

# Purchasing Card Program Manual



**TABLE OF CONTENTS**

- 1. **PROGRAM OVERVIEW**.....4
  - 1.1 Program Benefits.....4
  - 1.2 General Business Rules and Policies.....5
- 2. **PROGRAM CONTROLS**.....5
  - 2.1 Responsibilities for Controls .....6
  - 2.2 Department Internal Control Structure.....6
    - 2.2.1 Responsibilities of Cardholders
    - 2.2.2 Responsibilities of Department Key Contact Person
    - 2.2.3 Responsibilities of Department Administrative Head
    - 2.2.4 Responsibilities of PCard Administrator
    - 2.2.5 Responsibilities of the Office of Internal Audit
    - 2.2.6 Responsibilities of American Express
- 3. **POLICIES AND PROCEDURES**.....9
  - 3.1 Guidelines for PCard Use .....9
  - 3.2 Consequences for PCard Misuse.....9
  - 3.3 Typical Purchases.....10
    - 3.3.1 Items that can be Purchased Using the Pcard
    - 3.3.2 Items Not to be Purchased with the Pcard
  - 3.4 Clarification on PCard Usage for Travel or Service Related Expenses.....11
    - 3.4.1 Hotels
    - 3.4.2 Conference Rooms
    - 3.4.3 Airfare Payments
    - 3.4.4 Car Rentals
    - 3.4.5 MBTA Passes
    - 3.4.6 Taxi Services
    - 3.4.7 Fuel and Gasoline
    - 3.4.8 Parking
    - 3.4.9 Food and Beverage
    - 3.4.10 Gift Certificates, Gift Cards or Cash Transactions
    - 3.4.11 Association Dues and Conference Registrations
    - 3.4.12 Service or 1099 Related Purchases
  - 3.5 Receipts.....13
  - 3.6 Suppliers.....14
  - 3.7 Credit Card Security.....14
    - 3.7.1 Storage of the PCard and Receipts
    - 3.7.2 Credit Card Account Number
    - 3.7.3 Sharing the PCard
    - 3.7.4 Lost or Stolen Card
    - 3.7.5 Internet Usage

**Purchasing Card Program Manual**

3.8 Account Maintenance.....15  
    3.8.1 Changes in Default Accounting or Spending Limits  
    3.8.2 Cardholder Account Information and Statements

3.9 Terminations and Transfers..... 15

3.10 Credits and Disputed Items..... 15  
    3.10.1 Credits  
    3.10.2 Disputed Items

3.11 Sales Tax Exemption.....16

3.12 Preparation for review of PCard activity.....16

3.13 Accessing SAM to Change Accounting Codes..... 17

3.14 General Reconciliation Policies..... 18  
    3.14.1 How to Reimburse the University for Items Purchased in Error  
    3.14.2 Documentation  
    3.14.3 Statement Reconciliation  
    3.14.4 General Ledger Detail Report Reconciliation

3.15 Program Audits.....19

**4. FREQUENTLY ASKED QUESTIONS.....19**

**5. KEY CONTACTS.....21**

## **1. PROGRAM OVERVIEW**

The Boston University Purchasing Card (PCard) Program is designed to provide a more efficient means of making routine purchases by reducing paperwork, allowing more control and responsibility at the school or department level, and streamlining the purchasing cycle for frequent purchases. This manual outlines the benefits of the program, describes how the program works procedurally, and enumerates the responsibilities of cardholders and fiscal managers.

Cardholders should use the PCard to purchase goods and services just as they would use a personal credit card. Billing and settlement will be centralized and paid for directly by Boston University. PCard transactions are automatically loaded into the General Ledger system, thus reducing the need for purchase requisitions, petty cash, invoice transmittals, and expense reports.

The department administrative head should identify the employees who are to receive a PCard. It may be appropriate for the card to be assigned to the support staff responsible for ordering goods or services.

Employee card information is registered with the University PCard Administrator and American Express. Each cardholder will be responsible for verifying all charges associated with the employee's specific account number. No unauthorized purchases will be permitted. Any employee making unauthorized purchases will be subject to appropriate disciplinary action.

To ensure proper information is loaded to the General Ledger, the cardholder and unit administrator need to routinely review transactions and if need be, adjust accounting codes and descriptions using American Express' web-based application called Strategic Account Management software (SAM).

### **1.1 PROGRAM BENEFITS**

- The PCard enables a streamlined and more efficient buying process for small dollar orders (<1,000)
- Requisitions, purchase orders, and invoices are virtually eliminated
- Orders can be placed by web, fax, or phone
- Charges can be split by Unit/Department, Object Code and/or Source code
- The American Express SAM system offers extensive and flexible online reporting

### **1.2 GENERAL BUSINESS RULES AND POLICIES**

- All purchases must be for University business purposes only.
- Personal use is strictly prohibited. Any violation of this policy will result in disciplinary action beginning with revocation of card privileges.
- Only the approved cardholder is authorized to use the card and must maintain confidentiality of his or her account information. If the card is issued to an individual, it must not be used by others. Sharing the card number only increases the risk of fraud.
- The PCard is NOT to be used for employee business travel expenses or non-local meeting expenses. The Travel Office issues separate cards for these expenses at [www.bu.edu/travel](http://www.bu.edu/travel).
- Cardholders must remind the supplier that the University is tax exempt
- Credits must be applied to the cardholder account. Cash returns or personal credits are prohibited.

## **2. PROGRAM CONTROLS**

Effective controls provide schools and departments with reasonable assurance that institutional objectives have been achieved through sound financial management. BU Sourcing, the Office of the Comptroller, and the Office of Internal Audit are available to assist departments with financial/operational audits, information systems audits and compliance with established procedures and controls.

### **2.1 RESPONSIBILITIES FOR CONTROLS**

Responsibility for financial control and stewardship of the PCard Program rests with each school and department. Each department manager or administrator is responsible, on a periodic basis, for reviewing the official record of all cardholders under their supervision, and for ensuring that each cardholder is performing their purchasing duties with competence and honesty. They are also responsible for monitoring the effectiveness of the accountability structure. Through effective controls, a department can:

- Safeguard assets
- Prevent, detect, and correct errors and irregularities
- Ensure reliability of budget status reports
- Ensure compliance with PCard policies

### **2.2 INTERNAL CONTROL STRUCTURE**

Your school or department must establish a control structure prior to requesting a PCard. The responsibility for appropriate use of the PCard lies not only with the cardholder, but also with the approving department. The control structure developed for your department should be approved by your school or unit financial officer. The purpose of the control structure is to provide the department with procedures to prevent error or fraudulent use of the card. These procedures should include:

- Internal policy for department approval of a PCard application
- Procedures for ensuring appropriate transaction limits for the requested PCard
- Procedures for reviewing and ensuring that all charges billed to a staff member's PCard are verified and appropriate
- Procedures for reconciliation to the department's Budget Status Detail Reports

Note: All cardholder accounts are subject to random audits by appropriate personnel including PCard Administrators, the Office of Internal Audit, Financial Officers, and others.

#### **2.2.1 Responsibilities of Cardholders**

- Follow business unit guidelines for purchase approvals and authorizations; consult with the unit financial officer to determine the procedure for purchase authorizations
- Any authorizations required under special budget controls must still be obtained for PCard purchases; responsibility for documenting such approvals rests with the department
- Retain all sales slips and/or register receipts
- NEVER split the purchase of an item into separate transactions (or to multiple days) to circumvent individual transaction limits

## ***Purchasing Card Program Manual***

- Review and adjust all transactions in SAM (accounting codes, item descriptions, etc.) PRIOR to the monthly upload to the General Ledger system
- Immediately report lost or stolen cards to American Express (800) 274-7378; the PCard Administrator (617) 358-3234; and the department administrator/contact person

### **2.2.2 Responsibilities of Department Key Contact Person**

- Maintains departmental control guidelines
- Routinely monitors purchasing activity of cardholders
- Acts as a liaison between the department and the PCard Administrator
- Maintains card security
- Ensures reporting of lost or stolen cards
- Collects receipts and monthly statements; follows unit guidelines for retention or submission
- Reviews transaction log reports
- In cases of employee transfer or termination, ensures revocation of the PCard

### **2.2.3 Responsibilities of Department Administrative Head**

- Approves application materials
- Names key contact person and back up; defines responsibilities; establishes review schedule and process for transactions
- Creates and maintains the list of approved cardholders
- Establishes transaction/monthly limits for each department card user with the approval of the PCard Administrator (standard limits are \$1,000/transaction and \$10,000/month)
- Establishes internal department control guidelines and training procedures for cardholders. Cardholders must thoroughly understand, agree to and abide by all business rules, policies, and procedures that govern the usage of the University's PCard. Failure to do so may result in corrective action up to, and including, termination and/or possible legal action.

### **2.2.4 Responsibilities of PCard Administrator**

- Serves as a liaison between Boston University and American Express
- Manages and evaluates the University program
- Coordinates employee training, <http://www.bu.edu/sourcing/procurement/training/>
- Administers and maintains the PCard accounts using the American Express' NetService, <https://www.netserviceaccess.com/>

### **2.2.5 Responsibilities of the Comptroller and/or Internal Audit**

Boston University has a program in place to audit the PCard transactions each month. The audit function primarily rests in the department with the administrative head.

The Office of the Comptroller or Internal Audit may elect to audit any and all PCard cardholder accounts at any time. These audits do not require advance notice.

It is important that all entities using the PCard retain accurate records of all transactions made.

### **2.2.6 Responsibilities of American Express**

American Express will set up the accounts for the Boston University PCard Program. They will establish a unique account number for each card issued. Each department defines different fields associated with each card number to collect department specific purchasing information such as cost centers and object codes.

- **Maintaining Accounts** - American Express is responsible for maintaining a master account file for each participating department and an account for each cardholder.
- **Providing Authorization** - American Express is available to authorize purchases 24 hours a day, 365 days a year.
- **Monthly Summary Statements** - At the close of each billing cycle, American Express will forward each agency a bill that will include all individual charges by the agency's cardholders incurred on the account. American Express will issue monthly information statements to each cardholder, each department's fiscal officer, and the Office of the Comptroller.
- **Training** - American Express will provide materials and instruction that will cover University account hierarchy and setup; policy and procedures; program maintenance; card distribution and implementation; and cardholder training.
- **Disputing Items** - American Express will issue a temporary credit to the cardholder's account when notified of a questioned item. This credit will appear on the cardholder's American Express statement the month following American Express' notification. If the dispute is resolved in favor of the University, American Express will issue a permanent credit to the account.

### **3. POLICIES AND PROCEDURES**

#### **3.1 GUIDELINES FOR PCARD USE**

Each cardholder has a specific transaction amount limit and a monthly credit limit. With very few exceptions, the limit per transaction is \$1,000 and the limit for monthly expenditures is \$10,000. The monthly limit can be adjusted by the PCard Administrator with the approval of department and unit fiscal managers.

**When making a transaction using the PCard, the following procedures must be followed:**

1. Follow your unit's guidelines for purchase approvals PRIOR to making a purchase.
2. Locate the merchandise and vendor.
3. Tell the vendor that the PCard will be your payment method. Give the card account number, expiration date, and the University's Massachusetts Sales Tax Exempt Number printed on the front and back of the card to the vendor. If a vendor asks for the Massachusetts Certificate of Exemption (ST-2) or the Massachusetts Sales Tax Exempt Purchaser Certificate (ST-5), both are available at <http://www.bu.edu/comp/taxforms.html>.
4. Ask the vendor to send you a detailed line item receipt of the order. If the order is placed on-line, print a hard copy of the order confirmation and receipt for your transaction record.
5. Record information about the purchase in the PCard Transaction Log available at <http://www.bu.edu/sourcing/procurement/card-forms/> (or contact the PCard Administrator at [pcard@bu.edu](mailto:pcard@bu.edu) for the pre-printed receipt envelope) and place all receipts in the envelope. The invoice or sales slip must clearly show that no tax has been paid. If the vendor has charged tax, contact the vendor and ask for credit on the PCard for the tax amount. Store the receipts in a secure location.
6. Review transactions (typically 24 - 72 hours after purchases are made) in SAM (<https://www.samaccess.com/sam/Login.do>) and modify accounting codes, descriptions and/or reallocate charges as needed.

**NOTE:** The SAM Tutorial is available on the BU Sourcing website, <http://www.bu.edu/sourcing/procurement/sam-web-connection/>.

7. Every month, check the purchasing transaction log against the monthly statement after the billing cycle closes on the 8<sup>th</sup>. If the 8<sup>th</sup> falls on a weekend or holiday, the cycle will conclude on the next business day.

**NOTE:** The statement is for information and audit purposes only. Accounts Payable will pay the PCard charges centrally.

8. Follow your unit's guidelines for submission and storage of receipts and statements. All PCard receipts must be retained for seven years. Should any receipts be missing or lost, the Missing Receipt Form (<http://www.bu.edu/sourcing/procurement/card-forms/>) needs to be completed and placed in the envelope. All purchase receipts and documentation must be kept for IRS and audit purposes.

### 3.2 CONSEQUENCES FOR PCARD MISUSE

- Misuse of the card may result in corrective action up to and including termination and/or possible legal action. It is important to remember that the PCard program is not intended to bypass purchasing or travel request procedures currently in place at Boston University. The following consequences of misuse have been established. Not all consequences will be applied to every violation.
- Personal use of the PCard is strictly prohibited and fraudulent use or misuse of the PCard will result in revocation of the card. The University will seek restitution for any inappropriate charges made to the account.
- Individuals given PCard access by their departments are held accountable for all the transactions related to their card(s). Consequences for misuse of the PCard are serious. Misuse of the card can be either personal or administrative.
  - **Personal misuse includes, but is not limited to:**
    - Use of the PCard for personal purchases
    - Use of the PCard by a suspended or terminated employee
    - Allowing another person to use the PCard
    - Receiving cash back from any refund, return or exchange
  - **Administrative misuse includes, but is not limited to:**
    - Lack of proper reconciliation in the American Express SAM system and/or not properly retaining receipts and/or documentation
    - Card use in direct violation of the PCard policies and procedures
    - Neglecting to perform proper distribution to correct accounting string within the American Express SAM system
- There are situations that may lead to disciplinary action for ***personal misuse***, including suspension or termination of employment. Boston University reserves the right to use discretion in applying these guidelines, depending on the type and severity of the specific violation being addressed.

### **3.3 TYPICAL PURCHASES**

#### **3.3.1 Items that can be purchased using the PCard:**

You may use the card for small dollar orders totaling less than \$1,000 which include:

- Items from preferred sources
- Items on an Office of General Services' contract
- Office and laboratory supplies
- Books and subscriptions (including magazines, research and on-line services)
- Express mail shipping charges, couriers and postal meters
- Education and training/seminars
- Dues and memberships (i.e., business related associations, etc.)
- Local meeting expenses and conference fees (not involving travel)
- Bottled water
- Employee relocation services
- Freight fees (including duties, taxes and applicable customers brokerage fees)
- Photocopy expenses
- Translations, interpreting and language study

#### **3.3.2 Items not to be purchased using the PCard:**

You cannot use a PCard for payments that would qualify for 1099-MISC reporting to the Internal Revenue Service. You can obtain more detailed information on 1099-MISC reporting at the IRS web site: [http://www.irs.gov/forms\\_pubs/forms.html](http://www.irs.gov/forms_pubs/forms.html).

Other items that you cannot use the PCard for include:

- Advertising
- Onsite contractor or construction services
- Service and maintenance contracts
- Legal fees
- Mortgages, rents and real estate taxes
- Radioactive or controlled substances
- Furniture, drapes, and carpeting
- Equipment leases (unless authorized by the Comptroller or Sourcing departments)
- Employee travel expenses

The PCard may not be used for any payments on formal contracts approved by the Office of the Comptroller, other than Office of General Services' contracts.

Other contracts or blanket purchase orders, generally for services, that are audited and tracked by financial functions within the University. Payments outside of the standard process will inhibit the ability to document payments and liquidate encumbrances.

Additionally, documents related to contracts must be retained for significantly longer than those for the PCard. There is no way to ensure proper retention if contract payments are made with the PCard.

### 3.4 CLARIFICATION ON PCARD USAGE FOR TRAVEL OR SERVICE RELATED EXPENSES

It is important to note that the American Express Purchasing Card (PCard) is not to be used as a Boston University Travel Card. Travel related expenses such as meals, lodging, airfare, and car rentals should be charged on the Diners Club Travel Card, not on the American Express PCard.

#### 3.4.1 Hotels

**Boston University Employees** - Payments for over night stays for Boston University employees are considered travel related expenses and are not to be paid using a PCard. Travel expenses are to be reimbursed and paid per the University's travel policy.

**Official University Guests** - Payments for over night stays for non Boston University employees including employment candidates, visiting lecturers and/or other University guests are allowed on a PCard. The business relationship and name(s) must be included on all receipt documentation and within the online reconciliation system (SAM).

When reconciling your procurement transactions:

- Please provide the business purpose of the expense within SAM on the transaction detail "Description" section,.
- In the "Notes" section of the transaction detail screen, please write in the business relationship (i.e., job candidate, lecturer, etc.).
- In the "Additional Comments" section at the bottom of the transaction detail screen, please provide the number and name(s) of the guests.

#### 3.4.2 Conference Rooms

Payments for the rental of hotel conference rooms for University business meetings, medical conferences and/or receptions (i.e., alumni, trustees, parents, etc.) are allowed on a PCard. The business relationship, names and/or number of attendees must be included on all receipt documentation and within the online reconciliation system (SAM).

When reconciling your procurement transactions:

- Please provide the business purpose of the expense within SAM on the transaction detail "Description" section.
- In the "Notes" section of the transaction detail screen, please write in the business relationship of conference attendees (i.e., job candidate, lecturer, etc.).
- In the "Additional Comments" section at the bottom of the transaction detail screen, please provide the number and name(s) of the guests.

#### 3.4.3 Airfare payments

- **Boston University Employees** - Payments for airfare for Boston University employees are considered travel related expenses and are not to be paid using the PCard. Employee airfare expenses are to be procured with the Travel Card or reimbursed and paid per the University's travel policy. Please visit [www.bu.edu/travel](http://www.bu.edu/travel) for more information.
- **Official University Guests** - Payments for airfare for non Boston University employees including employment candidates, visiting lecturers or University guests are allowed on a PCard. The business relationship, names and number of attendees must be included on all receipt documentation and within the online reconciliation system (SAM).

## **Purchasing Card Program Manual**

When reconciling your procurement transactions:

- Please provide the business purpose of the expense within SAM on the transaction detail "Description" section,.
- In the "Notes" section of the transaction detail screen, please write in the business relationship (i.e., job candidate, lecturer, etc.).
- In the "Additional Comments" section at the bottom of the transaction detail screen, please provide the number and name(s) of the travelers.

### **3.4.4 Car Rentals**

- Car rental charges while traveling are considered travel related expenses and are not to be paid using the PCard.
- Long term agreements with car rental agencies, or local transportation needs, such as ZipCar for University associates on or around campus, may be paid via the PCard.

### **3.4.5 MBTA Passes**

- MBTA passes are not to be paid using the PCard without prior approval from the Office of the Comptroller.

### **3.4.6 Taxi Services**

- Taxi or shuttle expenses that are travel related (i.e., involve an overnight stay by a University employee) are not to be charged on a PCard and are to be reimbursed to the employee under the University's travel policy ([www.bu.edu/travel](http://www.bu.edu/travel)).
- The PCard may be used for local taxi or shuttle services within 25 miles of the employee's campus or office as needed to perform University business.

### **3.4.7 Fuel and Gasoline**

- The purchase of fuel (gasoline) is prohibited on a PCard. Employees must submit for mileage reimbursement under the University's travel policy.
- Fuel purchases and maintenance expenses for University owned vehicles must be paid for using the PHH Fleet Management Wright Express Card.

### **3.4.8 Parking**

- Parking expenses that are travel related (i.e., involve an overnight stay by a University employee) are not to be charged on a PCard and are to be reimbursed to the employee under the University's travel policy ([www.bu.edu/travel](http://www.bu.edu/travel)).
- The PCard may be used for local parking services within 25 miles of the employee's campus or office as needed to perform University business. In no situation should the PCard be used to pay for an employee's daily parking permit.

### **3.4.9 Food and Beverage**

- The use of the PCard by University employees for meals taken while on University related travel is strictly prohibited.
- The PCard may be used for the purchase of food or beverages in certain instances. Food or beverages may be purchased if the primary purpose of the event is for the benefit of Boston University, rather than for the benefit of the individuals in attendance. Examples of acceptable use of the PCard for food or beverage purchases include:
  - Onsite business meetings
  - Conferences
  - Recognition events

## ***Purchasing Card Program Manual***

- Recruitment
- Employee orientation or training
- Lectures, symposiums, and presentations
- Student orientation and support events
- Business meetings with outside guests, suppliers, Alumni, etc.

When reconciling your procurement transactions:

- Please provide the business purpose of the expense within SAM on the transaction detail "Description" section,.
- In the "Notes" section of the transaction detail screen, please write in the business relationship of attendees.
- In the "Additional Comments" section at the bottom of the transaction detail screen, please provide the number and name(s) of the guests.

### **3.4.10 Gift Certificates, Gift Cards or Cash Transactions**

- The purchase of gift cards, gift certificates or PayPal transactions allowing cash redemption using a PCard is prohibited unless prior approval from the Office of the Comptroller is obtained.

### **3.4.11 Association Dues and Conference Registrations**

- Payments for association dues or conference registrations are allowed on a PCard. The business purpose, employee name and/or conference attendee names must be included on all receipt documentation and within the online reconciliation system (SAM).

When reconciling your procurement transactions:

- Please provide the business purpose of the expense within SAM on the transaction detail "Description" section,.
- In the "Additional Comments" section at the bottom of the transaction detail screen, please provide the name(s) of the employee who benefits from dues payment, or the name of the employee(s) attending the conference.

### **3.4.12 Service or 1099 Related Purchases**

- The use of the PCard to pay a 1099 vendor is strictly prohibited.
- A 1099 vendor requires tax reporting by the University to the IRS. Examples of 1099 vendors include: individuals; sole proprietors; and partnerships. Examples of services subject to 1099 reporting include: professional fees; commissions; or other forms of compensation for services rendered by an individual who is not an incorporated business.

## **3.5 RECEIPTS**

An original receipt from the vendor must support each purchase and/or credit transaction. All receipts must include vendor name, amount, date and itemized description of items.

Acceptable receipts include:

- Invoice
- Packing receipt
- Register receipt
- Web page print out

## ***Purchasing Card Program Manual***

Split Receipts - Asking a vendor to split the purchase of an item into separate transactions (or on multiple days) in order to keep the purchase under the cardholders single purchase limit is strictly prohibited.

### **3.6 SUPPLIERS**

Any supplier or merchant that accepts the American Express card can accept the PCard provided they are not in an excluded Merchant Category (example: furniture, airfare, etc.).

If cardholders find suppliers that do not accept American Express PCards, BU Sourcing and American Express can encourage and assist these vendors to accept the PCard in the future. Please complete a Supplier Non-Acceptance form available from the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>) and submit this form to the PCard Administrator ([pcard@bu.edu](mailto:pcard@bu.edu)) to initiate the process.

### **3.7 CREDIT CARD SECURITY**

The PCard should always be protected with the same level of care as the cardholder's own personal credit cards.

#### **3.7.1 Storage of the PCard and Receipts**

The PCard should be kept in a secure location. Receipts must be kept in a locked file cabinet.

#### **3.7.2 Credit Card Account Number**

Your PCard account number needs to be kept confidential. Do not share your account number with anyone or post it in your office.

#### **3.7.3 Sharing the PCard**

The only person authorized to use the PCard is the cardholder whose name appears on the face of the card. Do not lend your PCard to anyone. If the cardholder is going to be absent from the office for an extended period, the department manager may request that a new card be issued to a different person for the duration of the absence.

#### **3.7.4 Lost or Stolen Cards**

Lost or stolen PCards must be reported to American Express at (800) 274-7378, the PCard Administrator at (617) 358-3234, and the department administrator/contact person immediately.

#### **3.7.5 Internet Usage**

Be sure to use only known and established vendors. To reduce the risk of credit card theft, check that websites have a minimum of 128 bit, high-grade security (look for the lock icon in the corner of your Internet Explorer browser window).

### **3.8 ACCOUNT MAINTENANCE**

#### **3.8.1 Changes in Default Accounting or Spending Limits**

The change defaults/adjust limits/transfer form is available on the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>).

#### **3.8.2 Cardholder Account Information and Statements**

American Express' account maintenance module, NetService, allows administrators and cardholders to perform basic functions on the Internet.

These functions include:

- Review of account information along with billing transaction history
- Viewing of charges
- Individual account address and telephone changes
- Statement downloads

### **3.9 TERMINATIONS AND TRANSFERS**

Before a cardholder leaves the University, the PCard should be revoked by the department supervisor and the account closed by the cardholder. PCard accounts are closed by calling American Express' Customer Service at (800) 274-7378. The PCard Administrator must also be notified ([pcard@bu.edu](mailto:pcard@bu.edu)).

If a cardholder transfers to a new department, the department fiscal manager must collect and destroy the PCard. The cardholder needs to fill out a new application form, obtain a signature/approval from his or her new department supervisor, and then submit the completed form to the PCard Administrator. The cardholder's old department supervisor is responsible for ensuring that cards are returned and canceled, as part of the standard termination procedures.

All forms are available from the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>).

### **3.10 CREDITS AND DISPUTED ITEMS**

If problems arise with goods and services or with billing from PCard purchases, the cardholder should first try to reach a resolution with the supplier or merchant that provided the item. In most cases, disputes can be resolved directly between the cardholder and the merchant. If an agreement cannot be reached with the supplier, the next step is for the cardholder to contact American Express at (800) 274-7378. Their staff is experienced in dealing with exceptions and should be able to help. Nearly all exceptions can be managed using these two steps. If an acceptable resolution cannot be reached, the PCard Administrator is the next point of escalation.

#### **3.10.1 Credits**

The supplier or merchant should issue a credit for the value of any item for which a return has been arranged. This credit will appear on the following statement and in SAM where it should be noted accordingly.

### **3.10.2 Disputed Items**

In case of a dispute, where an acceptable resolution with the merchant cannot be reached, the cardholder needs to complete the disputed charge form, found on the back of the American Express Card statement or on-line on the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>). This form needs to be faxed to American Express within 30 days of purchase at the fax number shown on the form. American Express will then intercede with the supplier on the cardholder's behalf. The charges in question will be held in suspension (i.e., removed from the cardholder's account until the matter is resolved).

### **3.11 SALES TAX EXEMPTION**

With the exception of prepared meals and temporary lodging, purchases made on behalf of the University are not taxable. Vendors need to be informed of this and provided with the University's Massachusetts Tax Exemption number, printed on the face of the card (Tax Exemption # 04-2103547). Vendors may also request the ST-2 (MA Certificate of Exemption) and ST-5 (MA Sales Tax Exempt Purchaser Certificate). Both forms are available at <http://www.bu.edu/comp/taxforms.html>.

Any questions about the taxability of a purchase should be referred to the Office of the Comptroller at (617) 353-6599 or (617) 353-3529.

### **3.12 PREPARATION FOR REVIEW OF PCARD ACTIVITY**

Each cardholder must submit his or her charge receipts and all backup detail to the unit fiscal manager or designated department supervisor. The supervisor is responsible for reviewing all receipts and backup detail for accuracy and for making sure that the charges made by the cardholder are appropriate. If the unit fiscal manager or department supervisor is responsible for several cardholder accounts, it is recommended that a separate receipt file for each cardholder account be maintained.

#### **Steps for reviewing PCard transactions:**

1. The department key contact person performs the following review before the monthly upload of transaction data to the General Ledger system:
  - Review receipt detail for appropriate charges.
  - Match PCard log report to actual receipt documentation.
  - Verify the accuracy of item descriptions and accounting codes: unit/department, object code, source, and allowable/unallowable purchases. Instruct cardholder(s) to make changes or additions as necessary.
2. Each receipt must be verified with the backup detail. The following questions should be asked with regard to each billing item:
  - Has the cardholder signed the receipt or sales slip?
  - Are the purchased items appropriate and in accordance with University purchasing policies?
  - Has the sales tax been paid on the receipt in error?
  - Is the amount charged on the sales slip or charge slip correct?
  - What accounting codes should be used for the purchase?

## **Purchasing Card Program Manual**

3. If the sales slips and backup documentation are correct, the correct unit/department, object code, and source accounts must be verified in SAM. In some cases changes may need to be made. These changes should be made electronically within the SAM system.
4. If there is a discrepancy or problem with a transaction, the fiscal manager should contact the cardholder for an explanation. In some cases the supplier may need to be contacted for clarification or a correction. If an error has occurred and the fiscal manager has determined that the charge should not be paid, a formal dispute must be filed with American Express in writing, within 30 days. The Statement of Disputed Item(s) form is on the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>).

### **3.13 ACCESSING THE SAM SOFTWARE TO CHANGE ACCOUNTING CODES**

On a weekly basis, the department supervisor and unit fiscal manager are responsible for reviewing all of the cardholder transaction information, either by reviewing log reports or by using the SAM system.

Because the cardholder's default account is automatically charged for each transaction, all transactions should be reviewed and edited for accuracy, both for the type of purchase and the account to be charged. Unit/department, object code, source, allowable/unallowable, and the description fields are all editable and may require changes to be accurate. These changes are made electronically in SAM by the cardholder, and subsequently reviewed by the unit fiscal manager. Transaction information is generally available in SAM 24 - 72 hours after the purchase.

At the end of the statement period (the 8<sup>th</sup> of each month) American Express sends the cardholder a monthly statement in hard copy. Simultaneously, American Express sends a master statement with all cardholder charges to the University. All edits performed in SAM must be completed before the data is mapped and uploaded to the General Ledger. Mapping takes place one week after the cycle closes, usually between the 15<sup>th</sup> and the 18<sup>th</sup> of the month. If the necessary changes are not made before mapping is performed, changes must be submitted by means of a General Ledger journal entry.

***Personal use of the PCard is strictly prohibited. Fraudulent use or misuse of the card will result in revocation of the card. The University will seek restitution for any inappropriate charges made to the account.***

***Misuse of the card may result in corrective action up to and including termination and/or possible legal action. It is important to remember that the PCard Program is not intended to bypass purchasing or travel request procedures currently in place at Boston University.***

### **3.14 GENERAL RECONCILIATION POLICIES**

#### **3.14.1 How to Reimburse the University for Items Purchased in Error**

If the fiscal manager determines that a charge is inappropriate or of a personal nature, the fiscal manager must take action to rectify the problem. The cardholder must immediately repay the expense, in full, by issuing a check payable to "Boston University." This check must be deposited into the departmental accounting code where the original inappropriate expense occurred. The Comptroller's Office and the PCard Administrator must be notified immediately. These situations should be rare and not become a routine occurrence.

#### **3.14.2 Documentation**

Proper documentation for the PCard is similar to documentation for any other purchasing transaction made on behalf of the University. Cardholders receive a monthly billing statement with a cycle date of the 8th of each month (or the next business day) from American Express listing the purchases charged to the cardholder's account. Cardholders must retain copies of sales receipts, packing lists, and other receiving papers from the suppliers. These documents are used to substantiate the charges on the billing statement. It is important to compare sales receipts, packing slips and receiving papers with the individual amounts charged on the statement, to check for accuracy in the billing.

#### **3.14.3 Statement Reconciliation**

Each department is responsible for maintaining and reconciling the cardholder's PCard statements. In some cases the cardholder will be the same person who reconciles his or her PCard transactions to the General Ledger detail report. In this circumstance, periodic management or supervisory reviews of the cardholder account and the reconciliation of the transactions posted to the General Ledger detail report must be substituted for the usual division of duties, in order to provide an appropriate control structure. In other cases, the department may assign one staff member the task of reconciling several PCard accounts for the department.

If the department has one fiscal contact person designated to reconcile all of the PCard accounts for the department, it is advisable that the cardholders turn in their sales slips and all back up detail to the fiscal contact person along with weekly log reports. The staff member or fiscal officer in charge of the reconciliation process must keep a file for each cardholder to track their individual purchases.

***Do not send the cardholder's statement to Accounts Payable for processing. American Express sends the master statement for all cardholders directly to Accounts Payable for processing.***

Note: If an item billed on your statement is incorrect or there is a problem, first contact the supplier to try to resolve the incorrect charge within 30 days of purchase. If you are unable to resolve the problem with the supplier, the next step is to contact American Express Customer Service Center at (800) 274-7378. You may need to complete a Statement of Disputed Item(s) form to resolve the issue. This form is available on the BU Sourcing website (<http://www.bu.edu/sourcing/procurement/card-forms/>).

#### **3.14.4 General Ledger Detail Report Reconciliation**

The college or department is responsible for approval and verification of all charges expensed on their General Ledger detail reports. All charges to cardholder accounts will appear in the account status section of Business Link ([www.bu.edu/link](http://www.bu.edu/link)).

### **3.15 PROGRAM AUDITS**

Cardholders are responsible for maintaining accurate records and ensuring that purchase documentation, especially receipts, are retained. Responsibility for and oversight of PCard use resides with the individual school and department. Each department must establish an internal control structure consistent with Sections 2 and 3, which outlines the department's guidelines and policies for the use of the PCard. The University will audit card activity on an ongoing basis to ensure compliance with University policy. Auditors may visit departments and/or request documentation of PCard purchases. Additionally, American Express' fraud protection team constantly monitors the University program for potentially fraudulent use of the card.

## **4. FREQUENTLY ASKED QUESTIONS**

**Q: Will the PCard have any impact on the cardholder's personal credit?**

*A: No. The PCard is a corporate liability card, not a personal liability card.*

**Q: Under what circumstances might the American Express PCard be declined?**

*A: Your card will be declined if:*

- *You have exceeded your designated transaction limit or monthly credit limit. Refer to your individual cardholder profile for details.*
- *You attempt to use the card for a blocked Merchant Category, such as airfare.*

**Q: What do I do if my PCard is declined at the point-of-sale?**

*A: Call your PCard Administrator at (617) 358-3234 and he/she can call American Express Customer Service at (800) 274-7378 to have the purchase manually authorized, if appropriate.*

**Q: Who else views my transactions?**

*A: The following individuals may view cardholder transaction activity:*

- *Your department supervisor will request log reports and will see your charges on Budget Account Status Reports, and may arrange for oversight in SAM.*
- *Your unit's SAM Administrator reviews and approves your transactions, according to the policies in your unit.*
- *The PCard Administrators in BU Sourcing will also monitor card activity throughout the program.*
- *Auditing will be performed by a central auditor on a periodic basis. In some cases you may be asked to provide backup documentation for a purchase. All purchases are also subject to the review of the Office of Internal Audit.*

**Q: What if I am out of the office for an extended period and cannot reconcile my charges?**

*A: The PCard Administrator (617) 358-3234 can help you make arrangements for a backup.*

## **Purchasing Card Program Manual**

### **Q: How do the charges post to the General Ledger?**

*A: Charges are fed to the General Ledger through a process called "mapping" in which purchase data is converted to the proper format and uploaded once per month. Mapping will take place one week after the monthly cycle concludes on the 8th of each month (or the next business day), to allow time for posting, review, and approval. Once final mapping is performed, edits are no longer possible in SAM, so please monitor your activity closely upon closure of the monthly cycle. In case of errors, journal entries may be performed in the General Ledger after transactions are mapped.*

### **Q: How will PCard charges appear on the Business Link, Budget Status and Restricted Fund Reports?**

*A: Instead of a requisition number, the reference field will contain the following indicator: "PC: xxxxxx" followed by the first six letters of the cardholder's last name. For example, all charges made by a cardholder named Bob Jones will show "PC: Jones " in the reference field; those made by Doris Babson will show "PC: Babson " in the reference field; etc. Full purchase information is available upon drilldown.*

### **Q: For whom can a cardholder make purchases?**

*A: The cardholder whose name appears on the PCard is responsible for reconciling all charges made on that individual card. A cardholder may make Boston University purchases for any pre-authorized account. Each card has a unit/department number and an object code assigned as its defaults, however charges may be split in the same manner as requisitions.*

### **Q: How frequently are grants updated in SAM and to whom do I contact if the grant I need has not yet been activated?**

*A: Grants are updated in SAM on a weekly basis. If a grant you need is not accepted in SAM, please contact the PCard Administrator ([pcard@bu.edu](mailto:pcard@bu.edu)).*

### **Q: What happens if my card expires?**

*A: Expiring accounts will be automatically renewed and a new card sent directly to the cardholder.*

## 5. KEY CONTACTS

To cancel or report the PCard lost or stolen and for all customer service needs, 24 hours a day, call:

**American Express  
PCard Customer Service  
(800) 274-7378**

For assistance with the use of the PCard, SAM, PCard applications, PCard policy and procedures or to report vendors not accepting the American Express PCard, call:

**Boston University PCard Program Administrator  
(617) 358-3234  
[pcard@bu.edu](mailto:pcard@bu.edu)**