



Massachusetts College of Liberal Arts

**Procurement Card
Policies and Procedures**

Smart Data

2020

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Massachusetts College of Liberal Arts Procurement Card Policies and Procedures

1. Introduction

The Procard provides an efficient and effective method to purchase and pay for consumable commodities of low dollar value. The card is a MasterCard credit card, backed by JP Morgan Chase of Salt Lake City, UT.

This User Guide outlines the benefits of the Procard program to cardholders as well as to departments and to the College as a whole. It also provides users with the information they will need to use the card and to understand their responsibilities as cardholders.

2. Card Issuance Guidelines

Cards are issued on a limited basis to MCLA employees at the approval of their department head, or department chair (in the case of faculty).

Cards are issued to staff who travel extensively as a condition of their work responsibilities or those who manage travel for others (e.g., admission counselors, athletics department staff), and staff who may be required make purchases (e.g., the College treasurer, facilities director, residential program and student activities directors, IT staff) in the course of their duties from vendors who do not accept purchase orders.

In the case of faculty or staff who are issued cards required for travel, the College has the ability to maintain the cardholder's account in an inactive state except at times when the card is activated as part of approved College travel.

In order to be issued a card, an employee must provide information to the program administrator who will fill out a purchasing card application. As part of the application process, the department head determines the monthly transaction limit, the single transaction limit, and the number of daily and monthly transactions allowed by the cardholder.

The vice president or dean of the employee's division also must sign off on the application.

In receiving the card, the cardholder agrees to the terms of the MCLA cardholder agreement (see appendix), and to return the card immediately upon request or upon termination of employment, retirement, or change in employment status (e.g., reassignment).

3. **Benefits**

Use of the Procard offers significant benefits:

Benefits to the Cardholder

- Allows cardholders to make purchases much more efficiently than with the traditional purchase order/payment methods.
- Allows cardholders to make online purchases and purchases from vendors who do not accept purchase orders.

Benefits to the College

- Enables Purchasing and Accounts Payable to focus on higher yield, more value added activities, such as the creation of more improved contracts and the timely processing of invoices and payment.
- Reduces the number of purchase orders, invoices, and checks.
- Saves the costs associated with mailing purchase orders and payments.

4. **No Personal Purchases**

The Procard is designed to be used for purchases **related to College business only**. Use of the card for **personal use is strictly prohibited**. The Administration & Finance office is responsible for monitoring the effectiveness of the Procard Program. If you have any questions regarding the program or the appropriate use of the Procard, please contact William Norcross at 413-662-5529.

5. **Procard Purchasing Authority**

The Procard simplifies the process for the purchase and payment of goods. Purchasing authority is delegated to the authorized cardholder in accordance with approved budget and program needs. This enables the cardholder to make purchases directly from vendors. When the goods are purchased or received, the cardholder must retain the receipt, packing list, or other documentation provided by the vendor to demonstrate proof of purchase.

Once a month, the cardholder will receive a statement from JP Morgan Chase that lists all the cardholder's purchase transactions. The cardholder will reconcile the documentation to the monthly statement and place it on file for review and audit purposes.

The cardholder or designated staff also must log into the JP Morgan Chase SmartData Web site at least monthly to input purchase descriptions and accounting codes.

6. The Authorization Process

Purchases are authorized according to the limits established for the cardholder's account. Each account includes several predefined limits:

- Daily purchase amount
- Monthly purchase amount
- Daily transaction limit
- Monthly transaction limit

In addition, cardholders who have been issued cards for travel must limit their use of the card to travel related expenses only. Allowable travel expenses include hotel, fuel, and parking charges. Use of the card for meals when carrying out professional duties may be allowed if approved in advance.

All transactions are approved or declined instantaneously at the point of sale based on these limits. If a cardholder exceeds their daily limit, their card will be disabled until the next day; if they exceed the monthly limit, the card is disabled until the start of the next monthly billing cycle. In such cases, the cardholder must inform their supervisor that the limit was exceeded and the card temporarily disabled.

In addition, purchases must be aligned with an account line in the college budget. If the budgeted line is expended, no purchases should be made until the budgeted funds are available.

The cardholder, with approval from their department head, may request an increase or decrease on their card limit.

7. Accounts and Object Codes

The Procard may **not** be used for purchases against state appropriated accounts (A10, MMARS).

8. Restricted Commodities

The Procard may be used for most purchases, with the exception of those contained in the list below. **Except in circumstances with prior authorization from the Administration & Finance Office, the Procard shall not be used for the following:**

- Alcoholic Beverages
- Cash Advances
- Contract agreements that require a signature
- Donations and Gifts
- Equipment
- Gift Cards
- Hazardous Materials
- Insurance
- Lease or Lease to Purchase
- Personal Items
- Prescription Drugs and controlled substances
- Reimbursements of any type
- Services of any type

9. Contract Compliance

The ability to use the card as a convenient and efficient procurement tool does not signal a change in policy regarding compliance with the College contract suppliers. If the desired item is available on an established State, MHEC, or College contract, it is recommended to be purchased from the contract vendor.

The Purchasing Department is authorized to bid for, and issue, contracts that will provide the College with the „least total cost“ arrangements for consumable supplies required from outside vendors.

Information about current contracted vendors may be found online at:

- State Contracts: www.mass.gov/buy-from-a-statewide-contract
- MHEC Contract vendors: www.mhec.net

10. Procard Activation

You must telephone MasterCard at the number indicated on your Procard to activate your credit card, before you use it. MasterCard will verify your identity, to ensure that you are indeed the legitimate Cardholder. Remember that only the Cardholder is authorized to use the Procard. You are responsible for all activity against the cards and may not share your Procard with anyone.

11. How To Order

The Procard may be used for purchases in person, over the phone, online, or by mail. Prior to placing the order, check to see if the item(s) is available from a contracted vendor.

When placing an order over the phone, please be sure to provide the vendor with the following information:

- Identify yourself as a Massachusetts College of Liberal Arts employee.
- State that you wish to make a College purchase using the College MasterCard.
- State that the College is **tax exempt** and give the vendor the College's tax exempt number, which is listed, on the front of the card (**999-089-561**).
- Provide your name, Procard number and Card Expiration Date.
- State the quantities and descriptions of the consumable supplies that you require.
- Verify the total cost of the purchase with the vendor.

12. Shipping Instructions

Tell the vendor that the address label/packing list that accompanies the package(s) must contain the following information:

- Cardholder's name
- Name of the department to which the package belongs
- The building of the department

Packages that are not sent via U.S. or express mail are to be sent to:

**Massachusetts College of Liberal Arts
375 Church Street
North Adams, MA 01247**

Please note that, by law, vendors are not permitted to bill credit cards for purchases until the items have been shipped and the transaction will not go against your card until that time. In most instances, your card account will be debited within 48 hours after the vendor ships your merchandise.

13. Responsibility for Receipt of Goods

The Cardholder is responsible for ensuring receipt of goods and follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.

Upon receipt of your goods, keep the documentation received from the vendor (typically a sales receipt or packing slip) for later reconciliation.

14. Responsibility for Return of Goods

Items(s) should be returned to the vendor by whichever means the vendor requires. The Cardholder is responsible for ensuring that proper credit is applied to the card account for any returned item(s) and that evidence of the return is maintained.

15. Cardholder Record Management

Each month the cardholder will receive a statement from JP Morgan Chase listing all purchases. The cardholder is responsible for checking the statement against all sales receipts, cash register receipts, and packing slips, to ensure that all purchases have been received, and that no additional charges have been made against the account.

The statement that the cardholder receives each month is for reconciliation and audit purposes only. The College will pay JPMorganChase directly and charge the account assigned to the Procard. **It is the cardholder's responsibility to ensure that all of the required documentation is accounted for and maintained, that the cardholder statement is reconciled against the supporting documentation, that the cardholder limits assigned to the card are not exceeded, and that the expenditures on the card do not exceed the funds available in the account assigned to the card.**

Note that use of the Procard does not affect or change the cardholder's personal credit history.

With the authority to make purchases using the Procard comes the responsibility to maintain adequate documentation on the source of the transaction.

The following are examples of supporting documentation:

- Itemized packing slips
- Itemized sales receipts
- Itemized copies of vendor order forms or applications
- Itemized cash register receipts

All records must be retained by the department and kept available for audit purposes for the current and six previous fiscal years.

When the purchase is made over the counter, the Cardholder will retain the invoice and “customer copy” of the charge receipt. Prior to signing this slip, the Cardholder is responsible for making sure that the vendor lists the quantity and fully describes the item(s) on the charge slip.

When making a purchase by telephone, the Cardholder should document the transaction on the **Procurement Card Log**. The Cardholder should always obtain the name of the individual taking the order. When the goods are received as a result of placing the telephone order, all shipping documentation should be retained.

The Procurement Card may be used to purchase over the Internet. All relevant information should be printed from the ordering screens, if available, recorded on the **Procurement Card Log** and handled in the same manner as telephone purchases.

16. Cardholder Review of Account

Transactions may be viewed daily using the online SmartData system. The Cardholder shall check each transaction listed against the department’s **Procurement Card Log**, receipts and any shipping documents to verify the transactions listed on SmartData.

The original sales documents, (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the statement **must** be filed with a copy of the **Procurement Card Log** and monthly statement. This data is critical to enable proper account reconciliation and audit review. **The careful matching of complete support documents to the log and then to the statement is vital to the success of this program.**

If the Cardholder does not have documentation of a transaction listed on the report, they will attach an explanation that includes a description of the items(s) purchased, date of purchase, Vendor’s name and reason for the lack of supporting documentation.

17. Administrative Review of Account

Administrative review of cardholder accounts follows the College reporting structure. For example, the cardholder’s manager or department head reviews all transactions on a monthly basis, and signs the cardholder’s monthly log indicating acceptance of all charges. Members of the senior staff review all card use in their division on a quarterly basis. Card use also is audited annually by the Administration & Finance department as outlined in Section 18 (see next page).

18. Procard Audits

To ensure the continued success of the Procard Program and to meet audit requirements of the College and various government agencies, annual post audits will be made of the each cardholder's Procard account by the Administration & Finance staff and included in the College's annual external audit review.

19. College Billing

The Procard Bank shall issue an invoice to the Accounts Payable Office at the end of each billing cycle (last day of the month).

20. Purchasing Card Security

It is the cardholder's responsibility to safeguard the Procard and account number to the same degree that a cardholder safeguards their personal credit card.

The cardholder must not allow any unauthorized individuals to use the Procard or the card number. Any violation may result in the cardholder having their card withdrawn and/or disciplinary action for the cardholder and/or the unauthorized individual.

If the Procard is lost or stolen, the cardholder must immediately notify the Bank by calling **1-800-316-6056**. Representatives are available 24 hours a day. The cardholder must advise the representative that the call is regarding a MasterCard Procard and must give a password (contact MCLA Administration & Finance). The cardholder also must notify their supervisor and Administration & Finance (413-662-5529) of the lost or stolen card.

A new Procard will be promptly issued to the cardholder after the reported loss or theft. A Procard that is found by the cardholder after being reported lost must be cut in half and sent to the Administration & Finance office.

21. Cardholder Separation from College

Should a cardholder terminate employment with the College or transfer between departments, the user's department head has the specific obligation to reclaim the Procard, notify Administration & Finance of the termination, and return the Procard to the Treasurer's Office. The Procard must be cut in two before it is sent to the Treasurer's Office. The cardholder may request a written receipt for the return of the card, which may be in the form of a memorandum from the individual accepting the return of the card.

22. Definitions

- **Vendor:** A company from which a cardholder is purchasing goods under the provisions of this procedure.
- **Cardholder:** Personnel who have been issued credit cards and who are authorized to make purchases in accordance with these procedures.
- **Procurement Card Administrator:** The person responsible for all program details, including all cardholder inquiries.
- **Statement:** This is a monthly listing of all transactions by the cardholder.
- **Single Purchase Limit:** A dollar amount limitation of purchasing authority delegated to a cardholder.

23. Contact Information

Procurement Card Administration

Enrollment, reporting, purchasing card questions, etc.

Office of Administration & Finance

William Norcross

Administration & Finance Office
Massachusetts College of Liberal Arts
375 Church St.
North Adams, Ma. 01247
Phone: 413-662-5529
FAX: 413-662-5010
E-Mail: william.norcross@mcla.edu

JP Morgan Chase (The Bank)

Disputes, lost or stolen cards, account balances, etc.

Customer Service
Phone: 1-800-316-6056
Disputes Fax # 1-847-931-8862
(Ask to be transferred to Disputes)

Massachusetts College of Liberal Arts

CARDHOLDER AGREEMENT

I (supervisor name) _____, request that (employee name) _____, an employee in my department/division, be issued an MCLA Procurement Card. I understand that I am responsible for managing the employee's use of the card, and agree to review and approve the employee's Procurement Card charges on a monthly basis, or more frequently as needed.

SUPERVISOR SIGNATURE

DATE

DEPARTMENT

I (employee name) _____, understand that I have been assigned an MCLA Procurement Card. As a holder I agree to comply with the following terms and conditions regarding my use of the Card.

- I understand that I am being entrusted with a valuable tool - a Procurement Card - and will be making financial commitments on behalf of Massachusetts College of Liberal Arts, and will strive to obtain the best value for the College.
- I understand that the College is liable to JPMorganChase for all charges made on the card.
- I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my supervisor will review and approve my card use on a monthly basis and that the Purchasing Department will audit the use of this Card annually and report and take appropriate action, including the attachment of my wages.
- I will follow the established policies and procedures for the use of the Card. Failure to do so may result in either revocation of my use of privileges or other disciplinary actions.
- I will inform my supervisor should I exceed the daily or monthly purchase limit assigned to my card.
- I have reviewed the Procurement Card Procedures and understand the requirements for the Card's use.
- I agree to return the Card immediately upon request, an intercampus transfer, or upon termination of employment (including retirement). Should there be any organizational change, which causes my department to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
- If the Card is lost or stolen, I agree to notify JPMorganChase, my supervisor, MCLA Admin & Finance Office, and my supervisor immediately.

EMPLOYEE SIGNATURE

DATE

DEPARTMENT

Please return this agreement to William Norcross in Administration & Finance

