

## PROCUREMENT CARD USE AND PROCESS

### PURPOSE

To define the Westfield State University guidelines for use of a procurement card (P-Card) for the purchase of goods and services in accordance with all applicable statutes, regulations, policies and procedures of the Commonwealth and the University.

### GUIDELINES

The P-Card process is designed to delegate authority and responsibility, and to enable the cardholder to quickly and conveniently make small purchases of approved commodities directly from those vendors that accept the MasterCard.

#### Personal Purchases Prohibited

The P-Card is only designed to be used for purchases of approved consumable supplies and limited services for University related business. Personal use of the card is strictly prohibited. Procurement is responsible for monitoring the effectiveness of the P-Card Program.

#### The Authorization Process

There are four authorization criteria built into the P-Card that are checked by the MasterCard system when the vendor scans the card, or enters the cardholder's card number, at the point of sale. All transactions are approved or declined instantaneously at the point of sale based on the P-Card authorization criteria:

- Number of transactions/day
- Number of transactions/month
- Single purchase limit
- Spend per month

Another authorization criteria common to all payment card transactions is the Merchant Category Code (MCC). Restrictions shall be applied for purchases based on type of goods and services the business provides.

Division Vice Presidents are required to complete P-Card Authorization form for every employee using a P-Card. Non-University employees, temporary, contract, and student employees are not eligible for P-Cards.

#### Restricted Categories

By policy the following categories are not approved for P-Card purchases, most are systemically blocked:

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- Purchases against state appropriated accounts (MMARS)
- Cash advances
- Gift Cards
- Construction and renovations
- Rentals, Lease, Lease to purchase
- Personal items
- Radioactive materials, hazardous materials or disposal thereof
- On-campus services
- Telephones and telephone-related expenses
- Equipment
- Hardware & software
- Furniture
- Medications
- Alcohol \*
- Purchases restricted by Procurement Policy

\* Purchasing alcohol is an allowable exception in limited situations for the benefit of the University. This exception applies to specific employees including the President, Vice President for Institutional Advancement and Major Gift Officers.

## Contract Compliance

The P-Card is an alternative payment method; it does not signal a change in policy regarding compliance with the University's Procurement Policy/Procedure. The procedure states that, whenever possible, established state, MHEC or Cooperative Purchasing Network (e.g. TCPN, NJPA, U.S. Communities) contracts must be utilized.

## P-Card Security

It is the cardholder's responsibility to safeguard the P-Card and account number to the same degree that a cardholder safeguards his/her personal credit card. The cardholder must not allow any unauthorized individuals to use the P-Card or the card number. A violation of this trust shall result in the cardholder having card withdrawn and/or disciplinary action for the cardholder and/or the unauthorized individual.

## Cardholder Separation from the University

Should a cardholder sever employment with the University or transfer between departments, the user Department has the specific obligation to reclaim the P-Card, notify the Procurement Coordinator of the termination or transfer, and return the P-Card to the Procurement Coordinator.

## Misuse of the P-Card

There is a zero tolerance policy for failure to comply with P-Card policy and procedures. Failure to comply with policies and procedure will lead to revocation of P-Card privileges pending investigation. Serious and/or continual violations will result in permanent suspension of the P-Card and disciplinary action, up to and including termination of employment.

The following situations are examples of “misuse” of the P-Card:

### Personal misuse:

- Purchases using the card for the sole benefit of the employee.
- Assignment or transfer of an individual card to an unauthorized person.
- Use of a P-Card by a suspended or terminated employee.

### Administrative misuse:

- Lack of proper and timely reconciliation of individual cardholder account (billing cycle ends on 28<sup>th</sup> day of month, cardholder is required to submit documentation by 5<sup>th</sup> day of new month).
- Card use in direct violation of acquisition goals (i.e. failure to use the P-Card for categories available through contract or preferred suppliers).
- Splitting of charges to avoid the spending limit.

## **PROCEDURES**

A link to the P-Card procedures is available on the University’s website.

## **REVIEW**

This policy will be reviewed annually by the Vice President for Administration and Finance. Changes to the policy shall be presented to the Board of Trustees for approval.

## WESTFIELD STATE UNIVERSITY P-CARD EMPLOYEE AGREEMENT

I (employee name) \_\_\_\_\_, hereby accept the P-Card and agree to comply with the following terms and conditions regarding my use of the card:

- I understand that I am being entrusted with a valuable tool - a procurement card. I understand that I am responsible for making financial commitments on behalf of the University and shall obtain the best value for the University.
- I understand that the University is liable to JP Morgan Chase for all charges made on the P-Card and using it will not affect my personal credit.
- I agree to use this P-Card only for University approved purchases and agree not to use the card to make personal purchases. I understand that the Procurement Department will audit the use of the P-Card and take appropriate action on any discrepancies.
- I agree to follow the established WSU P-Card Procedures Manual and understand the failure to do so shall result in the revocation of my P-Card privileges or other disciplinary actions, up to and including termination of employment.
- I have reviewed and understand the WSU Procurement Card Non-Compliance Sanction Grid.
- I agree to return the P-Card immediately upon request or upon termination of employment (including retirement). I also agree to return my P-Card or request a new one should there be any organizational change within my department.
- I agree to immediately notify JP Morgan Chase and the Procurement Department should the P-Card be lost or stolen..

\_\_\_\_\_  
EMPLOYEE SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DEPARTMENT & DIVISION

\_\_\_\_\_  
MANAGER SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PROCUREMENT COORDINATOR SIGNATURE

\_\_\_\_\_  
DATE

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## WESTFIELD STATE UNIVERSITY VICE PRESIDENT P-CARD AUTHORIZATION FORM

I (VP's name) \_\_\_\_\_, hereby approve issuance of and request the following authorizations for

(Employee's name) \_\_\_\_\_ P-Card:

<b>AUTHORIZATION TYPE</b>	<b>TYPE OF LIMIT (#/\$)</b> (if no restriction, default is none with spend \$2,500/ month)
Number of Transactions/Day	
Number of Transactions/Month	
Single Purchase Limit	
Spend Per Month	
Any other restrictions/considerations to be noted. Additional considerations must include justification for request:	

\_\_\_\_\_  
VICE PRESIDENT'S SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DIVISION

\_\_\_\_\_  
CARDHOLDER SIGNATURE

\_\_\_\_\_  
DATE

\_\_\_\_\_  
PROCUREMENT COORDINATOR SIGNATURE

\_\_\_\_\_  
DATE