



Massachusetts College of Liberal Arts

**Procurement Card  
Policies and Procedures**

**Smart Data**

2022

# Massachusetts College of Liberal Arts Procurement Card Policies and Procedures Table of Contents

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## **Appendix**

Cardholder Agreement

# Massachusetts College of Liberal Arts Procurement Card Policies and Procedures

## 1. Introduction

The Procard provides an efficient and effective method to purchase and pay for consumable commodities of **low dollar value**. The card is a MasterCard credit card, backed by JP Morgan Chase of Salt Lake City, UT.

This user guide provides cardholders with the information they will need to use the card and to understand their responsibilities as cardholders.

## 2. Card Issuance Guidelines

Cards are issued on a **limited** basis to MCLA employees at the approval of the Vice President of Administration and Finance.

Cards are issued to staff who travel extensively as a condition of their work responsibilities or those who manage travel for others (e.g., admission counselors, athletics department staff), and staff who may be required make purchases (e.g., the College treasurer, facilities director, residential program and student activities directors, IT staff) in the course of their duties from vendors who do not accept purchase orders.

In the case of faculty or staff who are issued cards required for travel, the College has the ability to maintain the cardholder's account in an inactive state except at times when the card is activated as part of approved college travel.

In order to be issued a card, an employee must provide information to the program administrator who will fill out a purchasing card application. As part of the application process, the Purchasing Manager determines the monthly transaction limit, the single transaction limit, and the number of daily and monthly transactions allowed by the cardholder.

The vice president of the employee's division must sign off on the **MCLA Cardholder Agreement** (see appendix) before the application is sent to JP Morgan Chase.

In receiving the card, the cardholder agrees to the terms of the MCLA Cardholder Agreement, and to return the card immediately upon request or upon termination of employment, retirement, or change in employment status (e.g., reassignment).

### 3. **No Personal Purchases**

The Procard is designed to be used for purchases **related to college business only**. Use of the card for **personal use is strictly prohibited**. The Administration & Finance office is responsible for monitoring the effectiveness of the Procard Program. If you have any questions regarding the program or the appropriate use of the Procard, please contact William Norcross, Purchasing Manager at 413-662-5529.

### 4. **Procard Purchasing Authority**

The Procard simplifies the process for the purchase and payment of goods. Purchasing authority is delegated to the authorized cardholder in accordance with approved budget and program needs. This enables the cardholder to make purchases directly from vendors. When the goods are purchased or received, the cardholder must retain the receipt, packing list, or other documentation provided by the vendor to demonstrate proof of purchase.

The cardholder will receive a monthly statement from JP Morgan Chase that lists all the cardholder's transactions. The cardholder will reconcile the documentation to the monthly statement.

The cardholder or designated staff also must log into the JP Morgan Chase Smart Data web site to input purchase descriptions and accounting codes.

### 5. **The Authorization Process**

Purchases are authorized according to the limits established for the cardholder's account. All transactions are approved or declined instantaneously at the point of sale based on these limits. The cardholder, with approval from their vice president, may request an increase or decrease on their card limits. Each account includes several predefined limits:

- Daily purchase amount
- Monthly purchase amount
- Daily transaction limit
- Monthly transaction limit

### 6. **Accounts and Object Codes**

Purchases must be aligned with an account line in the college budget. If the budgeted line is expended, no purchases should be made until the budgeted funds are available.

The Procard may **not** be used for purchases against state appropriated accounts (A10, MMARS).

## 7. Restricted Commodities

**Except in circumstances with prior authorization from the Administration & Finance Office, the Procard shall not be used for the following:**

Alcoholic beverages	Insurance
Amazon purchases	IT-related software, licenses, subscriptions, etc.
Big Y purchases	Lease or lease to purchase
Cash advances	Personal items
Contract agreements that require a signature	Prescription drugs or controlled substances
Donations and gifts	Services of any type
Equipment	Walmart
Furniture	WB Mason
Gift cards	Zoom subscriptions
Hazardous materials	

Meal charges require prior authorization from the cardholder's vice president. Evidence of VP approval, such as email approval, should be submitted with the supporting documentation.

## 8. Contract Compliance

The ability to use the card as a convenient and efficient procurement tool does not signal a change in policy regarding compliance with the college contract suppliers. If the desired item is available on an established State, MHEC, or College contract, it is recommended to be purchased from the contract vendor.

The Purchasing Department is authorized to bid for, and issue, contracts that will provide the College with the least total cost arrangements for consumable supplies required from outside vendors.

Information about current contracted vendors may be found online at:

- State Contracts: [www.mass.gov/buy-from-a-statewide-contract](http://www.mass.gov/buy-from-a-statewide-contract)
- MHEC Contract vendors: [www.mhec.net](http://www.mhec.net)

## 9. Procard Activation

To activate the card, the cardholder must call MasterCard at the phone number indicated on the Procard before using the card. MasterCard will verify the caller's identity to ensure they are indeed the legitimate cardholder. Remember that only the cardholder is authorized to use the Procard. The cardholder is responsible for all activity against the card and may not share the Procard with anyone.

## **10. Shipping Instructions**

Tell the vendor that the address label/packing list that accompanies the package(s) must contain the following information:

- Cardholder's name
- Title of the department to which the package belongs
- Building the department is in

**All packages are to be shipped to:**

**Massachusetts College of Liberal Arts  
375 Church Street  
North Adams, MA 01247**

Please note that, by law, vendors are not permitted to bill credit cards for purchases until the items have been shipped and the transaction will not go against your card until that time. In most instances, your card account will be debited within 48 hours after the vendor ships your merchandise.

## **11. Responsibility for Receipt of Goods**

The cardholder is responsible for ensuring receipt of goods and follow-up with the vendor to resolve any delivery problems, discrepancies, or damaged goods.

Upon receipt of your goods, keep the documentation received from the vendor (typically a sales receipt or packing slip) for later reconciliation.

## **12. Responsibility for Return of Goods**

Items(s) should be returned to the vendor by whichever means the vendor requires. The cardholder is responsible for ensuring that proper credit is applied to the card account for any returned item(s) and that evidence of the return is maintained.

### 13. **Cardholder Record Management**

Each month the cardholder will receive a statement from JP Morgan Chase listing all purchases. The cardholder is responsible for reconciling the statement against all supporting documentation to ensure that all purchases have been received and that no additional charges have been made against the account.

#### **It is the cardholder's responsibility to ensure that:**

- All required documentation is accounted for and maintained
- The cardholder's statement is reconciled against the supporting documentation
- The cardholder's limits assigned to the card are not exceeded
- The expenditures on the card are not restricted and do not exceed the funds available in the account assigned to the transactions

The following are examples of supporting documentation:

- Smart Data Expense Report
- Itemized packing slips
- Itemized sales receipts
- Itemized copies of vendor order forms or applications
- Itemized cash register receipts

All records must be sent to the Administration and Finance Office and will be kept available for audit purposes for the current and six previous fiscal years.

Note that use of the Procard does not affect or change the cardholder's personal credit history.

### 14. **Cardholder Review of Account**

Transactions may be viewed daily using the online Smart Data system. The Cardholder shall verify each transaction listed on Smart Data against receipts and any shipping documents.

The original sales documents (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the statement **must** be filed with a copy of the Smart Data Expense Report and monthly statement. This data is critical to enable proper account reconciliation and audit review. **The careful matching of complete supporting documents to the expense report and then to the statement is vital to the success of this program.**

If the Cardholder does not have documentation of a transaction listed on the report, they must contact the vendor to request a duplicate receipt. If the vendor is unable to produce a duplicate receipt, the cardholder must attach a Lost/Missing Receipt Form that

includes a description of the items(s) purchased and business purpose, date and amount of purchase, vendor's name, and reason for the lack of supporting documentation.

#### **15. Cardholder Deadlines**

**It is the cardholder's responsibility to ensure that the following monthly deadlines are met:**

- Smart Data entries must be recorded online by the 5<sup>th</sup> of the month.
- Expense Reports must be received in the Administration and Finance Office by the 15<sup>th</sup> of the month. Expense Reports must be signed and include all transaction receipts, supporting documentation, and the monthly statement.

#### **16. Administrative Review of Account**

Vice president review of the cardholder's account transactions is completed monthly. The vice president will sign the cardholder's monthly expense report indicating acceptance of all charges and acknowledging that all required supporting documentation is attached with the expense report. The President will complete the administrative review for cardholders who do not report to a vice president. Card use is also audited monthly by the Administration & Finance department as outlined in Section 17.

#### **17. Procard Audits**

To ensure the continued success of the Procard Program and to meet audit requirements of the College and various government agencies, monthly post audits will be made of each cardholder's Procard account by the Administration & Finance staff and included in the College's annual external audit review.

#### **18. College Billing**

The Procard Bank shall issue an invoice to the Accounts Payable Office at the end of each billing cycle (last day of the month).

#### **19. Purchasing Card Security**

It is the cardholder's responsibility to safeguard the Procard and account number to the same degree that a cardholder safeguards their personal credit card.

The cardholder must not allow any unauthorized individuals to use the Procard or the card number. Any violation may result in the cardholder having their card withdrawn and/or disciplinary action for the cardholder and/or the unauthorized individual.

If the Procard is lost or stolen, the cardholder must immediately notify the Bank by calling **1-800-316-6056**. Representatives are available 24 hours a day. The cardholder

must advise the representative that the call is regarding a MasterCard Procard and must give a password (contact Administration & Finance at 413-662-5529). The cardholder also must notify their supervisor and Administration & Finance (413-662-5529) of the lost or stolen card.

A new Procard will be promptly issued to the cardholder after the reported loss or theft. A Procard that is found by the cardholder after being reported lost must be cut in half and sent to the Administration & Finance office.

## **20. Cardholder Separation from College**

Should a cardholder terminate employment with the College or transfer between departments, the employee's vice president and/or the Human Resources office has the specific obligation to reclaim the Procard, notify Administration & Finance of the termination, and return the Procard to the Purchasing Manager. Upon this notification, the card will be deactivated by the Purchasing Manager. The cardholder may request a written receipt for the return of the card, which may be in the form of a memorandum from the individual accepting the return of the card.

## **21. Contact Information**

### **Office of Administration & Finance**

**William Norcross**  
Administration & Finance Office  
Massachusetts College of Liberal Arts  
375 Church St.  
North Adams, Ma. 01247  
Phone: 413-662-5529  
FAX: 413-662-5010  
E-Mail: [william.norcross@mcla.edu](mailto:william.norcross@mcla.edu)

### **JP Morgan Chase (The Bank)**

Disputes, lost or stolen cards, account balances, etc.

Customer Service  
Phone: 1-800-316-6056  
Disputes Fax # 1-847-931-8862  
(Ask to be transferred to Disputes)

# Massachusetts College of Liberal Arts CARDHOLDER AGREEMENT

I \_\_\_\_\_ (VP name), request that \_\_\_\_\_ (employee name), an employee in my department/division, be issued an MCLA Procurement Card. I understand that I am responsible for managing the employee's use of the card and agree to review and approve the employee's Procurement Card charges and Smart Data Expense Report monthly, or more frequently as needed.

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VICE PRESIDENT SIGNATURE

DATE

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DEPARTMENT

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VICE PRESIDENT OF ADMINISTRATION & FINANCE SIGNATURE

DATE

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I \_\_\_\_\_ (employee name), understand that I have been assigned an MCLA Procurement Card. As a cardholder I agree to comply with the following terms and conditions regarding my use of the Card.

- I understand that I am being entrusted with a valuable tool - a Procurement Card - and will be making financial commitments on behalf of Massachusetts College of Liberal Arts and will strive to obtain the best value for the College.
- I understand that the College is liable to JPMorganChase for all charges made on the card.
- I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that my vice president will review and approve my card use monthly and that the Purchasing Department will audit the use of this Card monthly and report and take appropriate action, including the attachment of my wages.
- I will follow the established policies and procedures for the use of the Card. Failure to do so may result in either revocation of my use of privileges or other disciplinary actions.
  - 1<sup>st</sup> month with violation(s): a warning email will be sent to the cardholder
  - 2<sup>nd</sup> month with violation(s): 30-day suspension of card. The cardholder and their supervisor must meet with A&F to review violations and future policy adherence before the card will be reactivated.
- I will inform my vice president should I exceed the daily or monthly purchase limit assigned to my card.
- I have reviewed the Procurement Card Procedures and understand the requirements for the Card's use.
- I agree to return the Card immediately upon request, an intercampus transfer, or upon termination of employment (including retirement). Should there be any organizational change, which causes my department to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
- If the Card is lost or stolen, I agree to notify JPMorganChase, my vice president, and the MCLA Administration & Finance Office immediately.

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EMPLOYEE SIGNATURE

DATE

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DEPARTMENT

Please return this agreement to the Purchasing Manager in Administration & Finance