Middlebury College
Procurement Card Policy

Middlebury College
Procurement Office

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INTRODUCTION

Welcome to Middlebury College’s Procurement Card Program. The Procurement Card Program provides an efficient and effective method of purchasing and paying for goods and services. Procurement Cards are issued to individuals who place orders on behalf of the college and/or individuals who travel on college business. An individual can be issued a procurement card upon completing an application form, signing the application agreement, and attending a Procurement Card Training Session. The cardholder is required to read and to adhere to this Procurement Card Policy - please read it carefully. All employees are accountable for the proper use of College funds. Although the card is issued to the cardholder, it remains college property, and may be rescinded at any time. Use of the procurement card is only for the types of purchases described in the college purchasing and travel policies, and its usage is restricted to college business only. See also: the College’s allowable expenditure policy at http://www.middlebury.edu/about/handbook/general/allowable and the College Travel website: http://www.middlebury.edu/about/handbook/general/misc/travel.htm. The procurement card program is intended to compliment College purchasing and travel policies. Documentation of transactions is necessary to the success of the procurement card program. Each cardholder is responsible for the security of his or her card and for the purchases made with it. Cardholders are responsible for keeping a record of all transaction receipts. For any assistance or questions about the Procurement Card Program contact the Program Administrator at 802-443-5459.

PURCHASING CARD BENEFITS

- Goods and services may be more quickly and easily purchased.
- Departmental paperwork required for the purchase of and payment for goods and services is significantly reduced
- Eliminates the use of personal funds to make purchases for college business, and
- Minimizes the use of cash advances

PROCUREMENT CARD CRITERIA

The procurement card simplifies the purchasing and disbursement process by facilitating point-of-demand procurement. All transactions are approved or declined at the merchant or vendor based on the following procurement card authorization criteria:

- Single purchase limit set by the Dept. Head in conjunction with the Program Administrator.
- An approved monthly spending limit will be set appropriately by cardholder needs.
- Approved types of goods and services and/or categories of merchant codes; for example, the card will be declined if you use it at a liquor store.

FORMS
The forms used in the Procurement Card Program are listed below. They have been designed to assist in applying for a procurement card, maintaining transaction receipt records, resolving disputes, and making changes to the cardholder’s record.

- **Procurement Card Application and Agreement Form**
- **Procurement Card Transaction Log**
- **JP Morgan Chase Dispute Form**
- **Procurement Card Change Form**

**APPLYING FOR A CARD**

In order to receive a procurement card you must fill out the Procurement Card Application and Agreement Form. The first part of the form is the application. It asks the applicant for employment information and two forms of personal identification. **This personal information will be shared only with JP Morgan Chase for the purpose of account activation and cardholder verification.** You will be required to provide a departmental index (default index), which is the FOPAL that all your transactions will be charged to. The second part of the form is the agreement. Please read it carefully. You will need to print the form and sign it on the bottom, (employee signature). Your Department Head or Supervisor and Budget Administrator will also need to sign the form. The Budget Administrator signing the form is the person responsible for providing you the default index code. In addition, the Supervisor or budget administrator will sign agreeing that they will be responsible for approving all transactions and/or purchases.

Forward the completed form to the Program Administrator in the Controller’s Office. Please allow approximately ten (10) business days for the card to be processed. Once the card has arrived, the Program Administrator will notify the cardholder and a training orientation class will be scheduled.

Finally, when the cardholder receives his or her procurement card, the program administrator will email the assigned approver of the card reminding them they are responsible for approving the cardholders’ transactions monthly (online via payment net).

**Vermont SALES TAX**

Vendors usually include sales and use tax at the time of purchase. Middlebury College is a tax-exempt organization and a non-profit educational institution. Inform the merchant of Middlebury College’s Vermont Sales Tax exemption number: **450-030 179 298F-01**. If the vendor requests a Tax Exempt Form, one can be obtained from the Program Administrator.

**Cardholders should be careful to assure that purchases made in-person with the Procurement Card, and especially those made in-state from an on-line vendor, are not assessed with sales tax. If a cardholder notices through their review process that a sales tax was charged they should contact the merchant in question, and provide them the information about Middlebury’s tax exempt status, and request a credit for the tax to the card used.**
Note: The purchase of products and services related to the College’s educational mission are tax-exempt. The college is not exempt from rooms and meals tax.

PLACING AN ORDER

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

- Inform the merchant the College is Sales Tax Exempt
- Using your VISA card, provide your card number and expiration date
- Provide a complete shipping address:
  
  Middlebury College  
  Attn: Your Name, PCP  
  Department Name  
  Street Address  
  Middlebury, VT  05753

NOTE: PCP indicates to the Receiving Dept. that this order was a Procurement Card Purchase and can be immediately delivered to you without delay. Please be sure the merchant understands these specific instructions. If not, you may not get your shipment as quickly.

RECEIPT OF SHIPMENT

The cardholder is responsible for obtaining all receipts for goods, following up with vendors to resolve any delivery problems or discrepancies and obtaining credit for damaged goods. Upon receipt of an order, the cardholder needs to keep the documentation received from the merchant (sales receipt, packing slip, confirming fax) for later reconciliation. If a receipt is misplaced or not provided by the vendor, the cardholder must obtain a copy of the receipt from the merchant.

RETURNS/EXCHANGES

The cardholder is responsible for contacting the merchant when the goods received are not acceptable (incorrect item, damaged, or defective), and for arranging a return for credit and/or an exchange.

- Return for Credit - If the merchandise is returned for credit, the cardholder is responsible for obtaining a credit receipt from the merchant and retaining it for documentation purposes.
  
  o Request a Return Authorization number from the Vendor, and instructions to return the shipment.
  
  o Deliver the packaged shipment (marked with Return Authorization number) to the Mailing Services in Forest Hall.

- Return for Exchange – If the merchandise is exchanged for a replacement, the transaction should be arranged as soon as possible.
  
  o Request a Return Authorization number from the Vendor
If the merchandise was ordered incorrectly by the cardholder, the cardholder pays for return freight expense.

If the exchange is caused by Merchant error, request instructions for return at Merchant’s expense (i.e.: UPS Call Tag, or Federal Express address label). See instructions under Return for Damage.

Return for Damage – If the merchandise is returned due to defective or damaged condition, contact the merchant immediately, and notify them of the condition of the shipment received.

Retain the original packaging and packing slip.

Request a Return Authorization number from the Vendor, and instructions for return of the shipment at Merchant’s expense.

Deliver the packaged shipment (marked with Return Authorization number) to the Mailing Services in Forest Hall.

**RECONCILING THE PROCUREMENT CARD STATEMENT—**

*With the authority to purchase products comes the responsibility to maintain adequate documentation.* Both the cardholder and approver for the cardholder have responsibilities to reconcile and approve all transactions bi-monthly.

- Retain all receipts and credit memos to match up with the cardholder statement.
- The end of the statement cycle is the 15th of each month, or the business weekday which falls closest to the 15th. You will receive a statement in campus mail.
- Both the cardholder and approver must go online daily or weekly to review and approve all transactions to date. **Online review and approval must be completed at least biweekly at website: www.paymentnet.com.**
- Once in PaymentNet, you may perform any of the following processes that apply to each transaction:
  - Reallocate charges to other Indexes
  - Change the Account
  - Add an Activity or Location code to the charge
  - Split a charge to multiple accounting codes
  - Enter comments to further describe the transaction
  - Enter a sales tax amount if one was charged
  - Dispute a transaction (see disputes section)
- Reconcile your statement upon receiving it. Documentation must support the legitimate business purpose of all transactions made with the procurement card. Supporting documentation includes sales receipts, packing slips, copies of order forms or applications, cash register receipts, email verification, or copy of confirming order.
- Along with the receipts, the cardholders may choose to keep a log of all transactions to help reconcile the monthly statement. The Program Administrator can provide a record form to assist with this.
- If a cardholder or approver has not approved or reallocated charges by a certain date, the charges will be automatically charged to the default Index, the account that is linked to the card.
- You are required to file all purchasing documentation with each statement. Once reconciled, your statement should be filed and maintained in your department. After four (4) years the records maybe destroyed by spreader.

DISPUTE PROCEDURES

Before you dispute a transaction online, you must first attempt to resolve the issue directly with the merchant. If you are unable to resolve the issue with the merchant, then you can dispute the transaction directly with JP Morgan Chase.

- Dispute the transaction online. You will receive instructions on disputes from your Program Administrator in cardholder orientation training class.
- The dispute process will automatically generate a filled in form that must be printed and signed, then faxed to JP Morgan Chase. They will not initiate the dispute with the vendor until they’ve receive this fax.
- Dispute forms must be submitted within sixty (60) days of the statement date when the transaction posted.
- A resolution from JP Morgan Chase will appear within ninety (90) days. Retain all notes and documentation of your actions on the issue, as it will provide documentation that a dispute is in process.

PLEASE NOTE: By law, merchants are not permitted to bill a credit card for purchases until the items have been shipped.

LOST, STOLEN OR DAMAGED PURCHASING CARDS

- Lost or Stolen Card - It is the responsibility of the cardholder to immediately report a lost or stolen procurement card. Report a lost or stolen card to the Program Administrator. Middlebury is liable for all transactions until the card is reported lost or stolen. You will be asked to provide the last good transaction detail including date, vendor name, and amount.
- Replacement cards will be sent in approximately 10 business days.
- Damaged Card - If a card is damaged, cut it in half and send it to the Program Administrator. Submit a request to the program administrator for a replacement card on the Procurement Card Change Form; your initial request for a replacement may be made by phone or e-mail and then followed up with the change form.

CANCELLING & RENEWAL OF A CARD

- To initiate cancellation of a card contact the Program Administrator for instructions. Cards replaced due to cancellation, loss, or theft will be sent by JP Morgan Chase to the program administrator for distribution to the cardholder.
- 30 days prior to a card reaching its embossed expiration date a new card will be sent by JP Morgan Chase to the cardholder at the address at which the statement is received.
REJECTION OF PURCHASING CARDS BY MERCHANTS

The most common reason for the rejection of a card is the incorrect input of an expiration date, statement mailing address, or cardholder name (mostly for on-line orders). If this occurs when ordering, check the data input on your screen or repeat the information for the telephone sales person. Transactions may also be rejected because the merchant type category is not enabled for a specific cardholder.

If a card transaction is refused, contact the program administrator to determine the reason for rejection and to obtain a resolution which should resolve the refused transaction as well as similar transactions in the future.

MISUSE OF THE PURCHASING CARD

Cardholders assume the responsibility for the protection and proper use of the procurement card. The following situations are examples of misuse of the procurement card:

- Purchases for the personal benefit of the employee
- Assignment or transfer of an individual card to another person
- Use of a procurement card by a suspended or terminated employee

*Intentional misuse of the Procurement Card for personal benefit will be grounds for immediate termination.*

USING THE PROCUREMENT CARD FOR TRAVEL ON COLLEGE BUSINESS

The adoption of the VISA Procurement Card does not constitute radical change to the college policies regarding college business travel. Those policies are defined in the College Handbook. Rather, for many college employees whose job responsibilities dictate regular travel, the procurement card will provide a means to process and pay those travel expenses more conveniently. Furthermore, when an employee is assigned a procurement card, the college expects the cardholder to use the card for all business travel. The maximum use of the procurement card is a major benefit to the procurement card program and the college.

For the past five plus years, Middlebury College’s travel policy has required travelers on College business to book their reservations through Accent Travel and/or Milne Travel or to use an internet site if a more favorable rate could be obtained for airfare, ground transportation, and/or hotel accommodations.

Going forward, the College strongly encourages its travelers to use the internet to obtain the minimum cost for transportation and accommodations. Travelers are encouraged to use sites such as Travelocity.com, Expedia.com, Orbitz.com, Cheaptickets.com, Vayama.com (international travel) or Kayak.com (multi-site travel search engine). As always, travelers are encouraged to shop and compare.
As with any travel on college business, it is the responsibility of the traveler using their procurement card to obtain full documentation/receipts for all expenses and to file and retain those receipts with the monthly VISA statement mailed to the cardholder.

Please direct any questions regarding the use of the Middlebury Procurement Card to the Program Administrator at the e-mail or phone number noted elsewhere in this manual.

**DEACTIVATION OF CARD**

J.P. Morgan Chase will deactivate all procurement cards that do not have any activity on them within an 18 month period. The deactivation purge file is run on the first Saturday of each month. J.P. Morgan Chase will not send out any notice of cancellation. However, the college program administrator will send out a notice to the cardholder when their card is cancelled due to inactivity.

**AUDITS**

As noted elsewhere in this manual, documentation of transactions is critical to the successful functioning of a procurement card program. Cardholders must maintain a file of monthly statements along with receipts, screen prints, packing slips, order acknowledgments, or other relevant documents which substantiate the charges on the monthly card statements. These files will be periodically audited by the Controller's Office Staff or by the College's independent auditors.

The Procurement Card Office is available at any time to work with cardholders in designing, establishing, and maintaining suitable documentation files. For any assistance or questions about the Procurement Card Program please contact the Program administrator at 802-443-5459.