

Dartmouth College Procurement Card Program Policies

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Policy Name: Procurement Card Program Policy Updated/Reviewed:
March 30, 2016

Primary Responsibility: Procurement Services

Secondary Responsibility: Finance Center Approvers/Department Approvers

Approved by: Chief Financial Officer

Purpose of Policy

The Dartmouth College Procurement Card (P-Card) Program is designed to improve efficiency in processing low dollar value purchases (\$2,499.00 or less) while providing adequate documentation of expenses, appropriate charging of expenses, and approvals.

P-Card Program Overview

- The P-Card program is a method for conveniently paying for allowable small dollar items. The Dartmouth's Business Expense policy (See url on page 12) provides specific requirements for allowable travel and business expenses.
- The Dartmouth P-Card Program is designed to improve efficiency in processing low dollar value purchases (\$2,499.00 or less). The P-Card is a Visa Card and can be used to make purchases for goods (not services) with any merchant who accepts the Visa Card. P-Card transactions for non-restricted commodities cannot exceed \$2,499.00 per transaction (including all delivery, shipping and/or special handling charges). Transactions exceeding the \$2,499.00 limit normally require a Purchase Order.
- P-Card transactions are for items of tangible ownership and basic services. P-Cards may not be used for entertainment expenses, or any travel related expenses (with exceptions: conference registration and for some bus tickets). (See url on page 12 for a reference link to Transportation Options.) See full list of prohibited goods or services below.
- P-Card transactions are approved and allocated to the appropriate chart string or PTAE0 in Dartmouth's P-Card system. Each night approved P-Card transactions are loaded into the general ledger. Approvals should be done in the system weekly, prior to sweep days, i.e. Fridays each week. Finance Centers and/or Department Approvers have between 15 and 20 business days to reallocate P-Card purchases to the appropriate chart string or PTAE0 before the P-Card system automatically posts the transaction to the default account. The Sweep/Post Date for each transactions in shown in the P-Card systems.
- Documentation for P-Card purchases is expected to be delivered to the appropriate approving entity within seven business days from date of purchase. See details regarding required documentation below.
- All items purchased with Dartmouth funds (subvention, grants, gifts, or reserve funds) are the property of Dartmouth College.

- If a Cardholder doesn't abide by Dartmouth College purchasing policies, the Procurement Card Non-Compliance penalties will go into effect. The P-Card is a privilege, not an entitlement.
- It is strongly recommended that before anyone uses or is given a P-Card they review all P-Card policies and regularly use the Procure-To-Pay Guide (See url on page 12) for obtaining the correct method to pay for goods and services.
- Contact your Finance Center, Department P-Card Approver or Procurement Services with questions prior to purchasing items or anytime you need assistance.

Documentation Requirements for P-Card Purchases

For transactions paid for with a P-Card, the Cardholder must provide documentation of the expense. This documentation can be either a detailed receipt or for specifically identified vendors (see below) the level III detail in the P-Card system will satisfy the receipt requirement. Expense documentation should identify individual items purchased. Detailed documentation is almost always available if the vendor is made aware before completing the purchase. It is the Cardholder's responsibility to make sure the correct documentation is provided.

Receipts are not required for items under \$75 purchased on a P-Card, with the following exceptions. Due to NCAA rules and regulations, all varsity coaches and non-coaching staff members with sports specific responsibilities in those varsity sports are required to submit receipts for all purchases and provide a descriptive business purpose, regardless of amount. Purchaser must submit through eForms (OnBase) <https://www.dartmouth.edu/~fincenter/forms.html>, a business purpose and the chart string no matter the dollar amount. At \$75.00 and over the receipt must be included. Only exception is for WB Mason where no submission is required if the purchase is for office supplies and the chart string is the default.

Submission of the documentation of the expense is expected within seven business days to the Finance Center or Department P-Card Approver. In addition to a receipt, the following information is required for every P-Card purchase:

- Business purpose: Explain why the item was purchased and how it relates directly to business activities.
- Name of the person who used the card if different from purchaser
The GL or PTEAO string to be charged if other than the default string.

For purchases where food is served the business purpose must include an attendee list. If the number of attendees is large, you can list categories of attendees (e.g. 'Dartmouth faculty members and visiting professor, discussion following lecture').

Receipts that only show a total amount, with no specific details of the purchase are, unacceptable, except in the case of the identified list of vendors (see below). A Cardholder will need to contact the vendor for a detailed receipt. If one is not available, the Cardholder will need to document the details of the purchase. Below are two examples that illustrate an inadequate and an adequate business purpose of the same item. Example of Purchase: Java 7 software was purchased

Example 1: Inadequate Business Purpose

Date:	October 16, 2014
Merchant Name:	Java Corp.com
Amount:	\$75.00
Business Purpose:	Techs needed it

Example 2: Adequate Business Purpose

Date:	October 16, 2014
Merchant Name:	Java Corp.com
Amount:	\$75.00
Business Purpose:	Will be using this for testing upgrades to Oracle Financials

Specifically Identified Vendors

Some vendors pass level III detail, which includes detail of items purchased, to the P-Card system. Because the detail description of purchases for these vendors is available, card holders do not need to provide receipts for these purchases. A description of the item that is sufficient to determine natural class or expenditure type is all that is necessary.

The following suppliers provide level III detail in the P-Card system:

- Airgas
- Amazon
- B & D (Becton Dickson)
- B & H Photo
- Beckman Coulter
- BioRad
- DKC – Digi Key Corp
- EMD Millipore Corp
- Fastenal
- FedEx
- Fisher Scientific
- FW Webb

- Integrated DNA Technologies, Inc.
- Lifetech
- McMaster Carr
- MSC
- New England Biolabs
- PerkinElmer Life Sciences, Inc.
- QIAGEN, Inc.
- R & D Systems
- Sigma Aldrich Corporation
- The Home Depot
- VWR International
- W W Grainger, Inc.
- W B Mason Co Inc.

P-Card Non-Compliance Consequences

Dartmouth's procedure for Non-Compliance identifies consequences for any person who uses a P-Card in a manner not consistent with Dartmouth purchasing procedures. Deliberate fraudulent or misuse of the P-Card may result in loss of P-Card privileges or disciplinary action up to and including termination of employment.

Policy violations reside with the person responsible for the P-Card violation regardless of any change in position within the institution subsequent to that date.

Exceptions

The Director of Procurement Services or the Controller may approve an exception to P-Card policy for unique circumstances.

Policy Specifics

- **PERSONAL PURCHASES:** No personal purchases are allowed regardless of intent to reimburse the College. In the event an inadvertent personal purchase is made it should be immediately identified to the Finance Center or Department Approver. Reimbursements must be made payable to 'Dartmouth College'. A copy of the check and deposit form must accompany the transaction approval.
- **PYRAMIDING PURCHASES:** Pyramiding is defined as purchasing multiple items from the same vendor on the same date, within a short interval of time on the same P- Card with the result of circumventing the per purchase limitation set on the card. Below is an example of pyramiding.

DIVERSIFIED PUMP & CO	23-JUL-2014	1,247.00	15-AUG-2014
DIVERSIFIED PUMP & CO	23-JUL-2014	1,313.00	15-AUG-2014

Many types of purchases that are not allowed on a P-Card require a purchase order. Please review the Procure-to-Pay guide (See url on page 12) or contact your Finance Center to discuss which procurement method should be use.

- TRAVEL, ENTERTAINMENT, ALCOHOL, MEALS in RESTAURANTS, ETC.:

All Travel, Entertainment expenses including but not limited to Alcohol Purchases, Meals for Events, Meals in Restaurants, Parking Fees, Parking Tickets/Fines, Gasoline purchases, Rental Cars, Cabs, Airfare, Tolls, Hotel/Lodging, and Conference Room Rentals are not allowed on P-Cards. Please refer to the Dartmouth Business Expense Policy (See url on page 12) for specific details.

- HOLDING HOTEL/CONFERENCE ROOMS: P-Cards may not be used to hold any kind of travel related expense, such as hotel or conference rooms. Travelers may use a Dartmouth College Corporate Pay Card or their own personal credit card for travel expenses.
- SERVICES: The P-Card may be used to pay for some basic services. Services are intangible and require specific insurances and guidelines that must be met before an agreement is made. Please refer to Procurement’s Procure to Pay Guide for detailed information regarding allowable methods for the purchase of services and the section that follows “Examples of Prohibited Goods/Services That Cannot Be Charged to a P- Card” to make sure the service you are looking at is allowed on a P-Card.
- GIFTS & GIFT CERTIFICATES: Please refer to the Dartmouth Business Expense Policy and the Research Participant Payment Policy and Procedures (See url’s on page 12) for detailed information regarding gift rules and procedures.

Regardless of expenditure amount, documentation for all gifts/gift cards purchased with a P-Card must include the name of the person using the P-Card if other than the Cardholder, a detailed receipt, specific business purpose and recipient name(s). Gifts, food, gift cards, etc. cannot be purchased with College funds to pay for non-work related events such as birthdays, baby showers, etc.

- CLINICAL STUDIES INCENTIVES/RESEARCH PARTICIPANT PAYMENTS:

The policy for all incentives/payments for research participants must follow specific guidelines as outlined under the Controller's Research Participant Payment Policy and Procedures (See url on page 12).

- **FOOD PURCHASES:** Food ordered for a meeting that is picked up or where the vendor drops it off at a location on campus is considered a Food Purchase (take-out) and the P-Card is an appropriate payment method. An event where the vendor brings food and provides additional services such as cooking, serving, setting up/cleaning up before/after the event is considered catering and can be charged to a P-Card if under \$2,499 and the supplier is on the Approved Food Providers list.
- **INTERNAL PURCHASES:** The P-Card may not be used to purchase any services or goods internally from any departments or establishments that are associated with Dartmouth College. Internal account transfers, using a chart string or PTAEs should be used to charge any goods or services between affiliated areas. Below are examples of internal purchases:
 - The Computer Store
 - Central Stores and other stockrooms
 - Conferences and Events
 - DDS (Dartmouth Dining Services), Thayer Dining, Courtyard Café, Novak Café, Collis Café, Collis Center, Collis Market, DCAD Tickets, Athletic Events, etc.
 - Dick's House
 - HR Classes or Seminars
 - Parking Operations
 - Computing Services: Web & Video Services, Classroom Technology Services

 - Hopkins Center
 - The Hanover Inn/PINE
 - The Hood Museum
 - Baker Library
 - Registration for an event hosted by a Dartmouth Department

Examples of Prohibited Goods/Services That Cannot Be Charged to a P-Card

In general, purchases that require advanced documentation such as insurance, service level agreements, and pricing quotes should be paid via requisition.

- Alcoholic beverages
 - Animals (*)
 - Automotive gasoline
 - Caterers, unless they are listed on the approved food providers list (<http://www.dartmouth.edu/~control/docs/procurement/food-provider-compliance-list.pdf>)
 - Travelers Checks, Foreign Currency, etc.
 - Construction and renovations
 - Gifts or gift cards for non-work-related events such as weddings, baby showers, birthdays, housewarming, etc.
 - Insurance
 - Internal Dartmouth College services. A P-Card may not be used to pay for any goods or services internally at Dartmouth College. For example: Any purchase at the Computer Store, Tickets for Athletic Events, HOP Tickets, Hood Museum purchases, Baker Library Fees, Central Stores purchases, or any other internal purchases.
 - Leases and rental agreements (unless a master agreement is on file with Procurement)
 - Maintenance/service agreements requiring a signed agreement (unless a master agreement is on file with Procurement – refer to the Procure to Pay Guide for specific category information http://www.dartmouth.edu/~control/departments/procurement/procure_to_pay_guide/)
 - Meals in restaurants - No sit-down or in-house service is allowed
 - Medical Services
 - No personal purchases
 - Prescription drugs and controlled substances
 - Professional, Consulting or Personal services.
 - Radioactive and hazardous (***) materials
 - Services to sole proprietorships, individuals, or non-incorporated businesses Software licensing agreements Temporary employment services.
 - Travel and Entertainment related expenses and advances (this includes but is not limited to: airfare, hotel shuttle service, cabs, car rentals, buses (with the exception of the Dartmouth Coach, Concord Coach Lines & Boston Express Bus), trains, parking fees, parking fines, tolls, internet access, hotel/lodging fees - including room rentals for conferences, meals in restaurants/hotels, any entertainment services, etc.)
- (*) Contact [Center for Comparative Medicine and Research](#)
- (**) Contact [Denise Conover](#) in Procurement Services before purchasing any furniture
- (***) Contact [Environmental Health and Safety](#) regarding hazardous materials

Setting Up a New Cardholder

- P-Cards are for people who make frequent, low dollar purchases. All applicants are required to read, complete and sign the Purchase Card Authorization form. Signing the Cardholder form indicates agreement with the policies and procedures of the P-Card Program. The Procurement Card Authorization form is available online (See url on page 12). Failure to provide all form information and appropriate signatures will delay

or prevent the issuance of the P-Card. Procurement Services will retain all P-Card information as confidential.

- Completed forms should be e-mailed to: Procure-to-Pay@Dartmouth.Edu or faxed to (603) 646-3810. Do not send forms through the Hinman Mail.
- P-Cards normally arrive within ten to fifteen business days from date of input into the JPMorganChase bank system.

P-Cardholder & P-Card Purchaser Responsibilities

- Only Dartmouth College regular faculty and staff who are directly paid by Dartmouth College are eligible to apply for a P-Card
- When the Cardholder signs the Dartmouth College P-Card Authorization form they agree to adhere to the policies and procedures of the P-Card Program.
- The person whose name appears on the P-Card is responsible for protecting the card and is accountable for all purchases made using the P-Card. All purchases must be made by, or under the immediate direction of, the person to whom the card is issued.
- The Cardholder is responsible for insuring that anyone using their P-Card understands the policies. If they do not verify this prior to the person using the credit card, the Cardholder risks the possible cancellation of the P-Card.
- The Cardholder is responsible for providing adequate documentation for all P-Card transactions. Adequate documentation is defined in the Documentation Requirements section of this policy.
- The Cardholder is responsible for charges hitting the correct accounting string. To request a change in a chart string for a Cardholder's default P-Card account, an email from the Fiscal Officer giving permission for this change must be emailed to Procureto-Pay@Dartmouth.Edu. The email should contain the Cardholder's name, the last six digits of the credit card, the new chart string to use and the approval of the Fiscal Officer. PTAEOS are not allowed to be the default account for any P-Card.
- LOST CARD: Report the loss of a card immediately to Procurement Services, JPMorganChase and the appropriate Finance Center or Departmental P-Card Approver. Please contact Procure-to-Pay@Dartmouth.Edu with the last six digits of the credit card that was lost and the full name of the Cardholder or call: 603-646-2435. JPMorganChase may be contacted at: (800) 270-7760.
- DISPUTING A TRANSACTION: The Cardholder is responsible for attempting to resolve a dispute with the vendor within fifteen (15) days of receipt of a disputed purchase. If a resolution is not possible:
 - ✓ The Cardholder must alert JPMorganChase of the disputed item: (800) 270-7760. The bank will provide a dispute form to fill out and return. The bank requires that they work directly with the Cardholder to resolve the problem.

- ✓ You will need to provide security information to JPMorgan Chase to confirm you identify. If you don't remember the security information provided you're your P-Card account, contact Procure-to-Pay@darmouth.edu for assistance.
- TRANSACTION DOCUMENTATION RETENTION: Documentation of the expense should be sent to the Finance Center or Department Approver within seven business days of purchase. Finance Centers and Department Approvers (for documents maintained in the department) are responsible for maintaining P-Card transaction documentation for 7 years for auditing purposes.

Department Named P-Cards

Dartmouth College does not support or issue P-Cards that are in a Department or Project name. P-Cards will only be issued to individuals employed by the College. Any grandfathered department/division still using a P-Card with a departmental name will be solely responsible for any financial losses due to disputes or fraudulent activities. A departmental account will be charged the fraudulent or disputed amounts.

Multiple P-Cards in One Cardholder's Name

Dartmouth College no longer issues multiple P-Cards to an individual. Previously, staff may have received multiple credit cards so that each P-Card defaulted to a different/specific chart string. This practice is no longer allowed.

Approving P-Card Transactions On-line in the Oracle P-Card System

- The P-Card Approvers are responsible for reviewing each transaction to ensure all policies are met. When there are questions about the purchase the first point of contact is the Cardholder. If the Cardholder is not forthcoming with missing information the Finance Center should follow up with the appropriate Fiscal Officer. Departmental P-Card Approvers should contact their Finance Center or Fiscal Officer immediately so appropriate steps are taken.
- All P-Card transactions must be processed on-line in the P-Card reallocation system before the sweep/postdate by a Department Approver or Finance Center employee. Finance Centers and/or Department Approvers have between 15 and 20 business days to reallocate P-Card purchases to the appropriate chart string or PTAE0 before the P-Card system automatically posts the transaction to the default account. The Sweep/Post Date for each transactions in shown in the P-Card systems. These dates relate only to P-Card approvers. Cardholders must supply all receipts and information within seven business days from date of purchase.
- By clicking the "App" box in the P-Card system, the Approver acknowledges that they understand the transaction. In rare instances this may mean that the transaction is fraudulent or an inappropriate purchase. A fraud or inappropriate charge should have

the "App" box checked because the transaction is understood and the Approver knows a credit will be issued to the chart string.

- The only time you would not click on the "App" box, is if there was no information available on the purchase.
- In the "Comments" section the Approver should note what was purchased and any other useful information. In the case of fraud, note that the transaction is fraudulent and a credit from the bank is expected. Comments do not replace a receipt and detailed information, but is an additional source of information.
- Check the "ROF" (Receipt On File) box indicating the appropriate receipt and information is in hand.
- No person may approve a P-Card in their name.
- If you have a question about the retention process for your department contact your Finance Center or Fiscal Officer.

P-Card - Documentation and Record Keeping Document Management OnBase Services

- Dartmouth's Digital Records and Document Management system is OnBase.

All P-Card documentation is expected to be submitted through the OnBase forms site (see url below) within thirty days of the expense being charged to the VISA card.

<https://www.dartmouth.edu/~fincenter/forms.html>

All faculty, staff, and students have access to OnBase. Your NetID and Password are required for using the forms.

- For every P-Card purchase, all receipts, notes and any other required transaction information will be archived as the official records of the transaction. All PCard receipts for chart strings or PTAE0 must be retained for 7 years.
- These records are primary documents supporting financial transactions. This documentation must be archived electronically by the Finance Center, Department Approver or as directed by the Fiscal Officer. Images will be uploaded into a secure server (OnBase) for records retention. It is critical that sound documentation and record keeping procedures are established to ensure information crucial to internal and external audits is complete. **Note:** Hard copy documentation for P-Card transactions prior to the implementation of electronic storage must also be maintain for 7 years.

P-Card Audits

Audits of transactions can be performed by Procurement Services, Risk Management and Internal Controls, outside agencies and external auditors. When audits are performed the appropriate Finance Center or Office of Sponsored Projects will assist in the gathering of any records. Department Approvers or Cardholders may be contacted to provide additional information supporting the business purposes of any transactions under review.

Useful Information and Web Links

- Procure-to-Pay Guide – Find the correct way to pay before you buy:
http://www.dartmouth.edu/~control/departments/procurement/procure_to_pay_guide/
- Dartmouth Business Expense Policy – Gifts for employees explained:
<http://www.dartmouth.edu/~control/docs/controllers/dartmouth-businessexpensepolicy-033016.pdf>
- Transportation Options – Car services that take a chart string:
<http://www.dartmouth.edu/~control/travel/transportationoptions.html>
- Research Participant Payments Policy and Procedures (Clinical Studies Incentives – The correct methods for paying for incentive gifts, cash cards, etc.):
<http://www.dartmouth.edu/~control/policies/research-participant-paymentpolicy.html>
- Procurement Card Application: <http://www.dartmouth.edu/~control/forms/pcardapp.html>
- Procurement Services Policies – Information pertaining to purchases in excess of \$2,499.00 as well as links to purchasing forms and guidelines:
<http://www.dartmouth.edu/~control/departments/procurement/policies.html> Examples of a Bad/Unacceptable Receipt & an Appropriate Receipt are shown below:

Inadequate Receipt: Only Shows Total Cost

Adequate Receipt: Shows Line Item Detail

TAJ-E-INDIA CATER
 13 LOWER HYDE PARK
 WHITE RIVER JUNCTION, VT 05001
 (603) 667-6565

Phone Order

Merchant ID: 542929804804466

Term ID: LK115224

02-24-16 17:08:28
 Batch#: 000001 In #: 000006

VISA Entry Method: M

XXXXXXXXXXXX7601

Seq.#: 0006 Appr Code: 073691

Amount: \$ 182.29

Tip: 25.00

Total: 207.29

APPROVED

Customer Copy

THANK YOU!

CO-OP
 LEBANON CO-OP
 FOOD STORE

11014
 109.95

MEMBER OR NOT
 ANYONE CAN SHOP

Purchase \$109.95

CREDIT CARD # XXXX XXXX 0000 1809
 Auth # 051080 Exp Date 00/00
 Lane # 04 Checker # 243
 01/05/16 9:28 Ref # 040775

BAKERY
 BT WHT BREAD \$3.99 F

DAIRY
 SHR BUTR QTR 4 @ \$4.39 EA \$17.56 F
 HOOD 1/2&1/2 3 @ \$3.29 EA \$9.87 F
 EGGS WHITE 2 @ \$2.49 EA \$4.98 F

GROCERY
 7TH GEN LAUNDRY \$14.99
 CRMY SJNBUTTER 6 @ \$5.99 EA \$35.94 F

PRODUCE
 BROCCOLI CROWNS 2.05 lb @ \$3.99/lb \$8.18 F
 Tare Weight: 0.01lb
 BROCCOLI CROWNS 3.03 lb @ \$3.99/lb \$12.09 F
 Tare Weight: 0.01lb
 BROCCOLI CROWNS 0.84 lb @ \$3.99/lb \$3.35 F
 Tare Weight: 0.01lb

COUPONS
 7TH GEN LAUNDRY -\$1.00

20 BALANCE DUE \$109.95
 VISA \$109.95
 (S) XXXX XXXX 0000 1809
 Auth Code = 051080
 CHANGE \$0.00

FREQUENT SHOPPER #740480

0243 #5032 9:28:21 5JAN2016
 500001 R004

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 LEBANON CO-OP 603-643-4889
 SERVING THE UPPER VALLEY
 SINCE 1936

Bring Back the Sack!
 Chance to WIN \$100!