The purpose of Messiah University’s Purchasing Card Program is to streamline the purchasing and payment process when using Messiah University’s funds for specific business purchases.

The Purchasing Card Manual provides the guidelines and procedures of the Purchasing Card Program and the responsibilities of Messiah University cardholders and approvers.

Participation in the Messiah University Purchasing Card Program is a convenience that carries several responsibilities. Although the cards are issued in employee’s names, they should be considered University property and are to be used with good judgment. The use of a Messiah Purchasing Card is a privilege granted by the University. Abuse, fraudulent use or failure to perform related administrative duties outlined in the Purchasing Card Manual may result in the cancellation of Purchasing Card privileges, an employee reprimand, and/or termination of employment.

3. Types of Purchasing Cards

Messiah University has two types of Purchasing Cards – the P-Card and the DB-Card. These cards are not interchangeable and cardholders must use the cards only for the specific purposes for which they were issued. Cardholders must adhere to the individual card limits and the guidelines outlined in the Purchasing Card Manual, the Purchasing Policy and the Expenditure Policy.

3.1. P-Card

Messiah University issues a P-Card to employees primarily for general business travel. Also permitted: limited purchases at retail locations for emergency supplies, memberships or subscriptions, advertising and purchases on secure websites for goods and services where a PO is not accepted. The use of One$ource is required for most other purchases. Please see this link for more details.

3.2. DB-Card (Declining Balance Card)

Messiah University issues DB-Cards (Declining Balance Cards) to employees for a specific purpose. DB-Cards have a specified credit limit and single transaction limit based on the purpose for issuing the card. The credit available decreases with each purchase and the limits do not refresh on a monthly basis as they do with a P-Card. DB-Card purposes may include, but are not limited to, faculty development funds, cross-cultural travel, and other specific, finite purposes.

4. Roles and Responsibilities
4.1. Purchasing Card Administration

4.1.1. Purchasing Card Administrator - responsible for the day-to-day operation of the Purchasing Card Program. This person is the primary contact between our Purchasing Card provider, M&T Bank, and Messiah University. This person also performs such tasks as:

- Opening accounts
- Distributing cards
- Updating cardholder information
- Increasing/decreasing credit limits
- Training cardholders
- Assisting cardholders with questions and problems
- Collecting inactive and discontinued cards
- Ensuring allocation and approval deadlines are met
- Downloading receipt images to store for IRS required 7 years

4.1.2. Purchasing Card Auditor - responsible for conducting random audits for both cardholders and approvers and record keeping documentation compliance. The Purchasing Card Program Auditor will perform random monthly audits reviewing transactions for:

- Adherence to the University’s Expenditure Policy.
- Proper assignment of org code, account code and if applicable, activity code
- Itemized receipt attached
- Proper documentation of the 5 W’s, as required by the IRS
- Ensure the same person has not allocated and approved the same transaction
- Appropriate approver (audit performed for approvers only)
- Split transactions to avoid single transaction limit
- Cash advances / ATM withdrawals
- Messiah University purchases (Campus Store, Messiah Press, Dining Services, Box Office, online purchases/registrations, etc.)
- Purchases from suppliers in One$tore

4.2. Cardholders

Cardholders are employees who have been authorized by an approver to receive a Purchasing Card based on their need to travel for University business or make other approved business related purchases. Cardholders are responsible for:

- Understanding and complying with guidelines outlined in the Purchasing Card Manual as well as the University’s Purchasing Policy, Expenditure Policy, Purchasing Product Approval Guide and the Requisition or P-Card Guidelines chart
- Initiating and authorizing purchases
- Handling returns/credits
- Resolving problems with suppliers
- Performing monthly allocations of transactions in IntelliLink
• Retaining copies of physical receipts for 90 days
• Attending allocation training after first purchase with Purchasing Card
• Attending retraining as required by the University
• Keeping card and login information private and secure
• Using Purchasing Card for approved purposes only

4.3. Approvers

Approvers are typically budget managers that are responsible for managing a departmental budget. Approvers are responsible for:

• Understanding and complying with guidelines outlined in the Purchasing Card Manual as well as the University’s Purchasing Policy, Expenditure Policy, Purchasing Product Approval Guide and the Requisition or P-Card Guidelines chart
• Requesting Purchasing Cards for employees in his/her department as necessary
• Overseeing the use of the Purchasing Cards
• Reviewing and approving transactions allocated to his/her org(s)
• Notifying Purchasing Card Administrator of changes involving cardholder’s status (i.e. termination, transfer to another department, limit changes, etc.)
• Notifying Purchasing Card Administrator of misuse or fraudulent use of the Purchasing Card

If a cardholder is also the approver of the org where his/her transactions are allocated, the cardholder’s supervisor will approve the transactions.

An approver may not approve their own transactions or transactions of a family member, supervisor or supervisor’s family member at any time.

4.4. Designated Delegates

The University allows cardholders and approvers to authorize and designate another employee within their department to perform the required monthly allocations and/or approvals of Purchasing Card transactions. A delegate may be responsible for:

• Allocating transactions as requested by cardholder
• Approving transactions as requested by cardholder

5. Receiving/Returning Purchasing Cards

5.1. Receiving a Purchasing Card

Approvers request Purchasing Cards on behalf of their employees (see Section 7.1). Cardholders must complete the following prior to receiving a Purchasing Card:

• Review the Purchasing Card Manual
• Pass the Purchasing Card quiz on guidelines and procedures
• Acknowledge their responsibilities and agree to adhere to the guidelines in the Purchasing Card Manual by completing a Purchasing Card Usage Agreement
• Activate the card

5.2. Returning a Purchasing Card

• Cardholders must allocate all transactions and surrender the card to the Purchasing Card Administrator prior to termination of employment or transfer to a department where the card is no longer needed.
  o In cases of involuntary termination, Human Resources will collect the card.
• Cardholders must cancel automatically renewed subscriptions prior to returning the card.
• If cardholders take a leave of absence, the approver must notify the Purchasing Card Administrator via email at pcard@messiah.edu to discuss the necessary procedures.
• If the Purchasing Card has been inactive for a period of 12 months, the Purchasing Card Administrator will contact the cardholder and/or approver to reexamine the need for the card.

6. Limitations and Restrictions

Cardholders should reference the Purchasing Product Approval Guide for a list of products that require pre-approval from specified Messiah University departments.

6.1. Transaction limit

Each Purchasing Card has a credit limit and single transaction limit specific to the cardholder. M&T Bank will decline purchases over the established limits.

Cardholders are responsible for knowing their limits. Splitting large Purchasing Card purchases into smaller purchases to avoid the single transaction limit is strictly prohibited. If there is a temporary need for higher limits for a specific purchase, the cardholder’s approver should email a request to pcard@messiah.edu. The request must include the following:

• Temporary monthly credit limit
• Temporary single transaction limit
• Beginning and ending date for the increase

6.2. International Purchases

Purchasing Cards have a block on international purchases to help protect the University against fraud.

• If planning international travel, cardholders should email the Purchasing Card Administrator the dates and locations of the travel at least two (2) weeks prior to departure. The Purchasing Card Administrator will forward the itinerary to M&T Bank and remove the international block from the card to prevent purchases from being declined while traveling.
• If purchasing from an international supplier, contact the purchasing office at x6010 or purchasing@messiah.edu.

6.3. Prohibited Transactions

6.3.1. Personal Purchases

The personal use of Messiah University Purchasing Cards is strictly prohibited. If an accidental purchase occurs, the cardholder must contact the Purchasing Card Administrator for instructions and will be asked to reimburse the University immediately.

Personal expenses not reimbursed will be billed to the cardholder. After 30 days of non-payment, the expenses will be deducted from the cardholder's paycheck.

6.3.2. Cash Advances or ATM Access

Cardholders cannot use Purchasing Cards to access cash from an ATM or through a cash advance. Temporary exceptions may be made for international travel with student groups. Please notify the Purchasing Card Administrator of this need at least two (2) weeks prior to travel.

6.3.3. Purchases prohibited as described in the Expenditure Policy

Expenses include, but are not limited to:

• **Purchases at Messiah University**

Purchases from a Messiah University location (Campus Store, Messiah Press, Dining Services, Box Office, online purchases/registrations, etc.) subject the University to unnecessary credit card fees. University departments can charge expenses through an interdepartmental charge back method or with a hospitality card.

• **Furniture**

Furniture must be purchased through the Office of Procurement Services.

• **Office Supplies**

Office supplies must be purchased from the University's preferred supplier using One$ource.

• **Gas**

  o **Fleet Services:** Gas for University Fleet vehicles must be purchased with the fleet card provided by the University receptionist when picking up the reserved vehicle. The University receives some tax relief from gasoline purchases not available with a Purchasing Card.
• Rental Cars: Purchasing Cards can be used to purchase gas to refill a rental vehicle. This is the only time a Purchasing Card should be used to purchase gas.

• Personal Vehicles: Purchasing Cards should never be used to purchase gas for a personal vehicle. Employees are reimbursed at a per mileage rate for each mile driven when a personal vehicle is used for University business.

7. Cardholder Procedures

Purchasing Cards can be used for approved business purposes at any supplier that accepts credit cards, except where prohibited by Messiah University. Cardholders may initiate purchases in person, by telephone or via the internet within the credit limits of the individual card and adhering to the guidelines stated in the Purchasing Card Manual, the University’s Purchasing Policy, Expenditure Policy, Purchasing Product Approval Guide and the Requisition or P-Card Guidelines chart.

7.1. Making Purchases

Cardholders will provide the following information when making a purchase:

• Name, Purchasing Card account number, card expiration date and 3-digit security code
• A complete description of the item including stock/catalog numbers where applicable
• Inform the supplier that the University is TAX EXEMPT. The PA Sales Tax-Exempt number for Messiah University is 75-07482-3. This number is printed in the upper left hand corner of each Purchasing Card. If the supplier requests a PA Sales Tax Exempt Form, please print a copy of the current form (see section 10. Pennsylvania State Sales and Use Tax Exemption Guidance).
• Billing Address: Messiah University, One University Avenue, Mechanicsburg, PA 17055 (no suite number) Telephone Number 717-766-2511 (no extension)
• Shipping Address: The campus address where the order should be delivered (include suite number) Telephone number: 717-766-2511 (include extension)
• After the order is placed, cardholders must request the order/reference number

7.2. Allocation

Cardholders must allocate all transactions, including credits, by the 3rd business day of the month following a statement period. Cardholders receive email notification when they have transactions to allocate. Proper allocation of Purchasing Card transactions includes:

• Assigning proper org code, account code and if applicable, activity code
• Uploading itemized receipts
  o An itemized receipt lists each item purchased not just a summary with the total amount listed. Sit down meals must have 2 receipts attached – an itemized receipt showing what was purchased, and a summary receipt with the total amount paid, including tip.
  o When an itemized receipt is lost, or never received, a Missing Receipt Form should be used.
• Mandatory detailed description of the purchase including the 5 W’s (Who, What, Where, When, Why).
  o **Who**: understood to be the employee, if the purchase was made for someone other than the employee, it must be stated. Exception: food purchases, all employees at meal must be stated
  o **What**: summary of item(s) or service(s) purchased
  o **Where**: understood to be the supplier. Exception: when traveling, the location of travel must be stated
  o **When**: understood to be the date of purchase. Exception: when traveling, the dates of travel must be stated
  o **Why**: an explanation of the business purpose of the purchase

If the cardholder misses the deadline, cardholder will no longer be able to change the org-acct allocation or attach receipts. The cardholder will have to work with the accounting team to create Journal Entry Forms to correct allocations. The cardholder will also have to work with the Purchasing Card Administrator to add notes and attach receipts. Completing allocations by the deadline avoids these extra steps and provides approvers adequate time to review transactions.

### 7.3. Out of Area Travel

Cardholders are responsible for notifying the Purchasing Card Administrator with dates and locations of travel at least two weeks prior to departure. The Purchasing Card Administrator will communicate travel plans to M&T Bank so that out of area purchases are not declined and flagged as fraud.

### 7.4. Fraud

Cardholders are responsible for validity of all purchases. If fraud or misuse is suspected, immediately contact the Purchasing Card Administrator who will report the incident to M&T Bank.

### 7.5. Returns

Cardholders are responsible for handling returns with suppliers.

### 7.6. Credits

The supplier should issue a credit for any item that has been returned. The credit transaction:

• May appear on a current or future Purchasing Card monthly statement
• Must be allocated to the same org code, account code and if applicable, activity code to which the original transaction was allocated.
• Must include a receipt for the credit. If a receipt is not available, a Missing Receipt Form should be attached.

7.7. Disputed Items

If there are discrepancies, cardholders must contact the supplier to resolve the problem. If problems cannot be resolved, cardholders should contact the Purchasing Card Administrator, who will file a dispute with M&T Bank.

• Disputed items must be allocated and approved by the monthly deadline.
• An explanation of the dispute should be noted in the mandatory detailed description box.
• Complete a Missing Receipt Form if no receipt is provided.

7.8. Purchasing Card Security (PCI Compliance)

Purchasing Cards should be treated with the same level of care and security as a personal credit card, which includes, but is not limited to the following:

• Use of Purchasing Cards by anyone other than the person whose name appears on the card is prohibited.
• Purchasing Cards should not be shared with anyone.
  o This includes students, administrative assistants or any other department employee.
  o If cardholders are absent for an extended period of time, the approver may request that a new card be issued to another employee for the duration of the absence.
• Purchasing Cards should be stored in a secure location, accessible only to the cardholder.
• Purchasing Card numbers should be secured and not posted at a desk or any other location.
• Purchasing Cards must be kept in view and returned promptly when used in a retail location.
• Destroy all voided receipts (when a mistake is made). If the clerk has to keep a voided receipt for the store’s accounting system, be sure to get a copy.
• Do not give Purchasing Card numbers over the phone unless dealing with a legitimate supplier.
• Do not put Purchasing Card numbers on websites unless it is a secured site accessed through a secured internet connection (secured sites will always begin with “https”).
• When faxing or emailing an order, Purchasing Card numbers should not be included in the transmission. This includes photocopies of the Purchasing Card.
• Cardholders should request that the supplier NOT keep Purchasing Card numbers in their records (this includes online suppliers).
8. Approver Procedures

8.1. Requesting Purchasing Cards

Purchasing Cards are requested for employees in the department for specific purposes. The business reason for requesting a Purchasing Card must fall under one of the following approved purchase categories:

- Advertising
- Conference registration
- Travel expenses (airfare, hotel, travel meals, tolls, baggage fees, parking, rental vehicles, etc.)
- Purchase from online supplier that does not accept purchase orders
- Subscription renewal
- Purchase at a retail location

P-Card

- Monthly credit limit requested (standard is $6,000)
- Single transaction limit requested (standard is $3,000)
- If the monthly credit limit or single transaction limit requested is more than the standard, the Purchasing Card Administrator will review and approve based on need.

DB-Card

- Total credit limit requested
- Single transaction limit will equal total credit limit
- The limits should be based on the specific purpose for which the card is issued.

Approvers request Purchasing Cards for employees in their department by completing the Purchasing Card Request Form and emailing it to pcard@messiah.edu. The purchasing Card Administrator will review the information, order and issue the card upon approval of the request. The Purchasing Card Request form should include the following information:

- Employee name, position at the University and the business reason for the Card
- Employee legal first and last name, ID number and birthdate (This data will be used to order the card.)

The approver, in consultation with the Purchasing Card Administrator, will establish credit limits based on budgetary authority.
8.2. Approving Transactions

Approvers are responsible for approving all transactions allocated to his/her orgs no later than the 6th business day of the month following a statement period. Approvers should review the following for accuracy and completeness:

- Transaction allocated to the proper org code, account code and if applicable, activity code
- Verify transactions are for authorized expenses of Messiah University and comply with the Purchasing Policy, Expenditure Policy, and Purchasing Product Approval Guide
- Itemized receipts
- Mandatory detail description contains the required 5W’s (Who, What, Where, When, Why)
- Ensure personal charges are not coded to his/her department org code, account code and if applicable, activity code (See section 5.3.1 Personal Purchases)

If an approver misses the deadline, the unapproved transaction will still be debited from the budget of the org/acct on the transaction. Cardholders are not able to change the org-acct allocation after the deadline. The cardholder and approver will have to work with the accounting team to create Journal Entry Forms to correct allocations. Completing approvals by the deadline avoids this extra work as well as having transactions affect the wrong budget.

9. Delegate Procedures

Cardholders/approvers are ultimately responsible for all charges, allocations and approvals. However, the University allows cardholders and approvers to authorize other University employees within their department to perform the monthly allocation/approval of Purchasing Card transactions. The internal controls below must be established and followed within the department to protect the University and its employees from fraudulent activity:

- Delegates are assigned their own login information and should never login using a cardholder’s/approver’s username or password.
- Delegates must review the Purchasing Card Manual
- Delegates must pass the Purchasing Card quiz on guidelines and procedures
- The cardholder or supervisor must complete the Purchasing Card Delegation Form. The form specifically authorizes the assignment of an assistant that will perform the required monthly allocations/approvals. The form delegates the allocation/approval processes, but it does not delegate the responsibility for the charges/approvals.
- No employee may allocate and approve the same transaction.
- No employee may approve transactions of a family member, supervisor or supervisor’s family member.

10. Compliance
10.1. Cardholders

Cardholders may have Purchasing Card privileges suspended or permanently revoked for failure to adhere to the guidelines in the Purchasing Card Manual. Examples include, but are not limited to:

- Using Purchasing Card for personal or prohibited purchases (See Purchasing Policy, Expenditure Policy and Purchasing Product Approval Guide)
- Sharing a Purchasing Card
- Not allocating transactions by established deadlines
- Using improper org code, account code and if applicable, activity code when allocating
- Not submitting required itemized receipts
- Incomplete documentation of transactions (i.e. 5W’s)
- Perpetual personal purchases and/or non-reimbursement to the University

A notification email will be sent to cardholders noting the issue and the steps needed to correct problems. Serious and/or repeated failures to adhere to guidelines in the Purchasing Card Manual may result in notification of supervisor, required retraining, employee reprimand, and/or suspension or cancelation of Purchasing Card privileges.

10.2. Approvers

Approvers may have Purchasing Card approval responsibilities suspended or permanently revoked for failure to adhere to the guidelines in the Purchasing Card Manual. Examples include, but are not limited to:

- Approving personal and/or prohibited purchases (See Purchasing Policy, Expenditure Policy and Purchasing Product Approval Guide)
- Not approving transactions by established deadlines
- Approving transactions not properly allocated:
  - Incorrect org code, account code and if applicable, activity code
  - No itemized receipt
  - Mandatory detailed description does not answer 5 W’s
- Ensuring that cardholders perform the required monthly allocation procedures by established deadlines

A notification email will be sent to approvers regarding failure to adhere to guidelines in the Purchasing Card Manual, appropriately monitor employees’ card transactions or complete the actions needed to correct problems. Serious and/or repeated failures may result in required retraining, employee reprimand, and/or suspension or cancelation of card approval privileges.

10.3. Cancellation of Purchasing Card by Purchasing Card Administrator
Misuse of a Purchasing Card is considered a serious policy violation. Cases of misuse or repeated abuse of privileges and procedures of the Purchasing Card program may result in the cancellation of Purchasing Card privileges, an employee reprimand, and/or termination of employment.

11. **Pennsylvania State Sales and Use Tax Exemption Guidance**

Most purchases made by Messiah University are exempt from Pennsylvania State Sales Taxes, and it is the cardholder’s responsibility to minimize expenses by ensuring tax is not charged. To that end, cardholders are provided a copy of the University’s sales tax exemption number in the upper left corner of each Purchasing Card and the **PA Sales Tax Exemption Form**. There are cases where strict adherence to that policy is not practical. Ultimately, cardholders are responsible for exercising prudent judgment when using his or her purchasing card. Therefore, if a non-routine purchase is insignificant from a dollar value perspective (under $400.00/$24.00 applied tax) and it is inconvenient to prove the sales tax-free status of the purchase, then cardholders can exercise common sense and discretion. However if the purchase is of a large dollar amount (over $400.00/$24.00 applied tax) and/or is being made through a supplier that the University frequently does business with, then cardholders must take necessary steps to ensure that the purchase is free of sales tax.

PA Sales Tax charged to a Messiah University Purchasing Card requires cardholders to submit a request for refund to their Purchasing Card account from the supplier. Any tax amount applied to a Purchasing Card transaction over $24.00 will trigger an automatic audit of the transaction. It is every cardholder’s responsibility to attempt to have PA State sales tax removed from the transaction amount prior to completing the purchase.

The following provides guidance for specific circumstances:

11.1. **Business Lunches**

In most cases, it would be inconvenient and ultimately not worth the extra effort to ask cardholders to make sure that the purchase of business lunches be made free of sales tax. Therefore, if the nature of an employee’s work dictates that occasionally they pick up the tab for a few individuals within the context of a business meeting, it is permissible to purchase the meal with sales tax charged. However, if an employee is planning a large function and is making reservations for meeting space and meals, then it is expected that they will provide the organization with an exemption certificate in advance of the meeting.

11.2. **Lodging Expenses**

Hotels in Pennsylvania will assess residents an occupancy tax that is different from sales taxes. Messiah University is not exempt from Pennsylvania occupancy taxes, and therefore cardholders do not need to seek exemption from any taxes paid on a hotel stay in the State of Pennsylvania. Tax laws vary by state and it is possible to obtain exemption in other states. All tax exemption forms are listed under Forms for Tax Purposes on the Business Office site of MCSquare.
11.3. **Web Orders**

Cardholders are expected to ensure qualifying tax-exempt purchases made via the Internet are executed free of Pennsylvania sales tax. Most Web-based suppliers have links to pages that provide instructions on making a sales-tax exempt purchase. Please note that other charges, such as shipping and handling, still apply.

11.4. **Facilities Purchases**

The primary exceptions to our exemption of Pennsylvania State Sales Tax pertain to items typically purchased by the Facilities department, especially items that are used to construct or replace significant infrastructure of buildings and equipment used to maintain buildings. The intended use of an item is critical to determining taxability. For example, a hammer or saw purchased to maintain real estate would be taxable while a hammer or saw purchased by the art department for educational purposes would be nontaxable. Below are examples for guidance on some of the intricacies of this section of the Pennsylvania tax code.

11.4.1. **Materials and Supplies of a Permanent Nature**

- A furnace to be installed in an existing building **Taxable/Non-Exempt**
- Building blocks to construct a new building **Taxable/Non-Exempt**
- Light fixtures to replace existing light fixtures in a building **Taxable/Non-Exempt**
- Wall-to-wall carpeting to be installed in a building **Taxable/Non-Exempt**

11.4.2. **Materials and Supplies for Routine Maintenance and Repair**

- Paint, paint brushes **Nontaxable/Exempt**
- Light bulbs **Nontaxable/Exempt**
- Floor wax **Nontaxable/Exempt**
- Carpet Shampoo **Nontaxable/Exempt**
- Replacement window panes **Nontaxable/Exempt**
- Cement to repoint bricks **Nontaxable/Exempt**
- Roofing tar **Nontaxable/Exempt**

11.4.3. **Equipment Used for Repair and Maintenance (routine or otherwise)**

- Purchase or repair of a lawn mower or snow blower **Taxable/Non-Exempt**
- Purchase of a hammer or saw **Taxable/Non-Exempt**
- Purchase or repair of a floor polisher **Taxable/Non-Exempt**