the Cardholder and Approving Official in order to review, change and approve P-Card transactions. The P-Card Administrator sets up your password.

- 17.10. P-Card Administrator:** The Chicago State University employee from The Office of Financial affairs is responsible for administering the P-Card Program for the University and acting as the main contact between Chicago State University and J.P. Morgan Chase.

- 17.11. Primary Approving Official:** The Chicago State University employee within each Department who is primarily responsible for approving a Cardholder's transactions for payment in the PaymentNet™ system. Sound business practices require that an individual other than the cardholder review all purchases made by the cardholder. To expedite operations, this review may be made after the purchase, but a review at some time is a critical part of maintaining internal control. Review of purchases in departments may be made in either of two ways. First, the Fiscal Officer should designate an employee other than the cardholder to reconcile and/or approve purchases in the PaymentNet™. Second, the Fiscal Officer should designate an employee with no P-Card roles to review and reconcile monthly financial reports and statements. Financial reports and statements contain a record of each P-Card purchase made during the month. Optimum control is achieved when both types of reviews are performed. Fiscal Officers must ensure that the employees who review transactions are familiar with business policies and procedures, so their review of P-Card expenditures is thorough and they are sufficiently informed to make determinations regarding appropriate P-Card expenditures.

Employees performing the reviewing function are expected to make inquiries regarding P-Card transactions regardless of their position in the Department relative to that of the P-Card holder. Primary Approving Officials have the ability to reallocate individual charges to multiple account numbers. A Primary Approving Official may oversee more than one Cardholder account, depending on how the Department elects to manage its accounts. The Primary Approving Official is also responsible for verifying that all charges against the Cardholder's account for that Department are backed up by the appropriate supporting documentation.

- 17.12. Procurement Card (P-Card):** A J.P. Morgan Chase MasterCard issued to an employee of Chicago State University for the purpose of making authorized business-related purchases on behalf of the University. The University will issue payment to J.P. Morgan Chase for charges made with the P-Card.
- 17.13. Purchasing Card Agreement\*:** An agreement form signed by the Cardholder and the Fiscal Officer, which verifies that the Cardholder has read and understands the guidelines set forth in the P-Card Program Policy and Procedures Manual and agrees to comply with them.
- 17.14. Purchasing Card Application\*:** The form to be completed by prospective Cardholders to obtain a P-Card.
- 17.15. Purchasing Card Maintenance Form\*:** The form that must be completed to update Cardholder information or to cancel a card.
- 17.17. Secondary Approving Official:** Assumes responsibilities in the absence of the Primary Approving Official.
- 17.18. Single Transaction Limit:** The total dollar amount (as determined by P-Card Administrators) allowed for a single purchase. The single purchase may include multiple items but the total dollars expended may not exceed the Cardholder's limit.
- 17.19. Splitting or Stringing:** Splitting or stringing purchases is the practice of processing multiple transactions with a vendor in order to avoid the transaction limit.
- 17.20. Supporting Documentation:** A vendor-produced or non-University document that records the relevant details for each item purchased including quantities, dollar amounts, a description of what was purchased, the total charge amount, and the vendor's name and address (i.e. sales receipt, original invoice, credit receipt, etc.).
- 17.21. University Account Number/FOAP:** The Chicago State University general ledger account numbers assigned to a P-Card. FOAP is your Fund/Organization/Account/Program. Each P-Card will have a primary default account number assigned to it. All charges made with the P-Card will be posted to the default account number if the charges are not reallocated in the PaymentNet™ system by the designated deadline.
- 17.22. Vendor:** One who sells goods or services.

\*All forms can be found on-line at [www.csu.edu/financialaffairs/pcard](http://www.csu.edu/financialaffairs/pcard).