

MEMORIAL UNIVERSITY PURCHASING CARD

REFERENCE GUIDE

FEBRUARY 2020

TABLE OF CONTENTS

Contents

INTRODUCTION	3
YOUR MASTERCARD PURCHASING TEAM	3
OVERVIEW	5
TO OBTAIN A CARD	6
SUPERVISOR DUTIES	7
CARDHOLDER DUTIES	7
CUSTOMER SERVICE REPRESENTATIVE DUTIES	8
GENERAL INFORMATION	9
HOW THE PROGRAM WORKS	10
SOME BUILT-IN RESTRICTIONS	11
INSTRUCTIONS TO VENDORS	12
CARDHOLDER STATEMENT	12
PAYMENT	13
IF YOUR RECORDS DON'T AGREE WITH YOUR STATEMENT	13
LOST OR STOLEN CARDS	14
MERCHANTS WHO DO NOT ACCEPT THE CARD	14
SUMMARY	15
EMPLOYEE ACKNOWLEDGEMENT	16

Last updated February 20, 2020

INTRODUCTION

The Purchasing Card Program is designed to enable departments to make purchases and payments **according to Memorial University Purchasing Policy Guidelines**. The program will significantly reduce costs associated with purchasing processes and accounting transactions.

The Memorial University Purchasing Card Program is not intended to avoid or bypass appropriate procedures. Instead, it actually complements our organization's existing purchasing and payment guidelines. Unlike personal credit cards, the Memorial University Purchasing Card incorporates controls over certain expenditures such as Travel, Entertainment and Fixed Assets. These controls ensure that the program can be used only with specific types of vendors and within specific dollar limits.

Cardholders are asked to use the cards as responsibly and carefully as they would their personal credit cards. Although accounts are issued in an individual's name, **the charges incurred are the liability of Memorial University**. As such, cardholders eliminate the need for personal fund expenditures, petty cash or reimbursements.

YOUR MASTERCARD PURCHASING TEAM

The Purchasing Card team is a network of people from both BMO and Memorial University. Together, we work to ensure that the program runs smoothly and adapts to the University's changing needs. We also help you manage your individual account and answer any questions you may have.

Plan Administrators

Debbie Collis, Director
Financial & Admin Services
Phone: 864-8222
Fax: 864-7909
E-Mail: dcollis@mun.ca

Cheryl Whitten, Associate Director
Financial & Admin Services
Phone: 864-8221
Fax: 864-7909
E-Mail: cheryl.whitten@mun.ca

Plan Coordinators

Jillian Kean
Accounting Clerk
Phone: 864-4576
Fax: 864-7909
E-Mail: keanj@mun.ca

Back-up

Nicole Codner
Staff Accountant – Accounts Payable
Phone: 864-4392
Fax: 864-7909
E-Mail: a17nmc@mun.ca

You can also call BMO Customer Service which provides service 24 hours a day, 365 days a year for cardholders: answering questions about account balances, lost or stolen cards, emergency card replacement, the dispute process, and other miscellaneous problems.

SUMMARY CONTACT/INFORMATION

Customer Service

1-800-844-6445

Lost or Stolen Card Reporting

Canada/US: 1-800-361-3361
International (Call collect) 514-877-0330

If further information or help is needed, please call the Plan Coordinator for assistance.

OVERVIEW

The purpose of Memorial University's Purchasing Program is to establish a more efficient, cost-effective method of purchasing and paying for transactions. The program is designed to replace a variety of processes including petty cash, direct pays, expensed purchases and certain purchase orders.

This program is not intended to avoid or bypass appropriate purchasing procedures. There is to be no splitting of orders or purchasing production material (re: inventory item for resale). **The program is not intended to replace our current travel and entertainment program.** Memorial University continues to use the American Express Card and enRoute for its current travel and entertainment program.

All cards are issued at the request of your Dean, Director, Department Head, Executive Director, or Principal and card usage may be audited and/or rescinded at any time. **You Are The Only Person Entitled To Use Your Card! The Card Is Not To Be Used For Personal Use.** You are responsible for the security of your card and the transactions made against the card.

This booklet provides the guidelines under which you may utilize your Purchasing Card. Please read it carefully. Your signature on the Cardholder Acknowledgement when you receive your card indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement -- standard reimbursement policies require retention of receipts and, as with any credit/charge card, common sense suggests the retention of receipts for your protection.

As with any new process, it is difficult to anticipate every question or issue regarding the program. Suggestions for improvement or change will be important. Please keep the implementation team informed!

Remember you are committing Memorial University funds each time you use the Purchasing Card, so it is of utmost importance that you treat this program with the same sense of responsibility and security you would use with your personal credit card(s).

TO OBTAIN A CARD

We strongly recommend that you read this booklet in its entirety before requesting your Purchasing Card. The booklet provides information about the process, the types of purchases that can and cannot be made, who will accept the card, records that must be maintained and reconciled monthly and miscellaneous information about the program.

After you have read this handbook and understand the procedures outlined, complete an Employee Card Application (available on this site or electronically from Jillian Kean, keanj@mun.ca). The Company Name, City and Province have already been entered in the required fields. Your Department Name, Building and Room # must be entered appropriately. In the Accounting Code Field, list the appropriate 20-digit FOAPAL account you expect to use most often. **(Please remember: Do not leave any spaces or use any punctuation when entering this number.)**

Your Department Supervisor must indicate approval by signing the application in the "Approving Manager's Signature" field **and specifying a Single Transaction and Monthly Credit Limit**. All applications should then be sent to Jillian Kean, Plan Coordinator, Financial & Administrative Services.

After the application has been received and approved by the Plan Administrator, it will be processed. Cards normally take about 10 days to two weeks to process and will be delivered to Financial & Administrative Services. When the cards arrive, cardholders will be notified that they can drop by to Rm: A2022, Arts & Administration Building, Disbursements Section to pick up the card and complete the "Employee Acknowledgement Form". When you receive your card, check to make sure all information is correct, sign the card immediately, and call the 800 number to activate. If you find a mistake call the Plan Coordinator immediately to have it corrected.

The Purchasing Card will expire every three years. Replacement cards will be sent to you directly. Upon receipt of the new card, it is your responsibility to destroy your old card.

Although the card is issued in your name, it is the property of the University and is only to be used for University purchases as defined in this document. **Always keep it in a secure place!**

The reverse side of the card includes a space for the cardholder's signature. It **MUST** be signed as soon as the card is received to prevent unauthorized use.

NOTE: The card must be activated BEFORE it can be used. To activate a card the cardholder must call BMO and use the activation code "Memorial".

SUPERVISOR DUTIES

Supervisors should review the Monthly Reconciliation Statements (electronic form) for accuracy and completeness. They should also ensure all FOAPALS are correct. Supervisors are employees who can approve the expenditures made by cardholders.

- Ensures that the Monthly Reconciliation Statement and attached receipts are reviewed and approved for compliance with University policy.
- Ensures that FOAPALS are correct prior to the recording in the University's Banner Finance System.
- Ensures that approval of the electronic version of the purchasing card transactions are approved in a timely manner.
- Ensures accounts are updated as quickly as possible.
- Ensures cardholders are utilizing the purchasing cards in accordance with University policy.
- Notifies Financial & Administrative Services of any issues or discrepancies.

CARDHOLDER DUTIES

Cardholders are employees who are issued Purchasing Cards. Cardholders should review the Monthly Reconciliation Statements for accuracy and completeness. They should also attach all receipts and any other pertinent documentation to the reconciled statement.

- Maintain card security to prevent unauthorized charges against the account. Use it only for purchasing of items in accordance with University policies.
- ALWAYS obtain a receipt at the point of purchase and verify it for accuracy. Retain receipts and MasterCard charge slips, and keep a record of card purchases. Reconcile receipts to the BMO Spend Dynamics Monthly Reconciliation Statement.
- **Call BMO's Customer Service representative immediately regarding lost or stolen cards. Notification is required to release Memorial University from liability for charges incurred by someone other than the cardholder.**
- Notify BMO's Customer Service representative immediately of any billing discrepancies posted on the Monthly Reconciliation Statement that cannot be resolved with the vendor. BMO will place these charges in dispute until they are resolved. Note, while disputed items

are not subject to payment in the current billing cycle, they do remain in the cardholder balance and their available credit will reflect the disputed amount.

- Forward the reconciled statement and all associated receipts/charge slips to the Supervisor who can approve your transactions. **You must forward original documents.**
- Notify the Plan Coordinator of name, telephone, address and division/department changes.
- Upon termination or change of employment any outstanding reconciliation must be completed and the card must be returned to Jillian Kean, Financial and Administrative Services requesting cancellation.

CUSTOMER SERVICE REPRESENTATIVE DUTIES

BMO's Customer Service Representatives provide 24 hour telephone support to individual cardholders at 1-800-844-6445.

- Offer individual cardholders a full range of telephone information services.
- Provide 24-hour service seven days per week; after 8:00 p.m. (EST) Monday to Friday. On weekends, service is limited to card activation, lost/stolen reports and declined authorization situations.
- Manually authorize card reorders.
- Take damaged card reorders.
- Provide account balances.
- Provide available balance information.
- Answer credit limit inquiries.
- Provide general account information.
- Take duplicate statement requests.
- Receive lost/stolen card reports.
- Process disputes.
- Receive name and address changes.
- Resolve problems.
- Activate new cards.

GENERAL INFORMATION

- The program helps to eliminate the use of petty cash, direct pays, local purchase orders, cheque writing and use of personal funds reimbursed by expense report.
- The program is NOT intended to avoid or bypass appropriate purchasing or payment procedures. Rather, the program complements the existing processes available.
- The program is NOT intended to replace our travel and entertainment program.
- The card is not to be used for personal use.
- The card is not to be used for ANY purchase from another University Department (i.e. Bookstore, Computer Purchasing Centre, Facilities Management Stores, etc.)
- The program can be used for both in-store as well as for mail, phone, Internet or fax orders.
- The Purchasing Card may be used at any vendor or supplier who accepts MasterCard.

You are responsible for the security of your card and each transaction made with the card. The card is issued in your name and it will be assumed that any purchases made with the card will have been made by you. A card used out of compliance with the guidelines established for this program will result in severe consequences, up to and including termination of employment.

Examples Where the Purchasing Card May Be Used

- Subscriptions, seminars, books.
- Laundering of uniforms, lab coats, etc.
- Miscellaneous maintenance or laboratory supplies.
- Office supplies (not available under Central Purchasing Authority stationery contract).
- Software.
- Vehicle repair for field personnel.
- Gasoline purchases for field work in areas where MUN gasoline credit card is not available.

Examples Where the Purchasing Card May NOT Be Used

- Any merchant or product normally considered to be inappropriate use of University funds.
- Capital equipment including Furniture and/or Equipment with an individual item cost greater than \$2,500.00 (before taxes).
- Travel, entertainment and accommodations.
- Stock items available through University warehouses or departments. Purchases are not permitted from ANY University department. (i.e.: Bookstore, Computer Purchasing Centre, Facilities Management Stores, etc.)
- Sympathy, congratulations, flowers, etc.
- Cash Advances are strictly prohibited.

Blanket Orders

Although items secured through blanket orders and negotiated contracts are not to be purchased through this program, specific accounts may be established with the help of the Plan Administrator to release goods and pay goods using this program for the below listed purchases.

- Consumable supplies.
- Small tools.
- Safety and first aid equipment.
- Building and maintenance supplies.
- Goods for resale to external parties.

HOW THE PROGRAM WORKS

To make a purchase using a Memorial University Purchasing Card, a cardholder simply follows these general procedures for any type of card purchase. The same basic procedures are followed for mail and phone order purchases, although the vendor may request additional information such as the cardholder's billing address.

Credit card regulations require that merchandise be shipped before a card purchase can be processed. Cardholders should advise their vendors that full billing cannot occur until full shipment is made. This may prevent subsequent billing problems and disputes. Of course, if a partial shipment is made, billing for only that portion of the shipment may be processed.

1. The cardholder presents merchandise and the card to the vendor.
2. After totalling the merchandise, the vendor processes the card information through an electronic terminal to obtain authorization. In some instances, merchants will employ the more traditional manual imprinters and authorization will be handled by a voice response telephone call.
3. The vendor requests authorization for the purchase.
4. The authorization is transmitted electronically to BMO through MasterCard's telecommunications network. BMO verifies the cardholder account and determines if the purchase is within spending control limits. In approximately 10 seconds, an approval, decline or referral is transmitted back to the vendor's bank or processor and on to the vendor.
5. When an approval code is received, the cardholder verifies the sales total and signs the sales draft. The cardholder then receives the merchandise, the card and one copy of the completed sales draft.

6. At the end of a business day, the vendor batches and sends the transactions to the processing bank for processing. The vendor's bank electronically transmits the sales draft information to BMO who then applies the charges to the appropriate cardholder account.

7. At the end of each month, BMO will notify Cardholders having transactions for that month by E-Mail that the files showing all charges up to and including the 25th of that month are available for viewing and reconciliation on the BMO Spend Dynamics Website. In the event that the 25th should fall on a weekend or holiday the statements may include charges up to midnight of the next business day after the 25th.

SOME BUILT-IN RESTRICTIONS

Each card has been assigned an individual credit limit for both single and monthly purchases. The limit is based on previous purchasing activity. If you find over time that the limit is too low to accommodate your monthly requirements, please contact your Dean, Director, Department Head, Executive Director, Executive Assistant, Administrative Staff Specialist, etc., to re-evaluate your limit. If they agree it would be appropriate to raise your limit, they should contact the Plan Coordinator by e-mail requesting the necessary adjustments to the Single and/or Monthly limits. The Plan Coordinator will then increase the limits as requested on-line through the BMO website. These limit increases are usually effective within 24 hrs from the receipt of the request from the departmental representative. The Bank cannot change your credit limit without the approval of the Program Administrator or Coordinator.

If you have an unusual, one-time transaction which will exceed your existing limits, notify your Supervisor, who will e-mail a request for a one-time increase to the Plan Coordinator.

Some vendors have been "blocked" from usage in the program - Hotel's, Vehicle Rental Agencies, Airlines etc. If you present your card to any of these vendors, the transaction will be declined. It is likely that any vendor you currently utilize as a source for products or services will accept your card. If you are declined and feel the decline should not have occurred, you may contact BMO Customer Service by calling 1-800-844-6445 to determine if you were declined because of merchant blocking or having exceeded the monthly credit limit or single-transaction dollar limit imposed on your card.

Please note transaction limits will be strictly enforced and you will be declined at point of sale if you attempt to purchase items from the blocked list, or exceed the individual transaction amount or monthly limit (Even if the limit is exceeded by only 1¢).

INSTRUCTIONS TO VENDORS

Cardholders should ensure that vendors are aware of the following:

1. Vendors should bill only for items shipped. Items back ordered cannot be billed until the goods have been shipped.
2. Vendors should include the receipt with the goods when the product is shipped if the goods are ordered by phone, fax or mail.
3. Vendors mailing in an invoice should be instructed to write "MASTERCARD" and the cardholder's name, as the customer reference, in order to avoid duplicate payment.

CARDHOLDER STATEMENT

Each cardholder must reconcile their monthly MasterCard statement and supporting invoices to information viewed on the BMO Spend Dynamics website. After all necessary changes have been made, the cardholder will print a cardholder statement from the website. The statement must be signed by the cardholder and supervisor, indicating departmental review and approval. All original documents will be forwarded to the attention of Nicole Codner, Staff Accountant, Accounts Payable, Financial & Administrative Services, where they will be audited and stored.

Monthly Purchases

MEMORIAL UNIVERSITY Bank of Montreal Account Statement

BMO Statement for **[REDACTED]**
 Statement Period 08/26/2018 to 09/25/2018 Printed On: 10/09/2018

Current Balance: \$148.47
 Previous Balance: \$62.37

Trans Date	Trans Detail						Receipt	Amount(CAD)	
Fund	Organization	Account	Program	Activity	Location	Requisition	Tax Code	Tax Amt	Tax Excl. Amt
09/10/2018			Manna European Bakery				<input checked="" type="checkbox"/>		\$ 117.11
100001	10000	78801	4100	-	-	-	No Tax	0.00	\$ 103.30
100001	10000	78801	4100	-	-	-	All Tax	0.00	\$ 13.81
Purchase Manna European Bakery									
09/11/2018			Sobeys 744 Qps				<input checked="" type="checkbox"/>		\$ 31.38
100001	83002	70001	4103	-	-	-	No Tax	0.00	\$ 27.63
100001	83002	70001	4103	-	-	-	All Tax	0.00	\$ 3.73
Purchase Sobeys 744 Qps									
08/27/2018			Payment				<input checked="" type="checkbox"/>		\$ -82.37
100001	83002	70001	4103	-	-	-	NL: HST	-8.14	\$ -54.23
Payment									
* Indicates a personal transaction									Total Amount: (CAD) \$ 86.10

Payments

Net Purchases

PAYMENT

The Purchasing Program carries corporate, not individual, liability. A central billing statement from MasterCard will be paid by the Accounts Payable Department. You will not be required to pay your monthly Reconciliation Statement using your own funds. The program does not impact your personal credit rating in any way.

It is required, however, that you retain all receipts of goods and services purchased! If you purchase via phone, fax, or mail, ask the vendor 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 tax has been paid against the purchase.

Since actual payment from a central invoice will be made by Accounts Payable, card activity will be audited.

IF YOUR RECORDS DON'T AGREE WITH YOUR STATEMENT

There may be occasions when you find items on your statement that do not correlate with the entries in your log or your retained receipts. For example, you may not have made the transaction, the amount of the transaction is incorrect, or you have a quality or service issue.

Your first recourse is to contact the vendor involved to try to resolve the error. If the vendor agrees that an error has been made, your account will be credited for the appropriate amount. Highlight the transaction in question on your log as a reminder that the item is still pending resolution.

If the vendor does not agree that an error has been made, contact BMO's Customer Service at 1-800-844-6445. State that you would like to dispute a charge on your card giving all pertinent details. Any charge you wish to dispute must be identified within 30 days of the statement date. Disputes will then be resolved by BMO within 90 days. Disputed amounts are deducted from the Central Summary Bill, but remain a part of the total account balance until resolved.

You are responsible for the transactions identified on your statement. If an audit is conducted on your account, you must be able to provide receipts and/or proof that the transaction occurred. If an error is discovered, you are responsible to show that the error or dispute resolution process has been invoked.

LOST OR STOLEN CARDS

The Purchasing Card is University property and should be secured just as you would secure your personal credit card(s). If your card is lost or has been stolen, notify the Plan Coordinator, and contact BMO Customer Service immediately! The number to call is 1-800-361-3661 in Canada/US or Collect 514-877-0330 for International calls.

Customer Service Representatives at BMO are available to answer your calls 24 hours a day, 365 days a year.

Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce the University's liability for fraudulent charges.

MERCHANTS WHO DO NOT ACCEPT THE CARD

Anyone from whom you currently purchase goods or services should be considered a potential vendor of the MasterCard Purchasing Program -- even if they don't accept Purchasing Cards today. The program is not restricted to retail merchants only!

We do not endorse MasterCard or any of its associated banks specifically, but we can encourage merchants to become involved in the MasterCard Purchasing Card Program so that cardholders can use the program most effectively.

Vendors may contact their local bank or financial institution to become MasterCard capable, or they may contact the provider for the Purchasing Card Program, BMO at 1-800-844-6445 for assistance.

Most of these institutions will be able to set a vendor up to process all types of charge card transactions, so that this form of payment may be accepted from any company or individual using a charge card.

SUMMARY

- You will not be charged a maintenance fee, service or annual fee for the use of the card.
- Vendors are paid as soon as your transaction is deposited to their account.
- The program is designed to be simple and easy to use, providing you the goods needed to perform your job more quickly and with fewer steps to accomplish the task. But, we also need to maintain appropriate controls to ensure the ongoing success of the program.
- We ask you to exercise good judgment and act responsibly when using your card. The card is issued in your name and all activity will be assumed to have been incurred by you. We ask you always retain your receipts for each and every purchase you make with your card!
- In addition, audits will be conducted for both card activity and retention of receipts/sales slips. Consequences, ranging from suspension of cards to termination of employment, will be invoked for improper use of the program.
- Your feedback regarding this program is important! We need to know if you have issues, and we welcome suggestions for improvement.
- We continue to improve the way we conduct business. Your use of this program in conducting your daily business can help us make a significant change in eliminating a variety of manual transactions. If you have any questions about the program or need additional information, please contact the Program Administrator or Program Coordinator.

BMO PROCUREMENT CARD EMPLOYEE ACKNOWLEDGEMENT

1. The Memorial University Purchasing Card is intended to facilitate the purchase and payment of materials required for University business. I cannot use the Card for personal purchases.
2. Use of the Card not authorized within this procedure can be considered misappropriation of University funds. This could result in (a) immediate and irrevocable forfeiture of the Card; (b) disciplinary action which may include termination of employment.
3. I understand that the Card must be surrendered upon termination of employment, whether for retirement, voluntary separation, resignation, dismissal or transferred to another department. I may also be requested to surrender the Card for reasons not related to my own personal situation. (For example, if the Card program is terminated.)

4. I will maintain the Card with appropriate security whenever I may use the Card. If the Card is stolen or lost, I agree to immediately notify BMO and the University's Program Coordinator using the steps outlined in this procedure. I understand that when I follow the procedure as outlined, I relieve Memorial University and myself of liability for fraudulent use. If I fail to abide by the lost or stolen card procedure as outlined in this procedure, I will be responsible for any charges made against my Card.
5. The Card is issued in my name. I will not allow any other person to use my Card.
6. I understand that since the Card is Memorial University property, I am required to comply with internal control procedures designed to protect University assets. This may include being asked to produce the Card to validate its existence and account number and produce receipts and statements to audit its use.
7. I Understand that since I am responsible for all charges on the Card (but not for payment), I will resolve any discrepancies by either contacting the merchant or BMO and the University Program Coordinator. I understand that I will be required to obtain a copy of the cash register receipt and/or packing slip for ALL purchases against the Card and keep them for the purpose of completing the monthly reconciliation. I understand that I then must verify these receipts to the monthly statement on the BMO Spend Dynamics Website, print off the reconciled statement, attach all supporting documents, sign the statement (below the stamp), and have it approved by my Dean, Director, Department Head, Executive Director, Principal, Executive Assistant or Administrative Staff Specialist, after which the statement and all supporting documents will be forwarded to Nicole Codner, Staff Accountant, Accounts Payable, Financial & Administrative Services, where they will be audited and stored.

8. I understand that all charges will be billed directly to and paid directly by Memorial University of Newfoundland. I understand that BMO cannot accept any payment from me directly. Therefore, any personal charges made against my card will be billed to Memorial University and will be considered misappropriation of University funds.
9. I understand that the charges made against my card are automatically assigned to the Departmental Cost Centre assigned to the Card as specified by management. This code cannot be changed without management involvement, and when changed, will not affect any charges made prior to the change and instead, will affect only future charges. I agree to charge only those purchases consistent with the type of purchase authorized by my Supervisor.
10. I understand the card is not necessarily provided to all employees. Assignment of a Memorial University Purchasing Card is based on my understanding that I need to purchase material required for University activities. My card may be revoked based on change of assignment or location. I understand that the card is not an entitlement nor reflective of title or position.

Employee Signature:

Employee Printed Name:

Card Number:

Date:

Expiry Date:

Employee E-Mail Address:
