

# Cardholder Manual

## What is the Purchasing Card?

The Purchasing Card is a Visa credit card issued by Bank of America. It is a fast, flexible purchasing tool which offers an alternative to the existing University purchasing processes and provides an extremely efficient and effective method for purchasing and paying for supplies not to exceed \$2,500 unless otherwise authorized by the procurement card administrator.

The Visa Purchasing Card will enable you to purchase non-restricted commodities, by telephone or in person, directly from the vendors. It will eventually eliminate the need for issuing many low dollar purchase orders and departmental orders.

The Visa Purchasing Card will be issued in the employee's name with the State of South Carolina emblem, the wording "For Official Use Only" and "Winthrop University" clearly indicated on the card.

## The Purchasing Card program brings many benefits to...

- **Cardholders** - You will be able to obtain supplies directly from your vendors without using a purchase order or departmental order. This streamlines the purchasing process and can help improve turnaround time on receipt of your order. It significantly reduces the workload and processing costs related to the purchase and payment of supplies.
- **Winthrop University** - The Purchasing Card program provides a cost-efficient, alternative method for purchasing low-dollar supplies. Built-in card features make the program easy to control and manage and reduces processing costs at all levels by reducing the number of departmental orders, requisitions, purchase orders, invoices and checks. The Purchasing Card enables all departments to focus on higher yield value added activities.
- **Vendors** - The Purchasing Card will be welcomed by vendors who accept VISA. When they accept the card for business purchases, vendors need not send invoices to the University, and they will receive payment directly from Bank of America within 48 hours.

## Parties Involved

- **Agency** - Winthrop University, who arranges with the card issuer, Bank of America, for the issuance of Purchasing Cards to approved University employees and agrees to accept departmental liability for the employees' use of the cards.
- **Cardholder** - an employee of the University who is approved by his/her department head to use the Purchasing Card to execute purchase transactions on behalf of Winthrop University.
- **Card Issuer** - Bank of America's services were contracted for by the State of South Carolina to issue Visa Purchasing Cards to University employees, to bill the University for all purchases made on the cards, and to collect payment from the University on behalf of the vendors.
- **Department Head** - Winthrop University official who must approve employee's request for a Purchasing Card, assign Departmental Liaison, designate default account number for purchases on the

Purchasing Card, and submit application to the University Purchasing Card Coordinator. Department Head approval delegates transaction authority to the Cardholder.

- **Departmental Liaison** - an employee in each department responsible for proper use of the Purchasing Card within that department. Each Cardholder will be assigned a Departmental Liaison, and the liaison will be responsible for reviewing transactions of individual Cardholders to make sure the transactions are classified as an appropriate University expense.
- **Purchasing Card Coordinator** - the central coordinator located in Procurement Services who coordinates the Purchasing Card program for the University and acts as the University's intermediary in correspondence with the card issuer.
- **Vendor** - the merchant from whom a Cardholder is making a purchase.

## Cardholder Eligibility

Criteria to receive a University Purchasing Card is as follows:

- Applicant must be an employee of the University.
- Applicant's request for a Purchasing Card must be approved by his/her Department Head.
- Department Head will provide the name of the Departmental Liaison to whom Cardholder will be assigned and the default University account number for the Purchasing Card.
- Approved request is sent to University Purchasing Card Coordinator.
- Cardholder must attend training session before he/she may be issued a Purchasing Card.
- Each individual Cardholder must sign a Cardholder agreement in the presence of the University Purchasing Card Coordinator so indicating that he/she has read this manual.

## Key Cardholder Responsibilities

The following are several key areas that require on going Cardholder support. A Cardholder must:

- Ensure the Purchasing Card is used only for legitimate business purposes. Misuse of the card will subject Cardholder to disciplinary action in accordance with University Policies and Procedures relating to disciplinary action and termination for cause.
- Adhere to the purchase limits and **restrictions** of the Purchasing Card and ensure that the total transaction amount of any single transaction does not exceed \$2,500 unless approved by the Director of Procurement or the appropriate designee. Furthermore, the Cardholder must ensure that all purchases are within all other spending and vendor guidelines established by the University.
- **The Purchasing Card may NOT be used to reserve or pay for hotel accommodations that pertain to employee travel unless otherwise justified on an exception basis and then authorized by the University Controller and the appropriate procurement official.**
- The Purchasing Card may NOT be used to purchase computers, including laptops and tablets.
- Card may not be used to initiate cell phone plans, changes, or upgrades without authorization from the University's cell phone liaison.
- Card may not be used to purchase gift cards, stored value cards, calling cards, pre-paid cards, or similar products.
- Ensure that the Purchasing Card is only used by the approved Cardholder. Use by anyone other than the approved Cardholder is strictly prohibited. The Purchasing Card is not transferable between

Cardholders.

- Incorporate the [Sustainable Procurement Policy \(pdf - 73 KB\)](#) into buying decisions where possible
- Obtain all original detailed sales slips, register receipts, and/or Purchasing Card slips and provide to Departmental Liaison for reconciliation, approval and allocation of transactions.

If receipt has been lost and a duplicate cannot be obtained, it is the cardholder's responsibility to document the purchase via a "missing receipt form" and cardholder's supervisor must sign. Use of this "missing receipt form" more than three times in one fiscal year will result in suspension of card privileges.

Cardholder must provide written justification for each receipt. A Cardholder must also notify the Departmental Liaison if the default account number should be changed on an individual transaction.

- Attempt to first resolve a dispute or billing error directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved. A Cardholder must also ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent Cardholder Memo Statement. Under no circumstances should a Cardholder accept cash in lieu of a credit to the Purchasing Card account.
- Call Bank of America at 888/449-2273 immediately (24 hours a day, 365 days a year) to report a Purchasing Card lost or stolen. A Cardholder must also notify the University Purchasing Card Coordinator about a lost or stolen Purchasing Card at the first opportunity during business hours.
- Verify charges on the monthly VISA statement, sign, forward VISA statement to immediate supervisor for review and signature, and provide same to liaison.
- Return Purchasing Card to Departmental Liaison upon terminating employment with the University or transferring Departments within the University.

## **Key Departmental Liaison Responsibilities**

Each Department Head must designate one or more Departmental Liaisons for his/her department. The Department Head will assign a Departmental Liaison for each Purchasing Card application approved for his/her employees. A Departmental Liaison may also be liaison for his/her own card. The Departmental Liaison must receive training on the use of the Purchasing Card before any individuals in the department may receive a Purchasing Card. Responsibilities include:

- Collecting vendor receipts and purchasing card receipts from Cardholders and reconciling to Bank of America billing statements.
- Retaining all charge slips and receipts for audit by internal and external auditors.
- Approving and/or updating default account number on the purchasing Card System of individual Cardholder account in advance of the monthly default cut-off date for approvals established by the University Purchasing Card Coordinator.
- Identifying transactions which require the submission of use tax to the South Carolina Department of Revenue.
- Attempting to resolve any disputes with vendor and/or Bank of America not resolved by Cardholder. Notifying University Purchasing Card Coordinator in 3 to 5 days of any unresolved disputes, noting the reason for dispute.
- Requesting the University Purchasing Card Coordinator to change default account for individual cards as needed and approved by Department Head.
- Notifying University Purchasing Card Coordinator of lost or stolen cards.
- Requesting University Purchasing Card Coordinator to cancel a Cardholder's card e.g. (terminated employees, transferring departments, loss of purchasing card privileges) as approved by Department Head.

- Collecting canceled cards from Cardholders and forwarding to University Purchasing Card Coordinator.

## **University Purchasing Card Coordinator Responsibilities**

The Director of Procurement Services will designate a Purchasing Card Administrator, who is responsible for the over-all Purchasing Card program. Responsibilities include:

- University liaison with Bank of America.
- Utilizing all software from Bank of America.
- Reviewing Department approved applications for completeness of required information.
- Submitting completed application to Bank of America and receiving Purchasing Cards from Bank of America.
- Training Departmental Liaisons before releasing Purchasing Cards.
- Training Cardholder before releasing Purchasing Card.
- Having Cardholder sign Cardholder agreement, signifying agreement with the terms of the Purchasing Card program.
- Handling disputed charges/ discrepancies not resolved by Cardholder or Departmental Liaison.
- Initiating change of Purchasing Card default account number upon request of Department Liaison as approved by Department Head.
- Securing revoked Purchasing Cards and submitting information to Bank of America.
- Receiving Bank of America bill and electronically distributing to Department Liaisons.
- Electronically notifying Department Liaisons of Bank of America billing distribution and advising Liaison of cut-off date for approvals.
- Processing upload of bill to accounting for charging individual departments.
- Reviewing usage of Purchasing Card data for appropriateness.
- Providing ad hoc reports for management.

### **1. Requirements For Receiving a Purchasing Card**

Before receiving a Purchasing Card, you are required to sign Winthrop University's Purchasing Card Cardholder Agreement. By signing this agreement, you indicate that you understand the intent of the program, and will comply with all guidelines of this Manual as well as University Policies and Procedures relating to the expenditure of University funds.

### **2. Purchasing Card Maintenance and Closure**

All contact with Bank of America for card set up, maintenance and closure (except for reporting lost or stolen cards) will be handled by the University Purchasing Card Coordinator who is located in Procurement Services.

The University Purchasing Card Coordinator is required to close an account if a Cardholder: (a) transfers to a different University department, (b) moves to a new job where a Purchasing Card is not required; (c) terminates University employment or (d) for any of the following reasons which will also subject Cardholder to disciplinary action in accordance with University Policies and Procedures relating to disciplinary action and termination for cause:

- The card is used for personal or unauthorized purposes.

- The card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law or regulation pertaining to the University.
- The Cardholder allows the card to be used by another individual.
- ***The Cardholder splits a purchase to circumvent the limitations of the South Carolina Consolidated Procurement Code.***
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the South Carolina Consolidated Procurement Code.
- The Cardholder fails to provide Departmental Liaison with required receipts.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the Purchasing Card policy and procedures.

A request for closing a Cardholder account will be submitted to Bank of America by the University Purchasing Card Coordinator. If a plastic card exists for the Purchasing Card account being closed, you should return it to your Departmental Liaison immediately.

### **3. Purchasing Card Use**

The card works just like your personal credit card, except all charges are paid in full by the University. It is to be used only for the purchase of supplies and certain services. Winthrop University's spending parameters for each Purchasing Card issued are set at \$1,500 and up to \$2,500 per transaction with a maximum of \$10,000\* per month per card. Winthrop University will adjust limits as determined by demonstrated need. \*Unless otherwise approved by appropriate procurement official.

The State of South Carolina and Winthrop University require that certain types of vendors be blocked from Purchasing Card use. Among these are restaurants, entertainment, and cash transactions.

### **4. Purchasing Card/Account Number Security and Storage**

Cardholders should always treat the University Purchasing Card with at least the same level of care as one does their own personal credit cards. The card should be maintained in a secure location and the card account number should be carefully guarded. The only person entitled to use the card is the person whose name appears on the face of the card. The card may not be lent to another person for any reason.

The Departmental Liaison assigned to each Purchasing Card will maintain the Cardholder's vendor receipts/packing slips/charge slips. All other documentation concerning the Purchasing Card program will be maintained by the University Purchasing Card Coordinator located in Procurement Services. This documentation includes, but is not limited to, applications, Cardholder agreements, agency billing statements, reconciliation of accounting statements, and copies of transmittals and correspondence with Bank of America.

### **5. Cardholder Liability**

The Purchasing Card is a corporate charge card and will not affect your personal credit. It is your responsibility to ensure that the card is used within stated guidelines of this Manual as well as University Policies and Procedures relating to the expenditure of University Funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and disciplinary action in accordance with University Policies and Procedures relating to disciplinary action and termination for cause.

## 6. Lost, Misplaced or Stolen Purchasing Cards

Report any lost or stolen Purchasing Card immediately to Bank of America toll-free at 888/449-2273. Bank of America representatives are available to assist you 24 hours a day, 365 days a year. Be sure to notify your Department Liaison and/or the University Purchasing Card Coordinator about the lost or stolen card at the first opportunity during normal business hours.

## 7. Completing a Purchasing Card Transaction

Follow these general guidelines when using your card or account number to make a purchase:

- Determine if the intended supply purchase is within spending and vendor guidelines.
- For face to face transactions provide the vendor with your Purchasing Card plastic or for telephone orders give the vendor your account number and expiration date.
- Obtain a copy of the charge slip, sales receipt and/or packing slips.
- Provide all receipts to Departmental Liaison with appropriate justification for the purchase documented on the receipt by the cardholder.
- If order is by telephone or fax, provide Departmental Liaison with a copy of the order blank or description of the order.
- Notify Departmental Liaison of alternate account number for purchase to be charged if different than the default University account number assigned to the Purchasing Card.

## 8. Erroneous Declines

There may be certain situations when a vendor receives a decline message when processing your Purchasing Card transaction. If you do not know the reason for the decline, contact Bank of America at 888/449-2273 for an explanation. If the decline was in error, the Cardholder should immediately contact the University Purchasing Card Coordinator for assistance. If purchase is being made outside of normal University business hours, the employee must find an alternate payment method or terminate the purchase and contact the University Purchasing Card Coordinator during normal University hours.

## 9. Emergency Transactions

Emergency transactions over \$2,500 may not be handled with the Purchasing Card due to State procurement regulations. For any transaction which does not meet the spending controls assigned to the card, the Cardholder must contact Procurement Services for assistance.

## 10. Credits

The vendor should issue a credit to your card account for any item they have agreed to accept for return. This credit will appear on a subsequent statement. ***Under no circumstances should you accept cash in lieu of a credit to the Purchasing Card account.***

## 11. Disputes & Billing Errors

You should always attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the card account. If an agreement cannot be reached with the vendor, you

should contact Bank of America at 888/449-2273. Bank of America may request you to mail or fax to 602/597-2980 a signed "Dispute Form" to document the reason for the dispute. A "Dispute Form" is included as an attachment to this manual.

Nearly all issues can be resolved using this process. If you are unable to obtain an acceptable resolution, the Cardholder or Departmental Liaison must contact the University Purchasing Card Coordinator for assistance. The total amount billed by Bank of America will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when credit appears on the Bank of America billing.

## **12. Sales and Use Tax**

*Purchases From Vendors Located In South Carolina* - The vendor is responsible for collecting retail sales tax at the point of sale. The amount of sales tax should be indicated on the receipt provided by the vendor.

*Purchases From Vendors Located Outside South Carolina* - If sales tax is paid in another state, a use tax credit is allowed for the University, therefore, no South Carolina tax is due. The individual receipt provided by the vendor should indicate whether any out-of-state sales tax has been collected at the point of sale.

## **13. Vendor Participation**

If a vendor frequently used by University employees does not accept the Visa card, the University will assist in recruiting the vendor to take the necessary steps to begin acceptance of the card. Cardholders should contact the Departmental Liaison or University Purchasing Card Coordinator when encountering vendors who do not accept the card.

## **14. Verification Assistance**

Your Department Liaison and the University Purchasing Card Coordinator will assist the University and The State of South Carolina in periodic verification of your compliance with the guidelines of the Purchasing Card program, University policies and procedures relating to the expenditure of University funds as well as Cardholder Memo Statements and other required documentation.

## **15. Customer Service**

Bank of America Customer Service is available 24 hours a day, 365 days a year at 888/449-2273 for:

- Reporting a lost or stolen card
- Disputes or billing errors
- Account information

For all other questions or issues, please contact the University Purchasing Card Coordinator located in Procurement Services, telephone 803/323-2143.

## **16. Vendor Blocking**

The State of South Carolina requires that certain types of vendors be blocked from Purchasing Card use and transactions will be blocked at the point-of-sale level.