COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

PURCHASING CARD

Zero Balance Cardholder Procedures

ZERO BALANCE CARDHOLDER PROCEDURES

The Zero Balance Cardholder procedures define the key steps required to purchase authorized goods and services for University business using a zero balance card and properly account for those purchases. Please refer to Section IIa.1. in the Purchasing Card Policy for a detailed description of who is eligible to be a Cardholder.

I. OBTAINING A P-CARD (Cardholder)

Applying for a P-Card

Please Note: At this time, P-Card applicants are being collected in a phased approach. The P-Card staff is not currently accepting individual applications. Please contact your D-PAD if you are interested in a card.

Once the program is open to all users, you will take the following steps to apply for a standard P-Card:

1. Ensure that you meet the Cardholder eligibility requirements outlined in Section IIa.1. of the Purchasing Card Policy.
2. Complete and sign the Purchasing Card Application Form and forward it to your Departmental P-Card Administrator, Dean or Vice President for signature.
3. If you are going to designate a Reconciler to complete the post-purchase processing for your P-Card transactions, complete the Reconciler section of the Purchasing Card Application Form.
4. Fax the completed and signed form to the P-Card staff at (212) 851-0431. Forward the original application to General Accounting. Provide a copy of the form to your Departmental P-Card Administrator and keep a copy for your records.
5. Read, understand, and agree to abide by the Purchasing Card Policy and the Purchasing Policy.
6. Contact the P-Card staff to schedule your mandatory training session once you (and your Reconciler if applicable) have received an e-mail to your University e-mail account that confirms the receipt and set-up of your P-Card.

Please Note: If you do not contact the P-Card staff within 14 days of the e-mail date, your card and application will be cancelled.

Training & Card Activation

Take the following steps to complete training and activate your P-Card:

1. Attend the appropriate training course and successfully complete all course materials.
2. Sign the back of your card and follow the instructions on the sticker on the front of your card to activate it.

Please Note: You will be required to provide the zip code for your work address and your verification number [the month and day of your birthday (mmdd format)] to activate your card with the bank.

Securing P-Card Information

Please remember that you are responsible for all activity on your card. Keeping your information secure reduces the risk of fraudulent activity. Take the following steps to secure your P-Card:

1. Keep your P-Card and any account information in a secure place. Do not post the information at your

desk or write it in any place that is accessible by others.

2. Do not give your P-Card to anyone else to use. You are the only authorized user of the P-Card.
3. Be aware of fraudulent e-mails. **Phishing** and **spoofing** e-mails happen when criminals send phony e-mail messages to obtain personal and financial information. Unsuspecting recipients will reply or click on a link contained in the email and then provide sensitive personal information. **DO NOT OPEN THESE E-MAILS. Delete these e-mails immediately.** The University, Bank of America and Works Payment Manager will never send an e-mail requesting personal information.
4. If you believe your P-Card has been lost, stolen or compromised, follow the steps for reporting a lost or stolen card outlined in Section V - Card Maintenance.

II. USING THE P-CARD (Cardholder)

Policy Note - Section II.1. - *The Cardholder is the only person authorized to use the card issued to him or her. The P-Card must ONLY be used for University expenses in accordance with Columbia University Purchasing Policy (http://cpmcnet.columbia.edu/dept/purch/pdf/pcardPolicies.pdf). Any other use is prohibited. All transactions on the P-Card are the responsibility of the person to whom the card is issued.*

Prior to Making a P-Card Purchase

The following steps are recommended before making a P-Card purchase:

1. Obtain departmental authorization for the purchase.
2. Determine whether the P-Card is the appropriate method for that purchase.
3. Verify that you are using a University Preferred Vendor http://cpmcnet.columbia.edu/dept/purch/pv_list.html in accordance with P-Card Policy located at http://cpmcnet.columbia.edu/dept/purch/pdf/pcardPolicies.pdf
4. Determine that the price quoted is the best you can obtain and that the vendor applies Columbia University discounts to the purchase.
5. Confirm that the total transaction amount (including all shipping, handling, postage, freight, etc.) will not exceed your card's limits.
6. Inform the vendor that the University is Tax Exempt and supply the Tax Exempt number or form located at http://cpmcnet.columbia.edu/dept/purch/pdf/taxExempt.pdf

Creating a Purchase Request

Take the following steps to create a Purchase Request:

1. Choose 'Purchase Request' from the 'Create' drop down list and click 'Go'.
2. Type in the 'Request Name', a description of the purchase and the required accounting allocation(s). Do not complete the Vendor and PO Number fields.
3. Under 'Goods/Services' section, enter 'Description' and 'Amount' for purchase request.
4. Under the 'Allocation' section, enter 'Description' for purchase request.
5. Select 'Allocate by Amount' or 'Percentage' and enter amount.
6. Click on 'GL Assistant' to assign accounting codes (if applicable).

7. Click 'Submit' and review the 'Request Details' to ensure the information is correct.
8. Click 'Print' to print the screen or click 'Close' to close the screen.

Please Note: Your Approver will receive an email notifying him or her that there is Purchase Request requiring approval.

Purchasing with a P-Card

Once your Approver has approved your purchase request, you will receive an email to your University email account. You may now make the purchase for which you have an approved purchase request. The P-Card can be used to purchase goods and services in person, on the phone or on the internet. Please remember that you will need to provide sufficient documentation for all purchases to your Approver for approval of your transactions. **For phone orders**, request a fax or e-mail copy of the invoice or receipt with transaction details that include description, purchase price, etc.

Policy Note –
Section II.2. *A receipt generally includes the following information: purchase date, vendor name, item(s) description, quantity, unit price and total charge. If this information is not on the receipt, the Cardholder should write that information on it. A receipt can be in the form of a cash register receipt, a detailed packing slip for goods, a copy of an order form (i.e. for subscriptions or conference registrations), a web receipt or an email acknowledgement from the vendor.*

Section II.3. *Occasionally, the Cardholder may make a purchase over the phone for goods that are to be delivered or services that are to be provided to someone other than the Cardholder. In these circumstances, the Cardholder may not have a physical receipt from the vendor. The Cardholder should document the details about the purchase (date, vendor name, item(s) description, quantity, unit price and total charge) and sign the document.*

Vendor Card Acceptance Issues

If a vendor does not accept Visa cards, please contact the P-Card staff at pcard@columbia.edu.

Please Note: According to the rules and regulations that Visa has established with their vendors, a vendor is prohibited from charging a higher price or setting a minimum charge amount for Visa credit card transactions. If a vendor insists on either of these violations, notify the P-Card staff at **pcard@columbia.edu** or (212) 851-2743.

III. RETURNS AND/OR CREDITS (Cardholder)

Take the following steps to return goods purchased with a P-Card or to obtain a credit:

1. Contact the vendor immediately to determine if the vendor will accept the return and to arrange for the return and refund to the card.
2. Explain to the vendor that the only credit that you can accept is a direct credit to the card that you used to make the original purchase.
3. If you are unable to resolve the issue with the vendor, follow the steps in Section IV – Disputes to dispute the transaction.

Other situations where a P-Card may need to be credited include:

- Transaction goes through more than once
- Goods are not received
- Wrong goods are shipped
- Wrong amount of goods is shipped
- Sales tax was charged by a state where the University qualifies for Tax Exempt Status

4. Allocate the credit to the correct accounting string the same way you would a regular transaction. See Section VI. below for the appropriate steps to follow.

Policy Note – Section III.1. *The only type of refund that a Cardholder should accept is a direct credit to the card that was used to make the original purchase. This policy prohibits any other type of credit or refund including cash.*

IV. DISPUTES (Cardholder)

Once you have made a good faith effort to resolve a problem with a vendor, and you have not reached a resolution, you may dispute the transaction through Bank of America.

Please Note: Disputes must be filed with Bank of America no later than 60 (sixty) days after the transaction date. It may take several months to resolve a dispute so it is very important that all conversations with the vendor be documented completely (date, time, vendor representative's name, and a summary of the conversation).

Disputing a Transaction

Take the following steps to dispute a transaction:

1. Call Bank of America at 1-888-449-2273.
2. Complete the Commercial Card Statement of Disputed Item(s) (CCSDI) Form as soon as possible after attempting resolution with the vendor.
3. Fax the completed form to Bank of America's Commercial Claims Department to the number on the form. Generate and retain a copy of the fax transmission report with the CCSDI form.
4. File the documents related to this dispute and keep dispute documentation on-site for one year and off-site for six years.
5. During Bank of America's investigation, they will issue a provisional credit to the P-Card account in question for the disputed amount. When the investigation is complete, the bank will notify you of the resolution. If you are not satisfied with this resolution, please contact the P-Card staff immediately.
6. If you subsequently need to cancel the dispute, call Bank of America at 1-800-300-3084.

Please Note: You may be contacted by the Commercial Claims Department at Bank of America to provide more information. It is important to respond to all inquiries from the bank in a timely manner in order to preserve the claim. You may call Bank of America at 1-800-300-3084 to check on status of the dispute or if you have questions concerning the dispute.

V. P-CARD MAINTENANCE (Cardholder)

Reporting Lost or Stolen Cards

Take the following steps to report a lost or stolen card:

1. Report the lost or stolen card to Bank of America at 1-888-449-2273 immediately.
    a. Complete the Lost or Stolen Card Notification Form and submit it to Bank of America.
    b. The bank will immediately close your account and open a new one for you. The bank will make every effort to have the new card issued to you within one week.
2. Contact the local police department and complete a police report – if necessary.
3. Report the stolen card to the P-Card staff by emailing pcard@columbia.edu.
4. Notify your Approver and Departmental P-Card Administrator via email.
5. Follow the Disputes procedure in Section IV if you notice any suspicious or unauthorized activity on your card.

Replacing a Damaged Card

You should ONLY follow this procedure when your current card has been damaged and no longer works. This process is not for lost or stolen cards.

1. Complete and sign the 'Request Replacement Card Form' (form under development) and fax it to the P-Card staff.
2. The P-Card staff will notify you when they have entered the request.
3. The bank will send the new card directly to you. If you do not receive the new card within two weeks of your request, contact the P-Card staff.
4. Sign the card on the back and follow the instructions on the sticker on the front of the card to activate it. You will be required to provide your verification number [the month and day of your birthday (mmdd format)] to activate your card.
5. Once the bank confirms the card is active, peel the label from the front of the card. Your card is now ready for use.
6. Forward your old card to your Departmental P-Card Administrator who will destroy it.

Changing Card Limits or Cardholder Profile Information

Take the following steps to make changes to your profile:

1. Complete and sign the P-Card Card Maintenance Form (form under development)
2. Send it to your Departmental P-Card Administrator and Dean for approval. Fax the approved request to the P-Card staff.
3. The P-Card staff will notify you when the changes are complete and effective.
4. The P-Card staff will notify you via e-mail if changes cannot be made with an explanation.

Changing Employment Status

Take the following steps if you are leaving the University or moving to a new department:

1. Immediately notify the P-Card staff at pcard@columbia.edu that your employment status is changing.
2. Hand deliver your card to your Departmental P-Card Administrator.

Policy Note – Section V.1. *If a Cardholder transfers to another department, the P-Card must be turned over to* *the Departmental P-Card Administrator and the account will be closed. The department will be held responsible for all charges made on the card until it has been canceled and the Purchasing Office has been notified. If a Cardholder needs a P-Card in his or her new department, he or she should follow the procedures for establishing a new Cardholder.*

Renewing Your Card:

You will automatically be re-issued a new card one to six weeks prior to the expiration date on your card in accordance with P-Card Policy. If you do not receive a new card within that period, contact the P-Card staff immediately.

1. Once you receive the card, sign the card on the back and follow the instructions on the sticker on the front of the card to activate it. You will be required to provide your verification number [the month and day of your birthday (mmdd format)] to activate your card.
2. Once the bank confirms the card is active, peel the label from the front of the card. Your card is now ready for use.
3. Destroy the old card by cutting it up into small pieces and discarding them.

VI. P-CARD TRANSACTION RECONCILIATION (Cardholder)

The Cardholder should take the following steps to review, reconcile, and assign accounting to transactions.

Policy Note – Section VI.1. *The Cardholder or Reconciler should review all transactions for accuracy, reconcile with invoices/receipts/records, assign proper accounting, and approve/send for approval as quickly as possible after the purchase but at a minimum of once per week.*

Reviewing Transactions (Cardholder and Reconciler)

You will receive an email to your Columbia University e-mail account indicating that a transaction has posted. Take the following steps to review your transactions:

1. Log in to Works Payment Manager.
2. Select the row with 'Sign Off' in the 'Action Required' column to view your transactions.
3. Select a transaction, find the matching receipt and ensure that the University has received the goods.
4. Compare the information in each of the columns with the corresponding receipt.
5. If the business purpose is not obvious, add a 'Comment' to explain the reason for the purchase.
6. If the transaction in Works does not match what is on the receipt, or if the University has not received the goods, contact the vendor immediately and try to resolve the issue. If you are unable to resolve the issue with the vendor, follow the steps outlined in Section IV- Disputes.
7. If the vendor charged sales tax, ensure that it has been entered correctly on the 'General' tab. Then follow the steps outlined in the Changing Accounting Allocation on Transactions Procedure to allocate the sales tax to the tax subcode.

a. If the Tax Status is ‘Sales Tax Included’ but the ‘Sales Tax Total’ is $0 (zero), enter the tax paid into the ‘Sales Tax Total’ field. This will automatically adjust the ‘Taxable Total’ field.

b. If the vendor only charged tax on part of the transaction, check the ‘Adjust Taxable Total’ box and enter the taxable amount shown on the receipt into the ‘Taxable Total’ field.

Policy Note – Section V1.2. *The Purchasing Office will run sales tax reports on an annual basis and coordinate with the Office of the Controller to file for refunds where they have not been provided by the vendor.*

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8. Click ‘Attach’. Choose the Purchase Request that goes with that transaction and click ‘Attach’.
9. The allocation information that you entered on the Purchase Request will overwrite any default accounting information. Select the ‘Allocation’ tab and verify that the transaction is allocated to the correct Account, Department and Subcode and that there is a meaningful description in the ‘Description’ field.
10. <u>If the accounting is correct</u>, click ‘Sign Off’. This will generate an e-mail to the Approver indicating that a transaction is ready for approval.

Policy Note – Section VI.3. *The P-Card may be used (with DPAD approval) to make small purchases of food from local restaurants or grocery stores for consumption at a work-related meeting or class on campus or in a faculty residence. Such purchases should not include catering services that involve execution of a contract by the University and/or provision of labor by a vendor at an event. The P-Card should not be used to purchase food while traveling on University business or for meals eaten in a restaurant or eating establishment. For all food purchases* ***the following information <u>MUST</u> be entered in the Card Management System [in the Comment field]:***

- ***Purpose of the event or meeting***
- ***Type of meal (breakfast, lunch or dinner)***
- ***Date, time and location of the event or meeting***
- ***Names of attendees (or a number if there are more than 10 names)***

All such purchases should be consistent with the University’s policies with respect to cost per person and any other related provisions.

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11. <u>To detach a purchase request,</u> select the transaction for which you wish to remove the purchase request and click ‘Detach’.
12. <u>If the accounting is not correct</u>, follow the Changing Accounting Allocation on Transactions Procedure below.
13. Attach and/or print receipts on an 8.5 x 11 piece of paper in preparation for review and faxing and give them to your Approver for his or her verification.

Please Note: All transactions must be ‘signed off’ even if they have already been posted to the Financial System. If you and your Approver do not ‘Sign Off’ on a transaction, then your available funds will be reduced by the amount of the unapproved transaction until it is approved.

Additionally, when you sign off on a transaction, you are confirming that the University has received the goods that you purchased.

Changing Accounting Allocation on Transactions

Take the following steps to change the assigned accounting on a transaction:

1. Log in to Works Payment Manager.
2. Select the row with 'Sign Off' in the 'Action Required' column to view your transactions.
3. Select the transaction you wish to reallocate, find the matching receipt and ensure that the University has received the goods.
4. Select the 'Allocation' tab then select the accounting line and click 'Add/Edit'
5. Indicate whether you are allocating the transaction by percentage or by amount.
6. Add the number of lines required for allocation, if any. Enter a description of the purchase in the 'Description' box along with the amount/percentage you want to allocate to that line. If the accounting total does not equal the transaction amount, you will not be able to 'Sign Off' on the transaction.
7. Select 'GL Assistant' under the item you wish to change and then select 'Reset All' to clear all the fields.
8. Select the correct 'Department', 'Account #', and 'Subcode'.
    a. The subcode 8660 has been created for sales tax.
    b. <u>If the vendor has charged tax for an item or service purchased for a grant account</u>, allocate the sales tax to the Account 446218 in Department 074-01-91.

Please Note: Account numbers for transaction allocation are designated according to DAF authority. The list of valid account numbers will be updated in Works daily, but the DAF feed to Works will occur weekly.

9. Click 'Finish' and 'Save' the entry.
10. If all other information is correct, click 'Attach'. Choose the Purchase Request that goes with that transaction and click 'Attach'. If everything looks correct, click 'Sign Off'. This will generate an e-mail to the Approver indicating that a transaction is ready for approval.

Please Note: When you sign off on a transaction, you are confirming that the purchase is for a legitimate, University business purpose and that the University has received the goods that you purchased.

Allocating a Transaction to a Foreign Account

If a transaction needs to be allocated to an account to which you do not have DAF authority, email your Accountant to notify him or her of the details of the transaction you need to have reallocated. Your Accountant will allocate the transaction as needed and notify you via email when the transaction has been processed.

Please Note: DO NOT 'sign off' on a transaction that needs to be allocated to a foreign account until after you have received notification from the Accountant that he has processed the transaction. You will not be able to change the accounting so you will just 'sign off' on it.

IV. RECEIPT MANAGEMENT

It is the Cardholder's responsibility to maintain receipts that document the nature and cost of all purchases made via P-Card in a manner that supports ready access for review and reconciliation with the Card Management System and the University's financial systems by departmental managers, the P-Card Office, Internal Audit, the University's financial auditors, and federal or other auditors, etc.

Filing Receipts

The Purchasing Office requires Cardholders to keep original receipts for a minimum of three months on-site and six years off-site. The Cardholder should retain all receipts in accordance with the departmental and University receipt procedures as well as any applicable federal requirements. Receipts may be filed according to project, FAS account, date, Cardholder or any other data element that is relevant to the Department. All receipts should be filed in a manner that ensures they can be readily retrieved and associated with the transaction for audit purposes.

Regardless of how a department chooses to file their receipts, when receipts are requested by the P-Card staff, they should be presented organized by date, account, Cardholder or some order that facilitates reconciliation with the bank's payment management system. All numbers and letters must be legible and originals are preferred although scanned or photocopied receipts are acceptable. Requests for receipts from the prior 12 months should be fulfilled within 72 hours.