SEATTLE UNIVERSITY

Procard Program

Policy and Procedures Manual

Controller's Office

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I. Policy Statement

The University's Procard Program is designed to provide authorized individuals with a University credit card (Procard) for low dollar value goods or services. It should be viewed as a payment option within the structure of buying and paying for goods and services at the University. The Procard is a supplemental tool for approved departmental expenses that are more efficiently bought by credit card; or that are only available from suppliers who transact exclusively via credit cards or cash.

All Procard expenses must adhere to the Business Expense Policy. Each transaction must be verified and approved and must be accompanied by appropriate documentation.

This policy has been developed to define Departmental responsibility, Cardholder eligibility, verification and approval of transactions, substantiation of charges, proper receipts, and records retention.

New Cardholders are required to complete training that will highlight and supplement the information provided in this document. Failure to use the Procard in compliance with University policy can result in revocation of card privileges and possible disciplinary action. Fraudulent use of the Procard can result in employment termination and criminal charges.

II. Who is Eligible to Receive a Procard

All full-time and part-time faculty and staff members are eligible to receive a Procard with proper supervisor approval. Students and temporary faculty and staff are not eligible to receive a Procard.

III. How to Obtain a Procard Account

To obtain a Procard, a Procard Application Form should be completed and submitted to the Controller's Office. The applicant is responsible for obtaining approval signatures from their Department Chair or Head. Prior to issuance of a Procard, an individual must complete an in-person training session conducted by the Controller's Office. Upon completion of the training, the individual will be asked to sign a Cardholder Agreement Form which will indicate their understanding of this program and policy.

IV. Who is Affected by this Policy

All faculty and staff that hold or utilize a University Procard.

V. Definitions

Approver: An individual responsible for confirming charges are appropriate and are in compliance with university policies.

Cardholder: The individual who is authorized by the Department Head or Chair as a purchasing agent for the department, and ultimately for the University. Cardholders are responsible for the security of the Procard and are not authorized to share the card with other parties/individuals.

Department Chair or Head: An individual who is a department chair or department head and will exercise approval authority under this program.

Low dollar purchases: Goods or services with a total transaction value less than $2,500.

Proxy: An individual that serves as a substitute, **but** does not possess equally delegated authority or responsibility

Verifier: An individual responsible for reviewing the accuracy of each transaction in the online Procard system or Procard statement on a monthly basis; may be the cardholder or the cardholder's proxy.

Substantiation: Describes the set of written documents that support an incurred business expense.

VI. Policy

Overview

This policy describes who may use the Procard, how card responsibilities are managed, what the Procard may be used for, who is responsible for retaining receipts and records, and the consequences of inappropriate or fraudulent activity. Any Procard charges must be valid business needs and comply with all University policies. Personal charges are strictly prohibited on the Procard program. Please also see the Business Expense Policy for the definition of allowable charges.

Summary of Procard Program Responsibilities

The responsibilities of each individual involved in the Procard program are explained below.

Department Chair or Head

The Department Chair or Head is responsible for documenting the authorization and annual recertification of specific staff that are responsible for the Procard, namely: a Cardholder, Verifier, Approver, and their proxies. The Department Chair or Head is responsible to ensure that all Cardholders, Verifiers, Approvers, and their proxies observe University policies and procedures, and state and federal laws and regulations, which apply to the Procard transactions. The Department Chair or Head may delegate purchasing authority and payment approval. However, the Department Chair or Head retains the ultimate responsibility for ensuring the integrity of all Procard purchases and the approval process, even if specific tasks have been delegated.

Cardholder

A Procard Cardholder is authorized by the Department Chair or Head as the authorized user of the card. Cardholders are responsible for the security of the Procard and are not authorized to share the card with other parties.

Verifier and Proxy Verifier

The Procard Verifier is responsible for reviewing each transaction in the online Procard system on a monthly basis. This includes verifying the accuracy of the transactions, documenting the business purpose, coding transactions to appropriate general ledger accounts, and routing the verified transactions for approval.

Cardholders may verify their own transactions or they may choose to delegate the verification task. They must designate a Proxy Verifier, in case the cardholder is out of the office. The Cardholder or Proxy must route

transactions to an Approver who has authority over the account charged, does not report directly or indirectly to the Cardholder, and is not the beneficiary of the purchase/transaction.

Approver and Proxy Approver

The Procard Approver is responsible for examining the transactions to confirm the charges are appropriate and comply with University policies. An Approver cannot report to the Cardholder or be the beneficiary of the purchase/transaction. Specific Approver responsibilities include reviewing receipts, confirming the expense, and approving the transaction is appropriate and adequately documented in accordance with University policies.

Controller's Office Responsibilities

The Controller's Office reviews departmental Procard transactions on a sample basis, which does not replace the University Department Chair/Head's responsibility as described above. The Controller's Office will direct the Cardholder to correct any errors identified. If excessive or repeated errors occur, additional training may be required.

Verification and Approval Method and Timeliness

All transactions from the billing cycle ending on the 26th of each month must be allocated by the cardholder or his/her proxy by the end of each month. Furthermore those transactions must be verified and approved by the 15th of the following month by the cardholder's supervisor. Cardholders, Verifiers, Approvers and their proxies are responsible for verifying and approving all transactions within this timeframe. If transactions are not verified and approved by the deadline, the credit limit of the cardholder will be reduced by the amount of the outstanding transactions. Repeated missed deadlines may require cardholder privileges to be revoked.

Card Spending and Transaction Limits

All Procards will be issued with a $2,500 credit limits. Individuals that require a higher credit limit must discuss and receive written approval from their supervisors and Department Chair or Head. Higher transaction and/or monthly limits are subject to Controller's Office final approval.

Use of the Departmental Procard

All purchases of goods and services must be for the sole use and benefit of the University. Frequent travelers may use the departmental Procard for permitted travel and entertainment purposes. The University has taken measures to restrict the use of Procards at specific locations. Please contact the Controller's Office with specific questions regarding these restrictions.

Record Keeping

The Cardholder is responsible for retaining receipts and/or supplier documentation for all purchases made with their card. Departments, in turn, will submit the records (receipts, statements) to the Controller's Office by the 20th of each month either digitally (scanned and sent to Procard@seattleu.edu) or campus mail or in-person. Best practices recommend Departments to maintain a copy of the reconciliation with supporting documents while sending the originals to the Controller's Office. Departments are required to maintain a copy of all records submitted to the Controller's Office for a minimum of one fiscal year.

Reconciliation Process

It is important that cardholders validate that all posted transactions are legitimate and match internal records of their card use. Cardholders should compare each of the charges shown on the statement to their receipts to verify the receipt of goods and the accuracy of the charges. Cardholders must ensure that appropriate budget/account coding is applied to each transaction in JPMorgan SmartData Online by the monthly cutoff date (the last day of the month). Upon reconciliation, route the statements and all supporting documentation to your approver for review and approval by the 15th of the month following the end of the billing cycle. Failure to observe the established timeline may result in suspension of card privileges.

Card/Account Security

The Procard should be treated with the same security as a personal credit card. Please follow these guidelines:

- Only authorized cardholders may use the Procard.
- Lock the card in a secure place.
- Do not give the card number to a merchant to "keep on file".
- Never respond to emails requesting your credit card information or to emails that ask you to go to a website to verify personal and credit card information (phishing scam).
- Do not share username or login information.

Auditing

The Controller's Office reviews various reports provided by our Procard provider on a weekly, monthly and quarterly basis. Random audits of departmental Procard statements and cardholder missing receipt logs are conducted by the Controller's Office. All documentation must be provided promptly by the Cardholder upon request by the Controller's Office.

The primary purpose of an audit is to ensure the proper expenditure of funds under this program and to meet Internal Revenue Service regulations. Failure on the part of a cardholder to properly implement Procard procedures may result in further guidance and training, or in a severe situation, disciplinary actions including but not limited to termination of employment as outlined in Program Policy Violations.

A secondary purpose for conducting audits is to identify opportunities for improvement within the Procard program.

International Transactions

All international transactions are accessed a one percent (1%) fee on the overall transaction, which in turn is charged to the cardholder's budget. (Fee may be subject to change.)

Sales Tax/Use Tax

Most out of state merchants do not charge sales tax on purchases of goods and services. Although the University is a federally tax exempt organization, we are required to pay sales tax. In instances that a merchant has not charged sales tax on a purchase, the Controller's Office will charge the appropriate amount of sales tax to your budget. Any variances between SUDDS/Datatel and the Procard statement is most likely due to the posting of sales tax. If sales tax/use tax was added to a purchase when it should not have been, the excess tax can be credited to your cost center by emailing your request to Procard@seattleu.edu no later than the 10th of each month. Please include a brief description of the problem, and the information as it appears in SUDDS.

Substantiation and Original Receipts

"Substantiation" describes the set of written documents that support an incurred business expense. Allowable business expenses must be properly and adequately substantiated in order to be paid. Substantiation consists of the original receipt, notation of business purpose, and names of persons in attendance (when applicable) for the incurred cost.

Original receipts and other supporting documents

All business expenses charges to a Procard must be accompanied by proper substantiation, which must include at least one of these types of supporting documents:

- Original detailed merchant receipt, invoice, or packing slip – if not then,
- Original Procard receipt(s), with itemization – if not then,
- Confirmation email or web acknowledgement – if not then,
- Affidavit of Missing Receipt Form

Information required on receipts and supporting documents

When vendor receipts do not include all the following required information, the requestor must notate the information on the receipt or other accompanying documentation.

- Date of purchase
- Vendor name and address
- Itemized description of goods and services
- Quantity
- Unit price (converted into US dollars, if applicable)
- Grand total of expenditures (converted into US dollars, if applicable)

Written notification by requestor on supporting documents must include

- Business purpose
- Names of persons in attendance, include their functional titles or affiliation (when applicable)
- Translation into English (if original language is not English)

Program Policy Violations

Violations of the Procard Policy shall be handled promptly and uniformly for all cardholders. The University has a three strike rule over most Procard Policy violations.

First Occurrence: Cardholder will receive a written warning and cardholder supervisor will also be notified.
Second Occurrence: Cardholder will have his/her Procard privileges suspended for one month and must receive additional training.
Third Occurrence: Procard will be cancelled.

Cardholders who have identified policy violations will be monitored more frequently and will be subject to more onsite audits by the Controller's Office.

Cash advance and cash back transactions are strictly prohibited under the Procard program. If these types of transactions are identified on a Procard statement, the cardholder will have his/her Procard terminated immediately. Violation of this policy may be investigated and could result in termination and/or criminal prosecution of the Cardholder. In the event of willful or neglectful default of this obligation, the University shall take any recovery action deemed appropriate, which is permitted by law.

The Procard Program may also periodically be audited by various governmental agencies for compliance with Federal/State Grant provisions.

VII. Key Contacts

Seattle University:

Procard Help Desk
Email: Procard@seattleu.edu
Phone: 206-398-4423/206-220-8233

Johnny Lee, Compliance Accountant - Controller's Office
Email: leejo@seattleu.edu
Phone: 206-220-8233

Aimee Nguyen, Compliance Technician – Controller's Office
Email: nguyenai@seattleu.edu
Phone: 206-398-4423

JPMorgan Chase Customer Service:

Phone: 1-800-316-6056

VIII. Frequently Asked Questions

Q: What do I do if my Procard is lost or stolen?

A: Call JPMorgan Chase at **1-800-316-6056** and inform the Controller's Office at Procard@seattleu.edu

Q: Will I receive a new card when my current card expires?

A: Yes, the Controller's Office will inform you when your new card has arrived. You are responsible for coming to the Controller's Office to pick up your new card, at which time you must return the old card.

Q: My charge was denied. Why?

A: There are four (4) reasons a charge is usually denied:

1. You have reached your monthly spending limit.
2. Your charge is over the transaction limit.
3. You are using your Procard with an unauthorized merchant
4. The merchant entered the wrong Procard number and/or expiration date.

If you have questions about a denied transaction, please contact the Procard Help Desk.

Q: Can a co-worker use my Procard?

A: No, only you are authorized to incur charges; however you may use the Procard to make purchases on behalf of any employee in your department.

Q: What records should I retain concerning my purchases?

A: Keep a listing of all order verification/tracking numbers. Knowing the total amount of the order is helpful for reconciliation purposes. You must obtain supporting documentation for each purchase made. Supporting documentation includes, itemized receipts, packing slips, email order confirmation and vendor invoices.

Q: I am leaving Seattle University and need to cancel my Procard. What do I do?

A: Advise your Card Administrator and return the card to Johnny Lee – Compliance Accountant, Controller's Office for card cancellation.

IX. Update Log

Oct 22, 2013

Updated policy.

Procard Transaction Log

For the Month of:_____

DATE OF PURCHASE	VENDOR NAME	ITEMS PURCHASED	PURPOSE OF PURCHASE	AMOUNT	DATE RECONCILED	SUPPORTING DOCS (ORIGINAL/OTHER)
			Total	$		

Cardholder/Verifier's Name _____

Cardholder/Verifier's Signature _____

Date _____

Approving Supervisor Name _____

Supervisor Signature _____

Date _____