



BALL STATE UNIVERSITY

PROCUREMENT

Departmental
Purchasing Card
Procedure
Manual

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I. INTRODUCTION

The Ball State University credit card (“Purchasing Card”) is designed to provide an efficient, cost-effective method of purchasing small dollar transactions of University business-related goods and services. The Purchasing Card is not intended to avoid or bypass appropriate procurement or payment procedures, but rather is intended to provide an alternative to a variety of procurement processes including petty cash, check requests, and low dollar purchase orders.

The card is a MasterCard credit card that is issued by JPMorgan Chase. The card may be used with any merchant who accepts MasterCard, either in-store, by phone, mail, fax, or online via the Internet. All Purchasing Card purchases are billed centrally to the University and the charges are then allocated to the cardholder’s budget unit. Since Purchasing Card charges are paid directly by the University, no reimbursement to the cardholder is required and the card has no impact on the cardholder’s personal credit.

If used to its potential, the Purchasing Card will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks, and the corresponding work processes associated with the purchasing and accounts payable functions.

Please remember that you are representing the University each time you use the Purchasing Card. You are acting as a University agent, and must not take this responsibility lightly. You will also be subject to the University’s procurement code of ethics, see the NAEP Code of Ethics in the back of this document. Remember that you, as the cardholder, are the person responsible for all charges made to the card(s) issued to you. Fraudulent or intentional misuse of the card has serious consequences. The Purchasing Card has proven to be an efficient and effective procurement tool for the University, so please carefully follow the procedural requirements for use to avoid losing the privilege.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other program information. If you have questions regarding these procedures or the program in general, please contact the Purchasing Card Administrator at 285-1532.

II. HOW IT WORKS

The Purchasing Card provides users in departments with a MasterCard credit card to use in making allowable, small dollar purchases directly with vendors. This credit card looks like a personal credit card; however the cardholder does not receive a monthly invoice and is not required to process the payment. Instead, the University receives a detailed summary billing each month for all transactions and pays this bill directly through the Accounts Payable department. Cardholders access the detail of their Purchasing Card charges online and verify the accuracy and reclassify, if desired, the charges. Cardholders are required to keep copies of all purchase supporting documentation and forward that documentation to the Accounts Payable department for audit as outlined later in this manual.

Each Purchasing Card is assigned to an individual and associated with a University budget unit account code. All charges are recorded to this default departmental account code, unless the cardholder directs the charge to another expense code. This is done via Smart Data OnLine.

A. General Guidelines

The following guidelines are required for all transaction in conjunction with the University's procurement policies and procedures.

- No Purchasing Card transaction may exceed one thousand dollars (\$1,000) and splitting transactions to circumvent the transaction limit is prohibited.
- No personal use of the Purchasing Card will be authorized or allowed.
- No ATM cash withdrawals will be allowed on the Purchasing Card.
- Purchasing Card purchases are exempt from state and local taxes.
- All purchases are to be made within the limits set and the available budget authority.
- Certain card restrictions for prohibited purchases are coded into the card account and are checked by the vendor with each transaction. Please see Excluded charges in the Using the Card section below.
- You must obtain itemized transaction receipts from the merchant for each use of the card.
- You must ensure that the prices paid are fair and reasonable.
- All items purchased are required to be bona fide University business.

B. Eligibility and Application

Purchasing Cards are issued to individuals responsible for the University budget account and are in the name of the individual and department. Since the Purchasing Card is a University credit card the cardholder's personal credit history is not a factor in the approval process. The individual card provides the University with full dispute rights and limits our liability. To obtain a card, an individual must:

- Complete the Purchasing Card application and forward to the Purchasing Department;
- The Purchasing Card Administrator will order the card from the Bank and notify you when it is available to be picked up;
- The cardholder and business office personnel who support the cardholder must then arrange to participate in training;
- For first time issuance of an individual card, the cardholder will need to pick up the card in person and sign for its receipt. Photo ID may be required.

III. CARDHOLDER RESPONSIBILITIES

A. Authorization

In some instances another staff member, other than the cardholder, may need to use the Purchasing Card. Such staff members must complete and sign an Authorized User Purchasing Card Agreement and return it to the Purchasing Department. However, the cardholder is still responsible for all purchases made with their cards.

Intentional misuse or fraudulent abuse may result in disciplinary action. Employees who accept a Purchasing Card agree to use it in accordance with the terms and conditions outlined in this manual and in the Purchasing Card Agreement. Cardholders who knowingly violate any of the terms and conditions may lose their card privileges without notice.

B. Card Cancellations

All Purchasing Cards should be immediately canceled if a staff member terminates employment, transfers to another department or assumes different duties that do not require the use of the card. Purchasing Cards are canceled by the department reclaiming the card from the cardholder, cutting the card in half, and returning the card to the Purchasing Card Administrator in the Purchasing department.

If the cardholder takes a leave of absence for 30 days or more, please contact the Purchasing Card Administrator for further instructions.

C. Use of the Purchasing Card

1. Dollar Limits

Monthly credit limits are set at the standard limit of \$7,500. The monthly cycle runs from the 24th day of the month through the 23rd day of the following month.

Single transactions may not exceed \$1,000. A single transaction is defined as one or more items bought at the same time from the same vendor on the same day. Orders intentionally split to circumvent the \$1,000 transaction limit violate University policy.

2. Card Purchases to Avoid

- **Funds are not encumbered**, so if there are funding deadlines, this will not secure funds as the encumbrance process does.
- **Split transactions.** Card transaction limits must be followed as intended and approved. Dividing a large transaction into dollar amounts less than the single dollar card limit in order to circumvent the card system is prohibited. Purchasing card privileges may be revoked for splitting purchases to circumvent the approved transaction limits.
- **The purchasing card cannot be used for the following:**
 - Purchases which require a contract and/or rental agreement to be signed.
 - In-person out-of-state purchases.
 - Hiring of a firm or individual to provide contracted services.
 - Expenses involving travel (meals, gasoline, lodging, etc.).
 - Supplies or services when the vendor is a BSU employee or when the company is owned by a BSU employee.
 - Leases, insurance, legal services.
 - Items that are prohibited per the Purchasing Policies and Procedures Handbook.

- **The following are examples of prohibited items:**
 - Alcohol
 - Business cards
 - Cash advances
 - Cellular phones/pagers
 - Chemicals
 - Cylinder gases & liquid nitrogen
 - Flowers
 - Food (see exception below)
 - Furniture and furnishings
 - Gasoline
 - Gifts
 - Hazardous chemicals
 - Hospitality
 - BSU licensed products
 - Live or preserved animals
 - Radioactive materials
 - Services of individuals, speakers, consultants
 - Stationary/envelopes with BSU logo
 - Telephones
 - Travel
 - Weapons, ammunition

- **Food Purchases** may be allowable for certain limited University business purposes and only after final approval by the Associate Vice President for Finance. A clear University purpose for incurring food purchases must be documented in writing and provided to the Purchasing Department and then must be approved by the Purchasing Director, Director of University Budgets and Associate Vice President for Finance.

3. Internet Transactions

Making purchases on the Internet using the Purchasing Card is permitted. All of the same restrictions on Purchasing Card use apply to the use of the card for Internet transactions.

OnLine purchases must be made with vendors using a Secure Sockets Layer (SSL) browser session.

The same care, common sense and ethical considerations must be used in supplier selection on the Internet as with any other purchasing method.

Receipt documentation must be obtained to support the Internet order. The purchaser should print screens that reflect the items being purchased, the amount, transaction date, vendor and other pertinent information. Generally most vendors will provide an online receipt that can be printed for this purpose.

4. Sales Tax Exemption

Most expenditures from University funds are exempted from Indiana Sales Tax and Federal Excise Tax. Purchases from other states, shipped into Indiana are exempt from tax.

Tell the vendor that the University is tax exempt from state sales taxes and give the tax exemption number that can be found on the Purchasing Card. If sales tax is charged in error, please contact the vendor to credit the sales tax back to the Purchasing Card. A copy of the State of Indiana Sales Tax Exemption Certification can be obtained at from the Purchasing Department's website at www.bsu.edu/purchasing or from the Accounting Department. It may be necessary to fax this certificate to the vendor.

D. Purchase Documentation

Proper documentation from the vendor must support each purchase and/or credit transaction. Examples of receipts include cash register receipt, packing list, and a printed receipt from the web site. Please use your knowledge of processing check vouchers and purchase orders to assist with your assessment of appropriate documentation. Make sure that each document is clear, concise and complete. Each document that contains jargon or abbreviations must have an explanation written on it for easier identification or it is not acceptable.

E. The Step-By-Step Process

Step 1 – Making a purchase.

1. As a matter of practice, you should use established, preferred Ball State University vendors, but this is not always possible. When requested, the Purchasing Department will provide a list of preferred vendors.
2. Inform the vendor that your purchase is for Ball State University on the University's MasterCard Purchasing Card. Ask for all applicable educational and/or corporate discounts.
3. Remind the vendor that Ball State University is sales tax exempt.
4. Instruct the vendor **not** to send an invoice to the Accounting Department (as the vendor customarily does for sales by purchase

order). Do instruct the vendor to bill at the cardholder's departmental address.

5. For ordered merchandise, inform the vendor of the proper delivery/shipping instructions. Packages that are not sent via U.S. or express mail are to be sent to: **Ball State University, Central Receiving, 3401 N. Tillotson Ave., Muncie, IN 47306**, C/O Cardholder's name, name of department to which the package belongs, the building room and number.
6. Central Receiving will not remove the packing slip or documentation from the package. You must keep packing slip or other documentation for reconciliation purposes.
7. The vendor is responsible for any and all fees imposed by the Bank for credit card sales transactions. The vendor may not transfer any of these fees back to the University through sales transactions or by other means.

Step 2 – Receive the goods and obtain a detailed receipt.

Every purchase has to be documented with a receipt which will usually come in one of three forms – standard store receipt, packing slip or order form. For ordered items you should ask the vendor to include an itemized invoice with the packing slip. This is not an invoice to be paid, but provides the itemized breakdown of the cost of the goods shipped. All receipts must contain the following information:

- Date purchase was made
- Vendor identification with one or more of the following:
 - ✓ Itemized sales receipt, or
 - ✓ Itemized packing slip with itemized pricing, or
 - ✓ MasterCard charge slip with a detailed description of each item purchased
- Total cost of each item purchased
- Card number

NOTE: If a package is lost during delivery, your first step is to contact the supplier and obtain proof of delivery. With proof of delivery, contact Central Receiving for assistance with in-house tracking.

Step 3 – Verify the goods received are what was ordered.

This is necessary only for goods received via the mail, UPS, or by freight carrier. Work with the vendor to correct any problems with the goods received.

Step 4 – Keeping Records (List purchases on the monthly Purchasing Card Transaction Log)

To facilitate reconciliation and approval of the monthly memo statement, it is **mandatory** that you retain vendor documentation each time a transaction occurs regardless of the manner of the purchase (i.e., in person, telephone, or Internet).

Maintaining the detailed Transaction Log on a regular and consistent basis is essential for reconciliation purposes. The Transaction Log is an ongoing record of information about the transactions made on your card. The form is simple and easy to use and requires a minimum amount of time to maintain. A sample of the form is included near the back of this document. The Transaction Log can be duplicated or automated on a copier or computer. A copy of the log must be turned in each month with all appropriate documentation attached.

Your monthly memo card statement will detail charges billed during the billing cycle and can be printed from Smart Data OnLine, an Internet-based system provided by JP Morgan Chase Bank. This statement will contain the date, vendor name, and the amount charged. In some cases, the vendor will provide additional details; however, it ultimately is your responsibility to keep detailed transaction records on the Transaction Log.

1. When the memo statement is received you should perform the following steps:
 - a) Review the monthly MasterCard memo statement that shows all of the previous period's activity; verify the correctness of the memo statement.
 - b) Compare your back-up documentation (Transaction Log and receipts) to the transactions listed on the statement.
 - c) Follow up on any exceptions; if necessary, file a Cardholder Dispute Form for any erroneous charges (see Resolving Errors/Dispute section).
 - d) Report all exceptions or apparent billing errors to the person designated to verify your transaction activity.
 - e) Sign the certification on your Transaction Log.
2. Any items on the Transaction Log that are not listed on the MasterCard memo statement must be crossed off and transferred to the next month's log.
3. Clip together all vendor documentation (receipts) to the Transaction Log and MasterCard memo statement and present the entire packet to your supervisor for signature approval.

4. After his/her review, the supervisor forwards the original approved statement, Transaction Log and all documentation to Accounting by the 20th day of the month following the close of the billing cycle on the 23rd day of the previous month.
5. Remember to keep copies of your documentation for your records.

It is imperative that the Transaction Log, MasterCard memo statement and all receipts be turned in to Accounting on time to ensure accurate accounting for the charges. Ball State University statements must be paid on time to avoid interest penalties which could be imposed by the bank.

Step 5 – Submit the memo statement and receipts.

As stated above, your monthly memo statement with Transaction Log and attached receipts are reviewed by you and another person designated to verify the charge activity. The packet is approved and submitted by your supervisor to **Accounting Office, AD G04** for audit and payment each month. After all levels of review and payment to MasterCard, the Accounting Department will scan your documentation into the imaging system for long-term records retention.

Step 6 – Paying the bill (reconciling monthly statements, auditing, and editing the users' memo monthly statement to the monthly credit card invoice.)

The Accounting Department will make the final reconciliation of all cardholders' transactions on the MasterCard monthly invoice statement. Payment to MasterCard for all charges is made during the month following the month of charge activity. As cardholders reconcile their accounts, they have the opportunity to split transactions into different accounts through Smart Data OnLine. At the end of each month, all transactions will be fed from Smart Data OnLine into the Financial Records System. Any charges not allocated by the 3rd business day after the 23rd day of the month will be charged to the default account. Payment records will be maintained in the Accounting Department.

Step 7 – Resolving Errors/Disputes

Errors with merchandise delivery or incorrect billing will occasionally arise with the purchasing card system. The cardholder is responsible for following-up with the vendor or the Bank on any erroneous charges, disputed items or returns as soon as possible. **A dispute form must be filed with the Bank within sixty (60) days of the last day of the cycle during which the transaction was charged.**

The following are common problems and the steps you can take to address them:

1. Incorrect Quantity or Defect Product

You should always check incoming material as soon as it is received to ensure that the product matches what was ordered in quantity and quality. If any discrepancies are noted, the following steps should be taken.

- a) Contact the vendor and attempt to resolve the issue over the phone.
- b) If no settlement can be reached, call the 800 number listed on the back of the purchasing card. Complete the Dispute form and fax or mail the completed form to the Bank. Keep a copy for your records.
- c) While the dispute is being resolved by the Bank, it may be necessary to reorder the item in the interim. If an item must be returned to a vendor, obtain a Return Merchandise Authorization from the vendor in order to ship material back to the vendor.

2. Statement Discrepancies

If discrepancies are noted on the monthly MasterCard memo statement (for quantity, price, duplicate billing, no credits from prior transactions, billing for item not received), the following steps should be taken:

- a) Contact the vendor and try to reconcile the difference. Make notes on your Transaction Log of the status. Keep a record of all your telephone calls to the vendor.
- b) If the vendor does not agree that an error has been made, contact the Customer Service Department at the Bank using the 800 number on the back of your Purchasing Card. Complete the Dispute form and fax or mail the completed form to the Bank. Keep a copy for your records.
- c) A copy of the Dispute form must accompany your Transaction Log to Accounting.
- d) You are responsible for the transactions identified on your statement. When an audit of your account is conducted, you must be able to produce receipt copies and/or proof that the transaction occurred. If an error is discovered, you are responsible to show that the error or dispute resolution process has been invoked.
- e) If the dispute is resolved in favor of the vendor, the Bank will forward supporting documentation to the cardholder, which should be submitted to the Accounting Department.

- f) The cardholder is responsible to pursue resolution of the dispute.

3. Returns and Restocking Fees

A shipping order may be needed to return an item to a vendor. When goods are returned through no fault of the vendor, the vendor may charge a restocking fee. If this occurs, you must note the restocking charge on the Transaction Log and reconcile the charge with the MasterCard memo statement.

F. Using Smart Data OnLine

Introduction

Smart Data OnLine is a powerful Internet-based reporting and expense management tool developed and launched by MasterCard and offered by JPMorgan Chase Bank to simplify the administration of the University's Purchasing Card program.

With this easy to use application you can:

- Review transactions online
- Access the detail of certain purchases
- Generate a wide variety of standardized reports
- Allocate transactions to specific accounting codes

Security

Access requires a unique user identification and password that is set up by the Purchasing Card Administrator. Access to data is limited based on specific user authorities set up by the Purchasing System Coordinator. Card account numbers are masked on screens and reports and information is exchanged using standard secured transmission protocol (HTTPS) with 128 bit encryption.

User Information and Training

For more information and training on using Smart Data OnLine, contact the Purchasing Department for a user guide and to schedule training.

G. Purchasing Card Program Violations

Below are listed the types of violations and consequences for violations.

1. Personal Purchase(s)

A personal purchase is anything that is not purchased for the use and ownership of Ball State University. It is a cardholder violation to make **ANY** personal purchases or transactions with the Purchasing Card or by any other purchasing method.

2. Cash or Cash Type Transactions

Obtaining cash or cash type transactions such as cash in addition to purchase, cash in lieu of credit to account, travelers checks, money orders, gambling, etc. is prohibited with the Purchasing Card. ATM transactions are not permitted on the Purchasing Card and the cards are not set up to make such transactions.

3. Split Purchases

Split transactions are defined as dividing a large transaction costing more than \$1,000 into multiple transactions with dollar amounts less than the limit in order to circumvent the \$1,000 per transaction limit. It is a cardholder violation to split transactions in order to circumvent the card transaction limit.

4. Inappropriate Purchases

Any purchase that is a violation as set forth in this manual, the laws of the state of Indiana, and the purchasing policies and procedures of Ball State University is an inappropriate and prohibited purchase.

5. Failure to Provide Supporting Documentation, Unacceptable Documentation or Late Submission of Documentation

Each transaction on the Purchasing Card must be represented by an itemized receipt or other acceptable means of documentation that verifies the date of purchase, the vendor or merchant's name, each item purchased and the price of each item. Lack of supporting or unacceptable documentation for a transaction is a cardholder violation. The Accounting Department must receive documentation timely to audit and pay the charges. Chronic late submission of documentation is a cardholder violation.

6. Consequences for Violations

Violations of this policy will be investigated and could result in disciplinary action, termination and/or legal action. Human error and patterns of chronic abuse will be considered. At a minimum, the cardholder will receive a warning. The card may be revoked and the cardholder may be required to obtain additional training on the use of the program before the card is reinstated.

IV. PURCHASING CARD SECURITY

A. Safekeeping

The Purchasing Card is the property of Ball State University. All cards when not being used must be stored in a secured location such as a locked cabinet or locked desk. Cards should not be permanently carried in the cardholder's purse or wallet because of the possibility of it being lost or mistakenly used in place of a personal credit card. The account number must be protected as you would with your own personal credit card.

Fiscal agents who serve as custodians for departmental cards are equally responsible for all charges made on those cards and must maintain a sign out procedure to track the distribution and return of each card entrusted to them for the protection of all parties involved.

B. Lost or Stolen Cards

If the card is lost, stolen or misplaced, it is the responsibility of the cardholder to immediately notify JPMorgan Chase Bank by phone as soon as possible to limit the University's liability. Also, notify the Purchasing Card Administrator and, in case of a stolen card, notify University Police.

- **JP Morgan Chase Bank 800-316-6056**
- **BSU Purchasing 765-285-1532**
- **BSU Campus Police 765-285-1111**

C. Card Changes

1. If the Cardholder Changes Departments

In the event a cardholder moves to another University department, the Purchasing Card Administrator must be notified and the cardholder's purchasing card cancelled. If approved for a card by the new department, the cardholder may submit a new application to obtain in a card for his/her new department.

2. Card Information Changes

Changes to cardholder information such as name change, phone number, campus address must be submitted on a Request for Change to Purchasing Card Request Form which is included in the back of this document.

D. Cancelling Purchasing Cards

To cancel a card, the card should be cut in half and forwarded to the Purchasing Card Administrator. The Appendix to the Purchasing Card Cardholder Agreement will be signed by the Purchasing Card Administrator to record the return of the card. For immediate cancellation, contact the Purchasing Card Administrator by phone, fax, or email.

V. PURCHASING CARD AUDITS

The Accounting Department will conduct regular audits of the purchasing card documentation to ensure cardholders and their respective departments adhere to Purchasing Card Policies and Procedures. Exceptions noted during these audits will be communicated to the cardholder and the Purchasing Department. These audits will assess adherence to University policies and will specifically examine whether:

- Purchasing cards are being used only for allowed University purchases;
- Documentation for all charges is appropriate and complete - especially documentation of business purpose;
- Charges are directed to the appropriate accounts;
- Account statements are being reconciled in a timely manner;
- Account statements are being reviewed and approved in a timely manner; and
- Sales tax is properly excluded on purchases.

VI. PURCHASING CARD FORMS AND SAMPLE DOCUMENTS

The following forms are associated with the Ball State University Purchasing Card Program and can be found at the back of this document:

- Purchasing Card Agreement/Application
- Purchasing Card Agreement/Application, Appendix A
- Authorized User Purchasing Card Agreement
- Department Card Sign Out Sheet
- Transaction Log
- NAEP Code of Ethics
- Request for Change to Purchasing Card Request Form
- JPMorgan Chase Dispute Form

VII. INQUIRIES

TO REPORT LOST OR STOLEN CARDS:

- **JP Morgan Chase Bank 800-316-6056**
- **BSU Purchasing 765-285-1532**
- **BSU Campus Police 765-285-1111**

ERRORS, DISPUTES, RETURNS, CREDITS:

JPMorgan Chase, Purchasing Card Customer Service Department

Phone: 888-297-8861

Fax: 847-931-8861

CARDHOLDER CUSTOMER SERVICE:

JPMorgan Chase Bank 800-316-6056

CARD MANAGEMENT CHANGES AND ISSUES:

Purchasing Card Administrator, Betty Welch at 285-1532 or bwelch@bsu.edu

Accounting Manager, Jane Griffis at 285-1327 or jgriffis@bsu.edu

Director of Purchasing, Matt Stephenson at 285-1532 or mstephe2@bsu.edu

Ball State University Purchasing Card Agreement/Application

| | | | |
|-------------------------------|---------------|----------------------|--|
| Name of Cardholder | | BSU e-mail address | |
| Dept. Name and Campus Address | | Campus Phone Number | |
| Ball State ID Number | Date of Birth | Mother's Maiden Name | |

Transaction Limit

| | | |
|---|---|----------------------|
| Transaction Limit* Not to Exceed** 1,000 \$ | Monthly Limit* Not to Exceed** \$7,500 \$ | Dept. Account Number |
| <p>*Transaction and/or monthly limits may vary for Athletic Team Travel Cards. ** For all requests in excess of \$1,000/transaction and/or \$7,500/month, attach a brief memorandum describing the type, frequency, and amount of anticipated purchases to justify exceeding the normal limits and approval of the Finance Office is required.</p> | | |
| Director of Purchasing Approval Signature (Required) | | Date |

I, _____, hereby acknowledge receipt of a Ball State University Purchasing Card, **card number** _____. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Purchasing Card Program Procedure Manual (and Athletic Team Travel Card Policy and Procedure Manual if an Athletic Team Travel Card is being issued to the cardholder) ("Procedure Manual") provided to me (and as it may be subsequently revised). I acknowledge receipt of the Procedure Manual and confirm that I have read and understand its terms and conditions.

As the holder of this Purchasing Card, I agree to accept responsibility for the protection and proper use of the card and to keep proper documentation for all purchases made with this Purchasing Card as outlined in this Agreement and the Procedure Manual. I agree to verify the accuracy of the transactions and to forward supporting receipts as required by the Procedure Manual to the Accounting Department. I understand that the University will audit the use of the Purchasing Card. I understand that I cannot use the Purchasing Card for restricted commodities listed in the Procedure Manual, nor can the card be used for personal charges.

I understand that improper or unauthorized use of this Purchasing Card by me or anyone else may result in disciplinary action, up to and including termination of employment. Should I fail to properly use the Purchasing Card, I authorize Ball State University to deduct from my wages or from any other amounts payable to me, an amount equal to the improper purchases. I also agree to take any steps necessary to permit Ball State University to collect any amounts owed by me even if I am no longer employed by the University. If Ball State University initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay legal fees incurred by the University in such proceedings.

If the Purchasing Card is lost or stolen, I understand it is my responsibility to immediately notify the Purchasing Department and the Bank. If the card is stolen, I understand that I must also notify Campus Security.

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

| | |
|-------------------------|------|
| Signature of Cardholder | Date |
|-------------------------|------|

RETURN THE SIGNED AGREEMENT TO: Purchasing Department, 3401 N. Tillotson Ave., Muncie, IN 47306

Ball State University
Purchasing Card Agreement/Application
Appendix A

Cardholder: Sign the back of your card now.

Card Released:

| | |
|--|------|
| Signature of Purchasing Card Administrator | Date |
|--|------|

Activation:

You will need to call the 800# shown on the card and answer one or two questions before you make your first charge. This call activates your card. The Bank customer service person will ask for social security number to activate the card, give your Ball State ID number (as you indicated on the application).

Card Return:

I hereby acknowledge return of Purchasing Card # _____ with an expiration date of _____.

| | |
|--|------|
| Signature of Purchasing Card Administrator | Date |
|--|------|

Ball State University Authorized User Purchasing Card Agreement

| | |
|---|---------------------|
| Name of Authorized User | BSU e-mail address |
| Dept. Name and Campus Address | Campus Phone Number |
| Cardholder Approval (please print name) | BSU e-mail address |

I, _____, hereby acknowledge receipt of a Ball State University Purchasing Card, **card number** _____. As an authorized user, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Purchasing Card Program Procedure Manual (“Procedure Manual”) provided to me (and as it may be subsequently revised). I acknowledge receipt of the Procedure Manual and confirm that I have read and understand its terms and conditions.

As an authorized user of this Purchasing Card, I agree to accept responsibility for the protection and proper use of the card and to keep proper documentation for all purchases made with this Purchasing Card as outlined in this Agreement and the Procedure Manual. I agree to verify the accuracy of the transactions and to forward supporting receipts as required by the Procedure Manual to the Accounting Department. I understand that the University will audit the use of the Purchasing Card. I understand that I cannot use the Purchasing Card for restricted commodities listed in the Procedure Manual, nor can the card be used for personal charges.

I understand that improper or unauthorized use of this Purchasing Card by me or anyone else may result in disciplinary action, up to and including termination of employment. Should I fail to properly use the Purchasing Card, I authorize Ball State University to deduct from my wages or from any other amounts payable to me, an amount equal to the improper purchases. I also agree to take any steps necessary to permit Ball State University to collect any amounts owed by me even if I am no longer employed by the University. If Ball State University initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay legal fees incurred by the University in such proceedings.

If the Purchasing Card is lost or stolen while in my custody, I understand it is my responsibility to immediately notify the Purchasing Department and the Purchasing Card Company. If the card is stolen, I understand that I must also notify Campus Security.

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

| | |
|--|------|
| Signature of Authorized User | Date |
| Cardholder Signature Approval (Required) | Date |

RETURN THE SIGNED AGREEMENT TO: Purchasing Department, 3401 N. Tillotson Ave.,
Muncie, IN 47306

Keep a copy in the Department files for reference.

Authorization Request for Food Purchases Form

PURCHASING CARD NUMBER (last four digits only): _ _ _ _

ACCOUNT NUMBER _ - _ _ _ _ _ (This is the account number to which the food purchases will be charged to.)

Cardholder Name _____

Department _____

Note: Food Purchases may be allowable for certain limited University business purposes and only after final approval by the Associate Vice President for Finance. A clear University purpose for incurring food purchases must be documented in writing and provided to the Purchasing Department and then must be approved by the Purchasing Director, Director of University Budgets and Associate Vice President for Finance. Food may NOT be purchased for travel meals (except as allowed by the Athletic Team Travel Card Policy) or for personal use of employees.

Justification for Food Purchases Request _____

Approvals:

| | |
|--|-------|
| Business Administrator (recommending) | Date: |
| Purchasing Director | Date: |
| Director, University Budgets | Date: |
| Associate Vice President, Finance (final approval) | Date: |

RETURN TO: Purchasing Card Administrator, Purchasing Department, 3401 N. Tillotson Ave., Muncie, IN 47306

NAEP Code of Ethics

Use of the Purchasing Card at the department levels carries with it responsibilities. The following code of ethics is subscribed to by Ball State University through its membership in the National Association of Educational Procurement:

Code of Ethics

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its members, NAEP has long promoted a code of ethics.

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

Request for Change to Purchasing Card Request Form

Check all that apply:

_____ Accounting Code ___ Personal Info _____ Name Change

_____ Email address for Statements

PURCHASING CARD NUMBER (last four digits only): _____

Cardholder Name _____

Department _____

AREAS FOR CHANGE (only complete fields below to be changed)

Accounting Code:

From:

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

To:

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

Personal Information: (responsible individual)

| | | | |
|-------------------------------|---------------|----------------------|--|
| Name of Cardholder | | BSU e-mail address | |
| Dept. Name and Campus Address | | Campus Phone Number | |
| Ball State ID Number | Date of Birth | Mother's Maiden Name | |

Name Change:

| | |
|-----------------------------------|----------|
| Previous Name (current card name) | New Name |
|-----------------------------------|----------|

Email Address for Statements: _____

Approvals:

| | |
|--|-------|
| Business Administrator (recommending): | Date: |
| Department Head (approving): | Date: |

RETURN TO: Purchasing Card Administrator, Purchasing Department, 3401 N. Tillotson Ave., Muncie, IN 47306

JPMorganChase **O**

Dispute Form:

Dear Cardholder,

This form has been provided for your convenience. If you believe that a transaction on your statement is in error you can use this form to contact us. You must notify us within 60 days from the statement billing date of the disputed charge. Any notification received after this time frame may result in our inability to assist you with your dispute. Please be advised that MasterCard & Visa require that cardholders attempt to resolve the dispute with the merchant before initiating dispute.

Please complete and fax or mail this form to **Commercial Card Services, ATTN: Dispute Dept.** , Fax to: **(801) 590-1316,**

Or mail to: P.O. Box 57510, Salt Lake City, Utah 84157-0510.

Name:

Account #:

Merchant Name:

Transaction Date:

Posting Date:

Reference #:

Transaction Amount: \$ _____ _

Please Circle one of the following choices applicable to your dispute. Include all necessary information/documentation.

1. I do not recognize the above-mentioned charge. I have attempted to contact the merchant to obtain further information.

2. I have been billed more than once by the same merchant. I authorized only one charge with this merchant. My card was in my possession at the time of the transaction.

Valid Charge \$ _____ Reference # _____ Transaction Date _____

Invalid Charge \$ _____ Reference # _____ Transaction Date _____

3. I canceled: Service / Airline Ticket / Hotel Reservation on _____ (,date). Cancellation # _____

4. I have not received the merchandise that was to be shipped to me on _____ (date). I have requested credit.

5. Merchandise that was shipped to me arrived damaged or not as described. I returned it on _____ (date) and asked the merchant to credit my account. I am providing a copy of my returned mail receipt.

6. Merchant was to issue credit for merchandise I returned to the store. I have enclosed a copy of my credit receipt.

7. I have been charged for a purchase that was paid for by other means. I am providing a copy of the documentation showing the other method of payment.

8. I have been billed for an incorrect amount. My receipt shows \$ _____, however, I was billed \$ _____.

I am providing a copy of my receipt showing the correct amount.

9. I did not authorize the above-mentioned charge. I have attempted to contact the merchant to resolve dispute.

10. Other: I am attaching detailed information that describes the dispute.

Work Phone _____ E-mail _____

Signature _____ Date _____

Departmental Purchasing Card Program and Manual

Original August 1996

Revised August 2006

Revised December 2006

Revised March 2007