POLICY STATEMENT

The University Purchasing Card Program allows authorized employees to make business-related purchases of goods and services, subject to the standard transaction limits established for the card. Employees approved to receive a Purchasing Card may make more timely and cost-effective purchases since the need to process purchase requisitions and issue checks is eliminated. All such purchases must be made for University business-related purposes; cardholders may not use the cards for personal or other unauthorized purchases or loan their card to another individual for use. See Improper Use of a Purchasing Card.

Departments may establish more restrictive procedures, if desired.
WHO SHOULD READ THIS POLICY

Any employee who makes business purchases using a University Purchasing Card; the President, Vice Presidents, Vice Provosts, and Deans, as well as supervisors and Business Managers who supervise an employee issued a Purchasing Card.

POLICY TEXT

The University Purchasing Card is a Visa-brand credit card issued by J.P. Morgan Chase, which is routinely accepted by merchants that accept major credit cards. Purchasing Cards are issued to University employees who are approved by their Business Managers to receive a card. All transactions charged to a Purchasing Card must have a University business purpose, must be substantiated, and must be approved by a Business Manager, or his or her designee, in compliance with this Policy and related University policies.

Purchasing Card transactions are billed directly to and paid for by the University; an employee is not personally liable for charges made using the card unless he or she fails to substantiate the charges in accordance with this Policy or otherwise misuses the card. See Violations.

Purchasing Card transactions are limited to a standard single transaction limit of $1,000 and a monthly limit of $2,500. In addition, the number of transactions that may be made in a single day is limited to twelve (12). Exceptions to the standard transaction limits may be granted by the Purchasing Card Administrator, if approved by an employee’s Business Manager. See Purchasing Card Changes.

PROCEDURES

- General Procedures
- Using a Purchasing Card
- Payment Requests
- Reconciliation Procedures
- Documentation
- Violations
RELATED INFORMATION

<table>
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<tr>
<th>Type</th>
<th>Department</th>
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<tr>
<td>USF</td>
<td><strong>Conflict of Interest Policy</strong></td>
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<td>USF</td>
<td><strong>Electronic Communication Policy</strong></td>
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<td><strong>Vehicular Use Policy</strong></td>
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DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billing Cycle</td>
<td>The calendar month (i.e., first day of the month through the last day of the same month) used to capture transactions for billing purposes.</td>
</tr>
<tr>
<td>Business Entertainment</td>
<td>Any activity generally considered to provide entertainment, amusement, or recreation, including the furnishing of business meals. The expense must be ordinary, necessary, and reasonable and must be either directly related to or associated with the active conduct of University business. See Travel and Entertainment Policy.</td>
</tr>
<tr>
<td>Business Expense</td>
<td>Ordinary, necessary, and reasonable expenses incurred for goods and services in furtherance of the University’s educational and research mission.</td>
</tr>
<tr>
<td>Business Manager</td>
<td>A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the budget manager for the University account(s) funding a travel or entertainment expense. This may include the President, Vice Presidents, Vice Provosts, or Deans.</td>
</tr>
<tr>
<td>Cardholder</td>
<td>A University employee, approved by the President, Vice President, Vice Provost, Dean, or Business Manager who applies for and is issued a University Purchasing Card.</td>
</tr>
<tr>
<td>Concur Reporting System</td>
<td>The University’s on-line system for payment requests, expense reimbursements, cash advance requests, and reporting.</td>
</tr>
</tbody>
</table>
Conflict of Interest  A conflict of interest may exist when an employee has financial, personal, or other considerations that may affect or appear to affect his or her professional judgment in decision making on behalf of the University.

Daily Transaction Number  The number of transactions authorized for a cardholder in a single day. The standard limit is twelve (12) transactions per day.

FOAPAL  The acronym representing each element of the University’s Charts of Accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.

Merchant Category Code (MCC)  The code assigned to a vendor based on the nature of its business. The MCC is used to allow or disallow transactions at the point of sale based on the code assigned to a particular vendor.

Ordinary, Necessary, and Reasonable Expense  An expense is ordinary if it is normal and customary. An expense is necessary if it is essential to University business. An expense is reasonable if a prudent person would incur the expense in a similar situation.

Per Diem  The daily dollar amounts authorized for the reimbursement of lodging and meal and incidental expenses (M&IE) for individuals traveling on University business. Per diems are authorized only for foreign travel and travel in non-foreign areas outside of the Continental U.S (OCONUS).

Purchasing Card  A bank-issued Visa card with a standard single transaction limit of $1,000 and a monthly credit limit of $2,500. This card may be used for small dollar, business-related purchases. Cards may be used for travel and entertainment expenses when authorized by a Business Manager or supervisor.

Purchasing Card Administrator  The University employee in Accounting and Business Services with overall responsibility for the operation of the Purchasing Card Program.

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ADDITIONAL CONTACTS

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting and Business Services</td>
<td>Frank Wasilewski</td>
<td>415.422.2402</td>
<td><a href="mailto:fmwasilewski@usfca.edu">fmwasilewski@usfca.edu</a></td>
</tr>
<tr>
<td>Disbursement Services</td>
<td>Dennis Miller</td>
<td>415.422.2102</td>
<td><a href="mailto:millerd@usfca.edu">millerd@usfca.edu</a></td>
</tr>
<tr>
<td>Payment Request</td>
<td>Emmy Moore</td>
<td>415.422.2706</td>
<td><a href="mailto:moore@usfca.edu">moore@usfca.edu</a></td>
</tr>
</tbody>
</table>
FORMS

<table>
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<tr>
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<th>Use</th>
<th>Location</th>
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<tbody>
<tr>
<td>Purchasing Card or Declining Balance Card Application</td>
<td>Used to apply for Purchasing Card</td>
<td>Accounting and Business Services</td>
</tr>
<tr>
<td>Cardholder Agreement Form</td>
<td>Used to document cardholder's acceptance of card terms and conditions</td>
<td>Accounting and Business Services</td>
</tr>
<tr>
<td>Change Request for Purchasing Card or Declining Balance Card Application</td>
<td>Used to request a change in a cardholder’s transaction limit(s), MCC assignments, FOAPAL, etc.</td>
<td>Accounting and Business Services</td>
</tr>
<tr>
<td>Missing Receipt Form</td>
<td>Used when the original receipt substantiating a business expense is lost and duplicate cannot be obtained</td>
<td>Accounting and Business Services</td>
</tr>
<tr>
<td>Payment Request</td>
<td>Used to initiate payment request in the Concur Reporting System</td>
<td>Accounting and Business Services</td>
</tr>
<tr>
<td>Request for Funds Transfer</td>
<td>Used to initiate inter-department transfers of funds</td>
<td>Accounting and Business Services</td>
</tr>
</tbody>
</table>

RESPONSIBILITIES

Cardholder

- Uses Purchasing Card for business-related expenses in accordance with this Policy and related University policies.
- Secures his or her Purchasing Card and ensures that no other person uses the card.
- Completes Expense Report, including proper documentation, and submits it to the Concur Reporting System no later than the first business day of the month following the billing month.
- Promptly notifies the bank and his or her Business Manager in the event the card is lost or stolen or misused in any way.
- Attends Purchasing Card training and related training as requested.
Business Manager
- Approves Purchasing Card application for employees authorized to receive a Purchasing Card.
- Approves requests to change spending limits and make other Purchasing Card changes.
- Reviews and approves Expense Reports documenting charges in the Concur Reporting System by the third business day of the month following the billing month.
- Ensures all expenses are business-related and in compliance with University policies.
- Periodically reviews transaction limits and makes appropriate change requests.
- Ensures cardholders are in compliance with this Policy and other University policies governing Purchasing Card expenses.
- Promptly notifies the Purchasing Card Administrator when a cardholder is terminated or transfers to another department and takes action to retrieve and destroy the individual’s card.

Purchasing Card Administrator
- Works with the University’s bank to activate Purchasing Cards for employees authorized to receive such cards.
- Conducts cardholder training.
-Processes requests to increase transaction limits and implement other card changes.
- Processes Expense Reports upon receipt of documentation from cardholders.
- Reissues lost or stolen cards; assists in resolution of disputed transactions.
- Restricts, suspends, or terminates cardholder spending privileges, as appropriate.
- Provides cardholders and Business Managers with ad hoc reports to improve internal controls and policy compliance.
- Conducts random reviews to ensure compliance with this Policy and related University policies.

President, Vice Presidents, Vice Provosts, and Deans
- Ensures that cardholders in his or her division are in compliance with this Policy and related University policies.
- Reviews and approves exception requests, as appropriate.

FREQUENTLY ASKED QUESTIONS
(None)
REVISION HISTORY

- 04/12/2013 - Revised to include the Concur System Reporting requirements and make other technical changes and corrections.
- 08/29/2005 - Revised
- 03/16/2005 - First publication of Policy

APPENDICES

- Appendix A - Unauthorized Purchasing Card Transactions
PROCEDURES

- General Procedures
- Using a Purchasing Card
- Payment Requests
- Reconciliation Procedures
- Documentation
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GENERAL PROCEDURES

**Applying for a Purchasing Card**
Employees may apply for a Purchasing Card by submitting a properly approved Purchasing Card or Declining Balance Card Application to the Purchasing Card Administrator in Accounting and Business Services. See **Forms**.

The application must be completed in its entirety and signed by the employee and his or her Business Manager; incomplete applications will be returned. The employee’s Business Manager must also assign the default FOAPAL number applicable to each cardholder. For cardholders who make purchases under multiple FOAPALs, all of the accounts should be included with the application so they will be available for use by the cardholder.

In addition to completing an application, employees must attend a cardholder training session before they are authorized to receive their cards. Employees will be notified of the next training date upon completion of their application form. At the conclusion of the training session, the employees will execute a Cardholder Agreement Form and receive their Purchasing Cards.

**Activating a Purchasing Card**
To activate a Purchasing Card, cardholders must call the following J.P. Morgan Chase toll-free customer service number included with the cards: 1-800-270-7760. The automated activation line will prompt cardholders for the credit card number, the last four digits of their social security number, and their date of birth (month and year).

**Canceling a Purchasing Card**
If a cardholder separates from the University, the Business Manager should collect the card and immediately notify the Purchasing Card Administrator that the account should be canceled. The Business Manager should then destroy (i.e., shred or cut-up) the card.

**Expiration**
All Purchasing Cards are issued with an expiration date. J.P. Morgan Chase will automatically send cardholders a new Purchasing Card prior to the expiration date. When the new card is received, the employee must activate it as provided above and destroy his or her old card. If a replacement card does not arrive by the expiration date (i.e., the last day of the month indicated
on the card), the employee should contact the Purchasing Card Administrator.

**Lost or Stolen Cards**
If a Purchasing Card is lost or stolen, the cardholder must immediately contact J.P. Morgan Chase at 1-800-270-7760. A bank customer service representative will deactivate the account and issue a new card. The cardholder should then notify his or her Business Manager and the Purchasing Card Administrator via email that the card was lost or stolen. The Administrator will contact the cardholder when the replacement card arrives.

Note: If the cardholder has any automatic payments billed to his or her Purchasing Card, it is the responsibility of the cardholder to contact the vendor and provide it with the new Purchasing Card account number.

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**USING A PURCHASING CARD**

An employee provided with a Purchasing Card is accountable for all purchases made using the card. The cardholder may not share his or her Purchasing Card or number with another person. To safeguard against the unauthorized use of a Purchasing Card, all orders placed using the card should be made only by the cardholder.

Purchasing Cards should be used whenever possible for paying business-related expenses such as conference registrations fees, subscriptions, travel expenses, cell phone bills, and similar expenses. Cardholders should refer to the applicable University policy governing the type of expenses prior to making a purchase. See Related Information.

Use of a Purchasing Card is mandatory for all small-dollar purchase under $200 unless a Purchasing Card is not an acceptable form of payment. See Payment Request.

The Purchasing Card shall not be used to pay any charges for goods or services provided by another University department (except for the University Bookstore or Dining Services, which are managed by third-parties). Payments to a University department should be made by submitting a properly approved Request for Funds Transfer form to Accounting and Business Services. See Forms.

**Merchant Category Restrictions**
Cardholders may be restricted from purchasing certain items or services (e.g., automotive, furniture, jewelry, etc.). Such restrictions are set by Business Services by assigning a group of permitted Merchant Category Codes (MCC) to each cardholder, which are appropriate for University business-related expenses. Thus, based on the MCC assignment, certain card purchases may be declined at the point of sale. A list of unauthorized Purchasing Card transactions is included in Appendix A.
**Splitting a Transaction (Prohibited)**
Cardholders shall not “split” the dollar amount of a vendor transaction into multiple transactions in order to circumvent the per-transaction dollar limits. If the cardholder has a business reason for making purchases that exceed the transaction dollar limit, his or her Business Manager may submit a request to the Purchasing Card Administrator to increase the transaction limit(s) authorized for the card. See **Purchasing Card Changes**.

**Declines**
If a cardholder encounters problems using his or her Purchasing Card or the card is declined, he or she should contact J.P. Morgan Chase at 1-800-270-7760 for assistance. Such problems, however, frequently relate to the spending limits or MCC restrictions placed on the card. In those cases, the cardholder may need to submit a change request as provided below.

**Purchasing Card Changes**
Cardholders who need a change made to their Purchasing Card transactions limits or MCC restrictions should ask their Business Manager to approve a Change Request for Purchasing Card or Declining Balance Card Application and submit it to the Purchasing Card Administrator (the same information may also be sent to the Administrator in an e-mail). An increase in the transaction limit(s) may be approved as either a temporary or permanent change. A request to increase the monthly credit limit to $5,000 or more requires approval by the cardholder’s applicable Vice President. The Change Request form is also used to request a change in an employee’s name or e-mail address and to make FOAPAL changes.

**Improper Use of a Purchasing Card**
Employees are responsible for using their Purchasing Card in compliance with this Policy and related University policies. If a cardholder or an approver suspects a card has been misused, he or she should contact the Purchasing Card Administrator immediately.

- Misuse of a Purchasing Card includes, but is not limited to, the following:
  - Use of a card by an unauthorized individual.
  - Purchasing items not authorized under this Policy or a related University policy. See **Appendix A** for a list of prohibited transactions.
  - Splitting transactions in order to avoid the transaction spending limits.
  - Failure to provide proper supporting documentation or to timely reconcile charges.

Any misuse of a Purchasing Card may result in an employee’s immediate loss of his or her purchasing privileges and additional sanctions. See **Violations**.

**PAYMENT REQUESTS**

If a Purchasing Card is not an acceptable form of payment for an expense (e.g., a conference registration fee), the individual, or his or her designee, must initiate a Payment Request through
the Concur Reporting System. A payment will be issued by Business Services within 10 business
days after it receives the properly approved Payment Request. See Forms.

RECONCILIATION PROCEDURES

Reviewing and Editing Transactions--Cardholders
Cardholders are required to review, edit, and reconcile their Purchasing Card charges recorded in
the Concur Reporting System. Cardholders must complete this review by the first business day of
the month following the billing cycle month.

The cardholder must create an Expense Report in the Concur Reporting System by supplying all
required information, including, but not limited to, the following:

- Enter all charges for the month and verify that amounts are correct;
- Ensure that the correct FOAPAL is designated for each transaction;
- Provide a description and quantity of the item(s) purchased (if the item is a business meal
or business entertainment expense, the names of the individuals in attendance must be
listed); and
- Provide the business purpose for each transaction.

Original receipts supporting each transaction must be scanned or faxed for submission to the
Concur Reporting System before an Expense Report can be submitted.

Disputing a Transaction
Cardholders are responsible for promptly resolving any disputed transactions directly with the
merchant. If attempts to resolve the matter with the merchant are unsuccessful, the cardholder
should notify Accounting and Business Services regarding the disputed item. Accounting and
Business Services will provide further instructions on the steps necessary to formally dispute the
transaction.

Approving Transactions—Business Managers
The Business Manager, or his or her designee, must review and approve all Purchasing Card
charges appearing on the Expense Report for his or her employees by the third business day
following the end of the billing cycle month. Business Managers must review transactions to
ensure that:

- Charges have been made to the correct FOAPAL,
- Sufficient budgetary funds are available, and
- All supporting documentation has been included with the charge, including the business
  purpose.
Business Managers may delegate the approval of Purchasing Card transactions to another individual in the event the Business Manager is absent. Individuals delegated such authority, however, may not approve their own transactions.

**DOCUMENTATION**

Cardholders are responsible for providing sufficient documentary evidence to support the business purpose of all charges made using the Purchasing Card. Documentation should be in the form of an original itemized receipt that includes the date of the purchase, vendor name and address, description of item(s), quantity, unit price, sales tax (if applicable), and total cost. A shipping receipt detailing this information is considered an original receipt. If this basic information is not provided, cardholders must obtain the information by contacting the vendor and include it with the Expense Report. Additional substantiation requirements apply to entertainment expenses claimed for reimbursement. See Travel and Entertainment Policy.

In some circumstances, cardholders may use their Purchasing Card to purchase an item by phone or via the Internet. In those cases, the cardholders should obtain a copy of the receipt by mail or fax or by printing it from his or her web browser.

If an original receipt is lost, and every effort has been made to obtain a copy of the receipt, the cardholder must complete a Missing Receipt Form, and submit it with the Expense Report for approval by his or her Business Manager, as provided above. See Forms.

**VIOLATIONS**

A violation of any portion of this Policy may result in the restriction, suspension, or termination of the cardholder’s right to use the Purchasing Card. Employees may also be subject to disciplinary action, up to and including termination of employment and/or legal action. In addition, the cardholder will be personally liable for any Purchasing Card charges determined not to be for a University business purpose.
Unauthorized Purchasing Card Transactions

The following list includes, but is not limited to, examples of transactions which are not authorized under the Purchasing Card Program:

- Automotive\(^1\)
- Cash advances or loans
- Charitable contributions, except for sympathy gifts
- Construction and renovation services
- Copier and fax machines\(^2\)
- Furniture\(^2\)
- Hazardous materials\(^2\)
- Legal services
- Medical services
- Medicines and other drugs
- Payments to another University department, except the Bookstore and Dining Services
- Personal purchases of any kind
- Scientific equipment\(^2\)
- Temporary help

The following transactions are not authorized for reimbursement, regardless of the payment method:

- Fines and penalties
- Fuel for a personally-owned automobile
- Split transactions
- Unallowable charges to a contract or grant
- Vendor payments that would create a conflict of interest for the cardholder

\(^1\) USF Fuel and Maintenance Cards are available for use in operating a University-owned vehicle. See [Vehicular Use Policy](#).

\(^2\) Because a P.O. may be required, departments should contact Purchasing Services for assistance. See [Contacts](#).