

George Mason University

American Express
Corporate Purchasing Card

Users Guide

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AMERICAN EXPRESS CORPORATE PURCHASING CARD

Overview

The purpose of this training is to provide you with instructions to follow when making purchases using your George Mason University American Express Corporate Purchasing Card.

Objectives

During this training session you will learn:

- Purchasing guidelines of the Virginia Procurement Act
- Elements of the University's Administrative Policy Number 49, "Purchases of Goods and Services"
- How to maintain security of the card
- How to make purchases using the AMEX card
- Which purchases are restricted for the American Express Card
- How to complete and submit all required forms and documents
- Which documents departments are required to maintain

American Express Resources on the Web

The *Fiscal Services* web site provides many of the policies, procedures and forms referenced in this manual. Visit *Fiscal Services* at <http://www.gmu.edu/service/fiscserv/> to obtain the most current resources available to assist in processing your fiscal transactions.

VIRGINIA PUBLIC PROCUREMENT ACT

George Mason University is required to abide by all Commonwealth of Virginia Purchasing Policies. These policies are based on the philosophy of the Virginia Public Procurement Act.

“To the end that public bodies in the Commonwealth obtain high quality goods and services at reasonable cost, that all procurement procedures be conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety, that all qualified vendors have access to public business, and that no offeror be arbitrarily or capriciously excluded, it is the intent of the General Assembly that competition be sought to the maximum feasible degree, that individual public bodies enjoy broad flexibility in fashioning details of such competition, that the rules governing contract awards be made clear in advance of the competition, that specifications reflect the procurement needs of the purchasing body rather than being drawn to favor a particular vendor and that purchaser and vendor freely exchange information concerning what is sought to be procured and what is offered.”

Code of Virginia, Section 11-35G, Virginia Public Procurement Act

GEORGE MASON UNIVERSITY PURCHASING POLICY

Administrative Policy Number 49 provides the University’s policies and procedures regarding the purchase of goods and services. This policy delegates purchasing authority for many small purchases to certain employees at the departmental level. Individuals with account responsibility may use the George Mason University’s American Express Corporate Purchasing Card as one method of obtaining these goods and services. Purchases using the AMEX card are limited to items costing less than \$2,000 per transaction. The full text of Administrative Policy Number 49 is available at the *Fiscal Services* Web site at <http://www.gmu.edu/service/fiscserv/>.

Highlights of the American Express Corporate Purchasing Card

- The AMEX card can be used for all purchases costing less than \$2,000.
- The state encourages use of the AMEX card for all transactions with vendors that accept the card.
- Orders may be placed directly with vendors that accept the AMEX card
- Employees with a single AMEX card may charge more than one account with the card
- Employees may use the AMEX card to charge Ledger 5 accounts. Monthly statements are routed through the Office of Sponsored Programs for payment approval.

PURCHASING LIMITS

Purchases obtained using the George Mason University American Express Corporate Purchasing Card are limited to amounts under \$2,000 per transaction. Although multiple transactions may be conducted in a single day, the dollar threshold from one vendor must remain under the \$2,000 limitation. Purchases exceeding the dollar limitations must be processed through the Purchasing Department. The dollar threshold must not be circumvented by “splitting orders”. “Splitting orders” is defined as awarding any one vendor multiple orders within a short time period so that the total goods or services purchased exceed the \$2,000 limitation. In addition, purchases using the American Express Card are restricted to less than \$25,000 per month, per card.

SECURITY OF THE CARD

Authorized use of the American Express card is limited to the person whose name appears on the face of the card. **Cardholders may not lend the card to another person under any circumstances.** If a cardholder anticipates being absent from work for an extended period, a new card may be issued to another person for the duration of the absence.

- When not in the cardholder’s physical possession while conducting transactions, the card must be kept in an accessible but secure location within the office, such as a locked file cabinet or desk. The account number on the card or statement should not be posted or left in a conspicuous place.
- Facsimile machines may not be used for placing orders. (Order forms can be faxed omitting the AMEX number. A phone call can then be placed to the vendor to provide the card number.)
- The individual department maintaining the card is ultimately responsible for lost or stolen cards. If the card is lost or stolen, **immediately** notify American Express at 1-800-492-4920. Then, contact the American Express Program Administrator at 703-993-2583, so that a new card can be generated.
- Upon request of the University, or upon termination of employment or transfer to another department, the destroyed card must be returned in person to the Program Administrator in the Purchasing Department. Notification must be made to the American Express Program Administrator in writing at least two weeks prior to termination of employment so that a timely exit review can be conducted. This correspondence should include the reason for cancellation and the name of the cardholder’s supervisor.
- When making purchases using an Internet source, it is the responsibility of the cardholder to ensure that the vendor meets certain security requirements prior to placing an order. The vendor must have a Secure Socket Layer (SSL) version 2.0 or higher. To ensure that the vendor has a SSL, the Address Window must start with https://. This may not occur until the payment information is requested. For information about the vendor’s security certification, check under Help on your browser’s tool bar. For additional information, Appendix A of this manual contains the Commonwealth of Virginia’s E-commerce policy.

George Mason University Liabilities:

George Mason University is liable to American Express for all purchases by authorized users, provided that the purchase is within the single per transaction dollar amount up to \$1,999.99. George Mason University will not accept liability for:

1. Unauthorized use of the purchasing card
2. Account numbers which are fraudulently used
3. Purchases made with stolen or lost cards that are beyond the maximum liability of \$50.00 and the maximum length of liability of 24 hours after discovery and reporting of card loss or theft.

USE OF THE CARD

Placing orders with the AMEX card is fast and easy. Follow these steps once you have identified a need for a particular good or service.

1. Identify a vendor that sells the needed goods or services and accepts the AMEX card. Internet purchases are authorized. However, it is the responsibility of the cardholder to ensure that the vendor meets certain security regulations (See security of the card).
2. Call, write or visit the supplier's place of business and place the order. **Be sure to ask for government or education discounts!**
3. Give the vendor the account number and expiration date of the purchasing card. The supplier will verify the account number with American Express and the card will be checked electronically for compliance with purchasing limits.
4. Advise the vendor that this is a tax-exempt purchase on the behalf of the University. If requested, provide the vendor with the University's tax-exempt number. A decal with the Virginia tax exemption number is applied to the front of the AMEX cards. A copy of the tax-exempt certificate may be obtained by contacting the Purchasing Department at 993-2580.
5. Immediately record the purchase after each transaction on your monthly *Purchase Log*. The Purchase log and instructions on completing the form are available on the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>.
6. Retain all documentation pertaining to the purchase such as original or electronic receipts, approved departmental travel authorization for airline or rail tickets and any packing slips accompanying the order. This documentation must be kept on file with the applicable log sheet for monthly reconciliation and audit.
7. All orders must be shipped directly to the department. Do not have orders delivered to the Central Receiving Warehouse, as there will be no identifying Purchase Order number. Inform the vendor that all boxes must be marked with the department name, name of recipient, and building and room number.

RESTRICTED PURCHASES

Due to State guidelines outlined in the Virginia Public Procurement Act, all agency purchases must be considered essential to the operation of the agency to justify the use of State funds. Since all State-funded expenditures are subject to public scrutiny, agencies should consider the appearance of unusual purchases on the agency and on the State government in general prior to authorization. Because individual circumstances vary widely, the cardholder should always maintain adequate documentation for unusual purchases.

In order to comply with State guidelines, the following commodities either cannot be purchased with the AMEX card or require special approval prior to procurement. Acquiring many of these items requires a completed Purchase Requisition form submitted to the Purchasing Department. For any purchase requiring special approval, documentation of approvals must be kept with monthly records.

The AMEX card may not be used for purchasing:

1. **Writing Instruments:** All writing instruments such as pens and pencils must be purchased from the Virginia Industries for the Blind (VIB), a mandatory state contract. Some VIB products are currently stocked in Central Receiving and can be ordered by submitting an order form directly to Central Receiving. Other VIB products can be obtained through the Purchasing Department using a Purchase Requisition.
2. **Office Furniture:** All furniture, including chairs, computer tables, desks, modular furniture, etc. must be purchased from The Virginia Correctional Enterprises. A completed Purchase Requisition must be submitted to the Purchasing Department.
3. **Janitorial Products/Paper Supplies:** All janitorial products and paper supplies such as paper towels must be purchased from the Virginia Distribution Center. A completed Purchase Requisition must be submitted to the Purchasing Department.
4. **Cellular telephones:** All purchases of cellular telephones must be coordinated through ITU (Information Technology Unit, formerly UCIS) at 993-3542.
5. **Temporary Employment Services:** All employment services must be coordinated using the Human Resources Department 993-2600.
6. **Business Travel:** The American Express card is not authorized for any business travel expenditures other than airline and rail ticket purchases. Prohibited business travel expenses include hotel accommodations, meals, rental cars, gasoline and oil. The card is blocked for these purchases and the approval will be denied. Use of the AMEX card for the purchase of airline and rail tickets is authorized (See below under Special Considerations). Frequent travelers may apply for an American Express "Travel" charge card. Contact the Travel office at 993-2623 for more information.
7. **Food and Beverages Expenditures:** Use of the American Express Card is not authorized for purchases of food and beverages unless items are purchased exclusively for resale. This includes business meals at restaurants and purchases of food at retail locations. Food and beverages expenditures are subject to the requirements and limitations of Administrative

Policy number 67, "Food and Beverages Expenditures", available at the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>.

Special Considerations:

1. **Airline Tickets:** The American Express Corporate Purchasing Card may be used to purchase airline and rail tickets. Travel expenditures are subject to the requirements of Administrative Policy number 20, "Travel Authorization and Reimbursement", available at the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>. The policy requires a Travel Authorization form signed by a Senior Approving Official prior to any travel by commercial airlines. A copy of the authorization form must be kept in the AMEX monthly records along with purchasing documentation.
2. **Conferences:** Registration expenses for conferences may be charged to the American Express Corporate Purchasing card. Contact the AMEX program administrator to obtain a temporary lifting of purchasing card restrictions if the conference is booked through a hotel.
3. **Non-Monetary Awards:** Use of the American Express card for purchasing non-monetary awards as part of the employee reward and recognition program is authorized and encouraged. The Non-Monetary Award form must be completed in advance and kept with all AMEX records. For any awards greater than \$25 a copy of the Non-Monetary Award form must also be submitted to Payroll. A copy of the Non-Monetary award form is available on the Human Resources web site at <http://hr.gmu.edu>.
4. **GMU publications:** All official George Mason University Publications such as conference brochures require review from the University Relations Department (993-8810) to insure compliance with the GMU Visual Standards Manual. In addition, all printing and copying services that are performed by vendors outside the university require a waiver from University Publications. Documentation of approval must be kept with monthly AMEX records.
5. **Photocopying services:** All photocopying services not utilizing the university's Print Services Department require prior approval from Print Services (993-2550). The approval documentation must be kept with the monthly records.

State Purchasing Restrictions:

The following list contains examples of expenditures considered to be improper uses of State funds. This list is intended to provide general guidance to agencies in judging the appropriate use of State funds. However, any State-funded expenditure may be questioned, even those that are not included on the following list.

The following items cannot be purchased under state regulations:

1. Subscriptions, except for bona fide business purposes, and not to exceed one year
2. Cash advances
3. Gifts or flowers

4. Bottled water
5. Coffee service, machines or supplies
6. Alcoholic beverages
7. Framing of award certificates (unless the item remains the property of the university)
8. Picture framing (unless the item remains the property of the university)
9. Books for classes (unless they remain the property of the university)
10. Snacks for employees
11. Retirement parties or employee going-away parties
12. Group luncheons for employees
13. Holiday cards or decorations
14. Non-business related newspapers or magazines
15. Charitable contributions
16. Replacement of stolen or lost employee personal articles
17. Personal items for employees, e.g., academic regalia
18. Tuxedos or formal wear
19. Employee clothing (non-uniform)

REMEMBER

ALL GMU-FUNDED EXPENDITURES ARE SUBJECT TO PUBLIC SCRUTINY. CONSIDER THE APPEARANCE OF ANY UNUSUAL PURCHASE BEFORE YOU COMMIT THE UNIVERSITY.

MONTHLY RECONCILIATION AND REPORTING TO ACCOUNTS PAYABLE

Departments using the American Express Corporate Purchasing Card are responsible for reconciling their records with those of the American Express Corporation. After reconciliation, monthly approval forms must be submitted to the Accounts Payable Department. The following procedures describe the requirements for all purchases using the George Mason University's American Express Corporate Purchasing card.

Purchasing Log:

All purchases made using the American Express Corporate Purchasing card must be immediately recorded on the *American Express Purchasing Log*. The log and instructions to complete the log are available on the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>. The online version of the purchasing log is provided in word format, allowing for customization by the department. The log must be printed at the end of the month and kept with the monthly records.

The monthly purchasing log requires all purchases to be recorded using object codes to categorize purchases. For simplification, purchases can be summarized and recorded using just six different object codes.

- **3090** for any services purchased using the AMEX card.
- **4090** for any supplies purchased using the AMEX card.
- **4091** for any equipment purchased with a dollar amount in the range of \$1,000-\$1,999.
- **3830** for purchases of any airline or public transportation ticket used by George Mason University Employees, Students, or other non-candidates.
- **3832** for purchases of any airline or public transportation ticket for **Candidates**.
- **8131** for non-monetary rewards or recognitions presented to employees

Departments may choose to record purchases using more specific object codes. The purchasing log may be customized to allow the cardholder to use more object codes than the six listed. A complete listing of all object codes is available on the General Accounting web page at the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>.

American Express Monthly Approval Form:

Each cardholder is responsible for completing a monthly approval form and submitting it to Accounts Payable. The following instructions outline the individual's responsibilities for reconciling their account and submitting the proper forms for approval.

- The American Express (AMEX) monthly billing cycle ends on the 20th of every month. Each individual cardholder will be mailed a statement directly to their department at the MSN indicated on the application. It is the responsibility of the cardholder to contact Accounts Payable, at 993-2580 if the statement is not received from AMEX by the 25th of each month. Duplicate statements can be requested from AMEX by calling 1-800-492-4920.
- Each cardholder must reconcile the AMEX billing statement with their monthly Purchasing Log. Any discrepancies, such as incorrect billing, returns or missing items, should be highlighted or noted on the statement. (Please see section on Returns, Credits and Disputed Items for more information on the procedures for reconciling billing issues). State policy requires the total amount of the University's American Express bill to be paid in full each month by the Accounts Payable department. Credits or other corrections may appear on the next month's statement.
- The *American Express Monthly Purchasing Log* is used to summarize all transactions on the *American Express Monthly Approval Form*. The Approval Form can be obtained on the *Fiscal Services* web site at <http://www.gmu.edu/service/fiscserv/>. Purchases are recorded on the Approval Form using a summary, by object code, of all purchases logged on the purchasing log. Expenditures may be assigned to more than one account number. Record on the Approval Form the summary of expenditures by object code and appropriate account number or Budget Code to which each should be assigned.

- After summarizing all purchases to certify receipt of the purchases, the Approval Form must be reviewed and signed by the cardholder as well as the Department Chair, Director, or responsible person on the account. Two original signatures, the cardholder's and the cardholder's supervisor, director or department chair are required on the Approval Form. The cardholder is not authorized to sign as the approver.
- The completed form should then be submitted, along with the original billing statement, to Accounts Payable (MSN 3C1) for payment. A copy of each document should be maintained with the monthly records.

To comply with the Commonwealth of Virginia's Prompt Payment Act, the AMEX statement, along with the *American Express Approval* form is due in the Accounts Payable Office by the 10th of each month following the end of the billing period.

Approval forms that include charges to Ledger-5 accounts are due to the Office of Sponsored Programs by the 8th of each month. OSP will then forward the documents to Accounts Payable as required. In addition, original receipts for goods and services purchased for Federal Grant purposes must be sent to the Office of Sponsored Programs along with the completed Approval Form and Statement. Copies of the receipts should be kept in the departmental records with the file copies of the Approval Form and Statement.

If the monthly approval form is not received in Accounts Payable by the tenth of the month, the Accounts Payable Office will automatically post charges to the default account as indicated on the Employee Agreement form, based on the invoice received from American Express. If a card member fails to submit the Approval form by the 19th, purchasing privileges will be revoked and the American Express card will be cancelled.

Credits and Zero Balances:

- Statements that contain only credits applied to the card account must be submitted to Accounts Payable with a completed Approval Form, indicating the specific account number and object code to which the credit must be applied. To ensure the amount is credited to the correct account, especially if multiple accounts are used, all credits must be received in Accounts Payable by the 10th of the month.
- Any statements showing a zero balance do not need to be submitted to Accounts Payable.

RETURNS, CREDITS AND DISPUTED ITEMS

Accounts Payable is required to pay American Express the total amount billed on statements. Any discrepancies with the billed amount must be coordinated by the cardholder directly with the vendor and/or American Express. Any corrections will be made through credit entries on subsequent cardholder statements.

Cardholders are responsible for follow-up and resolution of any discrepancies or disputes. In most cases discrepancies can be resolved directly between the cardholder and the supplier of the goods or services.

The cardholder must use the following guidelines when returning an item:

1. If an item needs to be returned, the cardholder should send the item back to the supplier in the manner agreed upon.
2. The vendor should issue a credit for the items that are returned. This credit will appear on a subsequent billing statement.
3. Documentation of the return (such as a credit receipt) should be issued by the vendor. All documentation pertaining to returns must be kept on file for reconciliation of the monthly statement.
4. The return should be entered on the *Purchase Log*.
5. If the cardholder and the vendor cannot resolve an issue, the cardholder should contact AMEX at 1-800-492-4920. AMEX will investigate the dispute on the cardholder's behalf and assist in the resolution.

RECORDS AND REVIEWS

State regulations require accurate records to be maintained by the cardholder and the corresponding department. These records must be kept for three years in the user's department. Records are departmental and must not be transferred with individuals moving from one department to another. These records are subject to periodic reviews by the Purchasing Department, and annual audits conducted by the Commonwealth of Virginia. Records that must be presented in a review include the following:

- Printed *Purchase Log* for each month (do not maintain a cumulative log)
- Copy of the *Approval for Payment* form for each month (original maintained by Accounts Payable)
- Copy of the monthly statement (original maintained by Accounts Payable)
- All **original** receipts or packing slips.
- Exception: Original receipts for goods and services purchased for **Federal Grant** purposes must be sent to the Office of Sponsored Programs with the completed *Approval Form* and Statement. Copies of the receipts must be kept in the departmental records with the file copies of the *Approval Form* and Statement.

A copy of the *American Express Checklist* used for reviews and audits is available in appendix B of this manual. This checklist contains all documentation required at the time of a review.

RENEWALS

The American Express Cards are renewed automatically. No action is required on the part of the cardholder. Cardholders will be notified by the 20th of the month in which the card expires to visit the Purchasing Office to claim the renewal card. Because the individual cardholder must sign American Express cards, the cardholder must retrieve the card in person. Remember, current cards are valid until the last day of the month in which it expires.

MISUSE OF THE CARD

The delegation of procurement authority entrusts to the cardholder the responsibility to conduct procurement transactions in a manner above reproach in every respect and to obtain high quality goods and services at reasonable cost. Certain areas of ethics in public purchasing are covered in the Virginia Public Procurement Act, Ethics in Public Contracting, and the Virginia Conflict of Interests Act. The following sections of the *Code of Virginia*, Public Procurement Act illustrate two important aspects of the program: the importance of accurate, detailed record keeping and the penalty for misuse.

Section 11-79.2. Misrepresentations prohibited. - No public employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document know the same to contain false, fictitious or fraudulent statement or entry.

Section 11-80. Penalty for violation. - Willful violation of any provision of this article (Virginia Public Procurement Act) shall constitute a Class 1 misdemeanor. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, shall forfeit his employment.

APPENDIX A

**Commonwealth of Virginia
Department of General Services
Division of Purchases and Supplies**

Electronic Commerce Policy

Security Requirements - In order to procure goods or services through the Internet, the vendor must have a Secure Socket Layer (SSL) Version 2.0 or greater. It is the agency's responsibility to ensure the vendor meets the SSL 2.0 requirement before placing an order and using the SPCC as a method of payment. To ensure the vendor has a SSL, the Address Window must start with https://. This may not occur until the payment information is requested. For information about the vendor's security certification, check under Help on your browser's tool bar. Buying through the Internet might subject an agency or institution to the vendor's terms and conditions if no MOU exists. Agencies are encouraged to establish a MOU with vendors whom they conduct business with on a regular basis. See DGS/DPS website for sample MOUs. (at a future date)

APPENDIX B

AMERICAN EXPRESS CHECKLIST

Cardmember Name _____ Date: _____

Department _____ Account: _____

Period of Review _____ to _____

- | | YES | NO |
|--|-----|-----|
| 1. Is the monthly original AMEX statement sent to A/P? | ___ | ___ |
| 2. Is a copy of the AMEX statement filed with actual receipts? | ___ | ___ |
| 3. Are all monthly transactions transferred to the AMEX purchase log? | ___ | ___ |
| 4. Is a separate file created for group transactions? | ___ | ___ |
| 5. Is the AMEX Approval Form completed properly? | ___ | ___ |
| 6. Is the AMEX Approval form signed by the cardholder's supervisor? | ___ | ___ |
| 7. Are all charges appropriate and allowable under University policy?
(If not use comment section to explain) | ___ | ___ |
| 8. For purchases of airline tickets: | | |
| a. Is a signed Travel Authorization on file? | ___ | ___ |
| b. Is a copy of the itinerary included in the file? | ___ | ___ |
| c. Does the itinerary specify that travel was not first class? | ___ | ___ |
| d. Do the itinerary destinations agree with the Travel Authorization? | ___ | ___ |
| 9. Do monthly expenditures match the AMEX monthly statement? | ___ | ___ |
| 10. Is the Amex Card secured in a locked location in the office? | ___ | ___ |
| 11. For purchases of non-monetary awards, is the approved "Non-Monetary Award Form" on file? | ___ | ___ |
| 12. Is a follow-up review required? | ___ | ___ |

COMMENTS: _____

AMEX REVIEWER _____ Date: _____

RENEWAL/REPLACEMENT RECEIVED BY: _____

SIGNATURE OF CARDMEMBER Date: _____

REV. 05/23/01

expired card destroyed _____