



THE PURCHASING CARD A Guide for Users

For use with the JPMorganChase VISA CARD

Purchasing and Business Services

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SECTION I.

Welcome

Our world is changing, and fast. As customers, we have become addicted to speed. We want what we want now! And we want the job done right the first time. We have little patience for red tape or a bureaucratic run around. The increasing complexity of our lives demands that we spend our time on the big stuff; the little stuff better be able to take care of itself. This is even more true now as we use speed to gain an advantage in creating the New American University.

Our world in Purchasing and Business Services is also changing fast. We heard you when you said that you wanted an easy method of buying small dollar amounts of goods and services. Accordingly, over the years, we developed six different methods of making small dollar purchases:

1. Departmental Limited Value Purchase Orders (PDLVPO's) for purchases under \$5,000. These are pre-signed, blank purchase orders. They require entry into Advantage, our integrated financial management system within three days of issuance.
2. Requests for Check (PV's) (check without purchase order) for purchases under \$5,000, although a variety of commodities have higher limits.
3. Employee reimbursements for purchases under \$500.
4. Petty cash for purchases under \$500.
5. Diners Club Corporate Travel Card.
6. Purchases from on-campus service providers and retail-like activities: Internal Purchase Order, Quick Turnaround Form (purchase without an Internal Purchase Order), Debit Card.

Now we hear an employee who submitted an ASU Policy Barrier Initiative say: "Procuring any type of service...is so complicated it's painful." "The current policies assume the employees are dishonest." We need to buy these things by being "able to sign your name and some kind of department or unit code." We agree, and in association with JPMorganChase, have developed a Purchasing Card to do exactly that. And in recent years, we continually have sought opportunities to pay for goods and services that go far beyond the limits of a small dollar program.

Welcome to the world of electronic commerce. And thanks for your interest in the Purchasing Card program.

What Is a Purchasing Card?

The Purchasing Card is a corporate liability card. It is a way for you to spend money right out of your budget. It looks like, and is used like, a credit card, but is most definitely not a credit card. Credit cards are issued to you and you are responsible for paying the bill. The Purchasing Card is issued to you but the University is responsible

for paying the bill. This means that the Purchasing Card is not tied to your personal credit records; it will not hurt nor help your credit.

You may be familiar with the University's Diners Club Corporate Travel Card. This is a credit card. It is issued to you, the bill is sent to your house, and you pay the bill. Since it is used for travel expenses on official University business, you claim reimbursement from Travel Reimbursements in Accounts Payable for the charges you make with the Diners Club Card. As long as you pay your Diners Club Card bill, everyone is happy. On the other hand, the Purchasing Card is issued to you, but the bill is sent to the University, and the University directly pays the bill. It acts like a debit card. With the Purchasing Card, we give you the power to spend University money, and you must use the appropriate judgment and responsibility. Hey, shouldn't be too hard: the State of Arizona already trusts you to vote, own a gun, drive a car, drink alcohol, and raise children. So it shouldn't be difficult to use good judgment with the Purchasing Card.

I Am Responsible?

When you spend any University money, you are responsible for spending wisely, in accordance with ASU policy. This is true when you spend money with the Purchasing Card, or with any other method. We understand that the Purchasing Card is a tool to help you do your job. Like any tool it takes a little practice. We do not intend to criticize you if you make a few mistakes in using the Card. The only way we ever progress is by learning through mistakes. (On the other hand, we get really upset if you abuse our trust in you.)

Since the Purchasing Card program began in 1996, there has been only one person who intentionally attempted to misappropriate money through the Purchasing Card program. You will be pleased to know that the University recovered the money, terminated the employee, and then prosecuted the former employee.

What Good Is It to Me?

The Purchasing Card delegates small dollar purchasing authority to you. You can get exactly what you want, when you want it, faster, and with a minimum of paperwork. If you are at a Radio Shack at 9:00 p.m. on a Friday night and find exactly the component that will complete your research project, then just lay your Purchasing Card on 'em, and that component is yours!

The Purchasing Card also allows you to buy over the telephone, via fax, and on the World Wide Web.

Here are some examples where the Purchasing Card solved unique problems:

- a. One of our researchers is constructing equipment for the next Mars explorer spacecraft. There are only a few companies capable of constructing the equipment needed, and these companies are in high

demand. They tend to ship products first to the people who can immediately pay for them, rather than to the people who send them a purchase order. So, our researcher has a Card with a \$6,000 single transaction limit so she can immediately pay for the parts she needs.

- b. A department has a contract with a company in Spain in which the department is the US distributor for Spanish language CD's. They buy \$20,000 in CD's at a time, and they have to pay for them in Euros. So, they have a Purchasing Card that is dedicated only to this company. Every month, they get a Memo Statement from JPMorganChase that lists only transactions with this company in Spain. The single company statement allows them to rapidly reconcile the transactions to Advantage, and also to ensure that they obtain any earned credits from the company. And it is Visa who makes the appropriate exchange of dollars for Euros.
- c. A professor wanted to take a group of students on a field trip to Hong Kong. He could obtain a cash advance from Travel Reimbursements, but this would be a large dollar amount, and he does not want to be responsible for this much of the University's cash. Also, in these uncertain times, he was concerned that the group may have to change their itinerary in mid-trip, and the cash advance may not be enough to accommodate this. So he approached the Associate Vice President for Finance and Treasurer to see if the Purchasing Card could be used for the group travel trip as an exception to normal policy. The exception was granted and the trip went well.

P-Card Restricted Purchases

You may use your Purchasing Card to purchase anything that serves a public purpose, and is permissible by the rules and regulations set forth by ASU's FIN manual (www.asu.edu/aad/manuals/fin/index.html) and ASU's Purchasing Policies and Procedures (www.asu.edu/aad/manuals/pur/index.html) **EXCEPT:**

Any Tuition Payments to ASU.

Alcoholic Beverages for any purpose

ASU Foundation Payments (other than conference registration and other payments where services were rendered by the ASU Foundation.)

ASU Sun Card Payments

Animals, Live (contact Animal Care at 480-965-5784)

Bottled Water (unless with a P-Card tied to a Local Account)

Car Rentals (while on travel status)

Cash Advances

Copiers** (contact Digital Document Services at 480-965-9833)

NEW **Employee Moving Expenses** (except direct payments to moving companies. The P-Card may not be used for pre-move house-hunting trips or for expenses associated with the move from the old residence to the new residence.)

Fines, Penalties and Late Fees

Firearms, Ammunition, and Explosives

Floor Coverings all floor covering purchases and/or installations must be approved by the Furnishing Services Group at 965-5378.

Flowers (Must follow FIN 401-03 policy)

Food (Food can only be purchased on a P-Card tied to a Local Account) **Itemized receipts are required. Reference: FIN Manual 420-02**

Furniture (except as authorized and documented by Liz Chandler at the Furnishing Services Group at 480-965-0578. All furniture requests for West Campus should be directed to Phyllis Samuelson, 602-543-7707.)

Fuel for University Vehicles

Gasses (contact Laboratory Stores at 480-965-9079.)

Gifts, Contributions and Donations

Gift Cards

Hotels & Lodging while ASU affiliate is in travel status (see Travel Expenses below) The P-Card **cannot be used to HOLD a hotel room.**

NEW **Internet** charges incurred at a non-university residence or office space

Transactions >\$25,000 Any transaction of \$25,000 or more requires specific approval by both Purchasing and Financial Services. The P-Card Single Transaction >\$25,000 Form can be found on www.asu.edu/purchasing/stores/card

Legal Fees (contact General Counsel at 480-965-4550.)

Loans & Advances

Material prohibited by State or Federal law (like fireworks or controlled substances.)

NEW **Medical, Health-Related Services**

Narcotics & all Drugs

Personal Purchases

Postage must be purchased through Mail Services

Print Work > \$2,500 without advance Print Buyer approval. Contact Jennifer Chaira at (480) 727-7468.

Printing of Merchandise with the ASU Logo without approval from Trademark Management. The P-Card may be used to buy logoed promotional items and logoed

merchandise from approved trademark licensees only. The department making the purchase should verify that the vendor is an approved licensee prior to purchase. Vendor and art approval status can be verified by contacting Trademark Management at (480) 727-7848.

Printing of Anything with the ASU Logo or Word Mark, Excluding Merchandise that does not adhere to ASU Graphic Standards (<http://www.asu.edu/gsm>) and the ASU Communication Guide (<http://www.asu.edu/commguide/>). Contact Christopher DeHerrera at (480) 965-0513 or Terri Shafer at (480) 965-3865 for logo / word mark approval.

Printing of Department Letterhead, Business Cards, Envelopes (except through Graphic Information Solutions at 480-965-3529.)

Purchases from ASU Employees (against State law.)

Purchases in which an ASU Employee has a Conflict of Interest, and that Employee Participates in the Purchase Process (against State law.)

Radioactive Materials

Rare & Precious Metals

Services from an Individual or Non-Incorporated Company (because of tax reporting requirements.)

Splitting Purchases to Circumvent the Card Limits (email pcard@asu.edu for temporary P-Card increase)

Travel Expenses for Employees

1. **NOT ALLOWED** - Lodging & Food associated with *employee travel* should be put on the Diners Club Corporate Travel Card or personal credit card to be reimbursed through a Travel Claim Voucher.
2. **ALLOWED EXPENSE ON P-CARD - Airfare** for employees (in travel status), interviewees and consultants may be paid with the Purchasing Card.
3. **ALLOWED EXPENSE ON P-CARD** - Lodging in the metropolitan Phoenix area for interviewees, consultants as agreed via contract, and other **non-employees**.
4. **ALLOWED EXPENSE ON P-CARD** - Lodging and food purchases (*food on local account only*) for **ASU hosted** events and conferences.

Contact <http://www.asu.edu/purchasing/sunmart/hotels.html> concerning ASU Contracted Hotels.

UPS Store Purchases (The UPS Store is different from UPS shipping. UPS shipping— not purchased from the UPS Store—is allowable)

(To every rule there is an exception: If you have an exception please email justification to pcard@asu.edu)

ASU has partnered with Canon to create the [Sustainable Digital University](#) in support of our sustainability initiatives. For printing, scanning and other document needs, contact Document Services Director Robert Lane at DigU@asu.edu. Our partners will visit your department, conduct an **audit and needs assessment of your current document resources, and propose a **right-sized integrated solution** for your specific needs. This solution will allow your department to take full advantage of the University's standard technology model for **sustainable digital document services**.

Note: Sponsored Accounts have additional restrictions on Office Supplies and Postage, to include overnight services such as Federal Express or Airborne. (If the Grant specifies office supplies and/or postage as acceptable purchases the Sponsored

Accountant needs to send an email to pcard@asu.edu to have this restriction lifted on the Purchasing Card)

Is There a Catch?

Of course there is. In order to be delegated authority, you have to undertake some responsibility. Naturally, you have to protect the Purchasing Card, just as you protect your own credit cards. And you have to agree to use the Purchasing Card responsibly. And you have to retain the transaction records in your department in case an auditor wants to know exactly what you bought. And you have to submit your transactions for review by a designated manager in your department. More about these last two items later.

SECTION II. THE DETAILS

Cardholder Agreement

We know you are a trustworthy person of the highest moral character. You can't have a Purchasing Card without signing a Cardholder Agreement. It is basically a summary of your responsibilities in the Purchasing Card program. We ask you to sign it so that it is clear that you know the rules. This form, and all the other purchasing card forms, may be downloaded from <http://www.asu.edu/purchasing/stores/card>

Limits

In order to protect the University's interest, we established the following generic limits in the Purchasing Card program:

- A. Dollar Amount Per Transaction: **\$5,000.00**. You can only buy \$5,000 worth of stuff at any one time. And \$5,000 includes the purchase price, taxes, delivery fees, and any other charges. Also, you may not split purchases in order to keep each individual transaction under \$5,000. Please note that the reports we receive from JPMorganChase tell us when there are multiple transactions for the same item or from the same supplier. Note: this generic limit was increased from \$1,000 to \$5,000 in May 2003. Existing Card limits are not automatically increased; cardholders have to request an increase via e-mail. If you have a difficulty with your Purchasing Card, please contact Phil Carrano via e-mail: pcard@asu.edu
- B. Dollar Amount Per Cycle: **\$10,000.00**. Our Cycle is each month, starting on the first day of the month and ending on the last day of the month. The Cycle corresponds to the accounting periods in Advantage, except that if the last day of the month is a Saturday, then JPMorganChase will end the Cycle on the Friday night before. Similarly, if the last day of the month is a Sunday, JPMorganChase will end the cycle on the Monday night after. If the last day of the month is a holiday, then the cycle will end on the following night. You cannot buy more than \$10,000.00 worth of stuff in any one Cycle. Again, the \$10,000 includes the purchase price, taxes, delivery charges, and other fees.
- C. Number of Authorizations per Day: **10**. You can only use your Purchasing Card ten times per day.
- D. Number of Transactions per Cycle: **75**. A Transaction is every purchase and adjustment posted to your account, and includes the number of times you asked for a copy of a transaction document, but does not include any credits posted to your account. You can only have 75 transactions per Cycle.
- E. Merchant Category Code Restriction. Merchant Category Codes are four-digit codes assigned to a supplier by their merchant bank. It identifies the

type of business the supplier conducts. Don't expect your Purchasing Card to be valid for Merchant Category Code 5813, Bars, Cocktail Lounges, Discotheques, Nightclubs and Taverns.

F. Other. A Purchasing Card may be set up with a declining balance and/or a specific expiration date. For example, a Purchasing Card tied to a Sponsored Account grant of \$25,000 for the next six months can be set up so that only a maximum of \$25,000 can be spent on the card, and so that it expires in six months. A Purchasing Card may be set up with a specified start date and a specified end date each year. Thus, a Card could be available only from April 1 through August 31 each year.

G. NOTE: You may request either higher or lower limits than the above generic amounts. Send an e-mail request to pcard@asu.edu .

Whoa, what happens if I violate one of these limits? The authorization system used by the Purchasing Card will not approve the transaction, and will capture your name and report it to us in a Cardholder Transaction Violation Report. And what if I need different limits than the above? No problem, we have the capability to set different limits for each card. All you have to do is show us your need, and you will find us very willing to make the change.

Requesting a Purchasing Card

It's a simple three-step process. In Step One, the department leadership agrees to participate in the Purchasing Card Program. This does not have to be done in writing. We publish the rules in a Purchasing Card Memorandum of Understanding. This document and the Purchasing Card forms, may be downloaded from <http://www.asu.edu/purchasing/> . We can also supply an original reproducible copy to the department. We also ask a designated department manager to sign a Manager Agreement (if your department already has a P-Card this means your department already has a designated department manager – feel free to call us if you do not know who this person is). Again, this form, and all the other purchasing card forms, may be downloaded from <http://www.asu.edu/purchasing/> , and we can also supply an original reproducible copy to the department.

In Step Two we get each cardholder designated by the department to sign a Cardholder Agreement, and complete the Cardholder Account Application Form. This form, and all the other purchasing card forms, may be downloaded from <http://www.asu.edu/purchasing/> on the Web, and we can supply reproducible copies. This part of the application process requires that the applicant supply personal information to be used to establish the individual's identity and to be used in the Purchasing Card activation process. We promise to safeguard this information. You do not have to provide your Social Security Account Number; you can provide any nine-digit number. But, you do need to remember whatever number you provided, as you will need this information to activate the Purchasing Card when you receive it.

In Step Three we issue the Purchasing Card to the applicant. And, you guessed it; we get him or her to sign for it on the Cardholder Agreement form. You already know there is a copy at <http://www.asu.edu/purchasing/>, and that we can provide a reproducible copy.

Activating a Purchasing Card

In order to provide a measure of security for Purchasing Cards that are sent to us in the mail, they cannot be used until they are activated. When you receive your Purchasing Card, you will notice that there is a sticker on it that asks you to call the JPMorganChase Purchasing Card service professionals to have the Card activated. The service representative will verify your identity using the unique information you provided on the Cardholder Account Application Form. When the verification is performed, the Card will be activated, and you can immediately use it. You only have to do this one time for each card received.

Changing the Information on a Purchasing Card

Much of the information on your Purchasing card Account can be changed by either resubmitting the Cardholder Account Application Form or by sending an e-mail to pcard@asu.edu. Items that are typically changed are: transaction limits, your name, address, and the account to which transactions are posted.

Safeguarding a Purchasing Card

Treat it like cash. You wouldn't leave money just lying around, would you? We recommend that you secure it in the same manner you secure your own wallet or purse.

Impact on Your Budget

All P-Card transactions are taken out of your budget as they are entered into Advantage, the University's financial information system. P-Card transaction data is held in the JPMorganChase PaymentNet system for 5 days during which time editing of the sub-org, object and sub-object or adding any notes to the transaction can be done on cards for which you have PaymentNet Access. On the sixth day these transactions are entered into the Advantage system. For example, if you purchase an item on Tuesday, August 10th, this transaction will be posted in JPMorganChase's system from the suppliers bank usually within a day or two (let's say the post date is Thursday, August 12th). As soon as you see that transaction in the PaymentNet system, you will have 5 calendar days from the post date listed to make any changes. On the sixth day (Wednesday, August 18th) all transactions with a post date of August 12th will be pulled into the Advantage System and your window to edit these transactions will be closed.

What About Year End?

The closer to year-end closing, the more likely a transaction will be posted to the next fiscal year. Here are some actual percentages. If the transaction date was 5 workdays before the year-end closing date, then there is almost a 100% chance it will be posted in the current fiscal year. If the transaction date was 4 workdays before the year-end closing date, then there is a 70.2% chance it will be posted in the current fiscal year. If the transaction date was 3 workdays before the year-end closing date, then there is a 16.5% chance it will be posted in the current fiscal year. If the transaction date was 2 workdays before the year-end closing date, then there is a 2.8% chance it will be posted in the current fiscal year.

How to Actually Buy Something

First, find out if an on-campus Service Department can provide the goods or services you need. These on-campus service providers exist because they offer goods and services at a lower cost and in a more responsive manner than their off-campus competitors. You can use the Purchasing Card at the ASU Bookstore, the Copy Centers, and at Document Production Services. Other on-campus Servicing Departments may soon be added to this list. You can also access the ASU Bookstore, the Copy Centers and Document Production Services by use of a quick turnaround form for orders under \$1,000. A complete list of the Service Departments at the University is available on the Associate Vice President for Financial Services page at <http://www.asu.edu/fs/>. Give these Service Departments a call and they will be glad to answer any questions.

If an on-campus Service Department cannot provide the goods or services you need, then you can use the Purchasing Card in person or over the telephone.

- A. **In Person.** Take the card to the supplier, and verify that the supplier accepts a Visa Card. Select your order, carefully ensuring that none of the items are things that you cannot buy with a Purchasing Card and that the total cost of the purchase does not exceed the specific single transaction limit on your Card. Take your order to the supplier's cash register and present your Purchasing Card for payment. The supplier will either swipe your card through a card reader or call the card company for an authorization. This takes only a few seconds. In some cases, the supplier may ask you for a four-digit number. We do not use this feature of Visa Cards, so request that the supplier enter four zeros. The supplier will then ask you to sign a card authorization slip. The supplier will give you a copy of the card authorization slip and a cash register tape or paid invoice. If you are not given a cash register tape or paid invoice, please ask for one as these documents contain a list of the items you purchased. Keep all the documents you receive, as you will need to keep them as proof of what you purchased. Some departments may request that you give these documents to a designated person in the department. Take the things you purchased with you, and be

sure you get the Purchasing Card back. You are on your way.

- B. Over the Phone, or Via Fax.** Call or fax your order to the supplier. The supplier will need your Purchasing Card number and expiration date. Please ensure that other people do not overhear this information or read your fax as they could then charge items to your Card. Give the supplier your name, department, building name, room number, and Zip+4 so that the supplier can deliver the items to you. Ask the supplier to include an itemized cash register tape, paid invoice, or delivery slip with your order. Keep all the documents you receive, as you will need them as proof of what you purchased. Some departments may request that you give these documents to a designated person in the department. We encourage you to keep a record of your phone or fax orders so that you can be sure your order is received, and so that you know how much of your budget has been spent. We have devised a form for this purpose and a copy of this Purchasing Card Transaction Log, and all the other purchasing card forms, may be downloaded from <http://www.asu.edu/purchasing/> we can provide an original reproducible copy to you. The Purchasing Card Transaction Log is an optional form.
- C. Over the World Wide Web.** You may use your Purchasing Card to place an order to a supplier over the World Wide Web. Please use Web based ordering with suppliers who encrypt data transmission for security. You will normally see a prompt that tells you that you are going to a secure Web site, and the Web address will start with https rather than http. You may also find information on suppliers who follow good security practices at the Visa site at <http://www.visa.com> . Ask the supplier to include an itemized cash register tape, paid invoice, or delivery slip with your order. Keep all the documents you receive, as you will need them as proof of what you purchased. Some departments may request that you give these documents to a designated person in the department. We encourage you to keep a record of your Web orders so that you can be sure your order is received, and so that you know how much of your budget has been spent. We have devised a form for this purpose, and a copy of this Purchasing Card Transaction Log, and all the other purchasing card forms, may be downloaded from <http://www.asu.edu/purchasing/> we can provide an original reproducible copy to you. This is an optional form.

What If My Card is Declined?

You may have a merchant tell you that when they ran your Purchasing Card, it was declined by the bank. When this happens, please call JPMorganChase Commercial Card Customer Service at 1-800-270-7760. Customer Service representatives are available 24 hours per day, so you can call them from the store or anywhere else you run into this problem. The most common reasons for a decline are: the merchant entered an incorrect expiration date, and the dollar amount of the transaction exceeds the single transaction limit on the card. You may also call or e-mail the Card Administrators: Philip Carrano at 5-7273/ pcard@asu.edu . He may be able

to see the reason for the decline in JPMorganChase's Web-based Card Administration System.

What If the Stuff I Ordered Does Not Show Up?

Our Central Receiving department is staffed with outstanding employees who consistently do their very best to deliver each and every package to the person who ordered it faster than expected. Unfortunately, some suppliers are not very careful about properly addressing packages with your name, department, building, room number, and Zip+4. Sometimes we even receive packages addressed only as "ASU." In the unlikely event that your package does not arrive when you expect it, please call Receiving at 480-965-3772. Your call may be just the information this group of dedicated professionals needs to get your package delivered.

Squaring the Statement

You are the first line of defense in determining if the Purchasing Card invoices the University receives from JPMorganChase should be paid. You will receive a monthly Memo Statement from JPMorganChase. You should match the transaction documents you received from suppliers to the transactions listed on the Memo Statement. If you find a transaction on your Memo Statement that you do not recognize, or if the amount is different than shown on the documents you received from the supplier, then first contact the supplier. See Paragraph 19, Resolving Returns, Credits, Errors, and Disputes, for guidance. You should then staple the supplier documents you retained to your Memo Statement and submit the Memo Statement for review and approval by the designated manager in your department. Please retain the Memo Statements and attached transaction records for future reference. Note that some departments require that transaction documents and Memo Statements be forwarded to a designated manager, who will perform the same reconciliation process. If you find no discrepancies on your monthly Memo Statement, you do not have to take any action at all. The University will automatically pay JPMorganChase and deduct the money from your Agency Org account in Advantage.

All Purchasing Card transactions, except those assigned to our libraries, enter Advantage through a mapper program that assigns Object Sub-object codes based on the Merchant Category Code of the supplier. For example, if you buy something from Comp USA, the transaction will map to 7320 57, Computer Supplies. Note that it will not map to 7810 01, Microcomputers, as you normally do not buy capital equipment with a Purchasing Card. If the mapper program does not recognize the supplier, the transaction will default to 7390 42, Procurement Card Expense. Food transactions are always posted to 7390 06, Food Expense. As Purchasing Card transactions are posted to Advantage, people familiar with Advantage can easily identify these Purchasing Card transactions. With the use of PaymentNet access the Sub-Org, Object & Sub-object codes can be edited before the transaction goes into Advantage, if the mapper program does not adequately reflect the transaction. Note; suppliers select their own Merchant Category Code. If your card is declined, it could be that the supplier has selected a restricted Merchant Category Code.

Record Keeping and Retention

You, or in some departments your designated department manager, will keep your Purchasing Card Memo Statements and the supplier documents stapled to it for a very long time, as somebody will eventually want to see them. Somebody like an auditor from the agency who sponsored your project, or an auditor from the State of Arizona, or one of our own Internal Auditors, or your accountant from Financial Services, or the Business Operations Manager in your department, or the Purchasing Card Program Administrator, or maybe even your Mom. How long is a very long time? Well, sponsoring agencies want you to keep them for five years **after the project is closed**, and Payables and Reimbursements keeps payment records for seven years. Why do you have to keep these records? Well, you spent someone else's money. And the someone else, or their representative, will eventually ask you to prove that you spent the money well. Why do you personally have to keep these records, and why are they maintained in your department? Because you are responsible for your Purchasing Card transactions (so, with that said it is a good idea to always keep a copy for yourself even if you leave the department.). If there is ever a question, it is you who will have to answer it. There is nothing to prevent you from sending these records to someone else, but if that person lost them, you would still be held accountable for your Card transactions.

Resolving Returns, Credits, Errors, and Disputes

Let's say you have a problem with a supplier because of a failure to receive the goods, fraud, altered charges, defective merchandise, incorrect quantity or incorrect merchandise, duplicate charges, credits not processed, discounts not received, or you just don't like his or her face. You should contact the supplier to resolve this concern. You will normally find that responsible suppliers will do their best to resolve any legitimate concern. If you cannot resolve a difficulty with a supplier, then please call JPMorganChase Customer Service at 1-800-270-7760. They will ask you for the information they need to initiate a dispute.

Please note that you must submit a dispute within 60 days from the end of a cycle in which the questioned transaction occurs.

JPMorganChase will review and investigate the items you questioned. During this investigation, your account will be credited for the amount in question. When JPMorganChase has completed the investigation, you will be notified of the results. If the dispute is not settled in your favor, your account will be charged for the disputed amount.

Also, during the dispute investigation process, you and/or JPMorganChase may need to obtain copies of the sales documents. If JPMorganChase obtains them, they charge \$5.00 for each copy. And naturally, this is charged to your account. See the section in this Guide on Department Cards for restrictions on disputing charges on a Department Card.

Finally, if you have no disputes to resolve, then you do not have to notify anyone or submit any form. Simply staple the transaction documents you obtained from suppliers to your Memo Statement and retain these documents.

Please note that this dispute resolution process is not much different than what you would do if you had a personal credit card problem. You would go to the supplier first, and then talk to your credit card company.

Reporting Lost or Stolen Cards

Please immediately call JPMorganChase and report the lost or stolen Purchasing Card. JPMorganChase representatives are available 24 hours per day, seven days per week. Please also tell them that the card is a Purchasing Card. This notification is important as we are responsible for all charges until the notification is made. The JPMorganChase number is:

Lost or Stolen Card: (800) 270-7760

After notifying JPMorganChase, please also notify one of the people below:

Purchasing Card Program Administrator
Purchasing and Business Services
Arizona State University
P.O. Box 5212
Tempe AZ 85287-5212

Riki Meier
Phone: (480) 965-7273
Fax: (480) 965-2234
E-Mail: riki.meier@asu.edu

Kathy Haddaway
Phone: (480) 965-0658
Fax: (480) 965-2234
E-Mail: khaddaway@asu.edu

The preferred method of notifying the Purchasing Card Program Administrator is via e-mail. pcard@asu.edu

Canceling the Card

To cancel or return a Purchasing Card, please cut the Card at least in half, and lots of pieces if you feel like it. For added security, dispose of the pieces in different places. Then notify Purchasing Card Program Administrator via e-mail at pcard@asu.edu or via fax at 480-965-2234 to cancel the card. *Please give a brief explanation why the card is being cancelled.* If you leave employment at the University, you must cancel your Purchasing Card. If you don't, then we will report it stolen, and you will be carrying the evidence.

Preferred Suppliers

The Purchasing Card program generates reports of how much business the University is doing with classes of suppliers. Purchasing and Business Services will use this data to negotiate discounts with suppliers. When we do this, we will tell you who these preferred suppliers are so that you can take advantage of these discounts. The current preferred suppliers may be found at the SunMart Web site. See the next section.

SunMart

Purchasing provides a Web site to link you to suppliers who provide ASU pricing and a method of ordering via the Web, or by fax, or over the phone. The site is at <http://www.asu.edu/purchasing/sunmart/>.

Suppliers That Do Not Accept the Purchasing Card

Well, what would you do if a supplier wouldn't take your personal check or your own credit card? You would go across the street, right. Same deal. If one supplier won't take our Purchasing Card, another will.

Actually, Visa is accepted by more than 20 million suppliers, so this shouldn't be a big problem. But if your favorite supplier doesn't take a Visa Card, please let the Purchasing Card Administrator know, and we will see if we can make the supplier an offer they can't refuse.

Sales and Use Tax

As a matter of policy, the University pays all state and local taxes. Suppliers should include taxes, and you should pay them.

Use tax is a tax we pay Arizona when we do business with an out-of-State supplier who does not have a license to collect Arizona sales taxes. We can determine the use tax owed from the supplier detail reports generated in the Purchasing Card program. If you use the Purchasing Card with an out-of-State supplier, pay the tax if they have an Arizona State Sales Tax License, and don't pay the tax if they try to charge their own state sales tax. Actually, suppliers normally do this anyway.

Personal Use of the Purchasing Card

This is not allowed for obvious reasons but, if you accidentally charge personal items to the Purchasing Card, you will need to reimburse ASU as soon as the error is discovered with a copy of the validated ASU Cashiering deposit receipt attached to the supplier documents. In addition a memo signed by the cardholder is also attached to the monthly statement explaining how the accidental use occurred, and steps being taken to avoid any reoccurrence. The inadvertent personal use that is quickly reimbursed will not result in any adverse consequences for the cardholder.

Keep in mind if personal use is recurring and/or intentional ASU's Department of Public Safety is to be notified. In addition, the tax section of ASU Financial Services department needs to be notified in writing of the situation by the cardholder's supervisor or person assigned as the P-Card Manager for that cardholder. This notice should include the dollar amount along with a copy of the DPS Police report. Attach this notice to the monthly statement as well.

This dollar amount is then reportable to the IRS by ASU on IRS Form 1099-Misc, with the cardholder then needing to report the personal use as income on their annual tax return. Whether the cardholder can take the deduction for the restitution is between the cardholder and their tax advisor. Most likely the restitution would be a miscellaneous itemized deduction where only the repaid or restitution amount greater than 2% of adjusted gross income would be potentially deductible. Hence, recurring or intentional personal use on the P-Card can result in income taxes being paid on this use even though ASU is reimbursed.

Checking Up on You

Somebody will. Actually, we get lots of electronic reports in the Purchasing Card program, and we have the ability to run queries against the Purchasing Card database, so we can check on a lot of stuff. We actually know more of what is happening with the Purchasing Card than we do in our normal purchasing processes.

Moreover, someone will visit you to see how you are doing.

Card Expiration Date

Purchasing Cards normally expire every three years. You do not have to do anything about this, as a replacement card will automatically be sent to you before your current card expires.

Department Cards

It is possible to obtain a Purchasing Card that is assigned to a department and not to a specified individual. If you elect to get such a card, please note that you may not dispute charges on this card through JPMorganChase. You may only dispute charges through the supplier. Because of this, some departments prefer to obtain a card in the name of a specified individual and then have that individual designate others to use it. We have devised a format to be used in a letter of delegation, and included it in our Purchasing Card forms package. These forms are on the Purchasing Web site at <http://www.asu.edu/purchasing/> and we can also fax or e-mail you a set.

SECTION III. SEGREGATION OF DUTIES AND THIRD PARTY REVIEW

Segregation of Duties

The Purchasing Card Program allows the same person to order, receive, and pay for goods and services. Most other methods of spending public money require that the person who orders be different from either the person who receives and the person who pays. In order to maintain the appropriate oversight of Purchasing Card transactions, cardholders **must** submit their monthly Memo Statements and the associated transaction documents to a designated second party in their departments for review and approval. This approval is indicated by the designated person signing and dating the Memo Statement. This second party is normally the manager the department designated to monitor the Purchasing Card program in the department. While it is possible for a person to be both the designated manager and a cardholder, it is not possible for that designated manager to review and approve transactions he or she made. The person who did the transaction must have a different person review it.

Record Retention

You must keep Purchasing Card Memo Statements and associated transaction records for five years. These are kept in your department. Some departments may want to centralize where these are filed. Most require that the Cardholder file them. Even after you leave, your department must still retain these records for five years.

Transaction Records

Cardholders **must** keep records of each transaction in sufficient detail to show what was purchased. These records normally include an itemized cash register tape, a receipt, or a packing slip (if the receipt is on thermal paper please take a copy of the receipt as the receipt will fade over time). Some Web-based suppliers also send e-mail acknowledgements of orders, notifications of shipping dates and methods, and receipts. It is best to retain all pieces of evidence for each transaction (remember more is better in this situation).

Allowing Others to Use Your Card

Since anyone may apply for a Purchasing Card, and since you are responsible for all of the transactions on your Card, we do not recommend that you allow others to use your Card. Nevertheless, we realize that there are circumstances in your department that may best be resolved if you do grant this access. If you do grant this access, you should do so in writing. We provide a Delegation to Use the ASU Purchasing Card letter format with the Purchasing Card forms. These forms are helpful when you send someone with your card to make a purchase in person. These are available at <http://www.asu.edu/purchasing/> .

Split Transactions

Split transactions are cases in which a cardholder circumvents the single transaction limit by having the supplier process part of the transaction and then process the rest of it. There really is no excuse for a split transaction, as your friendly Card Administration staff will be glad to increase the single dollar limit in order to effect a legitimate transaction. All the cardholder needs to do is submit an e-mail to the P-Card Administrator and state the need and the increase: pcard@asu.edu If a Cardholder splits transactions, it is a clear indication that the cardholder has not read the P-Card Users Guide and probably should not be allowed to use a Purchasing Card, and we really need to reconsider whether or not this person should have one. The Web-based Card administration system highlights split transactions, so there is no way we will not know about them.

Good Intentions but Not allowed

Here is an example. A Cardholder paid the tuition for a student at a local community college because the student's financial aid had not yet arrived. This is not a legitimate use of University funds, and we have a Financial Aid department who could have assisted the student. Every time we find these "good intentions", we have to take corrective action.

Why Do We Want It in Writing?

We could make changes to Cardholder's accounts based on a phone call from the Cardholder, but we won't. We need printed backup in the P-Card file for all changes made for Auditor scrutiny.

SECTION IV. PURCHASING CARD ON-LINE REPORTING SYSTEM: PaymentNet

Overview

PaymentNet is a Web-based P-Card management tool offered by JPMorganChase. In PaymentNet you have the ability to run transaction reports and queries on all your cards and if you are a designated Manager on all the cards in your department. You will also be able to edit the Sub-Org, Object and Sub-Object assigned to any transaction on the Purchasing Cards you can access.

PaymentNet access means no more IXs to transfer P-Card transactions to the correct GL account. You will have a 5 calendar day window from the post date, in which changes to these fields can be made. *For instance*, if you purchase an item on Tuesday, August 10th, this transaction will be posted in JPMorganChase's system from the suppliers bank usually within a day or two (let's say the post date is Thursday, August 12th). As soon as you see that transaction in the PaymentNet system, you will have 5 calendar days from the post date listed to make changes to any or all of the three fields mentioned above plus make any notes concerning the transaction, if you wish. On the sixth day (Wednesday, August 18th) all transactions with a post date of August 12th will be pulled into the Advantage System and your window to edit these transactions will be closed.

Use the Mapper Agency Org and Object Sub-object Codes

In a typical year, 26 percent of our purchase documents are issued for transactions under \$500. The total dollar amount of these documents is only 1.34 percent of the total dollar amount of all purchase documents. We do not recommend that you spend any time trying to more accurately define how less than 2 percent of our money is spent beyond the mapper-selected Object Subobject codes. If someone absolutely has to know exactly how this money was spent, invite them to review the transaction documents you retained. Still, if you must identify a more specific Object Subobject code, it can be done through Advantage.

Spending from the right account is a slightly different matter. You do want to be sure that the proper Agency Org is charged for the transaction. We recommend that you use a different Purchasing Card for each Agency Org to be charged. Still, it is possible to change the Agency Org to which a transaction is charged through Advantage.

Advantage Expense Transfer Procedure

The most convenient method to use in correcting the Sub-Org/Obj/Sub-Obj is to ask for PaymentNet access to edit your P-Card Transaction before they are entered into Advantage. Other than that your department business manager, accountant, or Advantage expert knows how to do the basic procedure. Basically, you process an Expense Transfer (IX) document in Advantage.

PaymentNet Access

To request PaymentNet Access, send an email to pcard@asu.edu and state whether you will need access solely as a cardholder or if you reconcile a group of cards and need a manager access role. Your email should include your department name, your department's P-Card manager's name, and your ASU affiliate number, the ten digit number that begins with 100 or 120. Please cc this email to your **designated P-Card Manager**. If you are not sure who your P-Card Manager is for your department, please contact The P-Card office (5-7273 or 5-0658) and we will look this up for you. Once your request has been processed your PaymentNet User ID and Password, along with the URL for the PaymentNet Learning Website and a PaymentNet Guide will be emailed to you.

SECTION V. TECHNICAL STUFF FOR PEOPLE WHO HAVE TO KNOW EXACTLY HOW IT WORKS

Interface With Advantage

Card data from JPMorganChase will be electronically entered to Advantage through an interface. The Purchasing Card is a negative receiver system. The JPMorganChase invoice will be paid unless Payables and Reimbursements is notified that there is a problem with the invoice. This is the opposite of a positive receiver system in which a supplier is not paid until a receiver is entered. The interface application that converts the Purchasing Card data file to Advantage transactions using the following rules:

A batch of Advantage JI documents will be created for each data file received.

A separate JI transaction will be created for each card with activity included in the data file.

A separate JI expense line will be created for each individual purchase made with a card.

The six character Advantage batch number will be "OFD" followed by NNN, where NNN is the Julian date of the data file.

Batch and Transaction dates will correspond to the Julian date of the data file.

The eleven character Transaction number will be "FC" + NNN + #####, where ##### is the last six numbers of the Purchasing Cardholder Account Number. These last six numbers uniquely identify the card.

The twelve character JI document description field will be populated with the first twelve characters of the Cardholder Name.

The purchasing card Accounting Code will contain Fund, Agency, Organization, and Suborganization data.

All purchasing card transactions will be mapped to the appropriate Object Subobject codes, except for Food Card transactions, which are expensed to 7390 06, Food Expense.

The thirty character JI Line Description field will contain the first eight characters of the Merchant Name and the twenty-one character Interchange Reference Number (IRN) that was assigned to the purchase transaction.

The offsetting liability entry for the purchasing card expenditures will be made to the clearing fund, "7900," using the liability code, "6406."

Process Flow Comparison

The following chart compares the Departmental Limited Value Purchase Order (PDLVPO) process with the Purchasing Card process. Please note that the Purchasing Card process offers improvements for both the cardholder and the supplier.

PURCHASING AND PAYMENT PROCESS COMPARISON		
ACTIVITY	PDLVPO	PURCHASING CARD
Used to buy materials and services	Yes	Yes
Generate an order	Yes	Not required
Distribute an order	Yes	Not required
Receive the materials or services	Yes	Yes
Match order to packing slip	Yes	Yes
Indicate Agency Org information	Manual/Automated	Automated
Obtain transaction documents	Yes	Yes
Send documents to Payables	Yes	Not required
Mail processing	Yes	Not required
Receive invoices	Yes	Not required
Invoice data entry	Manual	Automated
Researching invoices	Yes	Not required
Supplier is paid	30 days	48 hours
Supplier accounts receivable	Yes	Not required
Advance approval needed	By department	No
Invoice verification at Payables	Yes	Not required
Entry to Advantage	Manual each invoice	Automated
Pay invoice	16,000 per year	2 per month

Merchant Category Code Group Electronic Restrictions

Each card is assigned at least one Merchant Category Code Group. This code includes various supplier categories or a group of Standard Industry Classification codes. The seven primary merchant categories are:

- Transportation
- Utilities
- Retail Stores
- Automotive and Vehicles
- Clothing Stores
- Miscellaneous
- Business/Repair Service

The Merchant Category Code Groups provide for every combination of the above categories, plus several unique Standard Industry Code groups. There are 52 standard Merchant Category Code Groups available, and the University has developed several custom Merchant Category Code Groups. The default Merchant Category Code Group for the University is 951, which allows for purchases at all suppliers except: those coded as:

- 4829** **Wire Transfer Money Orders (WTMOs)**
- 5542** **Automated Fuel Dispensers**
- 5681** **Furriers and Fur Shops**
- 5813** **Bars, Cocktail Lounges, Discotheques, Nightclubs, and
 Taverns - Drinking Places (Alcoholic Beverages)**
- 5814** **Quick Payment Service - Fast Food Restaurants**
- 5921** **Package Stores, Beer, Wine, Liquor**
- 5944** **Clock, Jewelry, Watch, and Silverware Store**
- 5960** **Direct Marketing - Insurance Services**
- 5962** **Direct Marketing - Travel-Related Arrangement Services**
- 5963** **Door-to-Door Sales**
- 5972** **Stamp and Coin Stores - Philatelic and Numismatic Supplies**
- 5983** **Fuel Dealers - Coal, Fuel Oil, Liquefied Petroleum, Wood**
- 6010** **Financial Institutions - Manual Cash Disbursements (Deposit
 Account, Travelers Cheques, Foreign Currency, Money Orders,
 Precious Metals, Savings Bonds)**
- 6011** **Financial Institutions - Automated Cash Disbursements**
- 6051** **Non Financial Institutions - Foreign Currency, Money Orders
 (Not Wire Transfer), Travelers Cheques, and Quasi Cash**
- 6211** **Securities - Brokers/Dealers**
- 6300** **Insurance Sales, Underwriting and Premiums**
- 7012** **Timeshares**
- 7273** **Dating and Escort Services**

7276	Tax Preparation Service
7277	Debt, Marriage, Personal - Counseling Service
7297	Massage Parlors
7995	Betting (Including Lottery Tickets, Chips at Gaming Casinos, Off-Track Betting and Wagers at Race Tracks)
9211	Court Costs including Alimony and Child Support
9222	Fines
9223	Bail and Bond Payments
5094	Precious Stones and Metals, Watches and Jewelry

SECTION VI. WHO CAN I CALL?

To report a lost or stolen card, call JPMorganChase and tell them that the card is a Purchasing Card:

Lost or Stolen Card: 1 - 800 – 270-7760

Then also notify one of the Purchasing Card Program Administrators:

Riki Meier at riki.meier@asu.edu

Phone: 480-965-7273 Fax: 480-965-2234

Kathy Haddaway at khaddaway@asu.edu

Phone: 480-965-0658 Fax: 480-965-2234

For Financial Services, use tax, accounting and payment:

Tirscha Gomez

tirscha.gomez@asu.edu

Phone: (480) 965-6035 Fax: (480) 965-2683

SECTION VII. FORMS

A set of forms is at <http://www.asu.edu/purchasing/stores/card> on the Purchasing and Business Services Web site in both Word and Adobe Acrobat formats. Alternatively, please contact a Purchasing Card Administrator to have a set of forms faxed or e-mailed to you. There is also a Guide for Completing the Cardholder Account Application with the set of forms

WHATS NEW

FINGERPRINTING

Effective November 1, 2005 fingerprinting became a requirement before being issued a P-Card.

Any ASU affiliate issued a P-Card for the first time is required to have a fingerprint check. This now includes established employees who were hired before that date and are requesting a P-Card for the first time.

Please contact Socorro Meek in Human Resources to arrange a time to complete this requirement if you have not done so already.

Socorro Meek

965-4115

socorro.meek@asu.edu

P-CARD RECONCILIATION WORKSHEET

Beginning January 2008 this worksheet serves as a tool to help you obtain all the necessary documentation and signatures needed for each cardholder's memo (bank) statement. Since the cardholder and reviewer must review and sign each bank statement, completing this form will be evidence of review and approval. You will no longer need to sign the statement itself. Go to the following link to access an interactive pdf form:

http://www.asu.edu/purchasing/forms/reconcil_worksheet2.pdf

Thanks for your participation in the Purchasing Card Program.