

Methodist University

Procurement Card - Frequently Asked Questions

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What is a p-card? A procurement card (p-card) is a special VISA credit card used to make purchases on behalf of the University. It works much like a personal credit card, except the charges are billed to and paid by the University. As a cardholder, the p-card will have your name on it. Thus, each transaction will be charged (initially) to a default expense account within your department. Sharing the card with someone else opens up the card to fraud and theft, and will cause your card to be terminated.

Why should I use a p-card? Using the procurement card will benefit the University, its vendors, and its employees. The University will save time and money by consolidating paperwork, and writing fewer checks; vendors will receive payment more quickly; and departments will obtain the materials and services they need much quicker, without the typical delays in obtaining pre-approvals, purchase orders, and paperwork.

How do I get a card? To apply for a p-card, you will need to fill out an application, have it approved by your supervisor, and send it to the Controller's Office in the Horner Administration Building. The application is available on the University's website at http://www.methodist.edu/facstaff/business_affairs.htm under the Forms section. Before your card will be issued, you must complete a brief training session, which will show you how to properly charge your purchases using BB&T's VISA website, and provide proper documentation of your expenditures. Contact the Procurement Services Department at 630-7522 or 630-7349 to schedule your training session and receive your card.

What can I buy (or not buy) with the card? Procurement cards are for business use only, and certain vendor types with no business relationship to the University may be blocked from your card. Additionally, travel and meals are generally not allowed on the p-card, except for VP's and certain authorized individuals who travel frequently. Any purchases that do not clearly show a University business purpose must be explained. For example, if you purchase food, water or flowers, you must document the business purpose on the receipt. Receipts will be audited by the Procurement Services Department. By signing the cardholder agreement, you are authorizing the University to deduct any personal charges found on your card from your paycheck. Unallowable purchases on your card may result in card revocation.

Examples of unallowable purchases include:

- Personal Use
- Transactions exceeding card limits
- Cash Advances / Cash Refunds
- Gift Cards
- Travel and Meals (unless specifically authorized on the application)
- Purchases from other University Departments (i.e. bookstore, post office, etc)
- Alcoholic beverages (except as stated in MU Alcohol policy)
- Purchases lacking a legitimate business purpose

Vendor limitations on your card are set by MCC code (Merchant Category Classification). Each vendor that accepts VISA is assigned an MCC code based on their establishment type, such as landscaping services, airline, office equipment, hardware store, etc. Certain vendor codes will be blocked or allowed based on assignments by your supervisor and the Controller's office.

How much can I spend with the card? P-cards have various dollar limitations. Each card is assigned a single transaction limit, a daily dollar limit, and a monthly dollar limit as assigned by your supervisor and the Controller's office. These limitations are designed to help departments stay in line with their budget. Each time the card is used, an electronic process verifies the purchase is within these pre-determined limits. If a purchase violates these limits, the vendor will not accept the order. Cardholders may not "split" single transactions into smaller transactions in attempts to avoid the policy. The Procurement Services Department will audit card activity for transaction-splitting. Changes to the spending limits will be considered upon written request by the department head to the Controller's Office. The pcard change request form is available on the University's website at http://www.methodist.edu/facstaff/business_affairs.htm under the Forms section.

When do I turn in receipts and to whom? You must obtain an itemized receipt for every purchase. Acceptable receipts include vendor invoices, charge slips, cash register receipts, packing slips, or printout of E-mail or web page transaction confirmation, provided they include the following information:

- Itemized description of goods or services purchased, including unit price
- Vendor name
- Transaction date
- Transaction total
- If the business purpose is not evident, notate the business purpose on the receipt

Receipts that do not clearly list the required information described above, or that are not originals will not be considered adequate documentation. In such cases, attach a supplemental receipt form to the available documentation detailing the required information. Note: a supplemental receipt form alone does not constitute an adequate receipt. The supplemental receipt form is available on the University's website at http://www.methodist.edu/facstaff/business_affairs.htm under the Forms section.

If the purchase was made by telephone, proper controls require that the credit card receipt note the purchase was a "telephone order". For on-line or faxed orders, a confirmation of order form should be obtained.

Restaurant receipts, if your p-card is authorized for travel and meals, should identify the items purchased. If they do not, use a supplemental receipt form.

All receipts must be matched to your monthly billing statement you will receive from VISA each billing cycle. You will learn how to access and utilize this website during your training session. Your monthly statement, along with the receipts must be reviewed and approved by your supervisor, and forwarded to the Procurement Services Department by the 20th of the following month. Failure to submit all receipts in a timely manner may result in revocation of your card.

How do my purchases get charged to my department? During the application process, a default department expense account will be assigned to your card as determined by your supervisor and the Controller's office. As each transaction you make is posted by VISA to your statement, it will be downloaded the next day from VISA's website to the University's general ledger to your default expense account, so that it is reflected in your budget report as soon as possible. You (or a person designated for you) are responsible for accessing VISA's website to reallocate your charges to the appropriate general ledger code. You will learn how to do this reallocation during your training session. Your reallocation entries on the VISA website will be posted to the University's general ledger automatically, moving the expense from your default expense account to the appropriate expense. You may reallocate your expenses each day, or on a schedule that meets your needs, but all transactions must be reallocated by the 20th of the month following the end of the billing cycle, which is the due date your statement and receipts must be forwarded to Procurement Services. Procurement Services will audit your statement and receipts and verify your general ledger coding. Failure to reallocate your charges may result in revocation of your card.

Who reviews my purchases? You will be the initial reviewer of all charges to your card. You are responsible for ensuring all charges are legitimate university expenses, and you are responsible for handling any disputed charges, or returns for credit with the vendor. Your supervisor is responsible for reviewing your monthly statement, receipts, and expense reallocations, and signing off their approval. The department head is ultimately accountable for appropriate procurement card use in the department. Any inappropriate or unallowable expenditures must be documented, explained, and signed off by the supervisor. Legitimacy of expenses, documentation of receipts, and expense coding will be audited by the Procurement Services Department. Failure to comply with policy and procedure may result in revocation of your card.

What if my card gets lost or stolen? You should immediately call BB&T Bank at the number on the back of your card for customer assistance (1-800-397-1253) as soon as you realize the card has been lost or stolen. Then notify the Card Account Manager in the University Controller's office (Rhonda Harris, ext 7594). The bank will block further use of the existing card and issue a new card and account number.

How do I dispute a charge, or return an item for credit? If a transaction appears on your statement that you believe is an error, and you have been unable to resolve this situation with the merchant, you may complete a disputed transaction form (available on the University's website at http://www.methodist.edu/facstaff/business_affairs.htm under the Forms section.) and mail or fax it within 60 days of the closing date as printed on the statement. Vendors have a right to solve the problem with a purchase within a reasonable period of time. Thus, when either an incorrect or defective item is received, the cardholder must allow the vendor a reasonable amount of time to either replace the product, resolve the service issue, or issue a credit before turning the matter over to the bank.

To return an item purchased in person, return the item directly to the vendor and obtain a credit receipt. Cash refunds are prohibited. For a purchase by phone, mail or fax, contact the vendor for return instructions, obtain a reference number from the vendor, and return the item to the vendor. On your credit card statement where the original charge appears, note the date of the return. Be sure to check subsequent statements to verify that credit was received for the returned item.

What if the vendor charges me a fee for paying with Visa? When using Visa to pay invoices, vendors sometimes attempt to tack on a surcharge or fee for paying with Visa, rather than by cash or check. In most cases, this is not allowed per Visa regulations. There are two types of fees - surcharges (also called checkout fees) and convenience fees. Surcharges, which are often a percent of the invoice, are not allowed per Visa. Convenience fees, which are a flat fee and must be disclosed to you up front, are only allowed in certain instances where the vendor is using a third party to process credit card payments. If a vendor attempts to charge you a fee for using your Visa, please notify Rhonda Harris in the Controller's Office at 7594 for guidance.

Who do I contact if I have more questions or need training? The following venues are available to assist you with regards to p-cards:

- The University's website lists p-card policies, procedures, and any forms associated with the program, at http://www.methodist.edu/facstaff/business_affairs.htm . Additionally, this same information is available on the University's intranet site, McNet under Purchasing in the P-card section.
- The Card Account Manager (Rhonda Harris, ext 7594) in the Controller's Office, with your supervisor's authorization, can help you with obtaining a card, managing spending limits, or canceling a card.
- The Procurement Services Department can help answer questions about the use of your p-card, the reconciliation of your statement to your receipts, and the reallocation of expenses process, as well as provide cardholder and reviewer training.