

SJU P-CARD PROGRAM
POLICY & PROCEDURES MANUAL

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Introduction

St. John's University (SJU) Purchasing Card (P-Card) is a cost-effective method of paying for purchases and travel expenses. SJU has negotiated for this no annual fee purchasing card program. The card is a VISA card and Elan will issue the cards and also serve as the card servicer. Cards can be used for in-store purchases as well as phone, mail, internet, or fax orders.

The P-Card is not intended to avoid or bypass appropriate purchasing procedures but is to be used in accordance with the guidelines established for SJU. You are asked to treat this program with the same sense of responsibility and security you would use for your personal credit cards. Please note that while the card may be in your name, it is the property of SJU and has no bearing on your personal credit.

Your signature on the Cardholder Agreement indicates that you understand and agree to adhere to the policies established by SJU. Violations of procedures or abuse will result in immediate deactivation of your card and possible disciplinary action. Cards are issued at the request of your supervisor. You will receive your SJU P-Card within 7-10 business days after your application is submitted to Elan. As you use your card, please contact the Business Office if you have any questions.

Organized record keeping and several levels of review will be essential to ensure the success of this program. Failure to substantiate purchases with original documentation is considered misuse of the P-Card and may result in disciplinary action, including (but not limited to) deactivation of your card, reimbursement to SJU, or reportable/taxable income to you.

You are committing SJU funds each time you use the P-Card. This is an important responsibility.

Acquiring a P-Card

Employees can acquire a P-Card with supervisor approval. Only employees who have completed cardholder training * and signed the Cardholder Agreement form are authorized to use a P-Card. Most importantly, **you are the only person entitled to use the card and the card is not to be used for personal use.** Each P-Card is linked to a specific department number and individual employee. You are responsible for all charges on your card.

*Training will be provided by the Business Office. Please see the SJU P-card training manual. [\(insert link\)](#)

The following individuals are not permitted to have a card:

- Provisional employees
- Employees who have had a card previously revoked. (An employee may regain card use only at the request of their supervisor, following review by the Business Office).
- Employees not authorized as cardholders by department administration
- Untrained employees or employees who have not signed and returned the cardholder agreement form
- Non-employees, including consultants
- Suspended employees

The P-card may **NOT** be used for:

- PERSONAL PURCHASES
- PURCHASING ON CAMPUS – i.e. Bookstore, HMML, Lit Press, etc.
- CASH ADVANCES
- PERSONAL SERVICES from individuals (1099 non-employee compensation): consultants, speakers, and other personal services. These payments must be requested using a check request form and a properly completed IRS W-9 form. *Examples of personal services* – the cost to have someone frame a picture for you; the cost to have a computer program installed; payment to someone for designing and building a bookshelf.
- PURCHASES EXPRESSLY PROHIBITED IN THE TRAVEL POLICY.

Except for the situations noted above, the card may be used at any merchant that accepts VISA throughout the U.S.A. and internationally.

Limitations and Restrictions:

P-Cards are to be used for SJU business transactions only. All purchases made with the P-Card are to be delivered to SJU or other temporary work site. Delivery to a non work site will result in immediate revocation of card privileges and disciplinary action. **The individual identified on the P-Card is responsible for all charges made on the P-Card.**

Using your P-card

- Upon receipt of your P-Card, you will need to activate the card by calling the toll-free number printed on the card. You will be asked to provide the last four digits of your Social Security number. Please note that Banner ID numbers were given to Elan instead of Social Security numbers, so instead of using the last 4 digits of your Social Security number, use the last 4 digits of your Banner ID number.
- Once you activate your card, you can begin making purchases immediately.
- A monthly credit limit will be placed on your card. If you feel this amount is inadequate for your purchasing needs, your supervisor should contact the Business Office. Once approved, adjustments in credit limits will be applied and notification sent when completed.
- There will also be a single transaction limit placed on your card, which means your card will be declined if you attempt to purchase more than this amount at one time. Do not split a purchase to avoid the single transaction limit. If you believe the single transaction limit will inhibit optimum usage of the P-Card program, please discuss this with your supervisor.
- All accounts payable policies and procedures established by SJU still apply and include:
 1. All purchases are the property of SJU and must be delivered to a campus address.
 2. Attach all original detailed receipts to your statement. If you are using the internet to make your purchase, make sure you print and attach the confirmation of your purchase.
 3. For phone, fax, and mail orders, please instruct the merchant to send all paperwork to you, the cardholder. List your name in any "ship to" fields to ensure that your order gets delivered to you at SJU.
 4. For entertainment expenses (meals), you must provide documentation to comply with IRS regulations (see Reconciliation of Monthly Statement section).
 5. For year end purchases, your item must be received on campus by June 30.
 6. Before traveling on SJU related business, review the travel policy to ensure you are familiar with SJU's policies and procedures.
<http://www.csbsju.edu/sjubusinessoffice/ap/travelinfo.htm>
- Certain merchant category codes (MCC) have been blocked which may result in a denied transaction.
- If your P-Card is refused at a merchant where you believe it should have been accepted, please contact the Business Office for further clarification.
- Cash withdrawals are not allowed.
- Personal expenses are not allowed.
- Misuse of your card may result in disciplinary action, including termination

Sales Tax Exemption

Merchants are usually required by tax authorities to include sales tax at the time you purchase goods. The amount is dependent on a variety of factors, including the state, county and city where you are purchasing goods. **It is the cardholder's responsibility to notify the vendor that Order of St. Benedict is tax exempt.** *Suggestion: mention to the sales clerk that the purchase is tax exempt immediately as they may need to direct you to customer service.* For your convenience, the MN sales tax exempt number is printed on the card. The sales tax exempt number may not be used for any other purpose than for purchases for SJU. Cardholders may not share this number with other persons. *Cardholders who neglect to provide the sales tax exempt number to merchants will find themselves personally obligated to repay said charges to SJU.* Generally, sales tax exemptions are as follows:

- Items purchased in or delivered to Minnesota are exempt.

Exemption does not apply to:

- Items purchased in another state and not delivered to Minnesota.
- Meals and lodging (almost always taxable).
- Other excise taxes. (i.e. airline taxes)

SJU currently has sales tax exemptions with Florida, North Dakota, Wisconsin, Kansas, Illinois and Michigan.

Contact the Business Office for Exemption certificate

Cardholder's Responsibilities

Card Security

It is the responsibility of every cardholder to safeguard their card and card number against use by unauthorized individuals. The cardholder should use basic security measures, as outlined below, to guard against fraud:

1. Sign your card as soon as it arrives.
2. Keep the card in a secure location; guard the card number carefully. **DO NOT** give your card number to anyone over the phone unless you know you are dealing with a reputable vendor.
3. Save receipts and statements in a secure area (they may contain your card number). **DO NOT** discard credit card slips in public areas or discard them whole. Thieves can acquire your card number from receipts, slips and statements.
4. Keep an eye on the card during the transaction, and retrieve it as soon as possible.
5. Always know where your card is. If you can't find the card, assume the worst: Have your account canceled and request a new card.
6. Be aware of what you are signing: Your signature can copy through to other slips deliberately placed underneath.
7. Audit your monthly statement closely. Make sure all charges shown are legitimate charges.

8. Visit reputable, familiar merchants whenever possible.
9. Report possible fraud immediately to P-card Administration

Lost/Stolen Cards

Immediately upon discovering that a card has been lost or stolen, a cardholder must report this by phone directly to Elan (1-800-344-5696) and to the Business Office.

Authorized Purchases

- Books and subscriptions
- Office supplies
- Professional membership dues
- Travel (see travel policy) <http://www.csbsju.edu/sjubusinessoffice/ap/travelinfo.htm>
- Instructional materials
- Off campus business meeting

Prohibited Transactions

As with any SJU purchase, the P-Card is not to be used for any product, service, or with any merchant considered to be an inappropriate use of SJU funds.

The following transactions are examples of prohibited transactions:

- personal purchases
- spouse and family airfare
- family members' meals
- family members' hotel
- Any personal charges on the hotel bill (e.g., personal calls, in-room movies, spouse or accompanying guest charges) must be paid out-of-pocket at checkout.
- purchases on campus – i.e. Bookstore, HMML, Lit Press, etc.
- computer equipment not approved by IT services
- purchases of furniture not approved by Custodial Operations
- personal expressions of gratitude/sympathy in the form of flowers, gifts, birthday cakes etc. (contact Human Resources for guidelines)
- gasoline for personal vehicles
- automobiles & recreational vehicles (boats, RV's, motorcycles, etc.)
- alcohol per the travel policy <http://www.csbsju.edu/sjubusinessoffice/ap/travelinfo.htm>
- automatic bill pays – i.e. cell phones, internet
- paypal, etc.
- gift cards
- cell phone equipment
- meals on day trips
- snacks, pop, coffee, bottled water

Returning an Item

To return an item, the cardholder should contact the merchant to request a refund.

Disputing a Charge

Within 60 days of the statement date, a cardholder may dispute a charge that appeared on their monthly P-Card statement. If the cardholder does not recognize a charge or it appears to be incorrect, they should attempt to work directly with the supplier for resolution. In the event resolution is not made, the cardholder *must* dispute the charge through Elan by calling the 24 hour customer service number (1-800-344-5696).

The disputed time frame is as follows:

You have 60 days from the statement date which contains the disputed transaction to report it. After you report the disputed transaction, that transaction will be put into suspension. It will continue to be listed on the statement, but will not be part of the balance due. Once the dispute is started, the merchant has 60 days in which to complete their research into the disputed transaction. When the merchant has completed their investigation into the disputed transaction, the result will be that the disputed transaction will either be removed from the statement or the suspension removed and the transaction included in the balance due.

RECONCILEMENT OF MONTHLY STATEMENT

The P-Card billing cycle ends on the 27th day of each month. An e-mail notification is sent to cardholders 3 days later. While allocations and approval of statements are due in the Business Office by the 10th day of the following month, it is strongly recommended that cardholders review and allocate transactions on line throughout the month so errors can be detected more quickly. Please see SJU P-card training manual.

[\(link\)](#)

- 3 days following the cycle cut off date an email is sent to all cardholders to notify them that their statement is ready to review.
- By the 10th day of the following month allocation of charges and statement printouts with supporting documentation are **due in the Business Office**.
Once your statement has been turned in to the Business Office you may no longer go on line and make changes to your statement.

When completing the review and approval of your statement:

- Review department code index for accuracy.
- Enter account code.
- Check the box to indicate that your receipt is attached.
- Enter description of items purchased. i.e. hotel or airfare for who and why, training for whom? If your purchase is for entertainment expenses, you must document **who, what, why, when and where** as required by IRS regulations. *Your entry will be rejected without this information even if your supervisor has approved your statement.*

Who ----- Names/titles of those entertained including an explanation of the relationship

What ----- Nature of the expense

Why ----- Business purpose of meal/entertainment/expense

When ---- When was expense incurred

Where --- Where was expense incurred

- If a receipt is missing, the cardholder should reimburse the university for the transaction by a personal check made payable to "St. John's University," and submit the reimbursement to the Business Office.

- Print a copy of your statement, attach all original detailed receipts, sign it and send it to your Supervisor for review and signature. They should then send it to the Business Office by the tenth day.

The cardholder is responsible for all charges on his or her monthly statement, including resolution of charges in error.

Supervisor's Responsibilities

The Approving Supervisor has ultimate responsibility for all P-Cards that they approve and is responsible for ensuring that departmental procedures safeguard use of the P-Card, timeliness of reporting and propriety of purchases in accordance with SJU's mission, Purchasing Card policies, and within budgetary limits.

Failure to comply may result in suspension of all P-Cards under that approver. Cards may be suspended by the Business Office.

Enrollment/Activation

Approving Supervisors sign P-Card applications prior to submittal to the Business Office.

Compliance

The Approving Supervisor shall check the cardholder statement and confirm the following items:

1. Original and itemized receipts are attached
2. Goods were received
3. Procedures have been followed

Monthly Approval and Review

The Approving Supervisor is to review transactions on the printed statement to verify that proper itemized documentation exists for each purchase. The Approving Supervisor's signature on a cardholder's statement indicates that the cardholder was authorized to make the purchases and the purchases were made in accordance with the applicable procedures.

The Approving Supervisor insures that the monthly statement and documentation is forwarded to the Business Office.

Review of P-Card Policies

Instances of non-compliance will require additional policy review.

Business Office Responsibilities

- **Internal Audit Review**

The Business Office will periodically and randomly perform audits and review cardholder activity for compliance with SJU policies and procedures.

Compliance with Policy; Violations and Consequences

All Card program participants (Cardholders, Approvers/Supervisors, and Department Coordinators, etc) are required to know and follow the policies and procedures related to this program. The following consequences may occur if detailed / itemized receipts are missing, if there is a lack of documentation regarding the independent review and reconciliation of transactions, or any other questionable or inappropriate expenses or patterns are found as a result of an audit or other intervention of the P-Card:

First Violation

1. A notification email will be sent to the cardholder and their supervisor.
2. Will trigger a more comprehensive audit
3. Will be automatically added to the list of next scheduled audits
4. May result in suspension of Card privileges for a certain time period, total loss of P-Card privileges for the employment period of the employee, and/or further disciplinary actions up to and including termination based on the severity of the offense
5. May result in prosecution for criminal actions and/or civil suit for restitution

Subsequent Violations

1. A notification email will be sent to the cardholder, their supervisor, and area Vice President.
2. Depending on the magnitude and frequency of the violation(s) - any one or combination of the following:
 - a. Letter of reprimand to cardholder's and/or reviewer's personnel file
 - b. Temporary suspension of the card (minimum of 30 days) until cardholder and/or reviewer attend required P-Card training
 - c. Permanent suspension of the card
 - d. May result in prosecution for criminal actions and/or civil suit for Restitution

University Administration will not be limited to the consequences listed above, for internal control and audit procedure violations.

University Administration has the authority to investigate and to determine whether a violation of Travel policy, Purchasing Policy, etc has occurred, and to recommend actions that may be taken as a result of such determinations. Administration will consider the facts and circumstances of each incident, and will take action as deemed appropriate, and as permitted by applicable law and/or University policy for due process.(i.e. called "Disciplinary Action" in employee handbook).

P-Card violations include but are not limited to:

- Purchase of items for personal use
- Purchase of items defined in [restrictions and limitations](#)
- Purchase of items or services that violate other established University Policies (Travel, Handbook, etc)
- Purchases of restricted items or services from merchants excluded from valid P-Card merchant categories
- Use of the P-Card for purchases of more than cardholder-established limits by splitting the purchase into more than one transaction
- Failure to return the P-Card when reassigned, terminated, or upon request
- Failure to turn in detailed receipts to departmental administrators or their designees in a timely manner for the purpose of establishing accountable reconciliation procedures

Violations to this agreement or to any policy regarding the purchases of goods and

services will be investigated and may result in disciplinary action or appropriate sanctions up to and including termination and/or criminal prosecution.

Common Questions and Concerns

• Why did SJU decide to participate in the P-Card Program?

Like most companies today, we are exploring ways to streamline processes and reduce costs. Frequently the expenses incurred to process a small dollar purchase can run as high as or higher than the price of the item itself. With a P-Card, many of the typical purchasing steps are eliminated

• What is the procedure when I pay for something with my P-Card?

Essentially, the process is the same as when using your personal credit card. The difference being the need to mention we are tax exempt. Always ask for an itemized receipt for your records, including phone, fax and mail orders.

• How will I receive training for using my P-Card?

The Business Office will offer training to employees at various times. Employees will be notified of the times and locations prior to receiving their cards.

• Are there any restrictions associated with the use of my P-Card?

Yes, in addition to SJU's policy stating the type of products you can buy, other controls and limits may be placed on your P-Card including:

- A monthly dollar limit
- A "per transaction" dollar limit
- "Blocked" merchant categories

Please contact the Business Office for your specific restrictions.

• How will I know if I have exceeded my monthly limit?

You can check your available credit limit on line or call the Elan Customer Service number on the back of your card. <https://vis.informationmanagement.visa.com>

• What should I do if a supplier does not accept the Elan P-Card?

Please contact the Business Office and provide them with the supplier's name, address and phone number. The Business Office will research the issue and get back to you.

• How will I know if SJU is getting billed correctly for the purchases I have made?

You will receive a monthly cardholder activity statement online listing all the purchases made and credits received in the previous month. This statement is for your review and allows you to reconcile your purchases. You must review the statement in a timely manner, as any disputed or fraudulent transactions must be reported to Elan Customer Service within 60 days of the statement date.

• How will my monthly P-Card bills be paid?

You are NOT responsible for the payment of your P-Card bills. The monthly statement you receive is for you to review and reconcile your purchases. Accounts Payable will make one payment to Elan covering P-Card expenses for all SJU employees using the card. Cardholder may need to reimburse SJU for unauthorized or prohibited purchases.

- **Who may I talk to if I have questions?**

Contact the Business Office for any questions you have regarding limits, usage, and other issues. Only the Business Office has the authority to change any existing information or restrictions to a cardholder's account.

- **What should I do if I have a problem associated with something I bought with my P-Card?**

Please refer to the "Disputing a Charge" section of this guide for complete details. It is extremely important that you address these items immediately.

- **Once I receive the P-Card, can I begin using it immediately?**

Once you receive your P-Card, you will be instructed to call Elan's toll-free number and provide certain information to activate the card. This procedure ensures a secure P-Card issuance process and helps to prevent fraud.

- **What should I do if my card is lost or stolen?**

It is extremely important to call Elan's Customer Service toll-free number **(1-800-344-5696)** immediately in the event your card is lost or stolen. You must also notify the Business Office.

- **Can another employee utilize my card for purchases?**

Each P-Card will be embossed with the individual employee's name. The employee is responsible for the proper use of their card.

- **Can the P-Card be used out of the United States?**

Yes, the P-Card is accepted worldwide. Purchases can be made in any currency and billed in U.S. dollars. The currency, as well as the foreign exchange rate utilized, is stated for each transaction on your statement.

- **What should I do if I need to change my monthly or single purchase limits?**

Please contact your Supervisor who in turn will email the Business Office to request any changes.



PURCHASING CARD TRAVEL TIP

THINGS TO CHECK BEFORE TRAVELING:

- Verify daily and monthly limit available on your card prior to traveling:
 1. Verify Online, or
 2. Call the toll free number on the back of your card

This will ensure that you have sufficient funds available to make travel charges. If needed, your supervisor can submit a request to increase your limit prior to your travel.

- Plan to have another means of payment while in travel status, just in case you experience problems with your purchasing card.
- Visit the Travel web site at <http://www.csbsju.edu/sjubusinessoffice/ap/travelinfo.htm>

GENERAL USE OF THE CARD: The purchasing card can be used for all travel expenses **except** the purchase of fuel for a personal vehicle/aircraft. This expense can only be reimbursed to the traveler through submission of a Travel Expense Report form.

PERSONAL MEALS: You must be on **overnight** travel status to qualify for meals that are not with a donor/client. You may use your P-Card to obtain allowable meals, rather than submitting the expense for reimbursement, using up to the per-diem amounts (on a Travel Expense Report form).

BUSINESS MEETING MEALS/ENTERTAINMENT: The senior level employee in attendance should make the charge on his or her card.

AIRLINE TICKETS: Airline tickets for University employees **MUST** be purchased on a P-Card. Only coach class tickets or their equivalent may be purchased for domestic travel.

RENTAL CARS: Rental cars for business purpose are allowable using the Purchasing Card. Do not purchase rental car company insurance or GPS devices for domestic travel. Rental car agreement and receipt must be attached to the P-Card statement. Gasoline may be purchased for use in rental cars.

HOTEL: A cardholder is expected to pay the single room rate unless rooming with another University employee. This would need to be documented in the Notes section. A copy of hotel folio (itemized receipt) is required. If two SJU employees room together in the same hotel room, the senior person should place the charge on their card. All things being equal, it does not matter which cardholder places it on the card. If rooming together in one room and one employee does not have a card, the other can still charge the room. There is no need to split the charge.

St. John's University

Purchasing Card Application and Cardholder Agreement

PRINT Card Applicant Name: First, MI (Optional) Last		
Employee ID #	Phone#	E-mail address
Cardholders Address – Department Name _____		
Room #/ Bldg _____		

This account will have a per transaction limit of \$2499.00 and a monthly maximum of \$5000.00.

If a different threshold is desired, indicate: per transaction \$ _____ Monthly max \$ _____

Default Index # _____

I agree to the following regarding my use of the St. John's University Purchasing Card:

1. I understand that under no circumstances will I use the card to make personal or non-work related purchases, either for myself or for others.
2. I understand that I will not request or receive cash from suppliers as a result of exchanges or returns.
3. I understand that I am the only individual authorized to use the card assigned to me. It is not transferable to any other individual.
4. I understand that I cannot use the card to purchase any item on the *Unauthorized Purchases* list.
5. I understand that failure to complete the additional reporting requirements or follow account restrictions for any item appearing on the *Restricted Use* list will result in loss of card privileges.
6. I understand the card is a required form of payment for any airline ticket purchased for a University employee.
7. I understand that St. John's University can terminate my right to use the card at any time, for any reason. I agree to return the card to my department administrator immediately upon request from the Business Office, my transfer to another department, or termination of my employment.
8. When using the card for travel, I understand that all purchases must be made in accordance with St. John's University Travel Policy.
9. I have reviewed the Purchasing Card Manual, including St. John's University Purchasing Card Policy and agree to follow the established guidelines when using the card. Failure to do so may result in revocation of my user privileges or other possible disciplinary actions, up to and including termination of employment.
10. I agree that should I violate the terms of this Agreement, a payroll deduction may result for employees, and a financial account hold may result for students (restricting access to grades, transcripts, registration, etc.) if the amount is not promptly repaid.

Signature (Cardholder): _____ Date _____

Signature _____ (Dean, Department Head or Supervisor) Date _____

Please send completed forms to: Business Office, Purchasing Cards
Wimmer Hall, PO Box 2222

For additional copies of this application form go to: <http://www.csbsju.edu/sjubusinessoffice/ap/AP%20Forms.htm>