

MASTERCARD PROCUREMENT PROGRAM CARDHOLDER'S GUIDE November 2008

MASTERCARD OVERVIEW

Welcome to Illinois Institute of Technology's implementation of the JP Morgan Chase Bank MasterCard 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 MasterCard 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 Chase Bank MasterCard Procurement Program uses internal management controls, as well as features and reports from Chase's system, to manage and audit the process to ensure that procedures are followed.

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1.0 OBTAINING A MASTERCARD

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

The IIT/MasterCard Program is administered by:

Andrea Stigger
Purchasing Department
3300 S Federal Street, 201 Main Building
312-567-7992 or astigger@iit.edu

2.0 GUIDELINES FOR CARD USE

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

**Conference and Travel
(may be above \$1,000)**

**Other
(\$1,000 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 MasterCard for any of the following:

- Contractual commitments
- Use of general contractors
- Leases, rentals and service agreements
- Hazardous and nuclear materials
- Capital equipment (beyond \$2,500)
- Items for resale
- Non-travel purchases in excess of \$1000

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

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 MasterCard 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, MasterCard holders are responsible for coordinating returns directly with the supplier. See section 8.0

5.0 AUDITS

To ensure the continued success of the MasterCard 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/MasterCard program administrator and that information will be reviewed.

6.0 CREDIT CARD SECURITY

The MasterCard 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 MasterCard

Keep your MasterCard 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 MasterCard 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 MasterCard 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 MasterCard is lost or stolen you must immediately notify the bank by phone. You must also notify the Program Administrator immediately.

JP Morgan Chase Bank: 1-800-316-6056

IIT/MasterCard Procurement Program Administrator:

Andrea' Stigger

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 1-800-316-6056, 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 MasterCard, you should try to reach a resolution with the supplier directly. Professional courtesies 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, write a letter **within 60 days** of the date the charge first appeared on your monthly statement to:

JP Morgan Chase Bank Corporate Products

Dispute- Department 3B

P.O. Box 2015

Elgin, IL 60123

Cc: IIT/MasterCard Procurement Program Administrator

Phone: 1-800-316-6056 Fax: 847-931-8861

9.0 CONTROL MECHANISMS WITHIN MASTERCARD

Our MasterCard 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 MASTERCARD HAVE ANY IMPACT ON THE CARDHOLDER'S CREDIT REFERENCE?

No. Our MasterCard 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 MasterCard as means of conducting purchase transactions?

FOR WHOM CAN A CARDHOLDER PURCHASE?

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

WHAT CAN BE PURCHASED USING MASTERCARD?

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

- Capital Equipment
- Cash advances, cash refunds
- Consulting services

HOW ARE CHARGES ALLOCATED TO THE CORRECT DEPARTMENT AND ACCOUNTS?

Each MasterCard 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 MasterCard Product. As such any merchant that accepts MasterCard can accept this product.

WHAT IF THE CARDHOLDER LEAVES THE UNIVERSITY

If a cardholder plans to leave the university, the MasterCard should be immediately returned to the IIT/MasterCard 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 reach an agreement with the supplier, contact the bank at its customer service center (1-800.316.6056) from 8 a.m. to 5 p.m. daily. The staff is experienced in dealing with irregularities and should be able to help you.