

# Purchasing Card Manual

Montana State University Northern is delighted to offer to the campus an exciting, innovative program that simplifies the way in which you may purchase goods and services. The Purchase Card program is a fast, flexible alternative for processing low dollar value purchases from vendors that accept VISA credit cards.

The Purchase Card program is designed to delegate the authority and capability to purchase low value items directly to the person to whom it most matters – YOU. The Purchase Card will enable you to purchase non-restricted commodities directly from the vendor without the issuance of the purchase order and without the use of a Banner Payment Authorization (BPA).

With the completion of the Cardholder Application, a purchasing card will be issued in your name by our financial institution, US Bank. ***This card is for University business purposes only and may not be used for any personal transactions.***

The cardholder is responsible and agrees to be held accountable to the University for all charges made to the credit card. Remember, as a state institution we are bound by certain state and federal guidelines and laws. Questions concerning the allow ability of a particular purchase may be directed to the Business Office.

## **OBTAINING A PURCHASING CARD**

Purchasing card applications may be requested once the employee has completed their probationary period or 6 months employment with the University with exceptions as granted by the Director of Business Services.

To obtain a purchasing card, request a “Cardholder Application Form” from Business Services. This will also include the Authorization for Background Investigation of credit. Supply a default index for your charges, as indicated on the application. Complete the forms, obtain the required departmental approval and return it to Business Services for final approval.

The application will then be forwarded to MSU, who will submit it to US Bank for processing. When approved, US Bank will send the purchasing card to the Bozeman campus. From there it will be forwarded to the MSU-N Business Office. This process normally takes approximately three to four weeks. You will be contacted when the Business Office receives the card. You will be required to personally pick up your purchasing card. At this time you will be given a brief orientation concerning the guidelines governing the purchasing card program, sign the Purchasing Card Agreement form, and receive your card. The card is ready for use when picked up.

***It is extremely important that you understand that you are personally responsible and accountable for this Purchasing Card. Misuse could result in loss of card privileges or even termination of employment.***

## Misuse of the Purchasing Card

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### Introduction and Purpose

This policy defines disciplinary actions that may be undertaken by MSU-Northern Administration should a cardholder abuse the privilege of using the MSU-Northern Purchasing Card.

### Policy and Procedures

The Purchasing Card is for University business purposes only and may not be used for any personal transactions. The card must be surrendered upon termination of employment with MSU-Northern.

### Cardholder Agreement

Upon signing the Cardholder Agreement, the cardholder agrees to follow established procedures. The cardholder is responsible for and agrees to be held accountable to the University for all charges made to the credit card.

### Applicable Guidelines

As a State institution, certain State and Federal guidelines and laws bind us. To ensure compliance with these requirements, cardholders must follow the guidelines outlined in the Purchasing Card Manual and the Purchasing Procurement Policy and regarding allowable purchases and procurement methods.

### Failure to Comply

Failing to adhere to guidelines regarding accounting procedures, allowable purchases and procurement methods may result in disciplinary action. Disciplinary actions may include the following:

<b>Offense</b>	<b>Disciplinary Action</b>
Chronic failure to provide original receipts for purchases before the monthly cutoff for reporting	➤ Termination of an individual's card
Use of the card for personal purchases	➤ Immediate repayment by cardholder to the Business Office, or ➤ Withholding from employee's paycheck, upon written request to Payroll & Personnel Services by the MSU-Northern Controller
Extreme cases of misuse of the card, such as intentional theft of University funds	➤ Legal action, termination of employment, formal personnel file documentation of reprimand
Use of the card by anyone other than the cardholder- The card is <b>NOT</b> transferable between individuals	➤ Termination of an individual's card

### Effective Date and Review

These procedures are effective immediately.

The Business Office will review and update this policy annually.

## GUIDELINES FOR PURCHASING CARD USE

1. Each cardholder is personally responsible and accountable for his/her purchasing card.
2. The cardholder is the only approved user of the card. Use by anyone other than the cardholder is prohibited. The card is **NOT transferable** between cardholders.
3. The purchasing card **MAY NOT** be used for the following purchases:
  - Individual travel expenses where per diems set by state and federal regulations prevail, i.e. meals
  - Entertainment
  - Alcohol or any substance, material, or service that violates policy, law or regulations pertaining to MSU-N
  - Consulting/Contracted and/or personal services
  - Personal expenses
  - Cash advances
  - Plants, flowers or gifts
  - Prescription drugs/controlled substances
  - Telephones, computers and related equipment
  - Gasoline for state vehicles (use a state gas card)
  - Fill your personal car with gas
  - Capital equipment or equipment with a trade-in
  - Any purchase that is prohibited by current University purchasing policies and procedures
4. The cardholder shall obtain a copy of the charge slip/sales invoice with an **itemized** list of goods or services purchased, and any other information related to the purchase. Attach a Purchasing Card Allocation form to the charge slip/sales invoice and forward to the Purchasing Card administrator in the Business Office promptly after every charge is made. All charge slip/sales invoices **MUST** be turned in **before** the monthly cutoff. Cardholders or department administrators are encouraged to make copies of all charge slips/invoices for record keeping.
5. It is the responsibility of the cardholder to attempt to resolve any disputes with a vendor. If resolution is not possible, the cardholder should report the problem to US Bank and the campus Purchasing Card program administrator.
6. The cardholder is responsible for reporting the loss/theft of the card immediately to US Bank and the campus Purchasing Card administrator.

## REPORTING A LOST OR STOLEN CARD

Notify US Bank immediately if your card is lost or stolen by calling 1-800-344-5696. Also notify your card administrator in the Business Office. Upon your call, US Bank will immediately suspend your card and issue a new card. The new card will be sent to the Purchasing Card administrator in the Business Office. **NOTE: It is imperative that you contact the bank immediately for suspension of your card, as you are personally responsible for all charges made until it has been canceled at US Bank!**

## ACCOUNT DISTRIBUTION AND RECORD KEEPING

It is imperative that each charge be substantiated by an **itemized** invoice or charge slip. These should contain the vendor name, the date, the amount and an itemization of goods or services received.

The default index and expense code are used when the original charge is made. The cardholder is responsible to re-direct the charges to the appropriate index and expense code. These should be indicated on the original invoice or charge slip and submitted to the Purchasing Card administrator in the Business Office promptly after every charge is made. Charges should not be held and/or left in the default accounts.

The Purchasing Card administrator will use the submitted charges/invoices to clear the default charges. MSU Purchasing Card administrators, using software, determine the due date for charges to be cleared from the default accounts. Thus cardholders will need to submit charges/invoices promptly after every charge is made and according to the deadlines imposed by the MSU Purchasing Card administrators. The campus Purchasing Card administrator will inform cardholders of due dates. Electronic purchase card statements are emailed to supervisors for verification and approval. Any discrepancies are to be submitted to the campus Purchasing Card administrator in the Business Office upon receiving them.

Questions regarding the purchasing card or the procedures should be directed to the campus Purchasing Card administrator or the Business Manager in the Business Office

## RECEIPT OF MATERIALS AND SERVICES

It is the cardholder's responsibility for ensuring receipt of materials or services and to follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.

Items purchased for delivery should include the cardholder's name, campus address and phone number. Materials ordered by phone require the cardholder to request the vendor to include a sales receipt/invoice in the package. This is needed for documentation and may not be included if not requested

The cardholder is responsible for coordinating returns directly with the vendor, and securing the appropriate credit. **Retain copies** of all the return documentation in case a question arises later.

## DISPUTING A TRANSACTION

The cardholder may dispute any charges that appear on the monthly statement. If there is a charge that is not recognized, or appears to be incorrect, it is the cardholder's responsibility to first contact the vendor and try to resolve the dispute. If an agreement cannot be reached, contact US Bank at their toll-free customer service center. The staff there is experienced in dealing with exceptions and should be able to help. Nearly all exceptions can be managed using the following steps:

- Credits  
The supplier or merchant should issue a credit for any item they have agreed to accept for return. This credit will appear on a subsequent statement.
- Disputed items  
If you have a dispute and cannot reach resolution with the merchant, call US Bank at 1-800-344-5696. US Bank will then intercede with the merchant or supplier on your behalf. You will need receipts as proof of return for any item you return. This will be a receipt from the shipping company like UPS or Fed Ex etc. Or if returned to a store, you will need that receipt. Please remember that US Bank is a partner in this venture and is willing to assist in any resolution of disputes.

## CARD TERMINATION

- ❖ **The card may be terminated for failure to provide receipts/invoices within the allotted time frame.**
- ❖ **Failure to adhere to the guidelines defined in this manual may result in revocation of individual cardholder privileges and may further result in revocation of all departmental purchasing cards.**
- ❖ If a cardholder has not used the card for three (3) consecutive months, his/her card may be revoked at the discretion of the Business Office.
- ❖ Termination of employment
  - >The department has the specific obligation to reclaim the purchasing card from the cardholder and return it to the Business Office **prior** to the employee termination. Failure to follow this procedure may result in revocation of all purchasing card privileges for all other users in that department.
  - >If a cardholder terminates employment with a department and remains on campus in another department, the original card must be surrendered and a new application submitted under the new department.

**MONTANA STATE UNIVERSITY-NORTHERN  
PURCHASING CARD KEY CONTACTS**

The following resources are available to help you with use of the Purchasing Card, answer any questions you may have, or help solve any problems that may arise: To cancel or report your Purchasing Card lost or stolen please call (24 hours a day):

**US BANK  
LOST/STOLEN CARD SERVICE  
1-800-344-5696**

- 1) For any other Purchasing Card customer service needs, please call (7 AM-6 PM MST)

**US BANK  
Purchasing Customer Service  
1-800-344-5696**

- 2) To request specific assistance with use of your Purchasing Card, or to apply for a Purchasing Card, please call the Campus Program Administrator at:

**The Business Office  
1-406-265-4160**

- 3) For questions about Purchasing Card procedures or policy, please call the Campus System Administrator

**The Business Office  
1-406-265-4160**