

**Procedure 3215 PR.01 Yale Purchasing Card and
 Expense Management System (EMS)
 Revision Date 12/10/09**

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1 – Overview

Yale Purchasing Card Program

The Yale Purchasing Card is a University-sponsored credit card program offered through JPMorgan Chase to facilitate the payment of travel-related services and the purchase of goods and services as required for conducting University business. The Yale Purchasing Card is a corporate-liability card; all charges incurred by individual/department cardholders are paid directly by the University to the bank that issues the card.

Since the University is liable for all charges made on the card, cardholders must use discretion and good judgment when making purchases and/or incurring expenses. Cardholders are responsible for authenticating the validity of all charges incurred by submitting expense reports, on a regular basis, via the Expense Management System. If use of the card is found to be in non-compliance with University policies and procedures the cardholder will be required to incur the charge(s) as a personal expense(s), lose credit card privileges, and notification will be sent to the Dean, Chair, Department Head, or BOLT Leader.

Expense Management System (EMS)

EMS should be used by individuals in the following job categories to submit reports and track all expenses incurred while conducting University business: Faculty-FAC, Management & Professional-M&P, Clerical Technical-C&T, Service Maintenance-S&M, Student Non-Hourly-STN, Student Hourly-STH, Casual-CAS, Postdoctoral Associates-PDA, Postdoctoral Fellows-PDF, and Retirees-RET. Such expenses may include travel (i.e., airfare, transportation, lodging, meals, and car rentals), conference fees, business meals, social events and supplies/ expenses. Other job categories such as, Associates-ASSOC, Consultants-CON, Volunteer Faculty-VF, and Students other than noted above should be reimbursed for University business expenses by completing the University Check Request Form.

EMS should be used in conjunction with a Yale Purchasing Card to facilitate the payment of expenses directly to the vendor. In cases where the purchasing card is not used (i.e., personal credit card/cash is used), EMS is used to process reimbursement to the individual and will be issued in the same method used for payroll (i.e. direct deposit). Expenses associated with grants and contracts may be subject to additional restrictions not specifically covered in this procedure.

Expenditures must be reasonable and appropriate to the situation and nature of the business conducted by schools and departments and in accordance with this procedure. Individuals must submit an expense report with required supporting documents within 10 business days of incurring expense(s) or upon returning from a business trip, whichever is later. Failure to submit an expense report within 10 business days could result in loss of use of the Pcard.

EMS and the Yale Purchasing Card have provided the following benefits:

- easy selection of PTAO's and validation before processing minimizing charges to invalid accounts;
- use of personal funds are minimized because Purchasing Card charges are paid by the University;
- one card for travel and purchasing supplies;
- reduced the need for travel advances.

Purchasing Cards

The Yale Purchasing Card Program includes two types of University-issued credit cards.

Individual Cards

This card is available to University employees who are authorized to purchase travel-related services and/or small-dollar supplies and limited services on behalf of the University, up to pre-approved limits. The card is issued in the name of the employee, upon approval of the department business manager and cannot be shared.

This card is issued only to University staff, with the following HR job categories Faculty—FAC--- Clerical & Technical—C&T, Managerial & Professional—M&P, Postdoctoral Associates—PDA and Service & Maintenance—S&M.

Each card is issued to a specific person, who assumes responsibility for authenticating the validity of charges incurred. Also, each card holder using EMS is responsible for appropriate account distribution and for submitting expense reports at regular intervals.

Department Cards

This card is issued to a department but the responsibility is assigned to a primary user, usually the department business manager or a designee, who assumes responsibility for authenticating the charges. The department card provides a mechanism to secure travel-related services and/or to purchase small-dollar supplies and limited services on behalf of the department and its members.

This card bears the name of the department, not the name of an employee and can be shared; however, it should be stored in the business office and not be given to individuals to take on business trips.

This department card can be used to pay for business meals, food or catering expenses, supplies, air and rail travel and hotel/conference deposits to secure space. The department should maintain a record on who initiated each purchase and indicate the name of the initiator on the receipt.

Permitted Commodities

Permitted commodities are sub-divided into two categories: travel related purchases and general purchases. The business office will determine, at the time of application, whether a card will be used for travel, general purchases or both categories.

Some of the appropriate travel commodities include:

- airfare, train fare or other modes of transportation to/from the site of a business meeting or event
- car rental charges
- lodging charges
- any business related meal, including alcohol being charged to a federal sponsored agreement. The cardholder or the preparer must properly separate alcohol from food and charge this expense to the unallowable expense category when the business related meal is being charged to a federal sponsored agreement.

Note: Travel expenses associated with Relocation are not to be charged to the Yale Purchasing Card. Such reimbursement requests should be submitted using the Relocation Reimbursement Form (see below under Exclusions) and submitting it to the University Transportation Manager.

Some of the appropriate business related general commodities include:

- conference, seminar, and course fees;
- photo supplies and materials;
- professional membership, dues and license fees;
- stamps and delivery services;
- subscriptions, books, and journals;
- tools and building supplies.

Exclusions

The excluded commodities and **prohibited uses of the Yale Purchasing Card** are as follows:

- cash advances, ATM cash and travelers checks
- University contract goods and services (i.e. furniture and fixtures, telecommunications) follow purchasing method as instructed on the Buying Guide
- gasoline (except for rental cars or University vehicles)
- Internal Service Provider (a University department that provides services for other University Units e.g. Facilities)

- personal purchases (see exceptions listed under section 6, Use of Card for Occasional Personal Expenses While Traveling)
- restricted items as defined in Policy 3220 Purchases of Restricted Items
- relocation expenses, see Form 3501FR.46 Relocation Reimbursement Form
- social memberships;
- split transactions to circumvent single purchase dollar limit

Vendor Selection

Refer to the University Buying Guide to determine the preferred purchasing methods and vendor(s) as defined by commodity.

When using a Yale Purchasing Card for purchases greater than the competitive bidding threshold for other than contract vendors, the cardholder must document quotes from vendors or complete a Single/Sole Source form as required. Refer to the Controller's Fact Sheet).

Dollar and Transaction Limits

Yale Purchasing Cards are available in three transaction dollar limits as detailed below. Department business managers approve the limit for either travel-related expenses or small-dollar supplies and services or both on an individual's card at the time of the application. Any changes to the limits must be requested and approved by the business manager.

If the card is issued to the business manager, the chair or the dean of the department must approve the transaction dollar limit at the time of application and any further changes to the dollar limit.

The following levels are an example of transaction limits for travel-related expenses or for supplies. Up to date departmental transaction limits can be found by running the Brio report "Bug 701."

	Level I	Level II	Level III
Single Purchase Limit	\$500	\$2,000	\$5,000
Monthly Limit	\$5,000	\$10,000	\$25,000

2 – Obtaining an Individual or Department Card

Applying for a Card

Obtain application forms for the EMS Purchasing Card and User Request Form at the policies and procedures web site.

Individual Card: The employee to whom the card will be issued must provide requested applicant information. The department business manager or designee completes the remainder of the application. Refer to page 3, to the section on *Purchasing Cards* for eligible job categories. Issuance of the card to any other individual not on the job category list must be requested by applying to the Electronic Commerce Services office with the reason for an exception.

Department Card: The business manager or designated department card administrator completes the application form.

The business manager must approve and sign each application. Please note the requestor and approver cannot be the same individual. Accordingly, if a card is assigned to the business manager, his or her supervisor must approve the application.

Fax the completed signed form to the Electronic Commerce Services Office at 432-3280.

Security Verification

The requestor must include their Social Security number, date of birth, and mother's maiden name to allow for card activation and future verification of cardholder identity. The issuing bank will not approve an application for a purchasing card unless this information is provided.

This information is confidential and will not be used to check the personal financial history of the applicant.

Card Activation

After the Purchasing Card Office has received the application, the cardholder will be sent an online agreement and training via email. After reading the email agreement and training, the cardholder will be asked to sign the Cardholder Agreement by replying to the email. After this is complete the cardholder will receive the Yale Purchasing Card with instructions for activating the card.

Authority Levels and Obtaining Appropriate Approvals

The following approvals are required for submitting expense reports and reimbursement requests

- department approval is required for all reports that include travel and supply expenditures over \$200
- reports up to \$10,000 must be approved by the department
- Accounts Payable approval is required for reports \$10,000 through \$50,000
- Controller's Office approval is required for all reports over \$50,000

3 – Managing Card Transactions

Notification of Transactions

The initiator and the preparer (in some cases) will receive an email notification of every transaction on the card within three to four days of the purchase date. The email notification will contain the following information:

- initiator name;
- date of transaction;
- amount of transaction;
- vendor name;
- level 3 detail, when available; Level 3 detail refers to the item description, cost and quantity for each item purchased (for example, U.S. air carriers provide passenger name, dates of travel, class of service, arrival/departure cities and cost of ticket as Level 3 detail).

Receipt Requirements for Electronic Submission

The receipts will be attached to the expense report at the line level, the system will ask for a receipt only if the line item expense is equal to or greater than \$75 and Level 3 detail is not present. The receipts can be attached utilizing one of the three processes listed below:

1. The business user can directly attach the receipt by scanning the receipt into their desktop and attaching the scanned receipts to the report.
2. The initiator/preparer may print the cover sheet, attach the cover sheet to the receipts, and then scan it into the MFD. The MFD will be programmed to allow the user to directly move the receipt into FileNet and then link the receipts to the expense report. The business user can review the attached receipts within the Expense Management System.
3. A bar coded cover sheet and copies of receipts can be faxed directly into the system and automatically attached to the expense report. The business user can then review the attached receipts within the Expense Management System.

Once the receipts are attached using one of the three processes listed above, the original receipts and coversheets should be retained for ninety (90) days after the end of the month in which the reimbursement took place. After the ninety (90) days the recipes should be shredded.

Transaction Documentation

Each transaction (or batch of transactions) must be validated through the submission of an online expense report via EMS. An expense report will be considered complete when:

- information has been entered in all required fields;
- all required supporting documentation (i.e., receipts and/or Level 3 detail) have been attached; and
- the expense report has been approved.

Missing Documentation

If an original receipt is missing for purchasing card transactions of \$75 or greater, the individual should request a duplicate receipt from the vendor. In the absence of a duplicate receipt, one of the following alternative documentation methods is acceptable.

- vendor confirmation via email or fax for the item(s) purchased

OR

- packing slip delivered with the item(s)

OR

- Completed field and check box in EMS.

Alternative documentation must provide sufficient details to:

- enable proper classification of expenses;
- identify unallowable, allocable and reasonable costs for sponsored projects.

Authorization for missing receipts should be an exception, not a general practice. Missing receipt forms for expenses less than \$200 must be reviewed and approved by business managers. For missing receipts forms for expenses greater than \$200, review and approval by the Controller is required. Employees who frequently fail to submit required receipts should be advised that they are subject to loss of card privileges.

Business managers are responsible to ensure that these guidelines are followed consistently. For any specific exceptions or if additional guidance is needed, please contact the Controller's Office (432-5524).

Transaction Disputes

If a cardholder has made a transaction with their PCard, but believes that they were charged the incorrect amount or not properly credited then they have a transaction dispute with the merchant. In the event of a transaction dispute, the cardholder should immediately attempt to resolve the dispute directly with the vendor involved.

If this does not resolve the dispute, or if the cardholder is unable to contact the vendor directly contact JPMorgan Chase within 60 days of the transaction date (Phone #: 1-800-316-6056)

Unrecognized Transactions

PCard transactions that were not authorized by the cardholder are possible fraudulent transactions, however, transactions are sometimes processed under a parent or associated company's name. It is suggested to call the merchant in question to attempt to resolve questions about a particular purchase. If the transaction is still unrecognized follow the steps below:

1. The cardholder should notify JPMorgan Chase immediately at 1-800-316-6056 and request the card be canceled and reissued.
2. The cardholder will be required to complete and return an affidavit certifying that the transactions in question were not authorized by the cardholder.
3. Do not process the transactions in EMS until the bank has completed the investigation (60-90 days). At the end of the bank's investigation, the bank will issue a letter to the cardholder indicating if funds have been recovered. A credit will be issued for all recovered funds.
4. If all funds were recovered, the cardholder should process an EMS report with the fraudulent transactions, the corresponding credits, and attach a copy of the affidavit to the EMS report.

5. If some or all of the fraudulent transaction funds were not recovered, please contact the Electronic Commerce Services office at 432-3227 for further processing instructions.

Travel Advances

Travel Advances

The University issues travel advances only if the traveler is ineligible for the Yale Purchasing Card or when extended travel is involved. For advances on extended travel, refer to Policy 3305 Long Term Activity and Other Expense Advances.

Advance Clearance

Outstanding travel advances must be cleared within two weeks (10 business days) of the traveler's return by submission of an expense report complete with supporting documentation.

Equipment Purchases (MEI Notification)

When a single item of equipment that costs \$5,000 or greater and has an expected life of greater than one year is purchased using a Yale Purchasing Card, the charge must be reclassified to an expenditure type in the 881100 through 882600 sequence and capitalized as part of Movable Equipment Inventory. In general these transactions should be purchased via SciQuest, however, details must be provided manually to costing.

4 – Changing, Suspending or Canceling a Card Account

Changes to a Card Account

Complete the EMS Purchasing Card and User Request Form to change any of the following:

- cardholder name;
- email address;
- authorized commodity categories;
- single or monthly purchase limit;
- name of person who should receive copy of transaction notifications.
- Fax the completed and authorized form in PDF format to the Electronic Commerce Services Office. Fax: 432-3280.

Suspending a Purchasing Card

The business manager can request to suspend or reinstate a card at any time.

A Purchasing Card account can be suspended if:

- the cardholder has used the card for personal expenses not incidental to a business trip or for any other charges outside of policy;
- the cardholder has purchasing card transactions unprocessed for more than 45 days;
- the cardholder consistently does not have the necessary receipts.

Canceling a Card

To cancel a card, complete the EMS Purchasing Card and User Request Form. Fax the completed and authorized form in PDF format to the Electronic Commerce Services Office – Fax: 432-3280.

In addition, the cardholder must:

return the card to the department business manager; (if the card holder is a business manager, then it must be returned to the Electronic Commerce Services Office).

- turn over to the business manager all remaining receipts; and
- complete an expense report through EMS for any outstanding unprocessed card transactions.

Reporting a Lost or Stolen Card

Yale University is liable to JPMorgan Chase for all charges made against a card until reported lost or stolen. Therefore, cardholders must alert the bank by calling the numbers below as soon as they become aware of the situation. At the time the card is reported lost or stolen, the account will be closed and a new purchasing card will be sent to the cardholder.

If the Purchasing card is denied for any reason during a domestic/international business trip and there is no other form of payment available, call the appropriate number below and request that the card be enabled to facilitate the trip home.

To report a lost, stolen, or declined card, the cardholder must promptly notify:

JPMorgan Chase directly by calling 1-800-316-6056 (domestic) or 1-847-488-4441 (international); department business manager and the Electronic Commerce Services Office at 432-3227.

Itemized Expenses

Transportation (Air, Rail)

If air, rail tickets were directly billed to the department via a Travel Requisition, do not list those items on the ER. Itemize separately the major mode of transportation (unless the expense was directly billed to the University).

If tickets were paid for with out of pocket expenses enter the PTAE0 to be charged and the total reimbursable amount. Enter expenditure type 871010 for domestic air/rail travel and 872010 for international air/rail travel.

Personal Meals

Travelers must choose a single method of expense reimbursement, either actual expenses or per diem expenses, to be used for each trip. Reimbursement should only be claimed when the traveler incurred actual travel-related meal expenses.

Actual expenses:

Reimbursement should be requested for actual personal meal expenses whenever possible.

- Enter **Personal Meals Actual Expenses** in the description section; enter the PTAE0 and the total actual cost of the meals, as reflected in attached receipts; for meals less than \$75 receipts are not required.
- There is no longer a requirement to break out alcohol on business meals, but the detailed receipt (must include date, amount and place) from the restaurant is still the preferred type of receipt. However If the business meal is charged to a federally sponsored award, any alcohol must be identified and charged to the expenditure type 873000.

Per Diem:

When it is not possible or practical to claim actual meal expenses, the federal published per diem rates for meals and incidental expenses (M&IE) can be claimed, for the continental United States (domestic) and for foreign countries.

The per diem should not be used when meals were paid for by a host or included in conference registration fees; When travel covers only part of a day, such as the day of departure or return, or if the cost of one or more meals is covered by another source or included in a conference registration fee, use actual expenses or prorate the per diem rate as follows: 20% Breakfast, 30% Lunch, and 50% Dinner.

- Enter **Personal Meals Per Diem**, the applicable per diem rate, and the number of days claimed, in the description section. Enter the PTAE0 and the total per diem amount claimed. Enter expenditure type 871050 for domestic and 872050 for international per diem/actual meals.
- Federal per diem rates are updated periodically. Be sure to use the rates in effect on the dates of travel. It may be helpful to attach a copy of the pertinent per diem rate web page. Department business managers are responsible for monitoring correct use of per diem rates.

- Incidental expenses included in the federal M&IE rate are laundry, dry cleaning, and tips for services. When the per diem rate is used, the traveler should not request reimbursement for such expenses separately.

Other Travel Expenses

Travelers may request reimbursement for:

- Laundry services that are reasonable and necessary due to an absence from home for more than five consecutive days or when unusual circumstances mandate these services.
- Costs for laundry and tips for services are included in the per diem rate for meals and incidental expenses. If the per diem rate is used, the traveler should not request reimbursement for such expenses separately.
- Telephone calls or internet services that are reasonable and necessary for conducting University business, and a reasonable number of personal telephone calls that allow travelers to stay in contact with their families.

Itemize claimed expenses on the ER, enter the appropriate PTAE0 and attach receipts. Enter expenditure type 871060 for domestic and 872060 for international expenses. For travel expenses less than \$75, receipts are not required and must not be attached to the expense report nor retained once the expense report is processed.

Other personal expenses incurred while traveling on University business will **not** be reimbursed. These include in-room movie rentals, in-room alcoholic beverages and mini-bars, babysitting, recreational activities, and similar expenses. See Guide [3301GD.01](#) for a list of non-reimbursable travel expenses.

Business Meals and Entertainment

Employees may be reimbursed for a reasonable number of business meals and entertainment events that are appropriate to the situation and the nature of the business conducted by schools and departments (see Policy [3302](#)).

- Itemize each reimbursable business meal or event expense. Enter a brief description of the meal or event, amount, the PTAE0, and the expenditure type of 874000. There is no longer a requirement to break out alcohol on business meals, but the detailed receipt, if one is required (must include date, amount and place) from the restaurant is still the preferred type of receipt. However if the business meal is charged to a federally sponsored award, any alcohol must be identified and charged to expenditure type 873000.

Related Information Links

Policy [3302](#) Business Meals, Entertainment and Other Social Events

Procedure [3401 PR.02](#) Check Request

Form 3401FR.02 [Check Request Form](#)

[Buying Guide](#)

Procedure [3301 PR.01](#) Travel Arrangements for University Business

Guide [3401 GD.01](#) Supporting Documentation

Form [3301 FR.05](#) Missing Receipt Form

Policy [3220](#) *Purchases of Restricted Items*

Form [3501FR.46](#) Relocation Reimbursement Form

Form 3205FR.03 [Single/Sole Source form](#)

[Form 3215FR.01 EMS Purchasing Card and User Request Form](#)

Policy [3305](#) Long Term Activity and Other Expense Advances

[Controller's Office Fact Sheet](#)

Federal Government: [per diem rates for continental U.S.](#), [foreign per diem rates](#)

Guide [3301 GD.03](#) Electronic Receipt Documentation

Policy [1305](#) Cost Transfers Involving Sponsored Programs

Contacts

Subject	Contact	Phone
Travel Services	University Travel Coordinator	432-9011
JPMorgan Chase	Customer Service	1-800-316-6056
Reimbursements	Accounts Payable	432-5394
Purchasing Card	Electronic Commerce Services Office	432-3227 Fax: 432-3280
Interpretation of Procedure	Controller's Office	432-5524

Revision History

This Procedure was posted on the main Policy site 8/04/08. Latest revision on 8/03/07.

The official version of this information will only be maintained in an online web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.
