

MOREHEAD STATE UNIVERSITY

PURCHASING CARD MANUAL

OFFICE OF PROCUREMENT SERVICES

INTRODUCTION

Welcome to the Morehead State University Purchasing Card (Pcard) Program Cardholder Manual. This program has been designed to allow for the purchasing for small dollar value transactions. The Pcard should complement the existing purchasing and payment process, and should not be used as a method to bypass appropriate purchasing policies and procedures. The Pcard, accepted by most vendors, will provide a quicker turn-around time on orders and will reduce paperwork. This manual provides the guidelines under which you may use your purchasing card. Please read the manual carefully. Use of the purchasing card is a privilege and should not be taken lightly. Morehead State University funds are being committed every time a cardholder uses a Pcard. Please remember your responsibility to the University.

GENERAL INFORMATION

The Office of Procurement Services will be responsible for all issues related to card control. Even though the card is issued in the cardholder's name, it is the property of MSU and is only to be used for official purchases as defined in this manual.

PNC is the issuing bank for MSU. The card is a Visa Chip and Pin card. A Chip and Pin card is a credit card that includes microchip technology and a personal identification number to securely verify a cardholder during a transaction. The Pin will take the place of a signature at merchant locations that provide chip payment terminals that require Pin's. An application must be completed, signed and sent to OPS to obtain a card. At the present time we do not offer cards for club accounts and agency accounts. Once the card is received you will be notified and asked to review this manual. Once you have done so, you must attend a training session before receiving the card.

CARD CONTROL

The appropriate Vice President, Dean, Director or Chair must make the decision as to who receives a Pcard. Employees who are in a position to make purchases are ideal cardholders. **Only the cardholder named on the front of the card may use the card.** The Pcard should be safeguarded against use by unauthorized employees in the same manner you would secure your personal charge card. Storage of the card should be accessible only to the cardholder in a secure location, inside the blue cardholder you received during training.

Purchasing cards are automatically renewed and mailed to OPS two years from the cards issue date. OPS will notify cardholders when renewal cards are available. Renewal cards must be personally picked up in OPS or designated area and an agreement form showing receipt must be signed.

Please email Paige McDaniel for the following changes at: p.mcdaniel@moreheadstate.edu.

*Card Cancellation

*Name Change

*Leaving University

*Changing Departments

*New Budget Number

*Lost or Stolen Card

(If a card is lost or stolen after normal business hours please call PNC Bank (800-685-4039).

At the start of the next business day, the cardholder must contact OPS.)

SPENDING LIMITS

Each purchasing card has pre-spending limits which may not be exceeded under any circumstances.

Spending Limits for 10 accounts:

Monthly: \$7500

Single: \$1000

Spending Limits for Grant accounts:

Monthly: The limit will be 80 % of your budgeted account for your project or \$7500, whichever is less.

Single: \$1000

If the standard limits need to be increased, justification and pre-approval may be sent via email to Paige McDaniel at p.mcdaniel@moreheadstate.edu.

Do not split a transaction. A split transaction occurs when a purchase is divided or parceled to stay within the spending limits of the card. This is prohibited and may result in disciplinary action.

SALES TAX

MSU, as an agency of the Commonwealth of Kentucky, is exempt from payment of Kentucky sales tax. Most states do recognize the University's tax exempt status. The cardholder should emphasize this tax-exempt status at the time of purchase. The University's tax-exempt number is Kentucky A-398. Vendors may obtain information about the tax-exempt status by calling OPS at (606) 783-2018. Tax Exempt forms can be found on the OPS portal site. The University's tax-exempt number is shown on the front of your card. We have also provided a small tax exempt form in the blue cardholder you were provided for storing your card. Certificates for other states can be requested by contacting OPS, for use while traveling outside the state of Kentucky. Tax laws differ by state, and the University is not exempt from every state's sales tax. If you get charged sales tax, it is the cardholder's responsibility to have the charge reversed, if applicable.

CHARGE DISPUTE RESOLUTION

The cardholder is responsible for contacting the vendor and/or PNC about any erroneous charges, returns or disputes items. Please call PNC Bank for disputed inquiries at 800-685-4039. Disputed billing can result from failure to receive goods or services charged fraud or misuse, altered charges, incorrect amounts, or credits not processed. In case of fraud, please notify the MSU Police Department as soon as possible at 606-783-2035.

*The cardholder should contact the vendor first to resolve any questionable charges.

*If an agreement cannot be reached with the vendor, please fill out the Billing Inquiry Form found on OPS portal site and email it to p.mcdaniel@moreheadstate.edu.

*During the investigation, PNC will issue a credit to the cardholder's account for questioned amount. After the bank has compiled the investigation, the cardholder will be notified of the resolution. If the dispute is not settled in the favor of the cardholder, the account will be charged for the disputed amount.

*Cardholders should contact OPS with any irresolvable issues regarding the receipt and return of material.

ALLOWABLE PURCHASES ON THE MSU CARD

Cardholders are authorized to use the Pcard to purchase many business related goods and services needed to perform their duties as an employee of MSU. For example:

- Office Supplies (Office Max)
- Catering Services (Aramark)
- Lab Supplies
- Facility Supplies
- Books/Testing Materials
- Tools/Hardware
- Travel (If you have been approved for the travel capabilities)
 - *Parking Charges
 - *Lodging- Room and related taxes permitted on purchasing card.
 - *Baggage Fees
 - *Taxi Fares
 - *Team/Group Meals

This list is not all-inclusive. It is the cardholder's responsibility to contact OPS before making any purchase if you have questions regarding what is allowable.

If you have questions regarding the Managed Travel Program, please contact the Travel Coordinator at 606-783-2737 or email travel@moreheadstate.edu.

NON-ALLOWABLE PURCHASES ON THE MSU CARD

Personal purchases are prohibited with a Pcard even if the cardholder had intent to reimburse the University. Any transaction that violates the card manual and MSU purchasing policy is prohibited.

- *Contracts (Personal Service/ Maintenance/Speaker/Entertainer)
- *Software Purchases
- *Equipment and Technology items as outlined
- *Gifts

- *Prescription drugs
- *Decorations
- *Food
- *Personal Items
- *Alcoholic beverages/tobacco
- *Radioactive and hazardous materials
- *Flowers (funerals, birthdays, personal events)
- *Parking Tickets
- *Gasoline
- *Split transactions
- *Communications Services (data plans, cell phones, prepaid phone cards)
- *No supplies for break room (paper plates, coffee, cups, etc.)
- *On Campus Purchases (MSU Bookstore)

The Pcard should not be used for purchases between university units. Purchases between other state agencies will be handled through Memorandum of Agreements. Contact OPS for more information.

EQUIPMENT INVENTORY ITEMS

The purchase of inventory items such as technology items, software or certain equipment is prohibited with the Pcard. All inventory items must be purchased by entry of an on-line requisition and the issuance of a purchase order by OPS.

The following are guidelines for fixed assets and must be purchased using an online requisition.

Category I

Purchases of computers at any cost must be charged to a technology “5320100” object code and tagged for inventory and reporting.

Category II

Purchases of equipment costing \$1000 or more must be charged to an equipment “5300100” object code and tagged for inventory reporting.

OPS is responsible for the management of the fixed assets inventory control for equipment. For the purpose of this policy, “equipment” will include equipment, furniture, furnishings, fixtures, machinery and instruments. For the purpose of this policy, computers will include both desktop units and mobile computer devices such as notebooks, laptops, and iPads.

RECORD KEEPING and RECONCILIATION

Cardholders and Approvers must attend training to learn how to use the Visa Intellilink System, which is used for charge allocation, digital receipts and transaction approvals. You will receive your user ID and password through email. All users of the site must create a memorable word.

Documentation and user guides can be found on the OPS portal site. The Visa Intellilink site: <http://intellilink.spendmanagement.visa.com/>. The billing cycle ends on the 27th of every month. The reconciliation needs to be completed by the 10th of the next month. Cardholders will choose a code from Fund/Unit and a code from Object when allocating charges. Transactions can be reconciled on a daily/or weekly basis. At the end of the month you will submit an expense report. This report goes to your supervisor for approval. All approvals are to be completed by the 15th of the month. The Office of Accounting and Financial Services will download charges to your GL account once allocations are complete and approved. If you don't use your card for the month no action is required.

The cardholder is responsible for obtaining receipts for all transactions. All receipts will be uploaded in receipt imaging. The hard copy of the receipt does not need to be kept on file, unless it has a warranty, etc. If a receipt is lost you can utilize the missing receipt form. This form must be filled out in its entirety and signed by the cardholder's supervisor. This form should be used in rare circumstances. Submission of more than two replacement receipts during a billing period will be seen as misuse of the missing receipt form and will result in a violation. The form can be found on OPS portal site.

Failure to reconcile your monthly purchasing card charges will result in a violation and repeated violations will result in the revocation of the card. If your card is on a grant account and you do not reconcile your charges for the month, the charges will be posted to your departmental GL account number.

VIOLATIONS

OPS has the authority to revoke cardholder privileges when any of these violations occur:

- *Late reconciliation or failure to reconcile charges (must be reconciled by the 10th of the month)
- *Paid taxes
- *Split Transactions
- *Excessive use of Missing Receipt Form
- *Personal items
- *Use of card for non-allowable purchases
- * Sharing your card with others

First Violation: Written warning will be sent to cardholder, Internal Auditor and supervisor. The cardholder will be required to make changes to become compliant. Future violations of the same nature will result in more severe sanctions.

Second Violation: Written warning will be sent to cardholder, Internal Auditor, supervisor and appropriate Vice President. The cardholder will be required to make changes to become compliant. A scheduled card training session is required. Future violations of the same nature will result in more severe sanctions.

Third Violation: Card will be suspended for 30 days. Reinstatement of the cardholder privileges will occur at the end of the suspension period and upon successful completion of a scheduled card training session. A written plan of compliance that outlines measures to correct violations submitted to and approved by the Purchasing Card Administrator, Internal Auditor, supervisor and appropriate Vice President.