



RHODE ISLAND SCHOOL OF DESIGN CARDHOLDER USER GUIDE

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INTRODUCTION

Welcome to the Rhode Island School of Design (RISD) Procurement/Purchasing Card (PCard) and Travel and Entertainment (T&E)/Corporate programs. Used properly, the PCard and T&E cards are tools that offer an efficient payment method for the purchase of eligible goods and services in support of the College.

This user guide outlines the benefits of the card programs for the cardholder, the department, and RISD, and provides you with information needed to use the card.

DISCLAIMER: THIS IS A LIVING DOCUMENT. This document discusses policies/procedures meant to establish an operational reference point. As data is gathered and risks assessed, the policies/processes on this document will be revised as needed and any and all updates will be communicated to the RISD community. We understand that no policy can account for every single scenario we may encounter. If a situation arises where an exception to the policies/procedures outlined on this manual is required, a letter of authorization from the Senior Vice President Finance & Administration or his delegate will be required.

THE PROCUREMENT CARD

The procurement card (also referred to as the PCard) is designed to delegate limited purchasing authority, and to provide cardholders the ability to quickly and conveniently acquire approved goods and services directly from vendors that accept the VISA credit card. All users should refer to the expenditure guidelines, policies, and procedures of the College, before using the procurement card.

THE TRAVEL AND ENTERTAINMENT CARD

The Travel and Entertainment Card (also referred to as the Corporate Card) is the primary payment method for travel and entertainment expenses incurred by RISD employees. Paid employees who take at least two business trips per year and/or incur in entertainment expenses totaling \$4,000.00 or more per year as part of their job duties are strongly encouraged to apply for a Travel and Entertainment Card.

Both cards are to be used for purchases related to College business only. Use of the card for personal purchases is strictly prohibited. The Procurement Services Department is responsible for monitoring the effectiveness of these programs. If you have any questions regarding the programs, or the appropriate use of the card please contact epro@risd.edu, 401-427-3776.

BENEFITS TO THE CARDHOLDER

- Goods and/or services can be paid directly to the supplier
- Provides an efficient means for the purchase and payment of select goods and services
- Web tool (Workday) is provided to review transactions, and assign GL account codes
- Primary auto rental insurance and travel insurance are provided through the T&E/Corporate Card

BENEFITS TO THE COLLEGE

- Reduces the number of requisitions, purchase orders, invoices, and checks
- Allows Procurement and Accounts Payable to work more efficiently with end users
- Central tool for program administration

BENEFITS TO THE SUPPLIERS

- Permits payment in as few as two business days, improving cash flow
- Eliminates unnecessary invoicing and collection activities

WHO CAN ACQUIRE A CARD?

Only RISD employees who are authorized by their division's cost center manager may acquire a RISD Procurement Card.

Paid employees who take at least two business trips per year and/or incur in entertainment expenses as part of their job duties totaling \$4,000.00 or more per year may acquire a Corporate Card.

A request form for either RISD card may be obtained on the Procurement page of info.risd.edu. Return the completed form to Procurement Services for processing.

Please note: A request does not guarantee the issuance of a card. A benefit to the College must be established to warrant the issuance of a card. The designated RISD employee must complete cardholder training and sign the "Cardholder Agreement".

HOW THE PROGRAM WORKS

Each cardholder is required to keep the card secure and is responsible to use it for purchases within the acceptable parameters of the program. All suppliers currently accepting VISA should accept the procurement card. Please inform Procurement if any vendor will not accept the card.

The cards may be used to purchase items in person at the supplier site or over the telephone or Internet. The amount that can be spent; per transaction, per day, and per month are established based on preconfigured RISD amounts.

When placing an order on the phone or over the Internet, you should supply the following information:

- Identify yourself as a RISD employee
- Cardholder name
- Individual card number
- Expiration date of the card
- Tax-exempt status and number
- Delivery address
- Any other information necessary to make the purchase

Each procurement card is associated with a RISD employee. It is the cardholder's responsibility to review each transaction for accuracy, including appropriate spend category. Each card transaction will appear on the settlement web-tool (Workday), and will be reflected on your department's financial reports.

An itemized invoice or receipt is required for each transaction made. A receipt is defined as an invoice, cash register receipt, or sales slip, with dollar amounts, ship-to address and the name and location of the supplier. If a receipt does not include descriptions, then descriptions must be noted. An employee of the vendor must sign handwritten receipts.

Purchases Made in Person

Itemized receipts are retained in addition to the credit card copy to properly substantiate the purchase. (i.e., restaurant purchases should include both the detailed receipt and signed charge receipt).

Faxed, Mailed, or Telephone Purchases

Cardholders are responsible for obtaining a valid receipt.

Internet Purchases

At least one of the following types of documentation is required:

- Print-out of the completed online order form.
- Print-out of the online order confirmation.
- Print-out of the email confirmation.

The cardholder will also need to indicate the business purpose on each receipt including “who” (i.e., names of the people who attended the function), “what” (i.e., what was purchased, if not readily apparent from the receipt), and “why” (i.e., why the expense was incurred and the connection to RISD such as donor relations, recruitment, etc.). Receipts for travel and entertainment expenses should also include “where” (to-and-from travel info, and/or city where the expense took place), and “when” (dates of travel).

TAX EXEMPTION

Rhode Island School of Design is a non-profit, tax-exempt educational organization. The RI sales tax exemption number (#66) appears on each card. RISD is also tax exempt in Massachusetts (E050258956) and New York (EX176126). The cardholder should alert the vendor at the time of the transaction to exempt payment of state sales tax. A copy of RISD’s tax exemption certificate is available on the Accounts Payable page of info.risd.edu. It is the cardholder responsibility to ensure that taxes have not inadvertently been charged to the card. If a cardholder is found to have paid sales tax on a tax exempt purchase, it is the cardholder’s responsibility to obtain reimbursement from the vendor. If a vendor will not accept RISD’s state tax exemption, please notify the card administrator.

TRAVEL AND ENTERTAINMENT EXPENSES

When using the travel and entertainment card, please follow all current RISD policies and procedures. A copy of the current Business and Travel Expense policy can be found on the Accounts Payable or Procurement pages at info.risd.edu.

Reasonable travel expenses, essential to the performance of official RISD business, may be charged to the card. Spousal or companion travel arrangements must be arranged using personal credit cards or other payment methods, not the RISD card.

Entertainment expenses charged to RISD must be in RISD's interests. Federal law requires that anyone entertaining a guest on behalf of the College, identify the people being entertained and a detailed business purpose justifying the expense. Entertainment includes, but is not limited to, expenses incurred for meals. Cardholders must list all participants and the business purpose on the card receipt. It should be noted that policy dictates that travel and entertainment expenses must be prudent in nature. For example, first class airfare is restricted.

ACCOUNT TRANSACTION RECONCILIATION

PCARD TRANSACTIONS

Cardholders must review their purchases in the settlement system (Workday) as soon as possible. Transaction reconciliation must be completed weekly. It is the cardholder responsibility to review, obtain, and include/upload appropriate back-up documentation (sales receipts, invoices, packing slips, or other proofs of purchase to ensure receipt of all goods charged) as part of the account reconciliation process. The goods should be easily identifiable on the proof of purchase. All receipts should be to the credit card transaction for the purchase listed on the receipt, or transaction on the settlement system. Failure to do so may result in card cancellation. Upon reconciliation, all supporting documentation will be saved in the settlement system. If for some reason the cardholder cannot provide an appropriate receipt for a transaction, they must provide a [missing receipt affidavit](#). All cards are subject to audit

by Procurement Services.

CORPORATE CARD TRANSACTIONS

Cardholders must review their purchases in the settlement system (Workday) as soon as possible. Transaction reconciliation must be completed weekly. It is the cardholder responsibility to review, obtain, and include/upload appropriate back-up documentation for all transactions as part of the account reconciliation process. The expenses should be easily identifiable on the proof of purchase. All receipts should be to the credit card transaction for the purchase listed on the receipt, and the transaction on the settlement system. Failure to do so may result in card cancellation. Upon reconciliation, all supporting documentation will be saved in the settlement system. If for some reason the cardholder cannot provide an appropriate receipt for a transaction, they must provide a [missing receipt affidavit](#). All cards are subject to audit by Procurement Services.

MISUSE OF CARD

The daily/monthly/per transaction limits on your card are designed to minimize risk to RISD and ensure appropriate and auditable financial controls are in place. If you need to purchase goods or services that are above and beyond your credit card limit, alternative purchasing processes should be pursued (e.g., a requisition/PO). "Splitting" a transaction in order to circumvent authorized spending limits is not permitted. Split transactions occur when a single item costing more than the cardholder's single transaction limit is broken into two or more transactions to bypass the policy on transaction limits. The cardholder is responsible for ensuring the vendor does not split a transaction.

The procurement card is not to be used for the following commodities:

- Personal purchases*
- Personal Memberships (such as Amazon Prime, BJ's)
- Capital Expenditures
- Independent Contractors
- Consultants
- Payments to Individuals (e.g., honoraria)
- Computer Systems
- Controlled substances, tobacco or e-cigs
- ATM Cash advances (unless otherwise authorized)
- Donations
- Gas for personal vehicle use
- Firearms
- Casinos
- Luxury items
- Gift Cards**

Cardholders who do not comply with the prescribed guidelines risk disciplinary procedures. The privilege to possess a RISD card could be suspended or revoked permanently. Restitution may be required in cases of improper documentation and/or authorization. Based upon the severity of misuse, disciplinary measures may include termination and legal action.

If you are unsure if the procurement card is an appropriate method of paying for goods or services or have any questions concerning the use of the card epro@risd.edu, 401-427-3776.

*If the offense is found to be accidental, the cardholder will be required to refund the cost to the College. More than one accidental use may result in card suspension leading up to card privileges being terminated and the card being revoked. If the offense is found to be fraud, the cardholder could face termination and possible criminal charges.

**The purchase of gift cards is prohibited except in specific circumstances which have been reviewed and approved in advance by the Controller. A letter of approval must accompany the transaction along with the name(s) of the recipient(s). Valid backup documentation/invoice and business purpose is required.

ADDITIONAL CARDHOLDER RESPONSIBILITIES

Issuance of a RISD credit card represents the College's trust in you as a respected employee. As a cardholder, you assume the responsibility for the protection and proper use of the card including:

Card Security

- The only authorized user of the card is the individual whose name appears on the card.
- Departmental cards are only to be used by authorized personnel of the department. Authorized individuals must safeguard cards and card numbers against unauthorized use. Each cardholder is required to keep the card secure and it is to be used for purchases within the parameters of the program. Students MUST NEVER have access to RISD cards, with the exception of cards assigned to student initiatives such as clubs and teams for which prior approval has been given by the Controller or Senior Vice President for Finance and Administration.
- Do not save or otherwise attach your PCard or Corporate Card information onto third-party payment applications/websites (e.g., Venmo, Paypal, Square, etc.). Doing so increases the probability of accidental misuse and the risks associated with account, identity, and other types of internet theft.

Receipt of Goods and Services

- The cardholder is responsible for ensuring receipt of goods and services, and for following-up with the supplier to resolve any delivery problems, discrepancies or damaged goods. The Accounts Payable and/or Procurement Department are available to assist the cardholder with any problems that arise.

Purchase Returns

- Items should be returned in a timely manner directly to the supplier by whichever means the supplier requires. The cardholder is responsible to see that proper credit is posted for a returned item and he/she should document the nature of the return.

Transaction Disputes

- The cardholder is responsible for following up with a vendor for any erroneous charges, disputed items, or returns. A cardholder may dispute a charge. Disputed charges can result from failure to receive goods or services, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way.
- If the cardholder is unable to reach agreement with the supplier, the next step is to dispute the charge with JP Morgan by calling the number on the back of your card. Procurement is available to assist the cardholder with any problems that may arise.
- It is important to remember that there is a small window of opportunity, 60 days from posting date, to dispute a charge, so action should be taken immediately in these situations.

AUDIT

To ensure the continued success of this program and to meet audit requirements of the College, periodic and random reviews will be conducted for the purpose of confirming compliance to established card use procedures and to communicate/escalate card misuse issues for further action.

Consequences of misuse may include any one or combination of the following remedial actions:

- Verbal notification of infraction
- Written notification with copies sent to Controller and Senior Vice President for Finance and Administration
- Temporary suspension of cardholder privileges with mandatory re-training (Suspensions will be assessed for a period of minimum of thirty (30) days or up to ninety (90) days depending on

- the severity of the infraction)
- Card suspension with permanent loss of privileges
 - Disciplinary action up to and including dismissal, personal liability and repayment

Audits will be scheduled by a representative of Accounts Payable for each cardholder account as time permits subject to the quantity of cards issued. When contacted, the cardholder will be given notification of the documents required for the audit and asked to provide them. The cardholder will not need to be present for the entire audit but will need to be available during this time for questions or clarification of documentation.

During the audit, a review of the requested transactions and receipts will be performed to ensure all charges are appropriate, all receipts are accounted for, business purposes are valid, and required signatures are present. An evaluation for policy compliance will also be completed.

The AP representative will complete The Card Audit Report to record any findings against the policies or procedures outlined within this agreement. The report will then be made available to the Controller and Senior Vice President for Finance and Administration.

RENEWAL AND CANCELLATION OF CARDS

Procurement cards are renewed automatically and are sent to RISD's Procurement department about 30 days before the expiration date of the card. Any changes to policy or procedures that may have occurred since the initial agreement was entered in to would be reviewed at that time and may require the cardholder to sign a revised cardholder agreement form.

To cancel a procurement card, please call JP Morgan customer service immediately at 1-800-270-7760 to inform them that the card is to be shut off. Please e-mail epro@risd.edu to confirm that the card has been deactivated.

LOST OR STOLEN CARDS

It is the responsibility of the cardholder to immediately report a lost or stolen card to J.P. Morgan by calling 1-800-270-7760. The next step is to report this information to Procurement Services via e-mail for follow-up.



PROCUREMENT CARD

CARDHOLDER AGREEMENT

Cardholder Agreement

Rhode Island School of Design is pleased to present you with a Credit Card. It represents the College’s trust in you as a responsible employee of the College to safeguard and protect RISD’s assets.

I, [redacted], hereby acknowledge receipt of a RISD Credit Card, card number ends with the last four digits of: [redacted]

As a cardholder:

- I agree to comply with the terms and conditions of the Agreement and the applicable provisions of the ProcurementCard User Guide (the “Manual”) provided, and as such the Manual may subsequently be revised.
- I acknowledge receipt of the Manual and confirm that I have read understand and agree to abide by its terms and conditions.
- I understand that RISD is liable to the Card Provider for all charges made by me.
- I agree to respect transaction limits associated with this Card and not circumvent these limits.
- I accept responsibility for the protection and proper use of this Card as outlined in this Agreement and User Guide.
- I understand that the College **WILL** audit the use of the Card.
- I understand that I **MAY NOT** use the Card for the restricted commodities listed in the User Guide.
- I agree that I **WILL NOT** use the Card for personal purchases.
- I understand that when College-wide contracts are in place, goods and/or services **MUST** be purchased from the contract suppliers. Exceptions to be approved by Procurement.

I further understand that improper use of this Card may result in disciplinary action, up to and including **TERMINATION OF EMPLOYMENT**. I acknowledge that RISD will have the right to collect from me any charges resulting from my personal or other improper use of this Card, even if I am no longer employed by RISD. If RISD initiates legal proceedings to recover amounts owed by me under this Agreement and prevails in whole or in part, I agree to pay the legal fees and costs incurred by RISD in such proceedings.

I understand that RISD may terminate my right to use this Card at any time for any reason. I agree to return the Card to RISD immediately upon request or upon termination of my employment.

Rhode Island School of Design, Cardholder Agreement Confirmation of Receipt and Review of Applicable Policies and Procedures

Signature [redacted]

Date [redacted]

Print Name [redacted]

Building [redacted]

Department [redacted]

Campus Extension [redacted]