

VISA PROCUREMENT PROGRAM CARDHOLDER'S GUIDE May 2015

VISA OVERVIEW

Welcome to Illinois Institute of Technology's implementation of the PNC Bank VISA Procurement Program. This procurement card program is to be used to procure low-value products. Some typical examples of purchased items would include job-related travel expenses, books, subscriptions, classes or seminars, office supplies, computer accessories, day planners, materials and tools, general services, etc.

Many items that are usually processed using check requests, petty cash or low-dollar purchase requisitions would be candidates for VISA use. The card may not be used for cash advances, capital equipment*, consulting services or hazardous materials.

*Capital equipment is usually defined as a single equipment product with a unit purchase price of more than \$2500 excluding freight.

Benefits

Users will be able to obtain goods and services much faster and easier than before. Paperwork and processing in Procurement, Accounts Payable, and the user's department will be sharply reduced. Unfunded, irregular, and unauthorized small dollar purchases will be controlled and eliminated. Also, users will be able to complete eligible ecommerce transactions on the internet.

Controls

IIT's PNC Bank VISA Procurement Program uses internal management controls, as well as features and reports from PNC's system, to manage and audit the process to ensure that procedures are followed.

TABLE OF CONTENTS

Procedures Pages 1-4

- 1.0 Obtaining a VISA Card 2
- 2.0 Guidelines for Card Use 2
- 3.0 Consequences for Failure to Comply
With Program Guidelines 2
- 4.0 General Instructions 2
- 5.0 Audits 3
- 6.0 Credit Card Security 3
- 7.0 Duplicate Statement Request 4
- 8.0 Returns, Credits, and Disputed Items 4
- 9.0 Control Mechanism within VISA Card 4

Questions and Answers Page 5

1.0 OBTAINING A VISA

Call your IIT VISA Program Administrator (listed below) and request a Procurement Card Cardholder Account Form. Complete the form, have your supervisor approve it, and return it to the Program Administrator.

Only those departments and individuals with a proven history of financial responsibility are eligible to participate in the IIT Procurement Card program.

Upon approval by the program administrator your VISA application form will be processed with the bank. The VISA will be sent to the administrator, who will then provide you with instructions and important information for using VISA. After signing the IIT/ PNC Bank VISA User Agreement, the card will be given to you. Congratulations, you can now purchase within the PNC Bank VISA procurement program at any merchant that accepts VISA!

The IIT/VISA Program is administered by:

Procurement Card Administrator
Purchasing Department
3424 S. State Street
TC-4A7-2
312-567-7992 or pcard@iit.edu

2.0 GUIDELINES FOR CARD USE

VISA use is intended for low value authorized expenses purchases that benefit IIT. Your VISA may be used for various types of purchases, primarily goods, including:

**Conference and Travel
(may be above \$2,500)**

**Other
(\$2,500 limit)**

Trade show registration, Computer & office supplies
seminar fees (job-related) ,Professional journal
subscriptions, Hotel reservations, Classroom Books
Auto rental, Quick print & copy services
Airline reservations, Messenger services

You may **not** use the IIT VISA for any of the following:

- Purchases of Gift Cards
- Any purchase of services that fall under policy E.6. Insurance Requirements for Third Parties including Bus Charters
- Postage Stamps
- Construction related services
- Leases, rentals, repeating periodic service agreements
- Hazardous and nuclear materials
- Purchase of animals
- Capital equipment (beyond \$2,500)
- Items for resale
- Non-travel purchases in excess of \$2500
- Fuel purchases for personal vehicles

Use of your VISA for personal purchases, cash advances or cash refunds is strictly prohibited!

NOTE: Use of the card for EBay and PayPal:

Purchases from EBay are allowed using PayPal or via direct charge to the card with these requirements:

- The Purchasing Cardholder must identify the Seller on eBay before making an authorized business purchase through eBay or PayPal (if used in conjunction with eBay).
- The complete Seller information must be printed from eBay or PayPal, or the Purchasing Card cardholder must receive an email response from the Seller that includes: Seller's full name and complete address (including state/country) for the itemized invoice.
- The Purchasing Card cardholder agrees to review the "Seller information page" in eBay before making a University business purchase.
- If the Seller information page reflects a negative or problem seller rating, or if the Seller refuses to identify the necessary information

required, the Purchasing Card cardholder is not permitted to bid on or purchase the item(s) in question.

3.0 CONSEQUENCES FOR FAILURE TO COMPLY WITH PROGRAM GUIDELINES

- Permanent revocation of card
- Assignment of wages
- Notification of IIT's Public Safety Department to investigate the matter further
- Possible legal action

PROCEDURES

4.0 GENERAL INSTRUCTIONS

4.1 Determine if the required transaction value is of the appropriate value (see 2.0). If it is **not**, process the requisition through the Purchasing Department.

4.2 Choose a supplier

4.2.1 Order item(s) or request service(s). Be sure to give merchant or vendor any issued customer account number. The account number is required to obtain any trade discounts and value-added services. You can obtain IIT FOAP information and representative names on Banner Finance Self-Service.

4.2.2 Give the VISA number and expiration date.

4.2.3 Request supplier ship goods "prepaid and add", "freight allowed" or "free shipping". You will avoid a 3rd party freight bill! Also indicate "inside delivery" whenever necessary.

4.2.4 **Important**

Give the supplier your complete address, department name, room or building number and user name.

4.2.5 Confirm pricing and confirm that no Illinois Sales Tax was charged. This card is coded "non-profit" tax exempt for

Illinois. Request that the supplier encloses a copy of the sales slip, including the listing price of each item and the total invoice amount, with each shipment.

4.2.6 Please verify that the vendor has all of the correct information before finalizing the order.

4.3 Keep a copy of the charge slip, sales receipt, or any other information related to your purchase; you will need it when your statements arrives

4.4 Reconcile your monthly card statement with your receipts. The information statement you receive is for reconciliation review and audit file purposes only. The bill is paid automatically.

4.7 Maintain all documentation in a safe place within your department and available for audit for a period of seven years .

4.8 In the case of returns, VISA holders are responsible for coordinating returns directly with the supplier. See section 8.0

5.0 AUDITS

To ensure the continued success of the VISA Procurement Program and to meet IIT's audit requirements, periodic audits of a cardholder's transaction file and monthly summaries will occur. The primary purpose of the audit is to ensure that the correct information is being captured and available to support the appropriateness of purchases made with the procurement card. Also, audits are conducted to ensure the procedures are being adhered to. Additionally, the bank will send a daily report of all transaction activity to the IIT/VISA program administrator and that information will be reviewed.

6.0 CREDIT CARD SECURITY

The VISA should always be treated with at least the same level of care that you treat your own personal credit cards.

6.1 Storage of the VISA

Keep your VISA in an accessible but secure location. You as the cardholder, should be the only one using the card. Therefore, it should only be accessible to you.

6.2 Account Number

Guard the VISA account number carefully! Do not post it at your desk or write it in any other place that is easily accessible to others.

6.3 Sharing (or use by someone other than the cardholder)

The only person entitled to use the VISA is the person whose name appears on the face of the card. Do not lend your card to another person for use.

6.4 Lost or Stolen Cards

If the VISA is lost or stolen you must immediately notify the bank by phone.

PNCBank: 1-800-685-4039

You must also notify the Program Administrator immediately.

IIT/VISA Procurement Program Administrator
312-567-7992

The card will be automatically suspended and a new card will be sent to the Program Administrator.

7.0 DUPLICATE STATEMENT REQUEST

To get duplicate statements or copy of the actual record of a charge you may call 1-800-685-4039, 8 a.m. to 5 p.m., on normal business days. Please note: A fee will be assessed for each request.

8.0 RETURNS, CREDIT, & DISPUTED ITEMS

If you have a problem with a purchased item or billing resulting from the use of the VISA, you should try to reach a resolution with the supplier directly. Professional courtesy should be used as other staff and employees are using the services of these merchants as well.

8.1 Returns

If you need to return a purchased item for any reason, request a return goods authorization number from the supplier. Ensure that this authorization number is listed and recorded on all documents. Always place a copy of the return document inside your shipping carton before sealing and returning.

8.2 Credits

The supplier or merchant should issue credit for any item that has been discussed and agreed to for return. This credit will usually appear on a subsequent statement.

8.3 Disputed Items

If you cannot resolve a disputed issue with the merchant, a Billing Inquiry Form must be submitted within 60 days of the date the charge first appeared on your monthly statement. The form is available at: http://www.iit.edu/policy_procedures/forms/purc_visa_cardholders_document.pdf and should be sent to: PNCBank Corporate Products PO Box 2859, Kalamazoo, MI 49003-2859 or via Fax: 269/973-1688 Email: billinginquiries@pnc.com Phone 800/685-4039

9.0 CONTROL MECHANISMS WITHIN VISA

Our VISA is a special type of credit card that allows control of use in the following ways:

- Number of times a cardholder can use the card per day
- Number of times a cardholder can use the card per month
- Maximum dollar amount of a single transaction
- Total spending limit per month per card holder
- Total spending limit per month per organization
- Type of merchant used
- Type of products purchased

QUESTIONS & ANSWERS

WILL OUR VISA HAVE ANY IMPACT ON THE CARDHOLDER'S CREDIT REFERENCE?

No. Our VISA is a corporate liability card, not a personal liability card. Please remember you signed an agreement with IIT prior receiving your card, and as such, you are responsible for any abuse as outlined in this document.

HOW WILL I KNOW IF A CREDIT CARD IS APPLICABLE FOR MY AREA OF RESPONSIBILITY?

Consider the following:

- Do you or your staff require placement of many small dollar purchases
- Do you make frequent will call pick-ups at local suppliers?
- Do you frequently need to buy goods and services using a check request or cash?
- Do your suppliers accept VISA as means of conducting purchase transactions?

FOR WHOM CAN A CARDHOLDER PURCHASE?

The Card holder whose name appears on the VISA may purchase for any employee who reports to the department associated with the card.

WHAT CAN BE PURCHASED USING VISA?

The VISA should only be used to purchase items or services that are for IIT's use, with the following categories being exceptions for which the VISA may NOT be used:

- Capital Equipment
- Construction services
- Cash advances, cash refunds, gift cards
- Consulting services
- Service contracts

HOW ARE CHARGES ALLOCATED TO THE CORRECT DEPARTMENT AND ACCOUNTS?

Each VISA is assigned to an individual IIT department.

Charges will automatically be allocated to the cardholder's department.

WHICH MERCHANT CAN BE USED ?

Your credit card is a VISA Product. As such any merchant that accepts VISA can accept this product.

WHAT IF THE CARDHOLDER LEAVES THE UNIVERSITY

If a cardholder plans to leave the university, the VISA should be immediately returned to the IIT/VISA Program Administrator. The Program Administrator should also be notified by e-mail.

WHAT IF THERE IS AN ERROR ON THE STATEMENT OR OTHER PROBLEMS

In case of an exception or disputed charge you should first contact the merchant. Most exceptions or issues can be resolved between the cardholder and the supplier. If you cannot resolve a disputed issue with the merchant, a Billing Inquiry Form must be submitted within 60 days of the date the charge first appeared on your monthly statement. The form is available at: http://www.iit.edu/policy_procedures/forms/purc_visa_cardholders_document.pdf and should be sent to: PNC Bank Corporate Products PO Box 2859, Kalamazoo, MI 49003-2859 or via Fax: 269/973-1688 Email: billinginquiries@pnc.com Phone 800/685-4039