



PURCHASING CARD PROGRAM (RCTC Procedure 7.3.3)

Part 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.

Part 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. The program should eliminate many typical 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.

Part 3. Application for Purchasing Card.

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 Rochester Community and Technical College mailing address.

Part 4. Purchasing Card Program Cardholder Agreement.

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

Part 5. Purchasing Card Requirements.

The Purchasing Card 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.

Part 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. If shipped, the purchased goods must be delivered directly to Rochester Community and Technical College receiving dock/UCR Main Loading Dock.

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 vendors of MnSCU's tax exemption status. *(For cards with special purchasing authority, 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.)*

The monthly card statement must be verified and signed by the Cardholder and an appropriate account provided for chargeback. Receipts, packing slips, etc. must be attached to the statement. Weekly or Monthly statements must be verified, signed, and submitted to the Business Office with receipts within 2 DAYS of the monthly statement date.

Part 7. Purchasing Card Spending Categories.

With proper approval, a Cardholder may be authorized to charge items in such merchant categories as:

- *Hotels and Motels
- *Airlines
- Other Travel Agencies
- Auto Parking Lots
- Taxis and Buses
- Office Stationary Supplies
- Discount Stores
- Department Stores
- Variety Stores
- General Merchandising
- Shopping/Buying Clubs
- Electronic Sales (*Inventory Sticker Sensitive Items*)
- *Car Rental (*See Contract Agreement*)
- Data Processing Services
- Computer Repair
- Informational Retrieval Services
- Bookstores
- Telecommunications Equipment
- Photocopy and Photos
- Food and Grocery

*requires approved travel application on file

Part 8. Purchasing Card Restrictions.

The Purchasing Card will not be used for the following transactions: [As prohibited by MnSCU 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.) I.E. Card Holders purchasing meals for Special Events, such as Leadership RCTC's attendance at a MnSCU Board of Trustees Meeting.
- 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

In addition to the MnSCU restrictions above, the RCTC purchasing card will not be used for the following transactions:

- Consulting services
- Drugs or pharmaceutical products
- Expenses for staff recruiting or entertainment of prospective employees (however, the card may be used for approved advertising of positions {HR office only})
- Items which would be given away for promotional purposes
- Gifts, donations, or contribution to individuals or organizations
- Memberships for individuals
- Payments to other departments
- Purchase of or removal of hazardous or radioactive materials
- Pyramiding (multiple card transactions to cover a purchase that exceeds card limits)
- Refunds of revenue
- Subscriptions
- Time payments
- Tuition payments

Part 9. Purchasing Card Process.

A weekly or month statement of all transactions will be mailed to each Cardholder by the issuing bank. Upon receipt of the statement, the Cardholder must reconcile the statement with their receipts. The Cardholder must sign and date the statement to confirm receipt of all goods and services, attach the original receipts which correspond to the statement, indicate account number(s) for chargeback, and return everything to the Purchasing Office within two (2) 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 by the Cardholder on the monthly statement.

Rochester Community and Technical College Business Office is responsible for payment of all purchases.

Part 10. Discrepancies.

The Cardholder must contact Wells Fargo if there are any discrepancies with any of the charges listed on the statement. The Customer Service Representative (CSR) assists the cardholder in attempting to recognize the transaction prior to initiating the dispute. If the cardholder does not recognize the charge, the CSR conducts a short interview to gather the necessary information and identify the appropriate dispute reason. The cardholder will likely not have to complete any additional paperwork. The CSR will simply use the information gathered over the phone to process the dispute.

If the reason for the cardholder's dispute is one of the following types, the cardholder must contact the merchant prior to initiating the dispute with Wells Fargo:

- ❖ Service/merchandise not received;
- ❖ Paid by other means; and
- ❖ Incorrect amount charged to account.

If any additional information or steps are required, the CSR will inform the cardholder of any action needed, but in many cases, the dispute can be processed and the transaction charged back to the merchant without having to contact the cardholder a second time.

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. The Cardholder will note any dispute information on the monthly statement turned in to the Purchasing Office.

Part 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 RCTC is unable to collect the amount owed from the cardholder, the applicable cost center will be responsible for the unpaid amount.

Part 12. Cardholder Account Maintenance.

Any changes to a Purchasing Card must be requested through the Business Office. (Note: Supervisory approval may be required for changes.)

Part 13. Accountability.

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

Date of Implementation: Immediately
Date of Adoption: 3/19/2010