

# WHITMAN COLLEGE

## PURCHASING and TRAVEL CARD PROGRAM

### POLICIES and PROCEDURES

#### **INTRODUCTION**

Welcome to Whitman College's implementation of the Purchasing and Travel Card Program. The program is designed generally so that departments can use the card to purchase supplies and equipment as well as pay for travel expenses. Amounts charged upon the card will be the liability of the College not the College employee. Thus it is important that the College employ safeguards to ensure that the cards are not misused.

An analysis of payment/procurement activity at Whitman College found that approximately 90% of all purchases of goods and services were less than \$1,000. These same purchases account for approximately 20% of the total dollars spent. The program is intended to capture much of this small dollar activity without the expensive and time-consuming process of cutting a check for each purchase. Besides the small dollar purchases the card can be used for larger amounts where the vendor or department would prefer purchases made by credit card.

#### **CARD BENEFITS**

Purchasing should be easier, faster, and more economical while enhancing control.

- Less time will be spent authorizing small purchases.
- There will be less use for petty cash.
- Default account numbers should require less processing and promote accuracy.
- Utilization of an electronic process will reduce paperwork and processing at the departmental level as well as in Accounts Payable and promote accuracy, as information would be entered into the system once.
- By using the card for most small transactions, a department can consolidate requests for payment forms to a few each month versus one for every transaction.

Business travel will be enhanced by;

- Wide acceptance of MasterCard by merchants.
- The College incurs the liability for business expenses not the travelling employee.
- Department heads and budget officers can review travel costs for individual card users.

It is hoped that the implementation of the Purchasing and Travel Card Program will free up staff time to be devoted to more important tasks, in user Departments as well as in the Business Office.

#### **CONTROLS**

The Whitman College Purchasing and Travel Card Program utilizes internal management controls and management information reporting to ensure that College policies, procedures, and objectives are being achieved. The card is not to be used for personal services.

# PURCHASING and TRAVEL CARD PROCEDURES

## **COMPLIANCE ISSUES FOR CARDHOLDERS**

The policies and procedures governing College purchasing apply to the use of the card. The card may be used to purchase from any vendor that will accept the card. Card use is restricted to Whitman College business. The use of the card for personal use is prohibited. There are activities in which the definition of business versus personal use is not always clear. The standard being what would a reasonable person under the facts and circumstances decide. In the rare case that the card covers personal costs, it is the employee's responsibility to promptly identify and reimburse such costs back to the College.

## **CONSEQUENCES FROM NON-COMPLIANCE TO PROGRAM GUIDELINES**

Because the Whitman College Purchasing and Travel Card is a tool that has credit implications to the College, strict program compliance is required. Non-compliance may produce any or all of the following consequences:

- **Permanent revocation of Whitman College MasterCard privileges.**
- **Assignment of wages for repayment of discrepancies.**
- **Notification to Security and the Controller for further investigation.**
- **Disciplinary measures that may include termination and legal action.**

## **OBTAINING A CARD**

The Executive Secretary to the Treasurer (Nancy Jungmann) is the Whitman College Card Administrator and is located in Memorial 216, phone number 509-527-5145.

The prospective cardholder must fill out a Confidential Application. An application will be submitted to our credit card company based on the information supplied. Any special user requirements can be built into the card on the application form.

The card will be sent to the Card Administrator, who will ensure that the perspective cardholder has read the manual. At this point if the Whitman College Purchasing and Travel Card User Agreement has been signed, the card will be made available to the cardholder for activation and immediate use within the guidelines set forth in these policies and procedures.

## **GENERAL PROCEDURES**

1. Cardholders will use their cards throughout a given month and save receipts to substantiate lodging and entertainment expenses.
2. The credit card company will send out monthly statements to the cardholder's custodian.
  - The College will pay according to the due date and amount on a master statement of all cardholder activity.
  - Each cardholder should review a statement of their card activity and attach receipts where necessary for monthly individual card activity.
3. Cardholder custodians will reconcile all statement activity, assign codes and apply state use tax as necessary via Smart Data software. If there is travel/meal/food or entertainment activity on the statement such costs should be accompanied by a completed and signed JPMC Documentation form. The paper statement fully authorized by Department Head and/or Budget Officer should be sent to the Business Office Data Manager with all necessary backup no later than 15 days after the statement cut-off.

4. The Business Office will import data from SmartData into the General Ledger, back dating to the appropriate statement cut-off month.

#### **IF A DESIRED VENDOR DOES NOT ACCEPT MASTERCARD CARD CHARGES**

If this happens, your options are:

- Ask the supplier if they are interested in accepting credit card payments. If they are, have them contact Master Card International – 1-800-316-6056, they will answer any questions and assist the supplier in becoming an authorized MasterCard merchant.
- Refer the supplier to the Whitman College Card Administrator, Nancy Jungmann at 509-527-5145.
- Use an alternate vendor.
- Use other means to pay the vendor.

#### **CREDIT CARD SECURITY**

Keep the MasterCard in a secure location and safeguard the account number. Do not allow your card number to be easily accessed by others.

#### **IF THE CARDHOLDER LEAVES EMPLOYMENT OF THE COLLEGE**

The MasterCard must be returned to the Card Administrator, when the employment relationship is severed. The Card Administrator will be responsible for the cancellation of the card.

#### **LOST OR STOLEN CARDS**

Like personal credit cards, if the Whitman College MasterCard is lost or stolen, the credit card company must be contacted immediately at 1-800-316-6056. Please notify the Whitman College Card Administrator also, at 509-527-5145. The lost card will be cancelled and a new card will be issued and sent to the Card Administrator. If the old card is located at a later date, destroy by cutting in half and disposing of it. Do not attempt to use the old card.

The cardholder's department will be responsible for any charges made on the card prior to the card being reported as lost or stolen. Keeping track of the card and immediate notification will mitigate any potential loss.

#### **WASHINGTON STATE SALES AND USE TAXES**

Washington state based vendors are required to apply sales tax to in-state purchasers. If items are purchased from an out-of-state vendor, who will or does not charge sales or use tax, that transaction must be flagged on SmartData in order to apply state use tax. This is critical to Accounts Payable, Washington State Department of Revenue requires all purchases (regardless of location or means of payment) to have sales or use taxes collected and paid to the state.

#### **ERRORS ON THE STATEMENT OR OTHER PROBLEMS**

In case of discrepancies or disputed charges, the vendor should be contacted first. Most exceptions or issues can generally be resolved between the cardholder and the supplier/merchant by way of an adjustment that would appear on the next statement. If an agreement cannot be reached with the vendor, the credit card company should be contacted at their customer service center 1-800-316-6056. Their staff is experienced in dealing with these problems and should be able to help. As a last resort, contact the Whitman College Card Administrator for assistance.

If a purchased item needs to be returned for any reason, make arrangements with the supplier/merchant to have the item shipped/delivered to the supplier's place of business or warehouse. Keep a copy of any shipping documents used for this purpose and have the transportation company sign for receipt of any items being returned. Attach these documents to the monthly statement that shows the credit. The supplier/merchant should issue a credit for any item that has been discussed and agreed to for return. Review subsequent statements to assure that this credit has been processed and posted to your account.

Some disputed items, because of their complexity, may have to be submitted in writing. Please contact the Whitman College Card Administrator for necessary forms that may be required. All written communications must be submitted within 60 days of the date the item first appeared on your statement.

Returns, credits or disputed items are the responsibility of the cardholder. The Whitman College Card Administrator is available for assistance if necessary.

### **CONTROL MECHANISMS WITHIN THE CARD**

The Whitman College Purchasing and Travel Card is a special type of charge card. For most cardholders, limitations have been hard-coded in the card to control its use in the following ways:

- Maximum dollar amount per transaction \$1,000
- Total spending limit per month per cardholder \$3,000
- The type of supplier/merchant, as defined by Merchant Category Code (MCC).

For individual cardholder information or changes to card limitations, please contact the Whitman College Card Administrator.

SmartData can generate a wide variety of reports to help manage card transactions and to provide assistance in understanding how Whitman College and cardholders are using their cards. Please contact the College Card Administrator if you would like to know what reports are available or to change reporting requirements.

### **AUDITS**

To ensure the continued success of the Whitman College Purchasing and Travel Card Program and in order to meet the College's internal control requirements, periodic audits of cardholder transactions will occur. The main purposes of the audits are to ensure that correct information is being captured and that the Purchasing and Travel Card Program policies and procedures are being followed. Additionally, the Bank will send a periodic report of all transaction activity to the College Card Administrator and that information will be reviewed and made available to management.

### **IMPACT ON CARDHOLDERS PERSONAL CREDIT RATING**

The Whitman College Purchasing and Travel Card is a corporate not a personal liability and as such only the College's credit rating will be affected by use of the card. However each individual cardholder will be responsible for any abuse or misuse of their card.

## DIRECTORY ASSISTANCE / KEY PERSONNEL

The following resources are available to assist you with using the Whitman College Purchasing and Travel Card, answer any questions you may have and help resolve any problems that may arise.

### **FOR LOST OR STOLEN CREDIT CARD (call both)**

JP Morgan

1-800-316-6056

Nancy Jungmann, Whitman College Card Administrator

1-509-527-5145

To cancel or report lost/stolen credit cards - 24 hours a day

### **WHITMAN COLLEGE CARD ADMINISTRATOR**

Nancy Jungmann

1-509-527-5145

Monday – Friday, 8 AM - 5 PM

Contact the Administrator to request assistance in using your MasterCard or for questions about limits, card restrictions, suppliers or to process a formal dispute on a transaction.

### **JP Morgan CUSTOMER SERVICE**

Monday – Friday, 8 AM - 5 PM

1-800-316-6056

To request copies of receipts, to determine if charges or credits have posted to the account, to obtain the balance owing on the account.

### **PURCHASING ISSUES**

For assistance with suppliers or merchants, please contact the Data Manager at 527-5130.