

**State of Minnesota
Minnesota State Colleges and Universities
Pine Technical College
Purchasing Credit Card Policy and Procedure
Page 1 of 5**

Policy Number: **413** Date: April 25, 2005 Revision Date: N/A

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413.1 AUTHORITY:

System Procedure 7.3.3, Credit Cards, provides authority for a college, university or office of the chancellor to establish a credit card program for business use only. Each college, university, or office of the chancellor using a Purchasing Credit Card Program must establish procedures and forms for implementing and monitoring the program.

413.2 PURPOSE.

The purpose of the Purchasing Credit Card Program is to provide an alternative form for purchasing necessary business commodities and services easier and faster. The program will also shorten the approval process and reduce time and paperwork for processing of high volume small dollar amount purchases.

When fully implemented for certain classes of transactions, the program should eliminate many typical repetitive purchasing steps such as preparing a requisition, preparing a purchase order, matching a packing slip to a purchase order, matching invoice with purchasing requisitions, individual payments of invoices, etc.

413.3 APPLICATION FOR PURCHASING CARD.

Beginning September 1, 2005, Pine Technical College employees may apply for a purchasing card using the following process:

A completed Purchasing Card application form is required for each Cardholder. No employee will be able to apply for a Purchasing Card unless his/her supervisor gives approval.

The address used on the Cardholder application for the Employee will always be their Pine Technical College mailing address.

413.4 PURCHASING CARD PROGRAM CARDHOLDER AGREEMENT.

All cardholders must sign and accept the terms and conditions of Pine Technical College "Purchasing Card Program Cardholder Agreement."

**State of Minnesota
Minnesota State Colleges and Universities
Pine Technical College
Purchasing Credit Card Policy and Procedure
Page 2 of 5**

413.5 Purchasing Card Requirements.

The Purchasing Card will be customized for each Cardholder and will include:

- a dollar limitation on the card
- a dollar limitation of purchasing authority per transaction
- a dollar limitation of purchasing authority for the total of all charges made during each monthly billing cycle
- merchant category blocking

413.6 CARDHOLDER’S RESPONSIBILITIES.

The Cardholder will be responsible for signing the card when it is received, the security of the card and all transactions made against it. Purchases made against the card will be considered to have been made by the Cardholder.

The Cardholder must request a copy of the vendor’s sales receipt or cash register slip if over the counter, or a packing list on shipped orders as well as the credit card slip. The Cardholder’s individual purchasing card number and his/her name must be given for all orders processed and specific delivery instructions must be provided to the vendor. The purchased goods must be delivered directly to a Pine Technical College “receiving station”.

All purchase transactions processed against the Purchasing Card must be made by the employee to whom the card is issued. The card cannot be used by another person or for personal use. The card cannot be transferred from one employee to another.

Cardholder must inform the vendor of MnSCU’s tax exemption status. Purchases of meals, lodging (under 30 days), waste collection and disposal services, or purchases or leases of motor vehicles are taxable and sales tax should be included in the charge transaction at the time of purchase if a purchase card is used.

All purchase transactions must be recorded on the Purchasing Card Individual Transaction Log each month and signed as to verification of the transactions by the Cardholder and the Cardholder’s supervisor. Receipts, packing slips, etc. must be attached to the Purchasing Card Individual Transaction Log. Monthly statements must be reconciled with the transaction log and submitted to the Business Office within five (5) days of the monthly statement date.

**State of Minnesota
Minnesota State Colleges and Universities
Pine Technical College
Purchasing Credit Card Policy and Procedure**

Page 3 of 5

413.7 ALLOWABLE PURCHASING CARD SPENDING CATEGORIES.

Purchasing card spending categories will be individualized for each employee. With proper approval, a Cardholder may be authorized to charge in such merchant categories as:

- Food and beverage
- Hotels and motels
- Airlines
- Car Rental
- Other travel agencies
- Auto parking lots
- Taxis and buses
- Caterers and bakeries
- Discount stores
- Department stores
- Variety stores
- General merchandise
- Shopping/buying clubs
- Shopping/buying clubs
- Electronic sales
- Computer software stores
- Data processing services
- Computer repair
- Informational retrieval services
- Bookstores
- Office stationary supplies
- Telecommunications equipment
- Photocopy and photos
- Food and grocery

413.8. PURCHASING CARD RESTRICTIONS.

The Purchasing Card **cannot** be used for the following transactions:
[As prohibited by System Procedure 7.3.3, Credit Cards.]

- Items for personal use
- Items for non-college, non-university purposes
- Cash or cash advances
- Food and beverages for individual employee (Authorized cards may allow for food and non-alcoholic beverages for business-related meetings in compliance with system procedures and after obtaining approval for special expenses)
- Alcoholic beverages
- Weapons of any kind or explosives
- Relocation expenses
- Travel related expenses (To be reimbursed using SEMA4 Employee Expense Report form. Authorized cards may allow for airfare, room and related taxes, vehicle rental, and conference and seminar registration)
- Entertainment
- Recreation

**State of Minnesota
Minnesota State Colleges and Universities
Pine Technical College
Purchasing Credit Card Policy and Procedure
Page 4 of 5**

The following are additional purchases which may not be made with the Pine Technical College credit cards.

- Drugs or pharmaceutical products
- Items which would be given away for promotional purposes
- Expenses for staff recruiting, advertising, or entertainment of prospective employees
- Gifts, donations, or contribution to individuals or organizations
- Payments to other departments
- Refunds of revenue
- Purchase of or removal of hazardous or radioactive materials
- Time payments
- Pyramiding (multiple purchases to cover same transaction).
- Tuition payments
- Consulting services

413.9 PURCHASING CARD PROCESS.

A statement of all transactions will be sent to each Cardholder by the issuing bank.

Upon receipt of the statement, the Cardholder must reconcile the statement to the Purchasing Card Individual Transaction Log. The Cardholder must sign and date the transaction log and the statement to confirm receipt of all goods and services, attach the original receipts which correspond to the statement, obtain the supervisor's signature, and return everything to the Business Office within five (5) business days. All purchases will be charged to the cost center that the individual purchasing card is assigned to – or in the case of multiple cost centers – to the cost center noted on the Cardholder transaction log.

Pine Technical College Business Office is responsible for payment of all purchases.

413.10 DISCREPANCIES.

The Cardholder must complete the Cardholder Dispute Form and notify the Business Office if there are any discrepancies with any of the charges listed on the statement. The Cardholder, with the help of the Business Office, will settle any billing discrepancies with the vendor and instruct the vendor to issue a credit through the credit card.

Disputes must be reconciled within fourteen (14) days of the statement date. Final resolution of any dispute must be resolved within sixty (60) days of the statement date.

**State of Minnesota
Minnesota State Colleges and Universities
Pine Technical College
Purchasing Credit Card Policy and Procedure**

Page 5 of 5

413.11 LOST, STOLEN OR UNAUTHORIZED USE.

The Cardholder is responsible for the security of his/her card and any purchase made on the card.

The Cardholder must immediately notify the credit card company and the Business Office if the card is lost, stolen or in the hands of an unauthorized person. Pertinent information regarding the lost or stolen card or improper use must be provided. The Cardholder will make a reasonable attempt to recover the card from an unauthorized person. The card will be voided as quickly as possible. However, the cardholder has primary responsibility for any unauthorized purchases made by the cardholder or any other person. If Pine Technical College is unable to collect the amount owed from the cardholder, the applicable cost center will be responsible for the unpaid amount.

413.12 CARDHOLDER ACCOUNT MAINTENANCE.

Any changes to a Purchasing Card must be made using the Cardholder Account Maintenance Request form.

413.13 ACCOUNTABILITY.

Each Cardholder is responsible for the card issued to him/her. All purchasing card records are subject to being audited.

Related Documents:

Board Policy 7.3.3 Credit Cards
Board Policy 5.20.1 Special Expenses and Chancellor/Presidential Expense Allowance
Board Policy 5.14.5 Purchasing
Board Policy 5.19.3 Travel Management
PTC Policy Number 403R Initiating and Processing Purchase Requisitions, Purchase Orders and Related Payments
Pine Technical College Requisition for Purchase

Reviewed by Leadership Team: 5/16/05
Reviewed by Faculty Shared Governance Council: 11/08/05

Approved: _____ Date: 12/12/05
Robert L. Musgrove, Ph.D., President