

Agenda

- Approved Purchasing Tools
- Roles and Responsibilities of Using the Departmental Credit Card
- University Policies and Procedures related to the Departmental Credit Card
- Resources Available

Approved Purchasing Tools

Requisitions & Purchase Orders

- For all purchases not made through the MarketPlace or by departmental credit card
- Use for high-dollar purchases of \$5,000 or more
- Use instead of vendor voucher

MarketPlace

- Most frequently purchased items
- Strategically chosen contract suppliers
- Negotiated discount pricing
- Orders can be split to multiple project grants
- Direct and centralized billing

Departmental Credit Card

- Simplifies the purchase of low-dollar goods and services that cannot be purchased through the MarketPlace
- Repetitive transactions and recurring charges
- Travel and entertainment

Departmental Credit Cards

Limits are set to allow use within budget but still have flexibility for larger, approved purchases or for emergencies.

- \$1,000 single transaction limit
- \$1,000 monthly limit
 - \$300 single transaction limit for ATM withdraws for some cards

**SPEND APPROPRIATELY AND
ACCORDING TO YOUR BUDGET
DON'T MAX OUT OR OVERSPEND**

Online Management Tool: “Works”

- Online Departmental Credit Card administrative, reporting, and approval tool
- Authorized users have the ability to verify and approve transactions, and generate canned and ad-hoc reports
- “Tools” section provides support, including documentation and training videos

Roles & Responsibilities

- Cardholder
- Verifier
- Approver
- Proxy Approver
- Department Chair or Head

Cardholder

- Ensures that purchases are appropriate, allowable, and reasonable
- Ensures that suppliers do not charge sales tax
- Keeps original receipts and transaction records and notes the business purpose
- Verifies transactions every month
- Ensures transactions are approved in Works
- Settles any disputes related to card purchases
- Safeguards the physical card
- Immediately reports a lost or stolen card

Verifier

- May be the cardholder or the cardholder's designated proxy
- Responsible for reviewing the validity and accuracy of all transactions in Works, no later than two business days before the end of the month
- Documents the business purpose for each transaction
- Ensures charges are correct, are charged to the appropriate project grant, and do not include sales tax
- Maintains original receipts when not maintained by cardholder

Approver

- Has financial responsibility for the purchases made by one or more cardholders
- Does not report directly or indirectly to the cardholder (to avoid conflict of interest)
- Is not the beneficiary of the transaction
- Reviews and approves the transactions to ensure:
 - Charges have a valid University business purpose and comply with University and Departmental Credit Card policies
 - Charges are accurately assigned to Department, Account, Project Grant
 - Charges have been verified and approved within two days of the end of the month
 - Ensures appropriate document retention

Proxy Approver

- An individual that serves as an authorized substitute to complete tasks associated with the Departmental Credit Card program, but does not possess equally delegated authority or responsibility

Department Head or Chair

- Responsible for the annual review and determination of each cardholder and their associated spend authorization
- Ensures that individuals observe University policies, procedures, as well as state and federal laws and regulations

Verifying Transactions

Cardholder or Verifier must:

1. Log in to Works to verify the transaction no later than two business days before the end of the month
2. Document the business purpose for each transaction
3. Adjust accounting information (Project Grant, Account code, etc.), if necessary
4. Check receipts to ensure that charges are correct and charged appropriately
5. Ensure sales tax is not included

Approving Transactions

Approver or Proxy Approver must:

1. Ensure verifications and approvals are completed in Works no later than two business days before the end of the month
2. Review transactions to ensure that they are appropriate, reasonable, and have the correct accounting information
3. Verify that the charges match receipts and that the business purpose has been documented properly and completely

Supporting Information/Documentation

Receipts must include (either pre-printed or handwritten on receipt):

1. date of purchase
2. vendor name and address
3. itemized description of goods and services
4. quantity
5. unit price (converted into US dollars, if applicable)
6. grand total of expenditures (converted into US dollars, if applicable)

Supporting documentation must include:

1. business purpose
2. names of persons in attendance, including their functional titles or affiliation (when applicable)
3. translation into English (if original language is not English)

Documenting the Business Purpose

All business expense charges must be accompanied by proper substantiation, which must include at least one of these types of supporting documents:

1. original merchant receipt, invoice, or packing slip
2. original credit card receipt(s), with itemization
3. confirmation email or web acknowledgement
4. [Missing Original Receipts Form](#)

Appropriate to use abbreviations and shorthand to document business purpose in Works

Documenting the Business Purpose

Who

- Document the people that attended or identify a discernible group of people, including total number of attendees

What

- Explain the purpose the expenditure served

Where

- List the location the event happened

When

- State the date or date ranges in which the expense took place

Why/How

- In what way was the expense necessary and how did it further the University's goals

Financial Service Center

Assists you with Departmental Credit Card activities including:

- General support and questions for the Departmental Credit Card program
- Reporting a lost or stolen card
- Transaction disputes
- Cancelling a card
- Transferring departments
- Ordering new cards
- Annual Departmental Credit Card recertification

Acceptable Purchases

Include but are not limited to...

- Refreshments for study breaks
- Conference registration fees
- Travel
- Books
- Supplies for residential activities or events
- Recurring charges

Consult with your residential college staff for specific acceptable purchases

Unacceptable Purchases

Include but are not limited to...

- **Gift certificates or gift cards**
- **Purchases above budgeted funds**
- Computers
- Hazardous materials and chemicals
- Capital equipment
- Personal purchases
- Purchases from suppliers participating in MarketPlace or from contract suppliers
- Certain types of businesses automatically trigger a “purchase denial” based on their Merchant Category Code

Spending Limit Increases and Exceptions

Some purchases may require a temporary increase in spending limits or an exception

- Spending limit increases may include traveling internationally, making an emergency, one-time purchase above a limit, etc.
- Exceptions may include making a purchase from a 'restricted' vendor, such as a jewelry store or resort
 - still must be within policy guidelines

For purchases that exceed pre-set limits or are an exception, complete the Departmental Credit Card Change Request form and return to the Financial Service Center

Documentation of business purpose and appropriate residential college staff approvals are required

Sales Tax

Obtain a tax exemption certificate to ensure the merchant does not charge state sales tax

- Card is printed with our tax exemption number

Tax rules vary by state

- Currently 27 states do not require Princeton University to pay state sales tax on all or most purchases of goods and services used in that state

Hotel/motel occupancy tax is different than sales tax

- Usually not exempted and permissible to charge on a Departmental Credit Card

University Policies

Core Purchasing Policies

- [Business Expense Policy](#)
- [Purchasing Goods & Services Policy](#)
- [Capital Equipment Policy](#)
- [Suppliers & Contracts Policy](#)

Other Important Policies

- [Departmental Credit Card Policy](#)
- [Travel Policy](#)

Departmental Credit Card Compliance

- As an authorized agent of Princeton, the cardholder is responsible for ensuring the proper use of the Departmental Credit Card
- There should not be a gain or loss of personal funds as a result of conducting business on behalf of Princeton University
 - Includes travel and entertainment
- Follow the terms of sponsored research agreements
- Do not write down credit card numbers
- Do not transmit credit card information through unsecure channels such as email

Ongoing Card Use

- A card's available balance will not be replenished for the amount of any unapproved transactions
- Spending limit increases are not permitted for any card with unapproved transactions
- If a cardholder or verifier fails to verify transactions for any three months within a 12-month rolling period, the card is subject to suspension
- If an approver or proxy approver fails to approve transactions for any three months within a 12-month rolling period, the card is subject to suspension

Disputing Transactions

1. First, contact the merchant to try to resolve the dispute
2. Click on the “Dispute” button in Works
3. If you do not have access to Works:
 - During University business hours, contact the Financial Service Center by phone at 609-258-3080 or by email at finance@princeton.edu, detailing the nature of the dispute
 - On weekends or non-business hours, contact the Bank of America dispute number at 866-601-9490
 - Customer Service outside US and Canada - 509-353-6656

Reporting a lost or stolen card

1. During regular University business hours, contact Financial Services at 609-258-3080
2. On weekends or off-work hours, contact Bank of America directly at 877-451-4602
 - Customer Service outside US and Canada - 509-353-6656
3. Delivery of replacement card normally takes 3-4 business days
 - The department may incur expedited shipping fees for overnight or rush delivery

Rebates

- Earned incentives and rebates with certain contracted suppliers and purchasing programs, including purchases made with a departmental credit card
- Credits to project grant statements for departmental credit card purchases are received on an annual basis and are based on the total University purchases made during that year

Fees

ATM withdrawals incur a fee

Bank of America always charges a \$2.50 ATM fee

- If you use a non-Bank of America ATM, fees may also be charged by that financial institution
- Amounts vary by financial institution
- Fees must be accounted for in Works

Rebates are earned on ATM withdrawals, and are applied to the project/grant where the fee was expensed to offset the fee

Overall Process

1. Confirm that the Departmental Credit Card is the appropriate method for your purchase
2. Provide merchant with sales tax exemption information
3. Save receipts
4. Verify and approve transaction in Works every month
 - Provide business purpose of the transaction
 - Ensure correct accounting information
 - Review your monthly account statement
 - Deposit excess unused cash from ATM withdraws at the end of the semester
5. Record and address disputes in a timely manner
6. Report a lost or stolen card immediately
7. Retain all records for 7 years

Card Activation

- Sign the credit card acceptance log
- Call the phone number on the sticker on the front of the card
 - Use the last four digits of your PUID # as the activation code

Resources Available

Contact	Email/Phone
Finance & Treasury website	finance@princeton.edu
Financial Service Center 7 New South	finance@princeton.edu (609) 258-3080
Report a Lost or Stolen Card (During non-working business hours or weekends) Bank of America Customer Svc – Toll Free Bank of America Customer Svc – Outside U.S. & Canada	 (888) 449-2273 (509) 353-6656
Financial Policy Library	http://finance.princeton.edu/policy-library/
General Ledger Subscriptions	finance@princeton.edu
WORKS	https://payment2.works.com
WORKS - Reconciling Transactions (Cardholder/Verifier)	http://training.works.com/training/resources/videos/04_reconcile.htm
WORKS - Signing Off on Transactions (Approver/Proxy Approver)	http://training.works.com/training/resources/videos/07_managersignoff.htm