CLARKSON UNIVERSITY
P-CARD USER GUIDE
P-CARD POLICIES AND PROCEDURES

1. INTRODUCTION

The Clarkson University Procurement Credit Card Program (P-Card) is a procurement tool which offers an alternative to the existing University procurement/payment processes, and provides an efficient and effective method to purchase and pay for consumable commodities of low dollar value.

This User Guide outlines the benefits of the P-Card program to you (the Cardholder) as well as to your department and the University. It also provides you with the information that you will need to use the card. The P-Card concept is designed to delegate authority and responsibility and to enable you to quickly and conveniently make small purchases of approved commodities directly from those vendors who accept the MasterCard.

2. BENEFITS

The benefits of the P-Card to you and the University are significant. The P-Card program offers these benefits:

- Departmental personnel will have fewer purchase orders that they are responsible for processing and approving.
- Purchasing flexibility and convenience, including the ability to make online purchases are available to the user.
- Department personnel will have access to online, near real time reporting.
- Saves the costs associated with mailing purchase orders and payments.

3. RESTRICTED ITEMS

The P-Card is intended for small dollar purchases not to exceed $1,000.00 per transaction, $2,500.00/day and $10,000 per month. All purchases made with the P-Card must comply with established Clarkson University purchasing policies.

THE FOLLOWING ITEMS CANNOT BE PURCHASED WITH THE P-CARD:

Personal items and services	Publishing
Cash advances	Building alterations/fixtures
Insurance	Travel
Legal Services	Equipment fabrication (object code 2528)
Controlled Substances	Compressed gas cylinders
Non Business items	On campus services and maintenance
Radioactive Materials	Automotive gasoline
Ethanol Alcohol	Firearms & ammunition
Syringes, needles	Lease/Lease to purchase
Purchase of motor vehicles	Live animals
Professional/consulting services	Donations
Tax services	Single purchases exceeding $1,000.00
Services rendered by non incorporated individuals (1099 suppliers)	Telephone & Telephone related expenses
	Passports

4) <u>HOW THE P-CARD WORKS</u>

The P-Card simplifies the process for the purchase and payment of goods. Purchasing authority is delegated to the authorized Cardholder, thus enabling the Cardholder to order materials directly from the supplier. When the goods are received, the cardholder retains the receipt (or other documentation that is available from the vendor to show proof of purchase) to help in the review your invoice receipts. The cardholder will be required to properly code and verify all transactions during the month and prepare documentation for <u>audit.</u>

5) <u>P-CARD LIMITS</u>

In general, most P-Card users will have a maximum credit limit as described below. There will be instances where credit limits could vary. The individual cardholder will be aware of their credit limit.

<u>Authorized Credit Limit - Standard</u>		<u>Students</u>
• Transition dollars allowed per day	$2,500.00	$1,250.00
• Daily transactions	20	20
• Monthly transactions	100	100
• Single purchase limit	$1,000.00	$500.00
• Spend per month	$10,000.00	$10,000.00

6) <u>ACCOUNT CODES (OBJECT CODES)</u>

All P-Cards are assigned default general ledger account numbers as defined by the users. As frequently as daily, the user may determine the proper account number to expense each purchase to by entering into the P-Card web site.

To change your default number, complete Exhibit A, Application/Update Data Form and submit it to Accounts Payable.

7) Contract Compliance

While the card is an alternate procurement tool, it does not change the policy regarding compliance with the University contract procedures.

8) P-Card Eligibility, Application and Termination

A purchasing card may be issued to any individual who obtains the appropriate department approval. This does include students who will have lower spending authority. The department that authorizes students to be issued a card will be responsible for any fraudulent charges made by the student, as well as the student.

9) To Apply for a P-Card

1. Complete Corporate Purchasing Card Application/Update form. (Exhibit A)
2. Forward complete application to your supervisor for approval.
3. Approved application is to be forwarded to the Purchasing Office.

You will be contacted by the Purchasing Card Program Coordinator to set a time for mandatory training on card use. **You will not receive your card until training has been completed and you read the cardholder guide issued by your P-Card coordinator.** This document is available on line on the user screen under *User Document* when signing on to the *Smart Data* site.

At the end of your initial training session, you will be required to sign an acknowledgement of receipt of the card and agree to its proper use. See Exhibit B. Improper use of the P-Card will result in suspension or permanent loss of use of the P-Card, and possible further disciplinary action.

At the time of your first month end verification of purchases, training by a P-Card Coordinator will be done. An appointment will be made at the time of issuance of your P-Card.

If you would like to terminate your P-card, return it to the Purchasing Card Program Coordinator with a note stating that the card is to be cancelled.

Purchasing Card Program Coordinators

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10) PURCHASING CARD SECURITY

It is the cardholder's responsibility to safeguard the P-Card and account number. The cardholder must not allow any unauthorized individuals to use the P-Card or the card account number. A violation of this responsibility may result in the cardholder having their card withdrawn and/or disciplinary action for the cardholder and/or unauthorized user.

11) LOST, STOLEN OR DAMAGED P-CARDS

If your card is lost, stolen, damaged or the number has become known to a third party who may use if fraudulently, you must contact HSBC's Direct Bank at 1-866-341-5203. This service is available 24 hours a day, 365 days a year. For security reasons, identification questions will be asked.

You should also advise a Program Coordinator.

A replacement card will be issued with a new number and sent to the Program Coordinator immediately.

Cards are to be cancelled immediately when a cardholder terminates employment or encounters a change of duties or responsibilities which do not require the use of a P-Card. If an employee transfers to another department, notification must be made to the P-Card Coordinators Department heads. Once the P-Card Coordinator is notified, they will either fax or mail an update form to the cardholder. In turn, they need to send the completed form back to the Accounts Payable Office.

12) <u>CARD RENEWAL</u>

HSBC will mail new cards prior to the expiration date on the card.

13) <u>PLACING ORDERS</u>

The P-Card may be used to purchase consumable supplies in person at the supplier's site or by phone, fax, mail, or internet.

When placing your order by phone/fax or internet, please be sure to provide the merchant with the following information:

1. Indicate that it is a Clarkson University Corporate Card for Purchasing purchase.
2. New York State tax-exempt status and tax number, which will be printed on the card: Tax exempt ID 106065.
3. Cardholder name.
4. Individual card number.
5. Expiration date of card.
6. Complete delivery address: 8 Clarkson Ave, Potsdam, NY 13699.
7. **Purchase order number ("C" and box number where item is to be delivered) (This will help the mailroom with delivery.)**
8. Description of goods or services to be ordered.
9. Phone number should merchant need to contact you.
10. Any other information necessary to make the purchase.

11. Vendor must supply an acknowledgement/receipt of the order which must contain a dollar amount of the transaction.

Failure to emphasize that you are making a Clarkson University purchase may result in not receiving a Clarkson University agreement price, discount or tax-exempt status.

Vendors will submit transactions to the bank. The bank will transmit and post transaction information to Clarkson University's Smart Data Online website.

If the goods are available and the authorization is granted, the supplier will forward the goods to the shipping address. If the goods are unavailable, the supplier will inform you of the availability date. **The supplier should not charge for these goods until they are shipped.**

When the receiving area receives the goods, they will direct the package to you using the purchase order number (PO # is "C" and box number where item is to be delivered)

Transaction documents (i.e. receipts/packing slips with dollar amounts only) must be retained for submission to the Comptroller's Office at the end of the monthly cycle. Except for Research purchases, (funds 375, 378, 393, 394, and 395) receipts for purchases less than $25.00 are not required. Failure to supply information may result in suspension/cancellation of your P-Card.

Using the Internet:

Many companies are offered the option of making purchases via the web. The University does allow online purchases. However, be sure that the website you are using is secure (look for https in the URL or a closed lock at the bottom of your screen) before providing your card number and the vendor will provide you the required priced, itemized receipt or order confirmation.

14) RESPONSIBILITY OF RETURN GOODS

Items will be returned to the vendor by whichever means the vendor requires. The cardholder is responsible for ensuring that proper credit is applied to the card account for any returned item(s) and that evidence of the return is documented.

15) <u>CARDHOLDER – REVIEW OF CHARGES</u>

The following is an overview of the P-Card Policy for review of purchases prior to submission to the Account Payable Department.

> Review and approval of purchases during the buying cycle is the final step in the Purchasing Card process. It is also the most important procedure where the cardholder verifies the legitimacy of the purchase and provides itemization, pricing and G/L account coding for all items purchased; all via the worldwide web.
>
> The billing cycle ends near the 25th of each month. You will be notified by e-mail when the exact bank cut off date is. The cardholder does not have to wait until the end of the month to review their purchases online. This can be done **daily or weekly** with a clean up at month end. Completion of the review and submission of backup to the accounts payable is required by the 10th of the month following the cut off date. See directions for review of P-Card log, Exhibit <u>C</u>

16) <u>DOCUMENTATION AND REVIEW</u>

1. Log onto the HSBC Smart Data-Online Website (hhttps://sdol.mastercard.com). For detailed instructions on how to navigate the website, perform accounting code splits, and reallocate general ledger account numbers, please refer to the Smart Data Online Users Guide provided on line and when your account was set up, or contract one of the program coordinators for a copy or consultation.

2. Review and approve your transactions on a regular basis, either **daily or weekly**. You will not receive a hard copy credit card statements or receipts to approve your transactions on-line. The Finance Department will post all cardholder reviewed and approved transactions to the General Ledger on a **semi monthly basis** when there are enough transactions to support the processing. Ultimately, all current month P-Card transactions have to be reviewed and approved by the close of business on the last working day of the current month and in turn will be posted to the General Ledger within 2-3

business days. If you find erroneous transactions posted to your account or you have disputed items, see Credit and Disputed Items below.

3. Enter the business purpose of the transaction in the Expense Description field. This should be a brief description of the expenses (i.e. the chair purchase for department head). When using Account Codes 2526-Entertainment, Business Expense, 2590-Miscellaneous, 2592-Misc. Office Expense, 2619-Recuituting Faculty/Staff, include Who, What, When, and Why in the description.

4. General Ledger Account Numbers. All cardholders are asked to provide a default general ledger account number for all P-Card transactions when the P-Card account is activated. Your default account numbers should be kept current and be the most likely account number that you would want your purchases charged. All P-Card transactions will automatically default with this General Ledger number. All cardholders have the opportunity to change this number prior to approving their transactions. Cardholders also have the ability to allocate a P-Card transaction to multiple general ledger account numbers. If, by the close of business on the last working day of the current month, there are P-Card transactions that have not been reviewed and approved, the transactions will be locked and the default account numbers provided will be the account numbers posted to the General Ledger. It will then be the responsibility of the Department Head to submit a reallocation form to accounting.

17) <u>Supervisor Sign-Off and Remittance of P-Card Transactions for Auditing Purposes</u>

1. Print the Expense Report for the current month from the HSBC Smart Data Website, see Exhibit D. **In order to print this report, you will need to enable pop-ups.** This report will provide a summary of all your P-Card transactions for the month. All hard copy receipts are to be submitted along with the expense report to Accounts Payable.

2. Submit the P-Card expense report to your supervisor for approval. Your supervisor must review and sign their name on the Expense Report that is attached to the envelope. This task cannot be deligated.

3. Remit the approved expense report with receipts to Accounts Payable (Box 5546) by the tenth (10^{th}) of the subsequent month.

18) <u>CREDITS AND DISPUTED ITEMS</u>

1. If you have incorrect entries on your statement, you should contact the suppliers in question. If a credit is required from the supplier, you should request that they post the credit to your HSBC Corporate Purchasing Card account.

2. If you have received goods that are damaged, short or incorrect you must either contact the supplier and arrange for the goods to be replaced or contact the supplier and arrange for the goods to be returned. In this case, you should request that the supplier post a credit to your HSBC Corporate Purchasing Card account.

3. The vast majority of disputes are resolved directly with the supplier. If the cardholder is unable to reach agreement with the merchant, the next step is to complete a "Statement of Disputed Item" form, Exhibit E, and send it along with any supporting documentation to the Purchasing Card Program Coordinator within 30 days of the billing cycle date.

4. It may be possible that your credit may not process within the same month as your original transaction.

19) <u>Penalties</u>

All Corporate Card purchases are subject to supervisory approval and general control audits. Any misuse could result in the card being revoked and may be deemed a disciplinary offense. If your purchasing card is revoked, it does not authorize the use of a Purchase Requisition as a substitute procurement method.

20) P-Card Administrator’s Responsibilities

- Enforce P-Card policies and procedures and provide P-Card participants updates as needed.
- Review transactions and receipts for compliance with University P-Card rules and regulations.
- Receive signed statement and supervisor approvals for all cardholders with activity for the month. Audit for required use of the P-Card and required documentation.
- Provide support and assistance for cardholders.
- Cancel cards or suspend cards to enforce policy.
- Provide P-Card training.

21) IMPROPER USE OF THE P-CARD

The items below are examples of improper use of the P-Card; it is not intended to be an all inclusive listing. Common sense and integrity should prevail when using the P-Cards for purchases for University use. Improper use of the P-Card could result in an immediate suspension or permanent loss of P-Card privileges.

- Splitting transactions in order to circumvent the maximum P-Card limit.
- Failure to supply proper documentation in a timely manner for P-Card purchases.
- Proper authorization of purchases from your Supervisor.
- Late submission of month-end documentation.
- Failure to attend all mandatory training or retraining sessions.
- Not properly coding purchases at month end, (i.e. allowing purchases to be charged to the default account code).
- Allowing your default account to exceed the allocated budget for the default account.

Clarkson University
Purchasing Card Program

Application/Update Data Form

Check one:

- o Open New Account
- o Update existing account information

______________________________________ ____________________
Print Name (Last, First, Middle) Employee or Student Number

______________________________________ ____________________
CU Box Number CU Extension

______________________________________ ____________________
Email Address CU Fax

— — —-— — — — —-— — — —
Default Account Number (12 digits)

As a cardholder in the Clarkson University Purchasing Card Program, I agree to accept responsibility for proper use and protection of the Purchasing Card as stated in the Clarkson University Corporate Card for Purchasing User’s Guide as updated.

______________________________________ ____________________
Cardholder Signature Date

____
Print Supervisor’s Name

______________________________________ ____________________
Supervisor’s Signature Date

Exhibit B

Corporate Card for Purchasing

Acknowledge of Receipt of Card

I ____, hereby acknowledge receipt of a Clarkson University Purchasing Card, Card number_______________________________.

I agree to accept responsibility for the protection and proper use of this Purchasing Card in accordance with all applicable Clarkson University policies and procedures. If further understand that improper use of this card any result in disciplinary action including the termination of employment. I agree to repay to Clarkson University upon demand, any and all amounts that the university is required to pay as a result of the unauthorized or improper use of the card during the time it is issued to me.

I understand that Clarkson University may terminate my right to use this Purchasing Card at any time for any reason. I agree to return the Purchasing Card to Clarkson University immediately upon request or upon termination of employment.

_______________________________________ _______________
Signature Date

Directions for Review of P-Card Log:

1. Log onto HSBC website. (www.sdol.us.hsbc.com)
2. Put in your User ID and Password.
3. Click the Financial Tab on top of page
4. Click Account Summary.
5. Your name and information will appear on the right of the screen. On the left you will see Date Criteria. **Click the dot next to Billing Cycle**.
6. To the right of the words Billing Cycle, click the down arrow and select the appropriate month. It will be in alpha order.
7. Click View.
8. After clicking view you will be able to view your transactions by scrolling down.
9. Each transaction will have its own line.
10. Click on the Icon that is located third from the left of the line. (When you put your cursor on it, it will read "View Account Codes"). You may also choose to click on expand all instead – top left – also on the bottom left
11. **Enter business purpose of the purchase under Expense Description. Please note: If dining out for meetings etc. we need a list of attendees or name of your group.**
12. If you need to change your default account number, please do the following:
    a. Select the Fund
    b. Enter dept/project grant
    c. Select account
    d. Click apply
13. You have now successfully completed a Cardholder Review for your first transaction!
14. If you have more transactions to Review, Click the words Next Transaction located directly above the Apply and Discard buttons.
15. The new screen takes you directly to your second transaction.
16. Continue this process starting again at number 10 until you have completed all your transactions.
17. Next, scroll to the top of the page. Check the box(s) underneath the words Cardholder Review. Click the Apply button.
18. To print your report, go to the Reports Tab at the top of the page and click on it.
19. Select **Run Reports** (this will take you to a new page).
20. Scroll down in the Report Selection and select **Expense Report** (alpha order).
21. On the right hand side of the page under Report Format, select **Print Version**.
22. Next, select the dot next to the words **Billing Cycle** and pick current month.
23. Click *Run* at the bottom of the page
24. After you click Run, a window will pop up that has the heading "File Download", click *Open.*
25. Your expense report will appear and the final step is to click *Print*
26. Attach your receipts to the expense report and forward to your supervisor for their approval.
27. Your supervisor should then forward the Expense Report and receipts down to the Accounts Payable office usually around the 10^{th} of each month.

Exhibit D

HSBC	EXPENSE REPORT	Name
(Mastercard logo)	Posting date (enter in month of report)	Address

Posting Date	Transaction Date	Description		Amount
Card Transactions:				
(Fill in your card transactions with date, supplier, and expense description)				
			Card Subtotal	0.00
Non-Card Transactions				
			Non Card subtotal	0.00
			Grand Total	0.00

Note:
(s) Indicates a split transaction
S Indicates supervisor reviewed
CH indicates cardholder reviewed

Signed	Date	Authorized	Date

Exhibit E

HSBC Bank USA N.A.
Customer Statement of Dispute
Fax completed form to: 812-428-3523

Cardholder Dispute **Company Name:**

I ________________________________ Of ________________________________
Name Address

________________________________ ________________________________
City State & Zip Code

__________________ __________________
Home Phone (area code) Business Phone (area code)
Have examined the charges made to my MasterCard account #_______________________
The transaction(s) in question is/are described below:

Billing Date	Date of Sale	Amount	Merchant Name
Billing Date	Date of Sale	Amount	Merchant Name
Billing Date	Date of Sale	Amount	Merchant Name

Please Check the applicable box (<u>check 1 box only</u>)

☐ **Unauthorized Charge.** Neither I nor anyone with my permission made or authorized this charge.

☐ **Multiple Posting.** I have been charged more than once for the same transaction, and authorized only one purchase for this amount.

☐ **Credit not received.** I was issued a credit slip which was not posted or posted as a sale on my statement. I have attached a copy of my credit slip.

☐ **Incorrect dollar amount.** Enclosed is a copy of my sales for $__________ which was incorrectly posted to my account as $__________.

☐ **Non-Receipt of merchandise.** I have not received the merchandise that was shipped to me on __________ **(date)** I have asked the merchant to credit my account.

☐ **Damaged/Defective merchandise.** Merchandise that was shipped to me has arrived damaged and/or defective. I had returned it on __________ (date) and asked the merchant to credit my account. I have attached a copy of my return receipt.

☐ **Cancellation.** This sale represents a pre authorized charge/hotel reservation which I cancelled and:
- ☐ My cancellation number is ____________________.
- ☐ I was not given a cancellation number & was not notified I would be charged for the reservation if it was not used.

☐ **Cardholder Dispute.** I did participate in the transaction listed above, however, I am disputing the entire charge or a portion for $__________. I have contacted the merchant for an adjustment which I have not received.

Please Note: You must make a "good faith" attempt to resolve the matter with the merchant before we can assist you.

I am disputing the charge because: ____
____
____
____

Date: ______________Cardholder Signature:_____________________________________