Introduction to the Procard

Welcome to the Northeastern University Procurement Credit Card Program. The procurement credit card is a procurement tool which offers an alternative to the existing University procurement processes and provides an extremely efficient and effective method of purchasing and paying for goods and services with a value of less than $3,000.

This User Guide outlines the benefits of the procurement credit card program to you, your department and the University, and provides you with information needed to use the card. The procurement credit card concept is designed to delegate authority and capability to quickly and conveniently purchase approved commodities directly from vendors that accept the MasterCard credit card.

The benefits of the procurement card to you and Northeastern are significant.

Benefits to the Cardholder:

- Goods and services can be more quickly and easily obtained.
- Work related to the purchase of and payment for goods and services is significantly reduced.
- More efficient use of time will enable employees to focus on the value-added aspects of their jobs.

Benefits to the University:

- Reduces the number of requisitions, purchase orders, invoices and checks.
- Enables Purchasing and Accounts Payable to focus on higher yield value-added activities.

The procurement credit card is designed to be used for purchases related to University business only. *Use of the card for personal purchases is strictly prohibited.* The Procurement Office and Accounts Payable Office are responsible for monitoring the effectiveness of the Procurement Credit Card Program. If you have any questions regarding the program, or the appropriate use of the procurement credit card, please contact the Procurement Card Administrator in Accounts Payable at x.2652.
How It Works

The procurement credit card simplifies the procurement and disbursement process by facilitating point-of-demand procurement. Procurement authority is delegated to the ordering department enabling the authorized cardholder to place an order directly with the supplier. The procurement credit card program provides enhanced control for all transactions by producing immediate decisions on five specific authorization criteria.

When a purchase authorization is requested by the vendor, the MasterCard system validates the transaction against pre-set limits established by the University. All transactions are approved or declined (instantaneously) based on the following procurement credit card authorization criteria:

- Number of transactions allowed per day.
- Single purchase limit not to exceed $3,000.
- Credit spending limit.
- Approved commodity code.

The authorization process occurs through an electronic system that supports the procurement credit card processing services under the University's agreement with JPMorganChase.

In addition, Purchasing and Accounts Payable have the capability to view a large selection of daily reports to effectively monitor the use of procurement credit cards. Purchasing will also identify opportunities to further maximize the University's significant buying power through contract negotiations.
Accounting

There are no manual accounting procedures (i.e. journal entries) to support procurement credit card transactions. The correct 6 digit index number and account code will be automatically charged as follows:

- each procurement card is associated with a Northeastern University 6 digit index number.
- all merchants have a "merchant code" which is tied into Northeastern University's account codes.

Therefore, each procurement credit card transaction will be automatically billed to the 6 digit index and the appropriate account code. The charges will appear on the Monthly Banner Fund Statement.
Capital Equipment

All capital equipment purchases of $1500.00 or more must be reported to the Research Accounting Office whether the purchase is made with a procurement card or purchase order. OMB circulars A-110 and A-21 require a control of property through periodic inventories, logistical and financial accountability, and disposal of unneeded property.

Capital equipment is non-expendable property having a useful life of more than two years and a unit cost of $1500.00 or more. For example:

- research and laboratory equipment
- machinery
- tools

If you have questions about whether a particular purchase qualifies as capital equipment, call the Accounting Office at x4233.

For each capital equipment purchase, fill out the Capital Equipment Purchases form. Return the original with attached receipts to Accounting (320 RP; FAX #8815) and maintain a copy for your records.
Contract Compliance

While the procurement credit card is an alternative procurement tool, it does not signal a change in policy regarding compliance with University contract suppliers.

The Purchasing Department is authorized to negotiate and issue contracts that will provide the University with "least total cost" arrangements for goods and services required from outside vendors. In negotiating those contracts, Purchasing considers not only the vendor's line item pricing for the products or services, but will also consider the vendor's:

- Ability to provide the necessary quality, delivery and service
- Overall pricing structure
- Compatibility with University automated systems
- Financial stability

Supplier contract pricing and performance are normally based on the University's overall anticipated volume of purchases during the contract period. In order to assure the University community of "least total cost" of goods or services, and to fulfill the University's obligation to consolidate all of its requirements with the authorized contract supplier(s):

All University departments must order required goods or services from those suppliers who are authorized contract suppliers to the University.

Purchasing will notify user departments of the existence of all such university-wide contract.
Credit Card Administration

**Acquiring a Procurement Credit Card**
Only full-time employees of the University, as designated by Human Resources Management, may be permitted to receive a procurement credit card. An individual may only receive the card after completing the application form, attending a formal Procurement Card Training Session at which time they sign a Cardholder Agreement Form.

The cardholder is required to read the Procurement Credit Card User Guide and adhere to all Procurement Credit Card policies and procedures. Prospective cardholders must be present at cardholder training and may not send a proxy.

**Canceling Procurement Credit Cards**
In order to cancel a procurement credit card, the card must be sent along with a Request for Action form to cancel the card by the cardholder to the Procurement Credit Card Administrator in Accounts Payable.

**Renewal of Existing Procurement Credit Cards**
Renewal procurement credit cards are sent automatically to the Procurement Credit Card Administrator in Accounts Payable 30 days prior to the expiration date of the card. The administrator will then notify cardholders that their card is ready for pick-up in Accounts Payable.

**Lost or Stolen Procurement Credit Cards**
It is the responsibility of the cardholder to immediately report a lost or stolen procurement credit card. The University is liable for all transactions until the card is reported lost or stolen. A cardholder must first report a lost or stolen procurement credit card by phone directly to JPMorganChase (800) 316-6056 and then to the Procurement Credit Card Administrator at x.2652 at the time of the occurrence.

A replacement card with a new account number will then be sent to Accounts Payable within 7-10 business days. The Procurement Card Administrator will then inform the cardholder that their replacement card has arrived.

**Procurement Credit Card Security**
Only authorized cardholders may use the procurement credit card. The Procurement Credit Card can only be used by the individual whose name appears on the card. Cards and card numbers must be safeguarded against use by unauthorized individuals within or outside the University.
Disputing a Transaction

The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. A cardholder may dispute a charge that appears on their unit’s Monthly Banner Fund Statement. Disputed charges can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way.

If the cardholder is unable to reach agreement with the vendor, the next step is to contact the JPMorganChase Disputes Department via the customer service number listed on the back of the procurement card. JPMorganChase will then work with the vendor to resolve the problem, meanwhile issuing a temporary credit to the cardholder for the amount in dispute. When JPMorganChase has completed its investigation, the cardholder will be informed of the resolution and any corrections that were made.

All disputed transactions must be submitted to JPMorganChase within 60 days of the initial charge in order for a credit to be processed.

Please note that, by law, vendors are not permitted to bill your credit card for purchases until the items have been shipped.
Misuse of the Procurement Credit Card

The procurement credit card represents the University's trust in you and your empowerment as a responsible employee of the University to safeguard and protect our assets. As a cardholder, you assume the responsibility for the protection and proper use of the procurement credit card.

The following situations are a few examples of "misuse" of the procurement credit card:

**Personal misuse:**
- Purchases using the card for the sole benefit of the employee.
- Assignment or transfer of an individual card to an unauthorized person.
- Use of a procurement credit card by a suspended or terminated employee.

**Administrative misuse:**
- Lack of proper and timely reconciliation of individual cardholder account.
- Card use in direct violation of acquisition goals (ex: failure to use the procurement credit card for commodities available through contract or preferred suppliers)

Misuse of the procurement credit card will be handled promptly and uniformly for all cardholders. The following actions will be taken:

A formal written warning will be sent to the individual cardholder from the Procurement Card Administrator. The cardholder's immediate supervisor, the appropriate Dean or Director, Director of Purchasing, Internal Audit and Comptroller will all be copied on the letter. The letter will include a warning for procurement credit card revocation pending further investigation and/or misuse.

Based upon the severity of misuse, disciplinary measures may include termination and legal action in accordance with the terms and conditions of the Cardholder Agreement Form.
Ordering Process

The procurement credit card may be used to purchase goods and services by phone, by mail, in person at the supplier site or via the internet. Prior to placing the order, check the ‘Reference Guide To University Agreements’ for contract suppliers for the product and/or service you are about to order. All cardholders must order required goods and/or services from those suppliers who are authorized contract suppliers to the University.

When placing your order, please be sure to provide the vendor with the following information:

- Identify yourself as a Northeastern University employee
- Indicate that it is a "corporate" procurement credit card purchase
- Provide Northeastern’s tax-exempt status and tax number listed on the card
- Cardholder name
- Individual card number
- Expiration date of card
- Complete delivery address including building and room number
- Description of goods or services to be ordered
- Any other information necessary to make the purchase

Upon receipt of your order, keep the documentation received from the vendor for later reconciliation. Proper documentation is typically a sales receipt or an invoice. Packing slips may be used as documentation so long as the dollar amount is indicated. Original, itemized receipts are recommended for all meals, regardless of cost and it is also necessary to provide the names of any other Northeastern personnel attending. For Procard meal purchases, itemized receipts are required for all meals of $75 and above.

Each month the person responsible for your budget will receive the Monthly Banner Fund Statement which will identify all of your procurement credit card purchases for that month. The cardholder is responsible to generate an Account Statement Report with Signature Lines at the end of every month through the MasterCard/ SmartData website. Check this statement against your supporting documentation to ensure that you have received all the goods or services for which you have been charged.

Upon reconciliation, forward the statements and all supporting documentation to your supervisor for review and approval. The completed material should then be forwarded to the individual within your department who has been assigned responsibility for document retention.
Preferred Vendors

Contractual arrangements have been negotiated by the Purchasing Department on behalf of the University Community. The contract pricing is based upon Northeastern's aggregate purchasing volume for the specific good or service. Each contract is governed by terms and conditions that protect the interests of the University.

For further information regarding Northeastern’s preferred vendors and an interactive commodity/vendor search, please refer to the Purchasing Department’s preferred vendors website: http://www.northeastern.edu/purchasing/prefvend/index.html#.
Procurement Card Training Sessions

Before a cardholder can receive their new Procard, they must attend a training session. Training sessions cover the policies and procedures related to proper Procard usage and allow new cardholders to express and questions or concerns they may have. The appropriate Cardholder Agreement Form should be brought to the training session and once it is signed the cardholder will receive their Procard.

Training sessions are held every Thursday at 10am in 960 RP (Office of Research. Please contact the Procurement Card Administrator at k.hendrick@neu.edu request attendance.
Procurement Credit Card Spotchecks

To ensure the continued success of the Procurement Credit Card Program, periodic spotchecks will be performed by the Accounts Payable Office. The purpose of the spotchecks will be to ensure that proper policies and procedures are being adhered to by the cardholders and their respective departments.

Spotcheck steps will include reviews to ascertain that:

- Procurement Credit Cards are used for authorized purchases related only to the University's business.
- Where University-wide agreements exist, purchases of related goods and services are procured through the designated suppliers.
- The University is not inadvertently being charged sales tax for goods and services received.
- Proper documentation is maintained to support procurement credit card transactions.
- Timely reconciliation of the cardholder's account is performed between the goods and services received, and the charges reported on the cardholders’ statement.
- Cardholder and Supervisor/Department Head signature is provided on all Accounts Statement Report with Signature Lines.

Supporting documentation and the related reconciliations are forwarded by the cardholder to the department's budget administrator for retention, in accordance with the University's record retention policy. Reconciliation materials and forms must be kept for 7 years in case of external audit of Northeastern University.

Should you have any questions regarding the nature of the Procurement Credit Card Program spotchecks, please contact the Procurement Card Administrator at x.2652.

Please note that the University's internal auditors, the University's external auditors, and various governmental agencies also have the authority to periodically request access to cardholder material at their discretion.
**Procurement Credit Card Program Purchasing Policy**

Northeastern University  
Policy Title: Procurement Credit Card  
Subject Area: Purchasing  
Policy Number: PUR005  
Responsible Office: Purchasing

**PURPOSE**  
To establish a policy for the use of the Northeastern University Procurement Credit Card.

**DEFINITIONS**  
Procurement Credit Card: A credit card that is issued to designated employees to facilitate small dollar purchasing transactions.

**SCOPE**  
Applies to all Northeastern University employees to whom a Procurement Credit Card is issued.

**POLICY**  
All Cardholders must sign and accept the terms and conditions of the Northeastern University Procurement Credit Card Cardholder Agreement.

All purchase transactions processed against a procurement credit card must be made by the individual to whom the card is issued.  
When "University-wide Agreements" exist, card holders must utilize those agreements when buying goods and services.

The procurement credit card can not be used for those restricted goods and services identified in the Northeastern University Procurement Credit Card User Guide; nor can the card be used for purchase transactions exceeding the designated transaction dollar limit.

Purchases are only for the use and benefit of the University. No personal purchases are allowed.

Use of the procurement credit card will be governed by the Northeastern University Procurement Credit Card User Guide and the Procurement Credit Card Cardholder Agreement with respect to:

- maintaining documentation
- reporting the loss or theft of a card
- ensuring that the proper budget is charged
- resolution of disputed transactions

Violations of the Procurement Credit Card Policy will result in actions being taken in accordance with the procedures established in the Northeastern University Procurement Credit Card User Guide and the Procurement Credit Card Cardholder Agreement.
Proof of Purchase Documentation

The procurement credit card will eliminate the time and effort spent on generating purchase requisitions and processing (printing, signing, mailing and filing) purchase orders.

With the authority to purchase specific goods and services comes the responsibility to maintain adequate documentation at the source of the transaction. Cardholders have the ability to review their transactions online through MasterCard.

In order to help facilitate the proper reconciliation of documentation and receipts, all cardholders (and requesting supervisors) are required to schedule an Account Statement Report with Signature Lines every month through Smartdata/MasterCard. Cardholders are expected to review these statements to ensure validity of all purchases and also to assist in matching receipts to their respective transactions.

At the end of each month, cardholders should sign off on the form and deliver it, with attached documentation, to their department head/supervisor. If the cardholder is also the department head/supervisor, then the documentation must be forwarded to the next level supervisor for review and approval.

Each month the person responsible for your budget will receive the Monthly Banner Fund Statement which will identify all of your procurement credit card purchases for that month. This statement must be checked against cardholder supporting documentation to ensure that all goods and services have been received for which there is a charge. Adequate documentation must be maintained to record the transaction at the source. Documentation must support the legitimate business purpose of all transactions made with the procurement credit card.

It is the responsibility of each department to assure compliance with the University's proof of purchase documentation and to assign responsibility for document retention in accordance with the University's record retention guidelines.

Upon reconciliation of documentation to Monthly Banner Fund Statements, the statements and all supporting documentation should be forwarded to the individual within your department who has been assigned responsibility for document retention.

The University will pay JPMorganChase directly for all procurement card activity. Use of the procurement credit card will in no way affect or change your personal credit history.
Receipt of Goods & Services

The cardholder is responsible for ensuring receipt of goods and services and follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.

Returning Item(s)

Item(s) should be returned directly to the vendor by whichever means the vendor requires. The cardholder is responsible to see that proper credit is posted for any returned item(s). (See Disputing a Transaction)
Restricted Commodities

Purchases of the restricted commodities listed below and purchases of $3,000 or more must continue to be processed in accordance with established procurement and disbursement policies and procedures. The procurement credit card is not to be used for the following commodities:

- Alcoholic beverages
- Animals and animal-related purchases
- Catering services (where a signed contract is required)
- Cellular phones and related monthly charges
- Copiers
- Construction and renovations.
- Consulting services
- Furniture (office and laboratory)
- Gift Certificates
- Office supplies
- Overnight Courier Shipments (FedEx)
- Personal items and services
- Prescription drugs and controlled substances
- Professional services
- Radioactive and hazardous materials
- Telecommunications services
- Temporary Help
- Travelers Checks
- Travel

If you have any questions regarding a restricted commodity, please contact the Procurement Office at ext 2135.
Tax Exemption

Northeastern University is a tax-exempt organization. The tax-exempt number is imprinted on the face of the procurement credit card for easy access. This number must be presented to all vendors by the cardholder at the time of the transaction to exempt payment of state sales tax.

If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge as outlined in the section Disputing a Transaction.

If a vendor requires a tax exemption certificate, copies are available on the Accounts Payable website.
University Bookstore

The procurement credit card may be used for authorized departmental purchases from the University Bookstore. Purchases must be made in person. The procurement credit card cannot be used for personal purchases from the Bookstore.

When making a purchase, please provide the following information:

- Identification as a Northeastern University employee making a departmental purchase
- Indicate that this is a procurement credit card purchase
- Specify that the purchase is exempt from sales tax (sales tax exemption number is referenced on the card)
- Provide your MasterCard procurement credit card number and expiration date
- Any other information necessary to make the purchase

Failure to emphasize that you are making a departmental purchase may result in you not receiving the University departmental discount.