

**LOCK HAVEN UNIVERSITY**  
**PURCHASING CARD POLICIES AND PROCEDURES**

**I. Introduction**

Purchasing cards are Lock Haven University credit cards used to purchase selected goods and services costing \$1,500 or less. Purchases made with purchasing cards do not require approval by Procurement.

Benefits include:

1. Use of purchasing cards by department heads, departmental secretaries, and other authorized users expedites and simplifies the purchase of selected goods and services. The cards allow departments' greater flexibility in procuring needed items, especially from vendors which do not accept purchase orders.
2. Purchasing cards improve efficiency and reduce costs involved in small dollar purchases. The cards eliminate the use of purchase requisitions and purchase orders related to these items. One monthly invoice is received by the university for all purchasing card transactions.

**II. Obtaining a Purchasing Card**

- A. Purchasing cards are administered by the Procurement Office, who will coordinate the issuance, maintenance, and cancellation of cards with the purchasing card company.
- B. To obtain a purchasing card, an employee must:
  1. Provide his/her LHU personnel number, business telephone number, business email address, date of birth, and home address to the purchasing card company (this step is completed on the employees' behalf by Procurement).
  2. Complete and sign a Purchasing Card Cardholder Enrollment Form and a Purchasing Card Cardholder Agreement Form stating that he/she will adhere to the Purchasing Card Policy and Procedures.

**III. Employee Liability/Responsibility**

- A. The purchasing card is issued in the employee's name; however, the monthly invoice is paid by Lock Haven University.
- B. Although the cardholder is not responsible for paying the monthly invoice, the cardholder is responsible for all charges against his/her purchasing card, even if the cardholder allows other employees to use his/her purchasing card.
- C. The cardholder will receive a monthly statement from the purchasing card company listing charges against his/her account.
- D. Each cardholder is responsible for:
  1. Adhering to the Purchasing Card Policy and Procedures.
  2. Retaining itemized receipts for all purchasing card transactions to attach to the monthly purchasing card statement.
  3. Verifying within five (5) business days of receipt of paper statement that all purchases listed on the purchasing card statement are accurate.
  4. Resolving any erroneous charges with the vendor and/or purchasing card company, as appropriate (see Section XI).
  5. Completing the monthly Purchasing Card Reconciliation Log, identifying the cost center to charge for each purchasing card transaction.
  6. Obtaining necessary approvals for purchases.

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7. Forward the completed Purchasing Card Reconciliation Log, purchasing card statement, and all itemized receipts to Procurement by the 15th day of the month.
8. Safeguarding his/her purchasing card.

**IV. Use of Purchasing Card**

- A. All purchases made with the purchasing card must be for the benefit of the university, within established budgets, and in accordance with the Purchasing Card Policy and Procedures.
- B. If a vendor does not accept the purchasing card, the cardholder must follow the normal procurement process.
- C. Any purchases costing more than \$1,500 must be made in accordance with the normal procurement process except by those cardholders who are granted higher PCard limits due to the business nature and/or specific needs of the department (i.e. Facilities and IT).

**NOTE: Requests to temporarily increase credit limits greater than \$1,500 is prohibited.**

- D. The purchasing card may be used to purchase the following when \$1,500 or less:
  1. Office supplies.
  2. Institutional subscriptions.
  3. Institutional Memberships (approved Institutional Membership Form must be attached to monthly Purchasing Card Reconciliation Log).
  4. Miscellaneous reference materials.
  5. Office equipment (**not** requiring installation and assembly).
  6. Furniture (**not** requiring installation and assembly).
  7. On-site webinars.
  8. Freight and delivery charges.
  9. Printed materials.
  10. Exhibitor booth fees.
  11. Maintenance supplies and equipment (**Facilities personnel**).
  12. Custodial supplies and equipment (**Facilities personnel**).
  13. Kitchen supplies and equipment, including refrigerators and microwaves. The purchase must be in accordance with *Expenditures of Public Funds: Guidelines, Standards, and Limits, Section K*. (**Facilities personnel**).
  14. Advertising for site promotion. The purchase must be in accordance with *Expenditures of Public Funds: Guidelines, Standards, and Limits, Sections M and O*. (**External Relations and Communications personnel**).
  15. Advertising for vacant staff positions (**HR personnel**).
  16. Printers (**IT personnel**)
  17. Computer hardware, including CPU, monitor, keyboard, mouse, and speakers (**IT personnel**).
  18. Fax machines and scanners (**IT personnel**).
  19. Computer software and licenses (**IT personnel**).
  20. Telephones, wireless communication devices, and accessories (**IT personnel**).
  21. Expenditures for food. The purchase must be in accordance with *Expenditures of Public Funds: Guidelines, Standards, and Limits, Section K*.
- E. The following are prohibited from being purchased with the purchasing card:
  1. Items greater than \$1,500.

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2. Travel-related expenses such as hotel, transportation (mileage reimbursement, rental car, airfare, etc.), and meals, which must be processed as usual on travel expense vouchers.
3. Professional development costs (except as described in Section IV.D.7).
4. **Services of any type (due to contractual & tax reporting requirements), such as:**
  - Consulting services and professional services (except as explicitly permitted in other sections of the policy).
  - Maintenance and repair services.
  - Catering services (Aramark shall have exclusive rights to cater all special functions held within the food service facilities at Bentley Dining Hall, Pub Eagle Wing Café, Nanobites, Durrwachter Alumni Conference Center, and any future food service locations as determined and approved by the University and authorized by the University. Aramark will be expected to do all catering on campus with the understanding that catering events under \$500.00 may be purchased by departments directly from other providers).

- F. The following are prohibited purchases:
1. Personal items.
  2. Personalized business items such as business portfolios and personal organizers.
  3. Gifts, prizes, flowers, or alcohol.
  4. Non-first aid items, such as aspirin.
  5. Any purchase prohibited by *Expenditures of Public Funds: Guidelines, Standards, and Limits*.
- G. Cash advances are prohibited.
- H. Payments to employees for any service of any kind must be processed through payroll.
- I. Cardholders are not required to solicit competitive bids for their purchases; however, he/she should seek the best value for the University and ensure that the price paid is reasonable.
- J. Each card is assigned a single transaction limit. A single transaction may be comprised of multiple items, but the total amount of the transaction cannot exceed the cardholder's assigned limit. Each card is also assigned a monthly dollar limit, which may not be exceeded.
- K. Lock Haven University's Purchasing Card Program includes the ability to designate where spending is authorized by utilizing merchant category code blocking. Vendors are assigned an industry-specific code, and certain codes have been blocked or restricted from Purchasing Card use. If a department experiences a card decline from a vendor, which provides eligible goods or supplies, the Purchasing Office should be notified.

**V. Making Purchases**

- A. The cardholder may purchase items via telephone, mail, fax, Internet, or in person.
- B. The cardholder should notify all vendors of the university's tax-exempt status **prior** to purchase.
- C. If the cardholder does **not** have cost center authority for purchasing card transactions:
  1. The cost center manager must sign the monthly Purchasing Card Reconciliation Log.
  2. It is suggested that the cardholder obtain cost center manager approval prior to any purchasing card purchase. Each cardholder should work with his/her cost center

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manager(s) to develop any desired internal preapproval process (academic/student equipment funds must be approved by way of Category 1 form **prior** to purchase. Approved Category 1 form must be submitted with the monthly Purchasing Card Reconciliation Log).

3. The cardholder could be held personally liable if the cost center manager does not approve a purchase initiated without his/her prior approval.
- C. The cardholder must keep all purchasing card records, including receiving reports, itemized receipts, or other documentation supporting transactions against his/her purchasing card. The cardholder will be required to attach all such itemized receipts to the monthly purchasing card statement. The monthly purchasing card statement does **not** serve as an itemized receipt.
- D. The cardholder must advise vendors to send any correspondence, e.g., itemized receipts and order forms, directly to his/her division. Vendors should not send these types of correspondence to Accounts Payable and/or Procurement.

**VI. Returning Purchases**

Each cardholder is responsible for any returns of purchases. All returns must be credited to the cardholder's account. Cash refunds are strictly prohibited.

**VII. Purchasing Card Dollar Limits**

- A. All purchases must be made within approved cost center budgets.
- B. The maximum amount that can be charged to the purchasing card is \$1,500 per transaction.

**VIII. Sales Tax**

- A. Each purchasing card is marked *tax-exempt*. For Lock Haven University, tax-exempt means that the university does not pay Pennsylvania sales tax.
- B. The cardholders should notify all vendors of the university's tax-exempt status. The cardholder must review all itemized receipts for each purchase to ensure sales tax has not been assessed.
- C. The cardholder may supply the vendor with the university's tax-exemption certificate, if it is requested. Any problems in this regard should be reported to Procurement. If upon reviewing itemized receipts a cardholder determines that sales tax has been assessed, the cardholder should contact the vendor for credit. **UNDER NO CIRCUMSTANCES WILL THE UNIVERSITY REMIT FOR TAXES CHARGED.**

**IX. Monthly Reporting**

- A. The cardholder will receive a monthly statement from the purchasing card company listing charges against his/her account.
- B. The cardholder must:
  1. Compare charges listed on the purchasing card statement to actual itemized receipts within five (5) business days of receipt of paper statement.
  2. Resolve any erroneous charges listed on the purchasing card statement (see Section XI).

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3. Attach all itemized receipts to the purchasing card statement. Itemized receipts must have vendor name, amount, and description of item purchased. The following documents are acceptable forms of itemized receipts:
    - a. Original invoice (Purchasing card statements are not invoices.)
    - b. Receiving report
    - c. Order forms
    - d. Renewal notices
  4. Enter each purchasing card transaction for the month on the Purchasing Card Reconciliation Log.
  5. Sign the Purchasing Card Reconciliation Log.
  6. Obtain the cost center manager's signature on the Purchasing Card Reconciliation Log.
  7. Forward the completed Purchasing Card Reconciliation Log, purchasing card statement, and all itemized receipts to Procurement by the 15th day of the month.
- C. This reconciliation is critical to ensuring that the correct amount is paid and charged to the appropriate cost center. Cardholders who fail to reconcile their accounts prior to the 15<sup>th</sup> of each month will have their Purchasing Cards cancelled.**
- D. Procurement will receive the monthly documentation from the departments and audit all transactions. The documentation will then be forwarded to Accounts Payable.
  - E. Accounts Payable will pay the central invoice and post charges to the appropriate expense accounts. **The expenditure posting will be to the coding structure assigned to the card unless clearly identified otherwise on the Purchasing Card Reconciliation Log.**

**X. Purchasing Card Violations**

- A. The following are violations of the Purchasing Card Policy and Procedures:
  1. Using the card for personal purposes.
  2. Using the card for cash advances.
  3. Purchasing prohibited items or items not explicitly permitted by the policy.
  4. Purchasing items which exceed approved budgets or which were specifically not approved in the budget process.
  5. Using the card for travel costs.
  6. Submitting the Purchasing Card Reconciliation Log after the due date.
  7. Submitting the Purchasing Card Reconciliation Log with insufficient documentation to support purchases made.
  8. Submitting the Purchasing Card Reconciliation Log without proper approvals.
- B. Accounting will review purchasing card transactions on a monthly basis.
- C. If a cardholder violates the Purchasing Card Policy and Procedures, he/she will be given a written notice from Procurement.
- D. If a cardholder violates the Purchasing Card Policy and Procedures repeatedly:
  1. The purchasing card may be canceled by Procurement.
  2. He/she must return the card to Procurement.
  3. Disciplinary action may be taken, if appropriate.
- E. If a cardholder loses his/her purchasing card privileges, the card will be assigned to another employee in the department upon Procurement's receipt of approved Purchasing Card Cardholder Enrollment and Purchasing Card Cardholder Agreement forms.

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- F. A cardholder who loses his/her purchasing card privileges may reapply after one year. The employee must complete the steps in Section II.B.
- G. Procurement reserves the right to cancel a purchasing card without warning if circumstances warrant.
- H. As an alternative to canceling the purchasing card, Procurement, at its discretion, may require a cardholder to be retrained on the Purchasing Card Policy and Procedures. Failure to comply will result in loss of card privileges.

**XI. Erroneous Charges**

- A. If a cardholder believes that a charge on a purchasing card statement is incorrect, the cardholder must immediately notify the vendor or purchasing card company, as appropriate.
- B. The cardholder also must notify Procurement of any disputed charges by the next business day. Procurement will assist in resolving the disputed charges if necessary.
- C. If the vendor or purchasing card company agrees that an error was made, the purchase will be charged to the cost center's budget (unless the credit is shown on the same statement); however, the charge will be credited to the account on the next monthly purchasing card statement.
- D. If the disputed charge remains unresolved by the due date, the purchase will be charged to the cost center's budget until the dispute is resolved.

**XII. Lost/Stolen Purchasing Cards**

- A. The cardholder must notify the purchasing card company immediately of a lost or stolen purchasing card. The purchasing card company will cancel the purchasing card and issue a new card.
- B. The cardholder also must notify Procurement of the lost or stolen card by the next business day.
- C. Any fraudulent charges against the lost or stolen purchasing card will be handled in accordance with the purchasing card company's policies.

**XIII. Separation of Employment**

- A. All university property must be relinquished upon separation from employment from Lock Haven University. Please contact Human Resources at (570) 484-2486 to schedule an appointment to return your purchasing card.
- B. Human Resources will notify Procurement of the employee's separation.
- C. Final Purchasing Card Reconciliation Log, purchasing card statement, and all itemized receipts must be submitted to Procurement **prior** to employee's separation.
- D. Procurement will cancel the purchasing card.

**XIV. Important Dates**

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Billing cycle cutoff date	Last day of each month
Statement receipt date	1st business day of the month (online) 7th business day of the month (by U.S. mail)
Expense report due to Accounting	15th of each month, or date otherwise specified by Accounting

**XV. Exceptions**

Any exception to this purchasing card policy must be approved by the Vice President for Finance and Administration or his/her designee.