# Middlebury
## Purchasing Card Policy and Procedures

**Responsible Vice President:**

Vice President for Finance

**Policy Contact:** Controller's Office

**Effective Date:** Under Revision – September 18, 2017
**Last Update:** October 6, 2026
**Next Review Date:** As Needed

**I. Policy Statement:**

The Purchasing Card Program ("PCard") provides an efficient and effective method of purchasing and paying for goods and services. Purchasing cards are issued to individuals who place orders on behalf of the Middlebury and/or individuals who travel on Middlebury business. An individual can be issued a purchasing card upon completing an application form, accepting the application agreement, and attending a purchasing card training session. The cardholder is required to read and to adhere to this purchasing card policy and procedures document.

**II. Reason for Policy:**

Middlebury and all its components: Schools and College (herein after referred to as "Middlebury") have a deep commitment to responsible stewardship of its financial resources and accountability for the public and private support that enables Middlebury to purse its mission. Cardholders incurring expenses while conducting Middlebury business are expected to exercise the same care incurring these expenses as a prudent person would in their personal spending.

All employees are accountable for the proper use of Middlebury funds. Although the card is issued to the cardholder, it remains Middlebury property, and may be rescinded at any time. Use of the purchasing card is only for the types of purchases described in the Middlebury purchasing and travel, entertainment and expense policies, and its usage is restricted to Middlebury business only. See Middlebury's travel, entertainment and expenses policy for a list of allowable and unallowable expenses.

Documentation of transactions are necessary to the success of the purchasing card

program. Each cardholder is responsible for the security of his/her card and for the purchases made with it. Cardholders are responsible for keeping a record of all transaction receipts.

Purchasing Card Benefits

- Serves as a price negotiating tool
- Reduces invoices, check requests and purchase orders
- Reduces employee reimbursements and use of personal funds
- Streamlines the acquisition process
- Expedites the shipping process
- Eliminates paperwork
- Allows real time viewing and monitoring transactions

## III. Who is Affected by This Policy

Middlebury and all its components, MIIS, Schools, and College (herein after referred to as "Middlebury").

## IV. Exclusions:

N/A

## V. Definitions:

**Purchasing card** is a form of company charge card that allows goods and services to be procured without using a traditional purchasing process.

**Dispute** – A dispute is a situation in which a customer questions the validity of a transaction that was charged to the accounts. Dispute charges could be for a variety of reasons but are mainly for unauthorized charges. Failure by the vendor to deliver merchandise, defective merchandise or overall dissatisfaction with merchandise should be discussed with the vendor and not JP Morgan.

**Reviewer** – The reviewer is generally the holder of the card. The person making the purchases should be the person to review transactions charged to the card. The reviewer is responsible to ensure the appropriate budget is charged.

**Approver** – The approver is a designated person who has the responsibility to ensure charges are made in accordance with the institution's policies. The approver is responsible to review receipts and ensure transactions are properly documented.

## VI. Procedures:

## 1) Purchasing Card Criteria

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

1) Single purchase limits – The limits are set by the Department Head, Supervisor, and/or Budget Administrator in conjunction with the Program Administrator.

2) Approved spending limits are set appropriately by cardholder needs.

3) Prior approved types of purchases for goods and services and/or categories of vendor codes. Example, the card will be declined if you use it at a liquor store.

## 2) Applying For a Card

In order to receive a purchasing card you must fill out the online Purchasing Card Application.

**The application asks for personal information that will be shared with JP Morgan for the purpose of account activation and used for cardholder verification only**. The application requires your home address be entered. You cannot use Middlebury's address for your home address. This is a governmental requirement. You will be required to provide a departmental budget index, which will be the default index, where your transactions are charged. The Budget Administrator should provide you with this FOAPAL.

You must list your supervisor's information including email address. The application will be routed to your supervisor for approval.

The applicant and the supervisor agree that they will be responsible for reviewing and approving all transactions. The reviewer is generally the cardholder. The approver is generally the person who has the authority to charge the Middlebury budget. The reviewer and the approver cannot be the same person.

Once approved the application will be routed to the Program Administrator for final processing. Please allow approximately ten (10) business days for the application to be processed. The Program Administrator will notify the applicant when the card has arrived and a training orientation class will be scheduled.

## 3) Vermont Sales Tax

Vendors usually charge sales and use tax at the time of a purchase. Middlebury is a tax-exempt organization and a non-profit educational institution and you must inform the vendor of Middlebury's Vermont Sales Tax exemption number: **450-030**

**179 298F-01**. The Program Administrator can provide the vendor with a tax exemption form if needed.

Cardholders must monitor all purchases made to ensure Middlebury is not charged sales tax. If a cardholder is charged sales tax, they will need to contact the vendor and provide them with Middlebury's sales tax exemption information and request a refund for the tax assessed.

The purchase of products and services related to the Middlebury's educational mission are tax-exempt. Middlebury is not exempt from rooms and meals tax.

## 4) Placing an Order

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

1) Inform the vendor Middlebury has a sales tax exemption.
2) Provide your card number, expiration date, and the account address that is listed in your card profile on the JP Morgan site.
3) Provide a complete shipping address.
4) Do not use the card to purchase items at the Grille, Bookstore, or other Middlebury owned locations.

## 5) Receipt of Shipment

The cardholder is responsible for obtaining all receipts for purchases and following up with vendors to resolve issues. The cardholder must obtain a copy of the receipt from the vendor and keep all documentation (e.g., sales receipt, packing slip, confirming fax) for reconciliation purposes.

Note: The law does not permit a vendor to bill a credit card for purchases until the items have been shipped.

## 6) Returns and Exchanges

The cardholder is responsible for contacting the vendor when the purchase received is an incorrect, damaged, or defective item. The cardholder must arrange for returns and/or exchanges. The cardholder is responsible for obtaining and retaining a credit receipt from the vendor. Contact the specific vendor for instructions as to how to return or exchange items.

If the merchandise was ordered incorrectly, the cardholder usually pays for freight or shipping costs. The cost for freight or shipping is at vendor's expense if the return or exchange is due to vendor error. Packages may be delivered to the Printing and Mailing Services in Freeman International Center (FIC) for processing.

## 7) Reconciling the Purchasing 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 review and approve all transactions on a monthly basis. The cardholder must reconcile and retain all receipts and credit memos to the cardholder statement. Both paper and electronic receipts are acceptable forms of documentation. Information will be available in the training session for the receipt imaging option.

Both the cardholder and approver must go online to review and approve all transactions to ensure the proper budget is charged. All transactions must be reviewed and approved by the end of each month. Transactions not properly reviewed and approved may result in the loss of the use of the purchasing card. Use the following website to review and approve transactions: https://www.paymentnet.jpmorgan.com

In Payment Net, you may perform any of the following processes that apply to each transaction:

- Reallocate charges to other indexes
- Change the account number
- Add an Activity or Location code to the charge
- Split a charge to multiple accounting codes
- Enter comments and notes to describe the transaction
- Dispute a transaction (see disputes section)

Your purchasing card statement is available electronically. Print a copy of the statement for reconciliation purposes. The end of the statement cycle is the last day of each month.

Documentation must support the legitimate business purpose of all transactions made with the purchasing card. Supporting documentation includes sales receipts, packing slips, copies of order forms or applications, cash register receipts, email verification, or copy of a document confirming the order with the Budget Administrator or appropriate individual's approval.

The charges will be automatically charged to the default Index if a cardholder or approver has not approved or reallocated charges. Non approval of transactions may trigger an internal audit of your purchasing card use.

You are required to file all purchasing documentation with each statement. Once reconciled, your statement should be filed and maintained in your department. After seven (7) years the records maybe destroyed by shredder.

## 8) Dispute Procedures

Before you dispute a transaction with JP Morgan online, you must first attempt to resolve the issue directly with the vendor. If you are unable to resolve the issue with the vendor, then you can dispute the transaction directly with JP Morgan. The orientation training class will cover disputing transactions online.

## 9) Lost, Stolen, or Damaged Purchasing Cards

**Lost or Stolen Card** - Immediately report a lost or stolen purchasing card by calling the telephone number on the back of their card. A replacement card with a new account number will be issued within approximately (10) business days. The cardholder must call to activate and set/confirm their PIN once the new card is received. Cardholders are encouraged to program the phone number on the back of their card into their mobile device so that it is immediately available if lost or stolen.

Immediately 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 including date, vendor name, and amount.

**Damaged Card** - Contact the Program Administrator for a replacement card by phone or e-mail and then follow up with a change form. Cut a damaged card in half and send it to the Program Administrator.

## 10) Canceling & Renewal of a Card

To initiate cancellation of a card contact the Program Administrator for instructions. JP Morgan will distribute replacement cards to the Program Administrator due to cancellation, loss, or theft.

When a card is due to expire a replacement card will be sent to the Program Administrator during the month of expiration.

## 11) Rejection of Purchasing Cards by Vendor

The most common reason for the rejection of a card is the incorrect input of an expiration date, address, or cardholder name. Check the data input on your screen or repeat the information for the telephone sales person. Transactions could be rejected because the vendor 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 to resolve the refused transaction.

## 12) Misuse of the Purchasing Card

Cardholders assume the responsibility for the protection and proper use of the

purchasing card. Misuse/Violations of the purchasing card include:

- Purchases for the personal benefit of the employee
- Purchase of items listed on the non-allowable list in the Travel, Entertainment, and Expense Policy and Procedures
- Splitting of purchase over multiple card transactions in order to circumvent the single or monthly transaction limit
- Use of the card by anyone or any department other than the authorized cardholder
- Use of a purchasing card by a suspended or terminated employee
- Failure of cardholder to reconcile PCard transactions timely and approver to electronically review and approve transactions in a timely manner

Intentional misuse of the Purchasing Card for personal benefit could be grounds for immediate termination.Failure of cardholder to consistently reconcile transactions in Oracle timely will result in the suspension of PCard privaledges.

## 13) Using the Purchasing Card for Travel on Middlebury Business

The adoption of the VISA Purchasing Card does not change Middlebury policies regarding business travel. Those policies are defined in the Middlebury Travel, Entertainment, and Expense Policy and Procedures. The purchasing card will provide a means to process and pay those travel expenses. When an employee is assigned a purchasing card, the cardholder is expected to use the card for all business travel. The maximum use of the purchasing card is a major benefit to Middlebury.

As with any travel on Middlebury business, it is the responsibility of the traveler using their purchasing 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 purchasing card to the Program Administrator.

## 14) Deactivation of Card

J.P. Morgan will deactivate all purchasing 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 will not send out any notice of cancellation. Middlebury's Program Administrator will send out a notice to the cardholder when their card is cancelled due to inactivity.

## 15) Returning the Purchasing Card upon Termination of Employment

Upon an employee's termination of employment from Middlebury all cards must be surrendered to the Controller's Office.

## 16) Audits

Cardholders must maintain a file of monthly statements along with receipts, screen prints, packing slips, order acknowledgments, or other relevant documents to substantiate the business purpose for the charges. Your card files will be periodically audited by the Controller's Office staff or by Middlebury's independent auditors. Failure to provide proper documentation or proper approval of purchases will result in continued internal audits of your card purchases and notification to your immediate supervisor of noncompliance and possible suspension of card use.

## VII. Related Documents and Forms:

- Travel, Entertainment, and Expense Policy and Procedures

## VIII. Roles and Responsibilities:

**The Accounts Payable Department in the Controller's Office** is responsible for answering questions regarding this policy and procedure document and questions regarding your purchasing card. The Accounts Payable Department will work with cardholders in establishing and maintaining suitable documentation files. For assistance or questions about the purchasing card program, please contact the Program Administrator in the Controller's Office at 802-443-5816.

## IX. Summary of Changes: NA