

# NORTHWESTERN UNIVERSITY PROCUREMENT CARD CARDHOLDER GUIDE

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## Overview

Welcome to the Northwestern University (NU) Procurement Card Program. The cardholder assumes responsibilities pertaining to the Program.

Please read this Guide in its entirety before completing the ‘Northwestern University Procurement Card Cardholder Agreement’.

### **The Card Program**

Northwestern supports a procurement environment with multiple tools to facilitate purchasing by departments and schools. The Procurement Card program is one of those tools. It facilitates timely acquisition of materials and supplies and reduces transaction costs.

The Procurement Card Program is designed as an alternative to a variety of processes including petty cash, check requests, and low dollar purchase orders. The Procurement Card Program is not intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the Program complements the existing processes available.

Purchasers should always review the iBuyNU Marketplace, a web-based ordering tool with the most streamlined, cost effective way to order from Preferred Vendors, as their first procurement option when making purchases. If the required goods or services are not available through iBuyNU then other procurement options may be used, such as the Procurement Card Program.

### **Card Information**

The card is a MasterCard credit card that is issued by JPMorgan Chase. This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

### **Personal Responsibility**

The cardholder’s signature on the Cardholder Agreement indicates that he or she understands the intent of the Program and will adhere to the guidelines established for the Program. The card will have no impact on your personal credit. Although the card lists an individual's name, the card is actually issued to Northwestern

University.

Please remember that you are committing University funds each time you use the Procurement Card and you are the person responsible for all charges made to the card, which has been issued to you. Record keeping is essential to ensure the successful use of the Procurement Card. This is not an extraordinary requirement; NU standard purchasing and payment policies require retention of receipts.

Intentional misuse or fraudulent abuse may result in personal liability and or disciplinary action up to and including dismissal from the Program and NU. It may also result in prosecution. The cardholder will be responsible for the repayment of all fees associated with usage of the card, including repayment of fees and penalties associated with unauthorized usage of the card or Program.

**Issuance and Training****To receive the card, the cardholder must first attend a training session conducted by Accounting Services.** The card is usually distributed after the training session. If the card is not available for distribution at the training session, the cardholder must collect and sign for the card at the Procurement Card Office, 2020 Ridge Avenue, Room 111. All renewal cards must also be collected from Accounting Services. A photo identification is required (wildcard or driver's license). The card will not be delivered to a third party. The cardholder may begin using the card immediately upon receipt.

**Prohibited Transactions:**

**Where the Procurement Card May NOT Be Used**

- Any item exceeding the card's pre-established dollar limit
- Cash advances
- Personal use
- Travel and Entertainment - see restrictions below
- Alcoholic beverages – see restrictions below
- Excluded merchant categories

For more information on purchasing policies and procedures, please go to the bottom of the Northwestern University home page and select University Policies. From there select Policies by Category, then Financial Management.

## Obtaining a Card

Current implementation plans require the Dean's Offices in the schools to commit to performing some program oversight, as well as developing a standard reconciliation process within each of their departments. It will ultimately be up to them to decide which of their departments will participate in the program. After you are approved by the school, read this Cardholder Guide, and understand the procedures outlined, you must complete the '*NU Procurement Card Cardholder Agreement*'.

All cards for NU departments are issued at the written request of the Department Head. Cards for Fraternities and Sororities are issued at the written request of the Chapter President or House Corporation Board President, and Sheila Driscoll, Director of Business & Finance for Student Affairs.

The cardholder is responsible for the security of his or her card and the transactions made against the card. When you receive your Procurement Card, sign the back of the card and always keep it in a secure place. Keep a record of the card number and the bank number in a safe place in the event the card is lost or stolen. Although each card is issued in your name, it is the property of Northwestern University and is only to be used for University purchases as defined in this Guide.

## Procurement Card Restrictions

The Procurement Card is NOT to be used for:

- Personal purchases
- Cash advances
- Travel expenses such as airline tickets, hotel accommodations, and car rentals.
- Entertainment expenses.- see special spending categories section below
- Alcoholic beverages may only be purchased for functions hosted by the University and should be charged to object of expense 76727
- Excluded merchant categories - consult the NU Merchant Category Code (MCC) List for the names of excluded merchants

Transaction limit restrictions:

- The maximum transaction limit allowed is \$4,999. Transaction limits higher than \$4,999 require approval from the Controller.
- Under no circumstances should a transaction be split into two separate receipts to bypass the single transaction dollar limit.
- Dollar limit changes for NU departments first require the written approval of the Department Head.

- Dollar limit changes for Fraternities and Sororities first require the written approval of your House Director and Sheila Driscoll, Director of Business & Finance for Student Affairs.

## Special Spending Categories and Policies

Cardholders are required to follow [Purchasing](#) and [Travel, Entertainment and Courtesy](#) Policies of the University. These policies describe allowable and unallowable expenses.

<http://policies.northwestern.edu/policies-by-category.html>

Cardholders should contact the Procard office regarding special purchasing circumstances for guidance in regards to the following spending categories and policies:

- recurring payments to vendors
- holiday party expenses
- recognition dinners,
- allowable meal purchases,
- travel & entertainment purchases
- irregular purchases such as gifts, flowers, taxis and phones.

## Using the Card

Purchasers should always use iBuyNU as their first procurement option when making purchases. If the required goods or services are not available through iBuyNU then the Procurement Card may be used to make the purchase.

Cardholders should be cognizant of the spending limits on their account. A log should be maintained of purchase made in each cycle.

Purchases with the necessary approval are initiated using your assigned card. Contact the supplier and agree to the price, quantity and delivery date. When ordering, inform the supplier that Northwestern University is a tax-exempt organization and therefore not subjected to paying sales tax.

It is required at the time of purchase that you receive a receipt. If the purchase is via phone or mail, ask the supplier to include the receipt with the goods when the product is shipped to you. This receipt is the only original documentation specifying whether or not sales tax has been paid against the purchase.

**It is required that you retain all receipts for your purchases.**

## Tax

Northwestern University is a tax-exempt 501(c)3 organization for research and education. No sales tax should be charged on purchases. **The cardholder should inform the supplier of the tax-exempt number for Northwestern University at the time of purchase.** It is the responsibility of cardholders to ensure that no sales tax is charged on their purchases. If sales tax was charged, the cardholder should immediately contact the supplier to have the sales tax reversed.

Cardholders may obtain a copy of the University's [Illinois Tax Exempt One Time Use letter](#) from the Purchasing Resources Services website. This letter is to be executed by an authorized/approved purchaser within schools/departments. The letter is a Microsoft Word document that can be filled out electronically and printed. If you need an official copy of the State of Illinois letter faxed to a vendor, please contact Purchasing Resource Services. The letter should not be used for personal purchases as it may result in the University losing its tax-exempt status.

## Reconciling Your Account

Monthly, each cardholder will print their statement from the bank website (cycle cut-off date is the 25<sup>th</sup> of each month) identifying each transaction made against the Procurement Card during the billing cycle. The statement must be verified against your retained receipts for accuracy.

A Monthly Transaction Log should be used as a tool to help maintain purchase information and to help reconcile your account. This Log is also required for users who make telephone purchases. The Transaction Log should bear information similar to what is found on Purchase Requisitions (PR), and Travel Expense Reports (T&E). It should give a detailed description of the item(s) purchased, and the reason for the purchase. Departments may create their own Transaction Log using the PR as a guide.

The statement (with attached receipts and transaction log) must be signed by the cardholder as proof of verification and then forwarded to the department head who should also sign the statement as proof of approval.

After proper approval the following records should be held in the department for future review by University personnel: (1) the original monthly statement with proper approvals, (2) the Transaction Log, and (3) the original receipts.

Fraternities and Sororities should forward their statements and receipts to the appropriate office or personnel designated by their House Corporation. **Each account must be reconciled by the 20th of the subsequent month.**

## Supervisor Review of Transactions

All Procard transactions should be reviewed by the cardholder's supervisor in a timely manner. It should be verified that the purchase was appropriate and adhered to purchasing policies. **Cardholder supervisors, who are closest to understanding the exact nature of the purchases, are best suited to review the transactions. Supervisors should familiarize themselves with NU purchasing policies. Training information on purchasing can be found on the [FFRA webpage](#).** The Procard office should be contacted if inappropriate purchasing is identified.

## Resolving Errors and Disputes

In the case of an error, first contact the supplier and try to reach an agreement. Most disputes can be resolved between you and the supplier directly.

If you are unable to reach an agreement with the supplier Contact the Procurement Card administrator for assistance.

## Paying the Bill

The Procurement Card is a corporate pay arrangement. Account balances will be paid in full each month by NU.

Your purchases will be charged via journal spreadsheet upload to the default People Soft chart string, which has been established by your department or house. Grant accounts may not be used as default accounts. Cardholders and Managers with proper access should make account allocation changes online using PaymentNet at <https://www6.paymentnet.com/>. If the upload to People Soft occurs before account allocation changes are made, a journal entry should be completed to move the charges to the correct account.

Departments bear the responsibility of ensuring that accounts attached to their credit cards have adequate funds at all times to cover their card expenses. Failure to do so may result in the closing of the accounts.

Do not send your monthly statement to Accounts Payable with a check request.

## Lost or Stolen Cards

The Procurement Card should be secured, just as you would secure your personal

credit cards. If your card is lost or has been stolen, the cardholder should immediately contact JPMorgan Chase via this toll free number (1-800-270-7760). Advise the representative that the call is regarding a Procurement card.

The cardholder must also notify the NU department head or designated personnel and the Procurement Card Administrator.

Fraternity and Sorority members must also notify the House designated personnel, Sheila Driscoll, Director of Business & Finance for Student Affairs, and the Procurement Card Administrator.

## **Refusal of Card or Account**

Should you be declined at the point of sale for any reason, please contact JPMorgan Chase Customer Service at 1-800-270-7760. This telephone number is also found on the back of the card. Every effort will be made to determine why the transaction was declined.

## **Departmental Changes**

If you transfer to a new department or leave the University, follow normal exit procedures, and notify the Procurement Card Administrator to close the account. Your card should be returned to the Procurement Card Administrator to be destroyed. If you transfer to a new department that is a participant in the Program, you must complete a new Cardholder Agreement.

If you no longer serve as President or Treasurer of a fraternity or sorority, or are no longer a member of the fraternity or sorority, notify Sheila Driscoll, Director of Business & Finance for Student Affairs and the Procurement Card Administrator immediately.

## **Procurement Card Audit Activity**

Your card activity is subject to random reviews including surprise audits by appropriate personnel. The reviews are to help ensure adherence to the Program's policies and procedures.

## **Merchants That Do Not Accept the Card**

The Program is NOT open to all merchants. Merchant category codes (MCC), and not the individual merchants, are included or excluded at the discretion of the NU

Committee. Cardholders have the freedom to purchase from any merchant within an approved category. For example, MCC 7338 applies to merchants doing business as, quick copy, reproduction, and blueprinting services; cardholders may choose to purchase from OfficeMax, Office Depot, or any other merchant within that category.

Should the house or department need to purchase from a merchant that is not on the NU Merchant Category Code list, the group administrator should email request to the Procurement Card Administrator.

## **For Further Information**

The following resources are available to help answer questions, or help solve problems that may arise when using your Procurement Card:

To increase the single transaction or monthly dollar limits for Fraternities/Sororities contact:

**Sheila Driscoll, Dir. of Business & Finance for Student Affairs**      847-467-1893  
**s-driscoll@northwestern.edu**

If your card is declined at the point of sale contact, to handle statement disputes that the cardholders cannot resolve directly with the merchant, or to report a lost or stolen Card, contact immediately:

**JPMorgan Chase Customer Service (24 hour)**      800-270-7760

Also report lost or stolen cards to:

**The President/House Corporation Board President (fraternities/sororities)  
Or Department Head**

AND

**Procurement Card Administrator**      847-491-5340  
Mary K Hallissey

For questions regarding Program procedures contact:

Mary K Hallissey  
Procurement Card Administrator  
Procurement and Payment Services  
2020 Ridge Avenue, Rm 111  
Evanston, IL 60208  
847-491-5340  
email: [m-hallissey@northwestern.edu](mailto:m-hallissey@northwestern.edu)