

Kettering University

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Purchasing Card Program User Manual Revised July 2008

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Purchasing Card Program User Manual

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Greeting.....	1
Overview	1
Program Administrator.....	1
Procedure for Obtaining a Purchasing Card	2
Restrictions for Purchasing Card Use.....	2
Guidelines for Purchasing Card Orders>Returns	3
Cardholder Responsibilities	3
Reconciliation.....	4
Accounting.....	4
Audits.....	4
Disputes	5
Lost or Stolen Purchasing Cards.....	5
Card Expiration.....	5
Employment Termination or Move to Another Department	5
Key Contacts List.....	1 + 5
 <u>ATTACHMENTS</u>	
NAEB Code of Ethics.....	1
Cardholder Application Form	2
Purchasing Card Agreement	3
Transaction Log	4
Journal Voucher	5
Sundry Shipper (KU-77-1).....	6

Kettering University

Purchasing Card Program

Welcome to the Kettering University Purchasing Card Program.

This program has been designed to:

- allow for the direct procurement of low value, supply style purchases by the end user through the use of a credit card (hereafter, the “purchasing card”).
- streamline the ordering process for small dollar requisitions, direct payment and reimbursement requests.
- provide quicker turnaround time on your orders, greater flexibility in ordering and reduced paperwork processing.

The purchasing card concept is designed to delegate the authority and capability to purchase these low value supply items directly to the person to whom it matters most - YOU, the end user.

Your personal credit history will in no way be affected by the purchasing card. Invoices will be paid directly by Accounts Payable.

OVERVIEW & CONTROLS

Although the purchasing card has many built-in controls, there are certain steps that you as the cardholder must take to ensure the responsible use of University funds.

- Become familiar with the Principles and Standards of Purchasing Practice (see attachment 1). This is the code of ethics that was developed by the National Association of Educational Buyers and as you conduct business using the purchasing card, you will be expected to abide by these standards as well.
- Ensure that expenditure of funds is appropriate and responsible. The University will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the purchasing card will result in revocation of the purchasing card and/or possible criminal charges.

Kettering University's Commerce Bank VISA purchasing card program uses both internal management controls as well as extensive reports to manage and audit the process to ensure that procedures are followed.

KETTERING UNIVERSITY PURCHASING CARD PROGRAM ADMINISTRATOR

Kathleen Remender
Purchasing Department
1700 West Third Avenue
Flint, MI 48504-4898
(810) 762-9815
kremende@kettering.edu

Any changes to the Purchasing Card must be requested through the Program Administrator.

Kettering University

Purchasing Card Program

PROCEDURE FOR OBTAINING A PURCHASING CARD

- Complete your portion of the application form (see attachment 2) and cardholder agreement (see attachment 3). NOTE: The monthly spending limits are set by you and your department head based on your current spending needs. All monthly limits are subject to final approval by Accounts Payable and the Purchasing Card Program Administrator. If you need to have your monthly limit raised, send a memo signed your department head to the Purchasing Card Program Administrator.
- Obtain department head's signature
- Return both forms to the Kettering Purchasing Card Program Administrator

Commerce Bank will send your new purchasing card to the Kettering University Purchasing Card Program Administrator. It takes about 5 business days from the date the application is received by Commerce Bank. You will be given your purchasing card after you attend a brief orientation session.

RESTRICTIONS FOR PURCHASING CARD USE

- All purchases must be made in compliance with University expenditure policies (reference the Kettering University Guidelines and Procedures Manual), limited to low-value supply style purchases.
- ***Use of the purchasing card for personal or capital purchases is strictly prohibited.***
- Only the authorized cardholder may use the purchasing card. Delegation of authority is not permitted. Vendors require that the signature on the purchasing card match the signature on the receipt.
- Your purchasing card should be used in a responsible manner and should be used only for those purchases that are in the best interest of the University.
- The following items are **strictly prohibited** from being purchased on the purchasing card:

alcohol (consumable or scientific)
air conditioners
automobile service/repair
bus lines - charter or tour buses
cable services
catering services
blinds, carpeting, draperies
cash advances, traveler checks, wire transfers,
or money orders
dehumidifiers, humidifiers
drugs/narcotics (controlled or other)
eating places, bars, taverns, caterers
employment agencies
or temporary help services
Follett (ie; Kettering Bookstore)
gas cylinders
gasoline/fuel

hazardous materials
independent contractors
or personnel services
memberships/dues
maintenance contracts
motor freight carriers, trucking companies,
or moving companies
pagers, two-way radios, cellular phones
or related charges
personal purchases
radioactive material
services (of any type)
subscriptions
telecommunication equipment/services
travel and entertainment including airline,
auto, hotel and motel
telephone and telegraph charges

Kettering University

Purchasing Card Program

GUIDELINES FOR PURCHASING CARD ORDERS / RETURNS

- Kettering University is **tax exempt**. Our federal tax identification number is embossed on the purchasing card (#38-2410852). It is the cardholder's responsibility to ensure that tax is not charged. If you are charged tax, you should contact the vendor and request a credit for that amount.
- Telephone orders, catalog, pick-up or counter orders - be sure to give the vendor your complete campus mailing address, including your name and department, and request this information be indicated on the outside of the package. If the vendor does not provide delivery you should instruct them to ship via UPS directly to your department.
- Internet orders - be sure to give the vendor your complete campus mailing address, including your name and department, and request this information be indicated on the outside of the package. *NOTE:* When shopping via the Internet, use only secure sites. Secure sites are identified by addresses starting with https rather than http, or a little locked padlock displayed on the top/bottom of the screen. Data entered at secure sites is encrypted before leaving your computer to protect against unauthorized access to your credit card number.
- Returns - contact the vendor to determine their return policy. If they instruct you to ship the item back to them, use the Kettering University Sundry Shipper (form KU-77-1, attachment 6). Indicate the item's value if in excess of \$100 and the vendor's Return Materials Authorization (RMA) number, if any, on the shipper.

CARDHOLDER RESPONSIBILITIES

As a cardholder, you will be responsible for

- retaining receipts, packing slips, etc. for all of your purchases. Receipts must be itemized. A sample log is included (see attachment 4) for your convenience to record purchasing card activity and reconcile your account.
- ensuring receipt of materials, as well as any follow-up efforts required to resolve any delivery problems, discrepancies, damaged goods, billing problems or returns.
- lost receipts. The purchasing department does not maintain or receive duplicate copies of receipts. Should a receipt be lost, you should contact the vendor for a copy, and your department is responsible for any related charges. The receipt is the only way the University can document the manner in which its funds were spent.

Failure to maintain complete files of all itemized receipts supporting purchases made with the purchasing card will result in revocation of the purchasing card.

Kettering University

Purchasing Card Program

RECONCILIATION

A weekly statement will be available on-line for payment verification to each individual cardholder. The individual cardholder should

- compare all purchasing card receipts, packing slips and monthly log with statement.
- have the department head review and approve reconciled reports.
- devise a filing system that will allow for easy access to these records for audit purposes.
- maintain complete files of all itemized receipts, supporting purchases made with the purchasing card, in accordance with current, accepted retention policies (current year plus six for a federal contractor grant; current year plus four for all others) for auditing purposes.

ACCOUNTING

Purchasing card transactions will be reported as expenditures on your Budget Status Report under account number 71015, description Supply - Purchasing Card.

Some purchasing cards may be associated with multiple index numbers. In such cases, the department head should designate the total dollar amount to be charged to each index on a Journal Voucher (see attachment 5), sign and forward the JV to the Accounts Payable department by the 20th of each month.

Commerce Bank also offers online account information. You may view your account activity by going to controlpayadvanced.com (no www prefix) and logging in to your account.

AUDITS

The Business Office will conduct periodic audits of each cardholder's transaction file and weekly summaries. Additionally, the department head should review activity reports to ensure that cardholders are adhering to the Kettering University and Commerce Bank policies and procedures. Failure to provide adequate documentation will result in revocation of your purchasing card.

Any misuse of the purchasing card is handled in the following manner:

- First Offense - Review with Kettering auditor
- Second Offense - Review with Purchasing Card Program Administrator and a letter to your supervisor
- Third Offense - Revocation of purchasing card

Kettering University

Purchasing Card Program

DISPUTES

There is a 60-day period in which you can file disputes with Commerce Bank, and those filed later than 60 days from the date of the cardholder statement may not be considered. Refer disputes to Commerce Bank only after attempts to resolve the matter with the vendor have failed. Commerce Bank will require you to submit your dispute in writing (contact Program Administrator for form to complete) along with any supporting documentation.

LOST OR STOLEN PURCHASING CARD

- Immediately notify your department head and Commerce Bank by phone.
- Notify the Purchasing Card Program Administrator in writing via memo or e-mail (e-mail address kremende@kettering.edu). Include the date you first noticed your card was missing, the date you notified Commerce Bank and the name of the customer services representative to whom you spoke.
- **If your card is lost or stolen on campus property** fill out an Incident Report by going to *my.kettering.edu* and clicking on Crime & Incident Report Form.

Your card will be automatically suspended and a new card issued, sent to the Purchasing Card Program Administrator within a week. The Purchasing Card Program Administrator will notify you when your new card is available.

Commerce Bank

1-800-892-7104

Kettering University Purchasing Card Program Administrator

5-603CC or x9815

CARD EXPIRATION

You will be issued a new purchasing card prior to the expiration date on your current purchasing card. Please be sure to cut up the old card before you dispose of it. Your card will arrive at Kettering already activated.

EMPLOYMENT TERMINATION OR MOVE TO ANOTHER DEPARTMENT

Terminate employment or discontinue participating in the program

- Return your card to your department head.
- Department head should then contact the Purchasing Card Program Administrator.

Move to another department within Kettering University

- Return your card to your department head.
- Department head should then contact the Purchasing Card Program Administrator.
- Submit a new application and agreement signed by the new department head if you wish to continue in the program.

**Principals and Standards of Purchasing Practice
National Association of Educational Buyers
Code of Ethics**

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its members, NAEB has long promoted a code of ethics.

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representatives whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier, and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

Members are also encouraged to participate in continuing open discussions of ethical principles with their colleagues and with others.

Kettering University
Purchasing Card Application Form

Name on Account

Employee ID#

Office Telephone #

Home Telephone #

Department Name

Index Number

Single Transaction Limit

Monthly Credit Limit

Applicant's Signature

Date

Department Head's Signature

Date

Kettering University Purchasing Card Agreement

Cardholder Name

Department

Campus Address

Phone Number

Fax Number

- The cardholder may not make personal or capital purchases with the purchasing card.
- The card is to be used only for **low value supply type purchases**.
- The purchasing card is to be used only by the named cardholder and is not to be loaned or transferred to anyone else.
- The cardholder agrees to verify upon receipt of the weekly statement the accuracy of all billings and the department should keep a file of all itemized receipts in accordance with currently accepted retention policies (current year plus six for a federal contract or grant; current year plus four for all other purchases).
- If a card is lost or stolen, the cardholder has the responsibility to immediately notify their department head, the Purchasing Card Program Administrator, and Commerce Bank 1-800-892-7104. **If a card is lost or stolen on campus property** also complete an Incident Report, accessible at my.kettering.edu.
- Should a cardholder terminate employment with the University, the client department has the specific obligation to reclaim the purchasing card and return it to the Purchasing Card Program Administrator prior to the employee's Human Resource exit interview.
- Employees who leave one department to work in another must surrender their card to their current department head and submit a new application signed by the new department head should they wish to continue in the program.
- **Commerce Bank's customer service number is 1-800-892-7104 and/or 816-234-7180 for general customer service questions. Customer service representatives can be contacted, 7:00 a.m. – 7:00 p.m., Monday – Friday CST. The 1-800 number is also a 24-hour automated line for balance inquiries, payment and transaction information.**

As holder of this purchasing card, I agree to accept the responsibility for the protection and proper use of the card as enumerated above. I understand the items prohibited with this card (as detailed in the Purchasing Card User Manual) and agree to abide by these as well as all other terms and conditions contained within the Manual. I understand that failure to adhere to any of the above policies will result in revocation of my cardholder privileges and that fraudulent or intentional misuse of the card will result in revocation of the purchasing card and/or possible criminal charges.

Signature:

Cardholder

Date:

Signature:

Department Head

Date:

