METHODIST UNIVERSITY

[Engage. Enrich. Empower.]

PROCUREMENT CARD (P-CARD) TRAINING PROGRAM

Welcome to MU Purchasing!

Methodist University supports a procurement environment based on the understanding that departments are in the best position to determine what they need to run their programs. Therefore, considerable authority has been delegated to departments to make purchasing decisions. This requires that employees involved at every step of the purchasing process take full responsibility for understanding the University's policies and procedures regarding purchasing and vendor relations. Purchasing decisions are business decisions made on behalf of the University and therefore should be made with the utmost consideration for what is in the best interest of both the individual department and the entire University. Purchases also need to be made in the most efficient and cost-effective manner.

We continue working to align our purchasing procedures with industry best practice and the growing need to maximize cost efficiencies and budgetary opportunities. The University is taking calculated steps in the progression towards a more centralized purchasing and continue invoice payment processing through Accounts Payable.

Why Use the P-Card Program

- The P-Card program utilizes credit cards to provide an efficient, cost-effective means for departments to make purchases.
- The P-Card is a credit card issued to approved Methodist University employees for the purpose of making University purchases.
- The card has the Cardholder's name on, but is a corporate liability, and the University pays the bill.
- Get what you need quick!
- Quick upload of transactions to budget reports
- Rebate back to MU on every purchase
- Less check processing
- Vendor paid by Visa, University pays the bill later

Key Points

The University Purchasing Policy requires employees to complete and obtain an approved purchase requisition <u>prior to completing a purchase</u> or <u>committing the University</u> to a purchase with vendors.

Flexibility is provided for lower cost purchases. The P-Card is the preferred method for permitted routine purchases under the cardholder's single transaction limit

- **Employees with purchasing authority identify business needs** regarding what items/goods/services are required
- **Procurement can assist with** identifying vendors, developing requirements or specifications, requesting quotes from vendors, and entering requisitions
- **Before making a purchase with a P-Card, Cardholders must ensure all the following:**
  - Confirm that the purchase is for a valid University business purpose and is permitted by the P-Card Policy.
  - Confirm that the transaction is within the card's assigned single-purchase and monthly limits.
  - Do not use a P-Card for a grant, capital, gift-card, or technology purchase or for a restricted merchant category.
  - Do not split a purchase to fit within the card limit or avoid another purchasing requirement.
  - Confirm that the vendor will provide a detailed itemized receipt and that the total price is reasonable.

P-Card Purchasing Information

Make and Document the Purchase

- Only the cardholder may use the P-Card.
- Obtain a detailed itemized receipt and retain evidence of the business purpose, participants, dates, conference or event name, and other information needed to explain the transaction.
- Do not include passwords, full card numbers, Social Security numbers, bank data, or other sensitive information in the transaction description or ordinary email.
- If a personal charge occurs accidentally, notify Procurement, repay the University immediately through the published process, and send the repayment evidence to Procurement.

Allocate Transactions in PNC Visa Spend Clarity

- Review new transactions at least weekly.
- Allocate each transaction to the correct department and general-ledger code.
- Enter a detailed business purpose. Include relevant names, dates, location, conference or event, and the reason the purchase supports University business.
- Attach the itemized receipt and any additional documentation required by policy.
- Complete all allocations and receipt attachments **no later than the 5th** of the following month.
- When the deadline cannot be met, contact the Procurement Director before the 5th and provide the reason and expected completion date.

Permitted Use and Limits

- The P-Card is the preferred purchasing method for permitted routine purchases under the cardholder's single transaction limit.

- A cardholder has implied authorization to make a permitted purchase within assigned limits and an approved departmental business purpose. Advance approval in Colleague is not required for an ordinary P-Card transaction.

- Only the employee named on the card may use it. A cardholder may not lend the card or account credentials to another person.

- A cardholder must not divide a purchase to avoid their single transaction limit, a quote threshold, or another purchasing requirement.

- A blocked vendor or declined transaction does not authorize the cardholder to use another payment method without confirming the proper University process

Prohibited and Restricted Uses

A P-Card may NOT be used for:

- Grant-funded purchases.
- Capital items.
- Gift cards or gift certificates.
- Technology purchases, including software licenses and IT capital purchases.
- Personal or non-business items.
- Cash advances, cash withdrawals, or cash refunds, unless approved in advance for international travel only.
- Legal services or tax services.
- Controlled substances, pawnshops, financial institutions, motor vehicles, or other restricted categories.
- Any purchase prohibited by University policy or blocked through an MCC restriction, including ATM, liquor-store, or casino categories.

Cardholder Responsibilities

- Follow all Purchasing Policies & Procedures
- Purchase within specified limitations
- Retain all itemized receipts
  - Shows items purchased
  - Sales tax
- Lost Receipt?
  - Complete a Supplemental Receipt Form (SRF)
  - Only use only when all other attempts have failed
  - Attach completed and signed SRF as the ‘receipt’
- Complete required Allocation tasks at least weekly (if you have a Delegate, coordinate with them on these tasks)

Visa Spend Clarity

- Visa Spend Clarity is the site used by Cardholders, Delegates, and Approvers to review, allocate, and approve all P-Card transactions
- Your Username is your MU email address
- Your initial password is sent to you via email from 'Company Administrator'
- Visa Spend Clarity login requires multi-factor authentication. The code to log in will be sent to your MU email address by default.
- P-Card User Guides can be found on Controller's page of the website
- Required Allocation tasks:
  - Allocations are complete when they contain an itemized receipt, adequate comments and explanations including the business purpose, and a proper GL code
  - Allocations should be completed either by the Cardholder or Delegate **no later than the 5th of the following month**.

Global Ledger (GL) Code Structure

Various funds exist within the University's chart of accounts to pay expenses. The account structure of the University is comprised of four required segments, and a project code in special situations. The required five-segment account code is represented as: XX-XX-XXXXX-XXXXXX

All allocations must include a Fund, Location, Department, and Object. Some may also include a Project.

- **Fund**: First segment; two digits long
  - Operating = 10
  - Designated = 11
  - Restricted = 12
  - Agency = 19
  - School of Medicine = 20
- **Location**: Second segment; two digits long
  - On-campus = 10
  - Online = 11
- **Department**: Third segment; five digits long
- **Object**: Fourth segment; six digits long; describes what was purchased and for what business purpose (i.e., Office Supplies vs Instructional Supplies; Building Repairs & Maintenance vs Equipment Repairs & Maintenance; etc.)
- ***Project Code**: Only applicable with the General Ledger codes authorized as part of the project*

Approval Process

- Level 1 Review – Office of Procurement Services
  - 100% Audit
  - Breakout sales tax
  - Ensure transaction is in accordance with ALL university purchasing policies and procedures
  - Ensure transaction is coded accurately
- Level 2 Review – Cardholder's Approver

Potential Issues

- Declined charges
  - Limits
  - MCC codes
  - Credit Card fraud review
- Returning an item
  - Obtain an itemized credit receipt
- Incorrect charge
  - Contact the vendor
  - Contact PNC to report
- Lost or stolen card
  - Contact PNC to report
  - Notify Procurement

Mobile App Overview

Available for both Android and iOS, the Visa Spend Clarity for Enterprise mobile app provides convenient anywhere access to your card transactions.

As a Cardholder:

- View summary information about your card account(s)
- Use your phone to take photos of your receipts
- Link the receipt images on your phone to your expenses
- Receive and manage mobile app notifications

As an Approver:

- View and approve expenses
- Request more information about an expense

Note: Delegate use cases are not currently supported in the mobile app.

- Refer to the P-Card User Guides for more information

P-Card Fraud and Denial Notifications

- The new P-card program can send <u>text</u> and <u>email</u> alerts to notify you of suspicious activity on your card and reasons for any declined card transactions.
- <u>It is highly recommended that you register for text message alerts for suspicious activity</u>. This would allow you to reply to the text message stating whether the charge is a fraudulent charge or something you did initiate.
- A few details to note:
  1. These notifications are not set up in Visa Spend Clarity. You will need to go to a different website to set up these alerts. https://www.centresuite.com/centre/?pnc
  2. The 9-digit activation code will be the same code (last 4 of your MU identification number) you used to activate your card, proceeded by 5 zeros. So, if the last 4 numbers of your MU identification number is 1234, you will use 000001234.
  3. You will need to set up a separate contact for your email address and your mobile number, if you want both. You may want to set up both methods if you want suspicious activity alerts to be delivered by text message, but the declined transaction alerts by email.
  4. You can set up as many contact as you wish. So, you can also set up a delegate to receive any alerts you wish them to receive.
  5. One of the options for notifications is “Payment”. You can ignore this one because we don’t pay the cards individually. Payments are handled at the company level by A/P.

Contact Information, Documentation, and Forms

Controller's Webpage: https://www.methodist.edu/offices-services/controller/

MyMU Portal: Log in to the MyMU Portal; click on Controller's Office (top); Procurement Services (left side)

MyMU Experience: Controller's Office and Procurement cards

Procurement Email: muprocurement@methodis.edu