

JOHN CARROLL UNIVERSITY
PURCHASING CARD (P-CARD)
POLICY & DETAILED USERS MANUAL

May 5, 2008

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1. Cardholder Application
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THE MOST CURRENT VERSION OF THIS DOCUMENT IS AVAILABLE AT
<http://www.jcu.edu/fas/policies.htm>

DEFINITIONS

Budget Administrator:

The individual who is responsible for departmental or grant fund budgets and who has purchase authorization for those budgets. This individual will typically be a department head or chair who directly or indirectly supervises one or more Cardholders.

Cardholder:

An Eligible Employee of the University in whose name a P-Card has been issued and who is accountable for all charges made with their P-Card.

Cardholder Application:

The form used by an Eligible Employee to apply for a new P-Card.

Card Processing Bank:

The financial institution that the University has partnered with to issue and maintain the Purchasing Cards: JPMorgan Chase.

Default Budget Code (Budget Code):

The University Organization and Account code assigned to each Cardholder's P-Card. Only one default Organization and Account code can be assigned to a card, the Cardholder has the ability to redistribute, or Split Transactions, to different Budget Codes using PaymentNet.

Eligible Employee:

An employee of the University who is responsible for regularly purchasing small dollar goods or services and/or is authorized to travel on University business. Excludes contract employees, students (except in limited special circumstances), temporary employees, employees on leave from the University and employees who have had their P-Card revoked.

Merchant Category Code (MCC):

An industry code assigned to Vendors that describes their type of business. The P-Card has the ability to block transactions with certain types of Vendors based on this code. The MCC is also used to determine what general ledger account to use in the Default Budget Code.

PaymentNet:

The on-line system that maintains the Purchasing Card Statements and the utilities to account for, reconcile, document or otherwise maintain P-Card transactions. The PaymentNet system can be accessed at www.paymentnet.com using an *Organization ID* of US64670 (Login also requires *User ID* and *Pass Phrase* provided by the Purchasing Card Administrator).

PaymentNet Statement:

An electronic version of the monthly printed Purchasing Card Statement that is accessed through PaymentNet.

Purchasing Card (P-Card):

A VISA credit card issued by the Card Processing Bank, authorized by the University's P-Card Office and distributed to Cardholders for the purpose of procuring University related goods and services and travel and entertainment.

Purchasing Card Administrator (PCA):

The University staff members responsible for managing, coordinating and overseeing the P-Card program.

DEFINITIONS (continued)

Purchasing Card Agreement:

The form signed by each Cardholder to acknowledge receipt of their P-Card and their agreement to use the P-Card in accordance with the policies set forth in this Users Manual.

P-Card Office:

The “department” within the University, comprised of individuals from the *Controller’s*, *Purchasing* and *Accounts Payable* departments, who are collectively responsible for the overall management, design and operation of the P-Card program.

Preferred Vendor Programs:

Purchasing programs with selected University vendors that are designed to provide an optimal combination of price, quality, ordering ease, special discounts, delivery etc. and which operate independent of the P-Card program.

Purchasing Card Statement:

The printed record of all P-Card transactions that have been charged to a Cardholder’s account during a month. The Purchasing Card Statement is mailed to the Cardholder at the end of each month by the Card Processing Bank. After being reviewed and approved by the Cardholder and Budget Administrator, the Purchasing Card Statement must be sent to the P-Card Office along with all physical Supporting Documentation and Transaction Notes for audit and storage.

Sales Tax Exemption:

As a non-for-profit 501c(3) organization, the University is exempt from Ohio State Sales Tax.

Supporting Documentation:

The original vendor invoice or other similar readable documentation (e.g., register receipt, packing slip or order confirmation) that fully substantiates the goods or services purchased and includes the vendor name, dollar amount and date of the purchase transaction.

Split Transactions:

If a purchase transaction needs to be charged to code other than the Default Budget Code, or to more than one budget code, it can be split, or redistributed on the PaymentNet system.

Spending Limits:

Maximum dollar (credit) limit assigned to each P-Card for each individual purchase and for total purchases made within a calendar month. A single purchase may include multiple items but may not exceed the Spending Limit. Spending Limits are established on a per Cardholder basis.

Transaction Notes:

A written explanation that must be entered into the PaymentNet system by the Cardholder for each P-Card transaction. Transaction Notes are used to fully describe what was bought, for whom and/or what purpose, location/dates of and purpose of travel, location/dates and purpose of entertainment including names and University affiliation of those entertained, etc.

Users Manual:

The printed or online (<http://www.jcu.edu/fas/policies.htm>) document that describes the policies and procedures for Cardholders enrolled in the University’s P-Card program (This document).

Vendor/Supplier/Merchant:

The person or company from whom goods or services are purchased.

PURCHASING CARD (P-CARD) PROGRAM OVERVIEW

The John Carroll University Purchasing Card (P-Card) Program is designed to provide an efficient way to purchase University-related goods and services and to directly pay for University-related travel and entertainment expenses. Under this program, **qualified** purchases and expenses can be charged directly to the P-Card (See Allowable Purchases and Prohibited Purchases sections). All P-Card transactions are billed centrally to the University and paid directly to the Card Processing Bank. Those individuals purchasing small dollar goods and services or University business travelers are expected to be the primary users of the P-Card.

The P-Card program transfers purchasing capability directly to the Cardholder within the limitations defined in this Users Manual and within any additional limits instituted by the Cardholder's Budget Administrator. Similarly, the P-Card enables Cardholders traveling on University business to pay for travel expenses directly rather than be reimbursed after-the-fact.

The Purchasing Card is a corporate charge card, and will not affect the Cardholder's personal credit. However, it is the Cardholder's responsibility to ensure that the P-Card is used within the stated guidelines of this Purchasing Card Users Manual as well with all policies and procedures relating to the expenditure of University funds. Cardholders should always treat their Purchasing Card with at least the same level of care as one does with their own personal credit cards. The P-Card should be maintained in a secure location and the account number should be carefully guarded.

Participation in the P-Card program is a convenience that also carries responsibilities. Although the P-Card is issued in individuals' names, it is University property and consequently, no personal purchases may be made using the P-Card under any circumstances (See Non-Compliance section). All University policies and procedures related to purchasing, travel and entertainment must be followed. All Cardholders are required to read the Purchasing Card Users Manual and to attend a training session prior to receiving their P-Card. Cardholders must also have an active University e-mail address. Contact the P-Card Administrator to address any issues related to P-Card usage and policies as well as to recommend modifications or improvements to the program.

Non-compliance with the P-Card program's policies and procedures or fraudulent use of the P-Card will result in immediate suspension of P-Card privileges and may result in disciplinary action in accordance with University policies (See Non-Compliance section).

The most current electronic version of this Purchasing Card Users Manual is available by visiting the P-Card Office website section at <http://www.jcu.edu/fas/policies.htm>.

STATEMENT OF BENEFITS

The *Purchasing* department, in conjunction with the *Controller's* office and the *Accounts Payable* department (collectively the P-Card Office), has developed a P-Card program that greatly improves the process for purchasing goods and services as well as provides for an easier method of paying for travel and entertainment expenses.

The goal of the P-Card program is to streamline the purchasing process, while improving the flexibility and speed with which goods and services are delivered. The P-Card is intended for any Eligible Employee authorized to make University purchases or to travel on behalf of the University. However, the P-Card must be used in accordance with the Policies and Procedures outlined in this Users Manual. The success of the Purchasing Card program and its continuing use depends on Cardholder participation and cooperation.

The P-Card program provides the following benefits:

Overall advantages

- No waiting for reimbursements or payments
- Reduces the need to obtain purchase orders
- Can be used anywhere that accepts VISA, providing flexibility to the user
- Quicker delivery of goods and services
- Entire system is online, providing for electronic review and approvals

Advantages to the Cardholder

- No need to advance money out of your pocket for purchases
- Purchases can be made quickly, even outside of normal business hours
- Reports can be reviewed and approved electronically
- Reduced paperwork and budget coding
- Travel and entertainment reporting process is easier
- Travel accident insurance benefits
- Lost luggage insurance benefits
- Travel and emergency assistance services

Advantages to the Budget Administrator

- More flexibility in managing your budgets
- Less chance for duplicate payments
- Customized Spending Limits and category of spending for Cardholders
- Reduced paperwork throughout the purchasing process
- Electronic approval and oversight
- Posting of transactions to the PaymentNet Statement is done within 48 hours

Advantages to the University

- Overall reduction in paperwork, especially for small dollar transactions
- Initial and ongoing training for all P-Card holders
- Electronic system from start to finish
- Payment processing time reduced
- Cost savings

KEY CONTACTS

Reporting a lost, stolen or denied P-Card:

FIRST CALL PaymentNet Customer Service (24 hours, 7 days a week): 800-270-7760

THEN CALL Purchasing Card Administrator (PCA): 216-397-4440 or 216-397-4506

Questions about the program:

Purchasing Card Administrator (PCA): 216-397-4440 or 216-397-4506

Director of Purchasing: 216-397-3025

Assistance with Vendors, P-Card acceptance problems:

Director of Purchasing: 216-397-3025

Questions about the posting of charges to Cardholder account:

Purchasing Card Administrator 216-397-4440 or 216-397-4506

Questions about Supporting Documentation or paid Purchasing Card Statements:

Accounts Payable: 216-397-4440

Questions about reallocating P-Card charges after they have been posted to budgets:

Accounting: 216-397-4506

Also visit the P-Card website at <http://www.jcu.edu/fas/policies.htm>.

THE P-CARD APPLICATION PROCESS

A Purchasing Card is a VISA credit card issued by the Card Processing Bank through the University's P-Card Office. In order to obtain a Purchasing Card, an applicant will need to complete a Cardholder Application and receive signature approval from their Budget Administrator. Additionally, the applicant will need to read through the Purchasing Card Users Manual and complete the Purchasing Card Agreement. Both the completed Cardholder Application and the Purchasing Card Agreement forms are to be forwarded to the Purchasing Card Administrator, who will submit the Cardholder Application to the Card Processing Bank. The P-Card will be issued to the Cardholder approximately two to three weeks after the Cardholder Application is received by Card Processing Bank.

1. Requests for P-Cards should be made by downloading and completing a Cardholder Application. When completed, the Cardholder Application should be forwarded to the Budget Administrator for approval. The Budget Administrator should then forward the approved application to the Purchasing Card Administrator (PCA) for processing (See Cardholder Application included as part of this manual).
2. Once approved, the Cardholder will be scheduled for training by the PCA. Training is required for both the Cardholder and Budget Administrator. At the conclusion of training, the Purchasing Card Agreement will be signed by the Cardholder and a copy of the User's Manual will be distributed. The P-Card will then be given to the Cardholder.
3. The P-Card Office is responsible for instructing and monitoring Cardholders in the proper use and responsibilities of the P-Card.
4. The *Controller's* office and the *Grants Office* are responsible for monitoring Cardholders in the proper use and responsibilities of the P-Card for Grant related purchases.
5. Each P-Card is assigned and identified to a specific Cardholder (departmental P-Cards will not be issued) and charges made to the P-Card will be posted to a Default Budget Code. Charges to other Budget Codes can be accommodated during the PaymentNet reconciliation process (See how to use PaymentNet section).
6. The P-Card may be used for all of the allowable purchases described in this Users Manual (See Allowable Purchases section). Budget Administrators have discretion to further limit the use of P-Cards, as they deem appropriate within these guidelines.
7. P-Cards will automatically be renewed/reissued upon expiration. The PCA will distribute these directly to the Cardholder. The *Human Resources Department* and the Budget Administrator are responsible for advising the PCA of any Cardholders who terminate or otherwise leave the University to insure their P-Cards are deactivated in a timely manner.
8. Every Cardholder will be subject to a mandatory six-month probationary period. During this time, the PCA will evaluate if the Cardholder's use of the P-Card is consistent with the policies and procedures outlined in this Users Manual.
9. Only Eligible Employees will be permitted to receive a P-Card.

CARDHOLDER RESPONSIBILITIES

The Cardholder must use the Purchasing Card for **legitimate University business purposes only**. Misuse of the card will subject Cardholder to disciplinary action in accordance with University policies and procedures. The Cardholder must:

1. Attend training prior to receiving the Purchasing Card and sign the Purchasing Card Agreement at the conclusion of training.
2. Not share, loan or otherwise allow the Purchasing Card to be used by anyone other than the named Cardholder. There are significant tax implications both to the Cardholder and to the University related to these types of transactions. (See Non-Compliance Policy)
3. Ensure that the Purchasing Card is used for legitimate business purposes only.
4. Follow all University and departmental policies and procedures relating to the purchasing of goods and services as well as travel and entertainment.
5. Maintain the Purchasing Card in a secure location at all times.
6. Adhere to the purchase limits and restrictions of the Purchasing Card and ensure that the total transaction amount does not exceed the preset Spending Limits.
7. Ensure that Ohio State Sales Tax is not applied to their P-Card purchase (See Ohio State Sales Tax Exemption Policy).
8. Obtain a receipt or packing slip with item price, shipping, and tax information (Supporting Documentation) for ALL transactions.
9. Timely review and reconcile all P-Card transactions to the Purchasing Card Statement and PaymentNet each month.
10. Provide Transaction Notes in PaymentNet for each P-Card transaction.
11. If necessary, make Budget Coding changes within PaymentNet. **All transactions will automatically be processed under the Default Budget Code if no revision is made.**
12. Promptly refund the University for any unavoidable personal charges made on the P-Card (e.g., laundry, phone or movie charges included on hotel bill).
13. Contact the Purchasing Card Administrator if a Vendor does not accept VISA for purchases.
14. Report erroneous declines or fraudulent charges to their Budget Administrator and the Purchasing Card Administrator.
15. Timely submit the reconciled Purchasing Card Statement with attached Supporting Documentation and Transaction Notes report to their Budget Administrator for approval each month.

CARDHOLDER RESPONSIBILITIES (Continued)

16. Attempt to resolve any disputes or billing errors directly with the Vendor within 30 days and notify the Purchasing Card Administrator if the dispute or billing error is not satisfactorily resolved. Disputes or billing errors should be highlighted and noted on the monthly Purchasing Card Statement.
17. Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Purchasing Card Statement.
18. NEVER accept cash in lieu of a credit to the Purchasing Card account.
19. Immediately report a lost or stolen Purchasing Card to the Card Processing Bank (JPMorgan Chase) at **1-800-270-7760** (24 hours a day, 365 days a year), then notify the Purchasing Card Administrator and Budget Administrator. The Cardholder's department may be liable for all charges incurred until the card is reported lost or stolen.
20. Return the Purchasing Card to the *Human Resources Department* or to their Budget Administrator upon terminating employment with the University or transferring departments within the University.
21. Submit all maintenance requests such as Purchasing Card Statement address changes, credit limit changes, etc., to the Purchasing Card Administrator, who will forward them to the Card Processing Bank.

Misuse of a P-Card could result in disciplinary action which at a minimum would include forfeiture of P-Card privileges (See Non-Compliance Policy). Periodic audits of Purchasing Card usage will be conducted by the P-Card Office and may be conducted by external parties as well. Certain purchases are restricted or prohibited for various reasons. See the attachments for a listing of allowable and prohibited purchases, as well as Preferred Vendor Programs for a list of alternative purchasing methods not requiring the P-Card.

BUDGET ADMINISTRATOR RESPONSIBILITIES

The primary responsibility of the Budget Administrator is to oversee the P-Card activity transacted by Cardholders under their supervision. The Budget Administrator's review and approval of Supporting Documentation and Transaction Notes related to P-Card program transactions is necessary to confirm that all purchases and expenses: (1) have a valid University business purpose; (2) are in compliance with all University purchasing and travel and entertainment policies; and (3) are in compliance with all other applicable University policies and funding agency regulations. Specific responsibilities are as follows:

1. The Budget Administrator coordinates the submission of new Cardholder Applications. Each potential Cardholder must prepare and forward a Cardholder Application to their Budget Administrator for review and approval. The Budget Administrator is expected to provide guidance on the preparation of the Spending Limit and the Default Budget Code portions of the Cardholder Application. Once approved, the Budget Administrator should forward the completed Cardholder Application to the PCA.
2. Establish and communicate to the Cardholder any additional departmental guidelines or procedures relative to the use of the P-Card that are not addressed in this Users Manual
3. Review, approve and sign the Cardholder's monthly Purchasing Card Statement along with Supporting Documentation and Transaction Notes (all supplied by the Cardholder), must be signed by the Budget Administrator and forwarded to the P-Card Office (*Account Payable*) for storage and audit. A Budget Administrator's failure to approve the Cardholder's monthly Purchasing Card Statement in a timely manner may result in the suspension of that Budget Administrator's authorization authority.
4. OPTIONAL The Budget Administrator has the ability to approve the Cardholder's monthly P-Card transactions in the Payment System on a daily basis if so desired. The Budget Administrator can elect to be sent an e-mail reminder when P-Card activity is ready to be reviewed and approved within PaymentNet. A Budget Administrator's decision to electronically approve the Cardholder's PaymentNet Statement does not eliminate the need for the Budget Administrator to separately review, approve and sign the Cardholder's monthly Purchasing Card Statement as described in item 3 above.
5. In the event personal travel and entertainment expenses have been inadvertently charged to the P-Card, the Budget Administrator must review and approve the receipt(s) (supplied by the Cardholder) from the *Cashier's* office showing that the Cardholder has appropriately reimbursed those funds to the University. The receipt(s) must be included with the monthly Purchasing Card Statement and Supporting Documentation materials sent to the P-Card Office (*Accounts Payable*) for storage and audit.
6. (*This Section Under Development*) Reimbursement of out-of-pocket expenses. While PaymentNet has the ability to process out-of-pocket expenses, this functionality is not currently operational. Cardholders will be notified when this process becomes available. In the meantime, requests for reimbursement of out-of-pocket expenses should be made through Accounts Payable by using the Interactive Multi-Voucher Form that can be found at http://www.jcu.edu/fas/fas_forms.htm.
7. Promptly notify the PCA of any Cardholder terminations or departmental transfers.

USE OF P-CARD FOR PURCHASE OF GOODS & SERVICES

1. Each P-Card is assigned a Spending Limit which limits the dollar amount of goods and services that can be purchased by the Cardholder on both a monthly and on a per transaction basis. Spending Limits are set based on the needs of the individual Cardholder and determined by the PCA and the Cardholder's Budget Administrator. Cardholder requests to increase the Spending Limit must be accompanied by appropriate written justification and should be submitted to the PCA for consideration.
2. The PCA has the ability to block merchant category codes (MCC) on individual P-Cards. These MCC blocks will prevent the P-Card from being used for certain types of purchases. For example, a P-Card may be blocked from accepting jewelry store transactions. All P-Cards are automatically blocked from accessing cash advances from ATMs or other sources. Cardholders will be individually notified by the Purchasing Card Administrator of any other MCC blocks placed on their P-Card.
3. The P-Card is not to be used to make payment on goods or services purchased through the use of a University purchase order (this does not apply to P-Card payments initiated by the *Accounts Payable* or *Purchasing* departments).
4. Existing purchasing policies must be followed for all P-Card purchases. To ensure compliance with this requirement, please consult the Director of Purchasing with any questions. Current policies can be found on the website at www.jcu.edu/fas/policies.htm.
5. Cardholders must determine if the P-Card is the appropriate method to use for acquiring the goods or services needed. Cardholders must also determine that the desired goods or services are not included in the list of prohibited purchases.
6. Prior to making a purchase, the Cardholder must determine if there is a University Preferred Vendor Program for the goods or services that are to be acquired.
7. If a Cardholder wishes to use a Vendor who is not included on the Preferred Vendor Program list, provide the Vendor's name and contact information to the PCA. [This information will be submitted to the Director of Purchasing for possible future inclusion on the Preferred Vendor list.]
8. The University is exempt from Ohio State Sales Tax and the University's Ohio Tax I.D. number is embossed on all P-Cards. To avoid paying sales tax initially or resolving a sales tax application at a later date, you must mention the University's tax exempt status. (A copy of the Sales Tax Letter is in the attachments section of the manual).
9. Supporting Documentation and Transaction Notes must be supplied by the Cardholder for all purchases, including those transactions processed via the internet, mail or phone. The Cardholder must retain this information for proper reconciliation and documentation of each transaction within the PaymentNet system.
10. The Cardholder is responsible for ensuring receipt of the materials purchased and for following-up with the vendor to resolve any issues related to pricing, delivery discrepancies, damaged goods or application of Ohio Sales Tax in error. The Cardholder should ensure that complete shipping instructions are given to the Vendor at time of order. All purchases not made in person must be shipped directly to a University address. A purchase shipped to a Cardholder's home address will be considered a personal purchase.
11. If, for any reason, it is necessary to return goods that have been purchased, the Cardholder should contact the Vendor and follow the directions provided for return of the merchandise.

USE OF P-CARD FOR PURCHASE OF TRAVEL AND ENTERTAINMENT

1. Each P-Card is assigned a Spending Limit which limits the dollar amount of travel and entertainment that can be purchased by the Cardholder on both a monthly and on a per transaction basis. Spending Limits are set based on the needs of the individual Cardholder and determined by the PCA and the Cardholder's Budget Administrator. Cardholder requests to increase the Spending Limit must be accompanied by appropriate written justification and should be submitted to the PCA for consideration.
2. The PCA has the ability to block merchant category codes (MCC) on individual P-Cards. These MCC blocks will prevent the P-Card from being used for certain types of purchases. For example, a P-Card may be blocked from accepting jewelry store transactions. All P-Cards are automatically blocked from accessing cash advances from ATMs or other sources. Cardholders will be individually notified by the Purchasing card Administrator of any other blocks placed on their P-Card.
3. The P-Card may be used for University business travel, business meals, and entertainment expenses incurred locally or while away, as well as other business expenses. The P-Card may not be used to obtain cash advances, to pay for personal expenditures incurred while traveling or to pay for travel expenses incurred by anyone other than the Cardholder.
4. Existing travel and entertainment policies must be followed for all P-Card purchases. To ensure compliance with this requirement, please consult the *Controller's* office with any questions. Current policies can be found on the website at www.jcu.edu/fas/policies.htm.
5. Supporting Documentation and Transaction Notes must be supplied by the Cardholder to document each travel and entertainment related P-Card transaction, including those transactions processed via the internet, mail or phone. The Cardholder must retain this information for proper accounting and reconciliation of each transaction within the PaymentNet system. For each travel or entertainment related charge, the Cardholder must also provide Transaction Notes within the PaymentNet system as follows:
 - a. Hotel charges must include information regarding the University business purpose associated with the hotel stay, the number of nights the Cardholder stayed at the hotel on University business and the dates and location of the stay.
 - b. Restaurant/meal charges fall under three categories; travel meals, business meals and entertainment meals. In each case, these charges must include the names and University affiliations of all those in attendance, the nature of the University business discussed during the meal or the social nature of the meal (e.g., with colleagues from other colleges or universities, or with donors or potential donors), as well as the date and location of the meal. The following general ledger accounts should be used to record these types of meal charges: travel meals-70441, business meals-70325, entertainment meals-70330.
 - c. Airline transactions must include information describing the University business purpose of the air travel, including the dates of travel and destinations.
 - d. Car rental charges must include information describing the University business purpose of the rental, including the dates of travel and destinations.
 - e. Other travel charges (limo, shuttle, taxi, train, parking, tolls, fuel, mileage or other) must include information describing the University business purpose of the travel, including the dates of travel and destinations.

ACCOUNTING FOR PURCHASING CARD TRANSACTIONS

The Cardholder is responsible for accounting, reconciling and reviewing each of their P-Card transactions on at least a monthly basis. Much of this accounting, reconciliation and review process will be accomplished through use of the PaymentNet system (see How to Use PaymentNet). However, for audit and tax purposes, this process will also necessarily rely on the printed Purchasing Card Statement which is mailed to the Cardholder each month.

The Cardholder (and optionally their Budget Administrator) will receive notification that transactions have posted on PaymentNet via e-mail, on a weekly basis. Transactions posted to the PaymentNet system during a calendar month will be downloaded to the general ledger system on or around the 15th day of the following of the month. Cardholder review and Budget Administrator approval must take place before the download dates.

The following steps should be followed to review and approve P-Card transactions:

1. At a minimum, the Cardholder must review and approve their P-Card transactions at the start of each month using the PaymentNet system (See How to Use PaymentNet).
2. Each P-Card transaction will initially be assigned a Default Budget Code. This Default Budget Code will consist of a default organization code (typically the home organization of the Cardholder) and an account code defaulted based on the transaction's Merchant Category Code. Cardholders have the ability to change the organization and/or account codes, or to add an activity code, in PaymentNet (See How to Use PaymentNet).
3. The Cardholder must enter into the PaymentNet system additional Transaction Notes for each P-Card transaction.
4. The Cardholder is expected to have obtained and retained Supporting Documentation for all P-Card transactions.
5. All Supporting Documents are to be checked against the corresponding transaction amounts shown on the printed Purchasing Card Statement. "N/A" should be written next to any transactions for which documentation is not available. In this case, the Cardholder must also disclose in the PaymentNet Transaction Notes that documentation is missing and must also complete the Missing Documentation Form.
6. If personal expenses have been inadvertently or unavoidably charged to the P-Card, those charges must be identified in the PaymentNet Transaction Notes. Personal charges must be promptly reimbursed to the University. Reimbursement can be made through the *Cashier's* office by depositing funds in an amount equal to the personal charges into the affected Budget Code. A receipt from the *Cashier's* Office supporting the reimbursement must be attached to the Cardholder's Purchasing Card Statement.
7. (*This Section Under Development*) Reimbursement of out-of-pocket expenses. While PaymentNet has the ability to process out-of-pocket expenses, this functionality is not currently operational. Cardholders will be notified when this process becomes available. In the meantime, requests for reimbursement of out-of-pocket expenses should be made through Accounts Payable by using the Interactive Multi-Voucher Form that can be found at http://www.jcu.edu/fas/fas_forms.htm.
8. After the Cardholder has reviewed the PaymentNet Statement and determined that all transactions were authorized and charged to the appropriate Budget Codes, the statement must be approved electronically by checking the "Reviewed" box for each transaction.

ACCOUNTING FOR PURCHASING CARD TRANSACTIONS (Continued)

9. The Cardholder's must sign their printed Purchasing Card Statement, and along with all Supporting Documentation (including receipts for funds reimbursed to the University, receipts supporting out of pocket expenses and information on disputed transactions), submit the complete package to their Budget Administrator for signature.
10. After the Budget Administrator has signed the Cardholder's Purchasing Card Statement, it along with all Supporting Documentation should be sent to the Purchasing Card Office (Accounts Payable) for storage and audit.

DISPUTED TRANSACTIONS

A Vendor will typically receive payment from the Card Processing Bank for P-Card purchases within 24 hours of the actual transaction time. At the same time, a related transaction charge will appear on the Cardholder's online PaymentNet Statement and also on the printed P-Card Statement that is mailed to the Cardholder each month. The Cardholder is responsible for timely reviewing these statements to ensure only legitimate transactions have been posted. A disputed P-Card transaction can result from a failure to receive goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, sales tax improperly added, etc. The Cardholder is responsible for the timely follow-up with the Vendor and/or the Card Processing Bank for any erroneous charges, disputed items or returns.

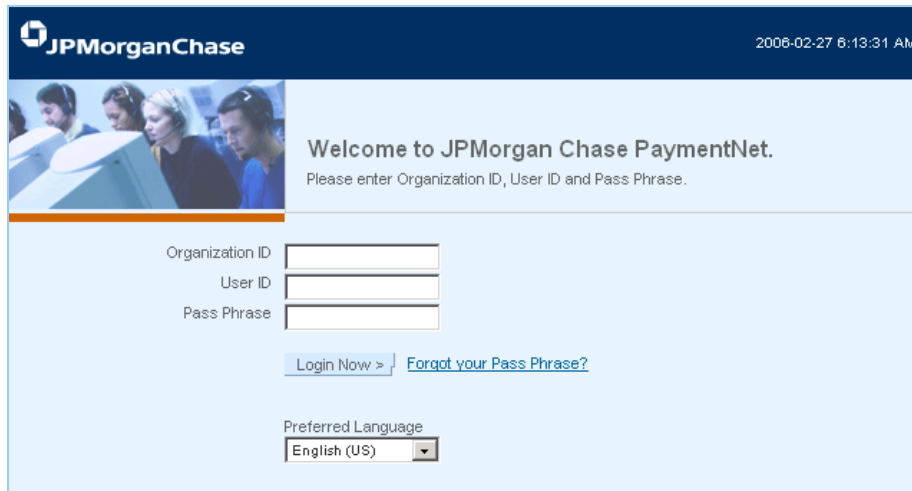
The following procedures should be used for handling disputed transactions:


1. The Cardholder should first attempt to contact the Vendor to resolve any outstanding issues. Most disputed transactions can be resolved in this manner. The Cardholder is responsible for contacting the Vendor to resolve any disputed charges or billing errors within 30 days of receiving their monthly P-Card Statement. If the matter is not resolved within these 30 days, the Cardholder must contact the Purchasing Card Administrator and complete the appropriate forms to be filed with Card Processing Bank.
2. If the Cardholder is unable to reach agreement with the Vendor, the dispute can be handled through the online transaction dispute field which can be accessed from the *Transaction Detail Record* screen in the PaymentNet system. (See How to Use PaymentNet section for specific instructions). All unresolved disputed items must be communicated to the Card Processing Bank within 60 days of the original transaction date. The Card Processing Bank will investigate the dispute and notify the Cardholder of the resolution. Depending on the outcome of the dispute, the Cardholder's account will be appropriately charged or credited upon resolution.
3. If the Cardholder is dissatisfied with the ultimate resolution of the disputed item, the Purchasing Card Administrator should be contacted for possible further action.

HOW TO USE PAYMENTNET






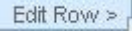


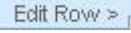
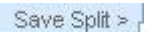
Each Cardholder is responsible for accounting, reconciling and reviewing each of their P-Card transactions on at least a monthly basis (see Accounting for P-Card Transactions section). Much of this accounting, reconciliation and review process will be accomplished through use of the PaymentNet system. Each P-Card transaction is typically posted to the PaymentNet Statement within 48 hours of the actual purchase. Once posted, the Cardholder has the ability to fully review the transaction using the following procedures:

- Logging in to PaymentNet
 1. Open an internet browser.
 2. Enter <http://www.paymentnet.com> in the browser address bar to access the following screen.



3. Enter the following on the *PaymentNet* login screen (these entries are case sensitive):
Organization ID: US64670
User ID: <User ID>
Pass Phrase: <Pass Phrase>
 4. Click *Login Now* .
- Viewing Transaction Details
 1. After clicking *Login Now*, a new *Welcome Screen* will appear.
 2. On the left-hand side toolbar of the *Welcome Screen*, select *PaymentNet*.
 - a. Cardholders: You will first see the *All Transactions* screen, displaying all of your P-Card transactions. If no transactions appear, click **Go**
 - b. Budget Administrators: You will first see the *All Transactions* screen, displaying both your P-Card transactions and the P-Card transactions of all Cardholders who report to you. If no transactions appear, click **Go**
 3. Extra details for transactions may be available; if the following icons are displayed in the *Trans ID* column, click them to view detail: 

HOW TO USE PAYMENTNET (Continued)

- **Cardholders: Reviewing Transactions**
 1. Select a transaction in the *All Transactions* screen by clicking on *Merchant Name* or *Transaction Amount* (the cursor arrow will turn to a hand).
 2. Compare the transaction details (e.g., amounts) with Supporting Documentation (e.g., receipts).
 3. Review Budget Code allocations (Default Budget Codes may appear) and make any changes to organization or account codes (or add activity codes).
 4. Add explanatory information in the *Transaction Notes* field (required for each transaction).
 5. When completed, check the *Reviewed* box (required for each transaction).
 6. Click .
- **Budget Administrators: Reviewing Cardholder Transactions (Optional)**
 1. On the *All Transactions* screen, use the horizontal scroll bar to review transaction details and Budget Code allocations.
 2. To view *Transaction Notes*, click the  icon.
 3. If changes are required, click on the transaction and make allocation changes. Check the *Approved* box and click .
 4. If changes to the transaction are not needed, check the *Approved* box on its row.
 5. Use the *Page Navigation* box to view additional transactions: .
- **Splitting Transactions**
 1. From the *All Transactions* screen, click on the transaction.
 2. Click .
 3. Select the number of splits from the drop-down box. The total transaction amount will be divided evenly among all split rows.
 4. Click on the first .
 5. Select any changes to that row's allocations. Split by either percentage or dollar amount.
 6. Click .
 7. If more than one split
 - a. Two splits—the remaining amount will be automatically added to the other split row.
 - b. Three or more splits—Any changes to the first row, whether adding to or subtracting from the amount, will be added to or subtracted from the last row's amount.
 - c. Deleting rows—Change the number of splits from the drop-down box. Be aware that this will reset your split and remove any previous changes!
 8. Canceling a split—To cancel an entire split, click .
 9. Click  on any other row and follow Step 5.
 10. When finished, click .

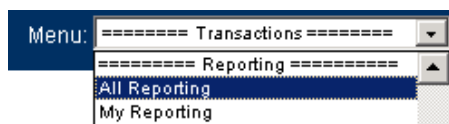
HOW TO USE PAYMENTNET (Continued)

- Disputing Transactions
 1. Before disputing a transaction, first attempt to resolve the issue directly with the Vendor.
 2. From the *All Transaction* screen, click on the transaction.
 3. Click [Dispute >](#).
 4. Confirm your *E-mail Address* is correct and enter the *Merchant State*, if empty.
 5. Choose the *Dispute Reason* from the drop-down box. PaymentNet will refresh and may require additional field input.
 6. Enter text in *Additional Information* field to describe the dispute.
 7. Click [Save >](#).
 8. Red text will appear, providing a link to a pre-populated Adobe PDF form to be signed and faxed to JPMorgan Chase.
- (*This Section is Under Development*) Adding Out-of Pocket Transactions

REPORTS


There are a variety of canned reports available through the PaymentNet system. Cardholders and Budget Administrators will be given access to different types of reports for purposes of managing and overseeing Cardholder accounts. For further information on these reports, please contact the PCA. At a minimum, all Cardholders must produce a report entitled *Transaction Detail with Account Codes and Notes* as part of the monthly reconciliation and reporting process.

- Generating Reports in PaymentNet
 1. Log onto *PaymentNet* as described above.
 2. Select *All Reporting* by scrolling down in the *Menu Box* located at the top of the screen.



3. A new *Report* screen will appear. Click on the *Transaction* category bullet
[Select a Category](#)
 Cardholder/Employee Transaction Merchant Administration All
4. Scroll down the *Transaction Report* screen list and click on desired report, in this case "Transaction Detail with Account Codes and Notes."



[Transaction Detail with Account Codes and Notes](#)

- The next screen will appear as follows. Click on the *Dropdown Icon*  from the rightmost *Dropdown Box* and select the date of the report from the available *Month/Year* combinations

Process Criteria > | Bypass Criteria > | Reset >






Find records where of the following apply


Accounting Cycle	is equal to	May 2006		
------------------	-------------	----------	---	---

- Click on the *Add Row Icon*  and the screen will appear as follows. Click on the *Dropdown Icon*  from the lower leftmost *Dropdown Box* and select the *User ID* query parameter. Enter the Cardholder *User ID* (same as the PaymentNet Login User ID) in the lower rightmost *Query Box*.

Process Criteria > | Bypass Criteria > | Reset >


Find records where of the following apply


Accounting Cycle	is equal to	May 2006			
User ID	is equal to	Enter User ID Here			


- Click on Process Criteria [Process Criteria >](#) near the top left of the screen.
- On the next screen, Click on [Proceed With Report >](#).
- The next screen will appear as follows. Click on the first arrow  to create a report in Adobe format.


[Save Report Criteria >](#)

Optional File Prefix

Click to create your report in Adobe .pdf format. 

Click to create your report in MS Excel format.  Version 5 or higher required.

Click to create your report in MS Word format.  Version 5 or higher required.

- The next screen will show a list of reports available for download with the most recently generated report listed first. Click the *Refresh* button [Refresh >](#) if the most recent report does not appear on the screen. Depending on processing volume, the report may take several minutes to appear.
- To view a report, click on it and it will appear the next screen.
- Click on the *Printer Icon*  to print the report.

Note: While these instructions are specific as to one report, all other reports in PaymentNet can be generated in a similar manner.

SUGGESTED PURCHASES

The following are examples of typical small-dollar uses for the P-Card. This list is not exhaustive. Any questions about the appropriateness of using the P-Card should be directed to the PCA or the Director of Purchasing. In all cases, existing guidelines should be followed and only University related items should be charged.

- Advertisements
- Airline tickets (TN)
- Books and periodicals
- Catering services (TN)
- Car rental (short-term) (TN)
- Chemicals
- Conference/seminar registration fees (TN)
- Dues and professional memberships
- Equipment less than \$500, except of computer and office
- Entrance fees (TN)
- Food (not for employee-only consumption) (TN)
- Fuel (TN)
- Film and film processing
- Florists
- Ground transportation (limousine, taxi) (TN)
- Hotel accommodations (TN)
- Internet purchases (approved items only and through secure site only)
- Magazine and newspaper subscriptions
- Parking (TN)
- Rental equipment
- Restaurants (TN)
- Software (with approval of Information Services)
- Subscriptions
- Supplies less than \$500, except of computer and office
- Tolls (TN)
- Travel agencies (TN)
- Uniforms

TN – Purchases falling with these categories will require written Transaction Notes fully describing the purpose of the expenditure as well as physical Supporting Documentation.

Also see Alternative Purchasing Methods section

PROHIBITED PURCHASES

Purchase of some equipment, materials, supplies or services is subject to University policy and legal/technical constraints and, therefore, the Purchasing Card should not be used. Such items must be purchased using other more appropriate purchasing means. The following list of items may not be purchased through use of a Purchasing Card unless prior written approval has been obtained from the P-Card Office:

- Bio-hazardous materials
- Biological or bacteriological viruses purchased live
- Cash advances
- Computers (must be purchased through Information Services)
- Furniture
- Gasoline (for personal vehicles)
- Gifts or donations (including any type of gift card)
- Items for personal use
- Imprinted material (including, clothing, ad-specialty/give-away items, stationery, brochures, etc.)
- Office supplies (must be purchased through on-line Preferred Vendor program)
- Packaged alcoholic beverages
- All Portable electronic devices (including cell phones, i-pods, PDA's, digital cameras, GPS units)
- Prerecorded audio visual materials (including CDs or DVDs)
- Prescription drugs and controlled substances
- Radioactive materials
- Services involving labor, indemnity, and/or insurance requirements
- Vehicle purchase or lease (Excluding short-term vehicle rental)
- Weapons, ammunition and detonating equipment

ALTERNATIVE PURCHASING METHODS

Due to University contracts or legal requirements, the use of the P-Card for the acquisition of certain equipment, materials, supplies, and services will be limited. The categories of limited purchases along with the scope of the limitation are given below. If the equipment, material, supplies, or service being purchased does not fall within the stated scope of the limitation, then the Cardholder may utilize the P-Card to initiate the purchase. Otherwise, the Cardholder should utilize traditional purchasing procedures to initiate the purchase.

Catering:

Purchasing of catering services for on campus events should be coordinated through the University's food service vendor.

Computers:

The University has implemented a standard configuration for computers which must be maintained by the *Information Services* department. This includes desktops and laptops. The P-Card may not be used for any computer purchases (excludes purchases made directly by *Information Services*). If a specific configuration is needed, please contact *Information Services* directly for assistance.

Interior Furnishings:

The University has implemented a standard for design of all spaces which must be maintained by the *Facilities* office. This includes all furniture, carpet and window treatments. The P-Card may not be used for any interior furnishing purchases. If specific furnishings are needed, please contact the *Facilities* office directly for assistance.

Office Supplies:

The University has developed an on-line Preferred Vendor Program with a large national office supply chain. The P-Card may not be used for any office supply purchases which can be purchases directly on-line through this Preferred Vendor Program. If specific office supplies are needed, please contact the *Purchasing* office directly for assistance.

Photocopiers:

The University has partnered with several outside Vendors to provide convenience copiers as well as repair and maintenance services for copiers throughout the University. Please consult the *Purchasing* department for assistance.

Postage:

Reduced rate postage is available through the University *Mail Center* and therefore should not be purchased with the P-Card

Printing:

The University *Copy Center* provides a wide variety of quality printing, copying and bindery services, including color printing. If profession-quality printing serviced are required, please consult the *Purchasing* department for assistance.

ON-COMPLIANCE POLICY

Cardholders who have been given Purchasing Card access by the University and their Budget Administrators are held accountable for all transactions related to their P-Card. Consequences for misuse of the P-Card are serious, and may include re-training, card suspension or card revocation. Fraudulent use of the P-Card may result in more drastic disciplinary action, up to and including employment termination and legal action.

The following responsibilities, while not all-inclusive, are critical. Cardholders must:

1. Review and approve all P-Card Transactions in PaymentNet.
2. Obtain and retain Supporting Documentation for all P-Card transactions.
3. Include Transaction Notes on all P-card transactions in PaymentNet.
4. Not use of the P-Card for personal purchases.
5. Promptly reimburse the University for any unavoidable personal purchases.
6. Insure that Ohio Sales Tax is not applied to P-Card transactions.

Failure to successfully follow the above listed policies and any additional policies listed in this Users Manual will result in the following penalties:

First Offense: Verbal warning to Cardholder and Budget Administrator

Second Offense: 30-day suspension of P-Card privileges

Third Offense: P-Card cancellation

P-Card reinstatement may be possible after six months. Reinstatement will require successful re-completion of the training program and another six month probationary period.

AUDIT FUNCTION

To insure compliance with the policies and procedures of the P-Card program, the PCA along with the P-Card Office, will implement and review the following monthly reports:

Personal Purchases Report – measures the usage of the P-Card for personal purchases

Sales Tax Report – measures the application of sales tax charged in error

Unusual Activity Report – indicates transactions with unusual vendors

Scorecard Report – measures the review and approval percentages of transactions by department.

Transaction Notes Report – identifies those Cardholders not utilizing Transaction Notes for their purchases

The information obtained from the above reports will be shared with the Cardholders and their Budget Administrators. Required action will be communicated to the appropriate parties and follow-up will be completed to insure compliance by the Cardholder.

In addition, a monthly random audit of Purchasing Card Statements will be initiated to insure that appropriate Supporting Documentation has been supplied for all P-Card transactions. This audit will insure that all active Cardholders are reviewed at least annually.

John Carroll University Cardholder Application

Section I - Instructions

- 1) To add a new P-Card account, complete all sections.
- 2) To change an existing account, complete Section II with the type(s) of requests and fill in ONLY fields requiring change(s) in the remaining sections below.

Section II – Type of Request

- New P-Card Account Cancel P-Card Cardholder Transfer to New Department
 Employee Information Change (Section III) P-Card Information Change (Section IV)
 Other: _____

For changes to existing accounts or account cancellations, please complete the fields below:

Existing Cardholder Name: _____

Existing P-Card Account # (xxxx-xxxx-xxxx-xxxx): _____

Section III – Employee Information

First Name: _____ MI: _____ Last Name: _____

Street Address: _____

Street Address (Line 2): _____

City: _____ State: _____ Zip Code: _____

Business Phone (_____) _____ - _____ E-mail: _____

SSN: _____ - _____ - _____ Date of Birth (MM/DD/YY): ____ / ____ / ____

Section IV – P-Card Information

Cardholders's Banner Organization Code (default): _____

Describe Primary Purpose of Card Use: _____

Monthly \$ Limit: \$ _____ Transaction \$ Limit: \$ _____

Budget Administrator Name: _____ Budget Administrator E-mail: _____

Section V - Approvals

(Cardholder signature required on new card applications only)

Cardholder Signature: _____ Date: _____

Budget Admin. Signature: _____ Date: _____

John Carroll University Purchasing Card Agreement

I, _____ (“Cardholder”) hereby acknowledge receipt of my JPMorgan Chase Purchasing Card (P-Card). In consideration of John Carroll University (the “University”) obtaining the P-Card and providing it to me, I agree to and understand the following:

1. The P-Card is provided to eligible University employees based on their need to purchase business related goods and services, including those related to travel and entertainment. The P-Card is not an entitlement nor reflective of title or position and may be revoked at any time.
2. The P-card is to be used for University business related purchases only; personal charges are strictly prohibited.
3. The Cardholder is the only person entitled and authorized to use the P-Card and is responsible for all charges made against the P-Card.
4. The Cardholder is expected to fully comply with the policies and procedures outlined in detail in the Purchasing Card Users Manual, of which the Cardholder has a copy.
5. Improper use of the P-Card can be considered misappropriation of University funds that may result in disciplinary action, up to and including termination.
6. The Cardholder is responsible for reconciling their monthly Purchasing Card Statement, including maintaining Supporting Documentation for all transactions, providing Transaction Notes for all transactions and timely submitting fully reconciled statements to the P-Card Office.
7. The Cardholder is responsible for resolving any disputed transactions by contacting their supplier, Purchasing Card Administrator and/or JPMorgan Chase.
8. A lost or stolen card should be reported immediately by telephone to JPMorgan Chase Customer Service at 1-800-270-7760 (24-hours, 7-days a week).
9. The Cardholder must surrender the P-Card upon termination of employment. At this point, no further use of the P-Card is authorized.

_____ Date _____
Cardholder Signature

_____ Date _____
Purchasing Card Administrator Approval

John Carroll University Missing Documentation Form

This form is to be used only in the rare cases when documentation from a P-Card purchase is missing or incomplete. Once the required documentation is received, it should be attached to the appropriate Purchasing Card Statement.

Cardholder Name: _____

Vendor Name: _____

Transaction date: _____ Transaction amount: _____

Description of item purchased: _____

Explanation of why documentation is currently unavailable: _____

Cardholder Signature: _____

**STATE OF OHIO
DEPARTMENT OF TAXATION
SALES AND USE TAX
BLANKET EXEMPTION CERTIFICATE**

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made from:

(Vendor's Name)

and certifies that the claim is based on the purchaser's proposed use of the items or services, the activity of the purchaser, or both, as show hereon:

"A sale to an organization not-for-profit, operated exclusively for charitable purposes in this state"

(Purchaser must state a valid reason for claiming exception or exemption)

John Carroll University

Purchaser's Name

1 John Carroll Blvd. (formerly 20700 North Park)

Street Address

University Hts., Ohio 44118

City, State, Zip Code



Executive Director of
Purchasing
& Auxiliary Services

Signature and Title

January 1, 2013

Dated Signed

18-049727

Vendor's License Number, If Any

34-0714681

Federal Employers Identification Number