



UNIVERSITY OF NOTRE DAME

ARTS & LETTERS FACULTY CARD POLICIES AND PROCEDURES

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<http://procard.nd.edu>

procard@nd.edu

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I. INTRODUCTION

The Arts & Letters Faculty Card (“Faculty Card”) is designed to provide an efficient way to access supplemental funds made available to Arts & Letters Faculty. Appropriate departmental purchases can be charged to the Faculty Card, which carries a predetermined amount of available credit each fiscal year. All Faculty Card purchases are billed centrally to the University and paid to the card sponsor, Bank One MasterCard. Charges are then applied to draw down the cardholder’s card balance.

The Faculty Card program provides each cardholder with a set amount each year that may be used for various expenditures associated with his/her scholarly work. Typical purchases include supplies, books, or computer equipment. Further, the Faculty Card transfers purchasing authority directly to the cardholder. Rather than require a purchase requisition and purchase order, the Faculty Card enables faculty to quickly and conveniently purchase goods and services from any vendor that accepts MasterCard.

The Faculty Card **can only be used for business expenses**. Since Faculty Card charges are paid directly by the University, no reimbursement to the cardholder is required.

This program provides many benefits to departments and the University, for example:

- ▶ Cardholders can obtain goods and services quickly and efficiently by dealing directly with vendors;
- ▶ Cardholders need not use personal funds for purchases;
- ▶ Purchase requisitions or check requisitions are not required on Faculty Card purchases;
- ▶ Petty cash funds are not necessary to cover Faculty Card purchases;
- ▶ The number of purchase orders, invoices, check requisitions, and checks processed are significantly reduced on a University-wide basis; and
- ▶ Faculty and staff can better focus on value-added activities for the University.

If you have questions regarding these Policies and Procedures, or the Faculty Card program in general, please contact the Faculty Card Administrator at 631-4645 or procard@nd.edu

II. FACULTY CARD PROGRAM

A. How it works

The Faculty Card simplifies the purchasing and payment process by permitting Arts & Letters faculty to place orders directly with vendors using a MasterCard—similar to a personal credit card transaction. 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 Faculty Card transactions and pays this bill directly. Cardholders access the detail of their Faculty Card charges on-line and verify the accuracy and classification of the charges. Cardholders also keep copies of all purchase supporting documentation and record the related business purpose of the expenditures.

Each Faculty Card is assigned to an individual and associated with a specific University account. All charges are recorded to this program account number.

By using the Faculty Card, the cardholder avoids many of the administrative procedures usually required with departmental purchases: purchase requisitions, purchase orders, invoices, receiving reports, and/or check requisitions.

B. Eligibility for a Faculty Card

The Arts & Letters Dean's Office determines which Arts & Letters faculty are eligible to receive a Faculty Card. The Dean's office provides a list of these individuals to the Faculty Card Administrator.

In order to receive their card, Faculty Cardholders must:

- ▶ Personally attend a Faculty Card Orientation Session;
- ▶ Sign a Faculty Card Cardholder Agreement Form; and
- ▶ Read the *Faculty Card Policies and Procedures* and adhere to all guidelines therein.

The Faculty Card may only be used by the individual whose name appears on the card. Cards and card numbers must be safeguarded against use by unauthorized individuals within or outside the University.

Note: A University Faculty Card is not a benefit of employment. The University reserves the right to terminate individual Faculty Card privileges at any time, with or without cause.

C. Cardholder responsibilities

Once approved, the cardholder will receive a Faculty Card assigned to him/her. The cardholder is responsible for the propriety of all charges made to the card and may not assign a card or card number to an unauthorized person.

Note: Since the Faculty Card is paid directly by the University; it is to be used only for University expenses. **Use of the Faculty Card for personal or non-business related expenses is strictly prohibited.**

1. *E-mail notification*

Each day the Faculty Card is used, the cardholder will receive an e-mail detailing all Faculty Card charges for that day. The notice will typically come one or two days after the transaction, and will include the date, merchant name, amount, and default account charged for each transaction.

Note: The transaction e-mail notification has two signature lines at the bottom of the page. *It is not required to have these notification e-mails signed.* Only the e-mailed monthly reconciliation worksheet requires cardholder and supervisor signature. See Monthly Reconciliation, below.

2. *Purchase documentation*

Cardholders now have the authority to directly purchase specific goods and services on behalf of University accounts. However, this privilege also carries the responsibility to **maintain adequate documentation for all transactions on the card**. The documentation should support the description, price, and quantity of the item(s) ordered. Further, it should attest to the receipt of the good(s) and its propriety for University business purposes.

Some vendors may not provide itemized detail (descriptions, quantities, unit prices) on their sales receipts. In such cases the cardholder must obtain documentation of this detail through order forms and/or packing slips. Again, this itemized documentation should include descriptions, quantities and, if possible, unit prices.

Verification documents (see examples below) should be retained and stored in the Faculty Card Envelope—one envelope per month. Faculty Card envelopes are maintained by the cardholder (see section II.C.3.c.—File Faculty Card Envelopes). To obtain more envelopes contact the Faculty Card Administrator at 631-4645 or procard@nd.edu.

Examples of appropriate verification documents are:

- ▶ Detailed sales receipts;
- ▶ Confirming order forms or applications;
- ▶ Service reports when service is provided by a vendor; and/or
- ▶ Detailed packing slips.

Original documentation should be included—copies are generally not acceptable. However, should only a copy be available, this fact must be documented and approved by the cardholder's supervisor.

3. *Monthly reconciliation*

Each month, all Faculty Card holders are required to reconcile Faculty Card purchase documentation to the total recorded via their monthly statement. Reconciliations should be for the monthly period ended on the 25th (the Faculty Card monthly cycle is the 26th through the 25th).

a. Match account monthly statement charges to verification documents

Cardholders will receive a monthly account statement via e-mail for each Faculty Card, usually on the 27th of each month. Each purchase listed on the statement must be supported by the applicable verification documents to ensure all charges are appropriate. The monthly account statement should be signed by the cardholder and supervisor. Again, the documentation must support the business purpose of the transactions. ***If the business purpose may not be easily determined from the verification documents, a brief written explanation should be included.***

b. Complete the Faculty Card reconciliation

The cardholder must review and reconcile the monthly statement using the reconciliation sheet printed on the outside of the Faculty Card envelope (see example at page 14). The Faculty Card envelope, including the signed monthly statement, verification documents, and completed reconciliation, must be submitted to the cardholder's supervisor for review and approval within one week of month end.

c. File Faculty Card envelopes

All Faculty Card envelopes must be maintained on file in the department for **four** complete fiscal years, unless a longer retention period is specified by a federal grant or contract.

Faculty Card envelopes are subject to audit by Audit & Advisory Services at anytime.

Note: For new cardholders, the completed Faculty Card envelopes should be sent to:

Audit and Advisory Services
402 Grace Hall

for the **first four months of activity after card issuance**. Following this period, the envelopes will be returned to the cardholder for retention.

*Please note while you are not required to send Faculty Card envelopes to Audit beyond the first four months, you are required to complete the review/reconciliation steps outlined in a. - c., above, for **each** month there is activity on your Faculty Card.*

d. Misuse of Faculty Card privileges

The Faculty Card is to be used for business purposes only; **personal charges of any kind are strictly prohibited**. Improper use of the Faculty Card may result in disciplinary action up to and including termination of employment. In the event of improper charges to the Faculty Card, the University will seek restitution from the cardholder. Repayment may include deductions from wages or other amounts payable to the cardholder or may require

other steps necessary to permit the University to collect any amounts owed by the cardholder.

4. *Lost or stolen cards*

Lost or stolen Faculty Cards must be reported **immediately**. The University is liable for all Faculty Card transactions until a card is reported lost or stolen, so time is of the essence. In such cases, **cardholders must promptly phone Bank One at (800) 316-6056** (representatives are available 24 hours a day, 7 days a week), call or e-mail the Faculty Card Administrator at 631-4645 or procard@nd.edu.

D. **Responsibilities of supervisor or budget administrator**

Although the cardholder has purchase authority on the Faculty Card, the Supervisor or Budget Administrator (as appropriate) retains responsibility over the budgeted funds. In order to ensure proper oversight over University funds, Supervisors of Faculty Card holders must:

1. *Review and approve purchase documentation*

As discussed above, the cardholder's supervisor/budget administrator (as appropriate) must review and approve the monthly reconciliation and supporting purchase documentation for each Faculty Card. This monthly review should include:

- ▶ Review and sign the monthly Faculty Card Reconciliation Sheet (on the outside of the Faculty Card envelope) within one week of receipt from cardholder. Investigate any unexplained, unusual or significant reconciling items;
- ▶ Review and sign the monthly statement within one week of receipt from the cardholder. Ensure appropriate supporting documentation (as discussed above) has been included; and
- ▶ Ensure completed Faculty Card envelopes are properly filed in the department and maintained on file for **four** complete fiscal years (or longer, if required by a federal grant or contract).

2. *Report termination of cardholders*

Upon the termination of a Faculty Card-holding employee, the supervisor must:

- ▶ immediately notify the Faculty Card Administrator of the termination;
- ▶ obtain the Faculty Card and return it to the Faculty Card Administrator; and
- ▶ secure Faculty Card envelopes from terminated employee to ensure proper record retention.

E. Predetermined available credit

The Faculty Card comes with a balance of available credit for the cardholder to spend down throughout the year. Balances outstanding at the end of the year will carry forward to the next year. When a vendor processes a transaction, it is approved or declined based on the available credit remaining on the card.

Cardholders may confirm the outstanding balance on their Faculty Card by calling Bank One Customer Service at (800) 316-6056.

*Do not use the automated system. Rather, wait for a customer service representative to answer and ask for the “**available credit**” on the card. (If you ask for the “balance” you will likely receive the amount already spent on the card.)*

F. Allowable transactions

Except for certain restricted transactions (see following section), the Faculty Card may be used for all departmental purchases, within the card limits. Typical uses of the card include the purchase of office supplies and services, office equipment, books, copying, and conference fees. The Faculty Card may also be used for purchases at Ave Maria Press and the Hammes Notre Dame (Follett) Bookstore.

1. *Follett Bookstore purchases*

The Faculty Card may be used for departmental purchases from the Bookstore. *The Faculty Card cannot be used for personal purchases from the Bookstore or any other vendor.* Cardholders should indicate that the purchase is a Notre Dame Procard purchase and ensure the appropriate departmental discount is applied (10% on text books, 20% on trade books, and 30% on other merchandise). The departmental discount should apply to all purchases made at the Bookstore.

2. *Office Depot purchases*

Notre Dame has entered into an agreement whereby Office Depot is the University's preferred vendor for office supplies. Faculty Card holders may order supplies from Office Depot over the Internet with a Faculty Card and have the order delivered to them the next business day.

Contact Procurement Services at 631-4BUY to set up a Web account to purchase from Office Depot.

G. **Restricted transactions**

Upon issuance, most Faculty Card accounts are set to reject certain unallowable charges.

In general, the Faculty Card may **not** be used for the following purchases:

- ▶ Alcoholic beverages
- ▶ Animals and animal-related purchases
- ▶ Cash advances/travelers checks
- ▶ Catering services (where a signed contract is required)
- ▶ **Domer Dollars**
- ▶ **Home office/Alternative work site expenses** (unless approved in writing by departmental supervisor and Human Resources)
 - Furniture
 - Cell phone
 - Second phone line
 - Internet service provider–Broadband or DSL computer network connection
- ▶ Gasoline
- ▶ Gift certificates
- ▶ Personal items and services
- ▶ Prescription drugs and controlled substances
- ▶ Radioactive and hazardous materials/chemicals
- ▶ Telecommunications services, including cellular phones and related monthly charges
- ▶ **Travel and entertainment**, for example:
 - Airlines
 - Auto rentals
 - Hotels/Meeting rooms
 - Meals/Restaurants
 - Trains
 - Theaters, clubs
- ▶ Weapons and ammunition

Please note that Faculty Card accounts can be tailored to the specific needs of each cardholder. Thus, allowable transactions can vary from card to card. Requests for exceptions should be made in writing to the Faculty Card Administrator.

Where appropriate, restricted items may be purchased in accordance with established procurement and disbursement policies and procedures (purchase

orders must be issued through Procurement Services, and disbursements processed through Accounts Payable).

Questions regarding restricted transactions should be directed to the Faculty Card Administrator at 631-4645 or procard@nd.edu.

H. **Sales tax exemption**

The University is exempt from sales tax in Indiana and many other states (including Illinois, Michigan, and Ohio). The University's Indiana sales tax-exemption number (0001809245 000 0) is imprinted on the Faculty Card. The cardholder must provide this tax-exempt number to all vendors at the time of the transaction to ensure that no sales tax is charged. If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge and obtain a credit for the sales tax paid.

The Tax Department publishes a complete list of states from which the University has obtained a sales tax exemption. The list, which includes the applicable tax-exempt number, may be obtained on-line at:

http://controller.nd.edu/forms/state_tax_exemption.pdf

If a vendor requires a tax exemption certificate, the cardholder can obtain one from the Tax Department. Please direct your questions or requests for forms to Rick Klee, Tax Director, at 631-3288, or klee.2@nd.edu. Please note the type of purchase and/or particular goods or services, and the vendor's complete mailing address and fax number.

Note: The University's tax exemption **does not** extend to personal purchases made by faculty and staff, even if the purchase will be reimbursed by the University (e.g., AMEX Corporate Card purchases). Use of the University's tax exemption for personal purchases is strictly prohibited.

I. **Placing an order**

The Faculty Card may be used to purchase goods or services via phone, mail, the Internet, or at the vendor's place of business.

When placing an order, please:

- ▶ Provide your name as listed on the Faculty Card;
- ▶ Identify yourself as a Notre Dame employee;
- ▶ Identify that you are making a "corporate" Faculty Card purchase, and that the University directly pays for the purchase;
- ▶ Indicate Notre Dame's sales tax-exempt status and provide the Indiana tax-exempt number listed on the card (see below);
- ▶ Provide the MasterCard number and expiration date; and
- ▶ If applicable, provide your campus delivery address.

Occasionally, someone other than the cardholder may pick up an order. If the vendor asks this individual to sign the credit card receipt, he/she should sign and write “received by” on the receipt.

J. **Disputing a transaction**

The cardholder is responsible for all transactions charged to his/her Faculty Card. Therefore, the cardholder must ensure receipt of goods and services and resolve any delivery problems, discrepancies or damaged goods with the vendor. Returns should be made directly to the vendor according to vendor requirements. The cardholder is responsible for ensuring that proper credit is posted for any returned items.

If the cardholder encounters erroneous charges, disputed items, unprocessed returns (credits), etc. on their Faculty Card, it is the cardholder’s responsibility to resolve the problem with the vendor. If the cardholder is unable to reach agreement with the vendor, they should contact the Faculty Card Administrator at 631-4645 or procard@nd.edu and describe the nature of the problem, the date, and amount of the transaction. *Please note that vendors are not permitted to bill your Faculty Card for purchases until the related items have been shipped.*

K. **Faculty Card audits**

Audit and Advisory Services will conduct regular audits of Faculty Card statements to ensure cardholders and their respective departments adhere to Faculty Card Policies and Procedures. Exceptions noted during these audits will be communicated to the cardholder and his/her supervisor, and the Faculty Card Administrator. These audits will assess adherence to University policies and will specifically examine whether:

- ▶ Faculty Cards are being used only by authorized cardholders for allowed University expenses;
- ▶ Documentation for all charges is appropriate and complete—especially documentation of business purpose;
- ▶ Charges are directed to appropriate general ledger 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.

Failure to adhere to Faculty Card Policies may result in disciplinary measures including suspension or termination of Faculty Card privileges, suspension or termination of employment, and/or legal action in accordance with the terms and conditions of the Cardholder Agreement Form.

New cardholders special audits

New Faculty Card users are required to send their completed Faculty Card envelopes to Audit and Advisory Services, 402 Grace Hall, for **the first four months of card use**. Following the four month trial, AAS will return to the

envelopes to the cardholder. Completed envelopes should then be retained for four years, or longer if required by grants or sponsored accounts.

Remember that reconciliation envelopes must be completed monthly, even after the initial four month trial ends.

L. Canceling Faculty Cards

To cancel a Faculty Card, the cardholder or supervisor should contact the Faculty Card Administrator at 631-4645 or procard@nd.edu. If outside regular business hours, please phone Bank One at **(800) 316-6056** (representatives are available 24 hours a day, 7 days a week).

III. FACULTY CARD FORMS AND SAMPLE VERIFICATION DOCUMENTS

The following forms are associated with the Notre Dame Faculty Card program:

- ▶ Faculty Card Envelope/Reconciliation Sheet (Page 14)

UNIVERSITY OF NOTRE DAME
PROCARD ENVELOPE/RECONCILIATION SHEET

UNIVERSITY OF NOTRE DAME

PROCARD RECONCILIATION SHEET

CARDHOLDER NAME James J. Smith MONTH/YR 12/99DEPARTMENT Controller's Office PHONE# 1-5432CAMPUS ADDRESS 800 Grace Hall BUDGET UNIT # 12345TOTAL CHARGES PER PVS REPORT \$ 224.64TOTAL RECEIPTS ENCLOSED \$ 65.64DIFFERENCE* \$ 159.00

*Represents difference between total receipts and total charges. List and explain components below.

Receipt for \$159 in A.I.C.P.A training material is in-transit from the

A.I.C.P.A and will be added when received

APPROVAL

Susan Johnson
Approving Signature

1/10/2003
Date

Completed Proc card envelope should be sent to Audit & Advisory Services, 402 Grace Hall, for the first four months of card use.