



RHODE ISLAND SCHOOL OF DESIGN  
CARDHOLDER AGREEMENT  
REVISED 03/2016

INTRODUCTION

Welcome to Rhode Island School of Design's Procurement/Purchasing Card program supported by J.P. Morgan Chase. Used properly, the procurement card is a purchasing tool that offers an efficient alternative to the existing procurement processes of using purchase orders and vouchers.

This user guide outlines the benefits of the procurement credit card program for the cardholder, the department, and the College; and provides you with information needed to use the card, while adhering to college policies.

The procurement card is designed to delegate limited purchasing authority, and to provide cardholders the ability to quickly and conveniently acquire approved goods/services directly from vendors that accept the VISA credit card. All users should refer to the expenditure guidelines, policies, procedures, and business and travel expense policies of the college, before using the credit card.

The benefits of the procurement card to the cardholder and Rhode Island School of Design are significant. The procurement card is to be used for purchases related to College business only. Use of the card for personal purchases is strictly prohibited. The Procurement Department and Accounts Payable are responsible for monitoring the effectiveness of the program. If you have any questions regarding the program, or the appropriate use of the card, please contact Kim Harpin in Procurement at ext. 6424, or Amy Barr in Procurement at ext. 6441.

BENEFITS TO THE CARDHOLDER

- Goods and/or services can be ordered directly from the vendor
- Provides an efficient means for the purchase and payment of select goods and services
- Web tool is provided to review transactions and assign GL account codes
- Primary auto rental insurance and travel insurance are provided through the 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
- Primary provider of auto rental insurance
- 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 budget manager may acquire a RISD Procurement Card. A request form for a RISD Procurement Card may be obtained on the Purchasing page - [info.risd.edu](http://info.risd.edu). Return the completed form to Procurement Services for processing. 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 then 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 card 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 the amount approved by your manager and the position you hold.

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 account number. All merchants have a "merchant commodity code (MCC)", which is correlated with RISD's general ledger object codes as closely as possible. It is the cardholder's responsibility to review each transaction for accuracy, including appropriate object code. Each procurement card transaction will appear on JP Morgan's web-tool and will be reflected on your department's account budget via a bi-monthly upload to the general ledger.

Upon receipt of your order, keep the documentation enclosed with the item or items. Typically, you will receive a sales receipt or packing slip, which you must keep for later reconciliation.

## 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](http://info.risd.edu). Please check all charges at time of the transaction to verify that taxes have not inadvertently been charged to the card. Explanation of tax charges will be required.

## STATEMENT SUBMISSION/RECONCILIATION

Cardholders must run a monthly cardholder statement listing all of your purchases. Check this statement against your sales receipts, invoices, packing slips, or other proofs of purchase to ensure you have received all the goods for which you have been charged. The goods should be easily identifiable on the proof of purchase. Statement reconciliation must be completed within ten days of receipt. Failure to do so may result in card cancellation. Upon reconciliation, keep the statement and all supporting documentation with appropriate signatures in your office. If, for some reason, you do not have the appropriate backup for an item on the statement, you must provide a written explanation detailing the purchase signed by your Department Head/Dean or immediate supervisor. All cards are subject to an audit by Accounts Payable or Procurement throughout the year.

## TRAVEL AND ENTERTAINMENT EXPENSES

When using the procurement card for travel and entertainment, please follow all current RISD T&E policies and procedures. A copy of the current Business and Travel Expense policy can be found on the Accounts Payable or Purchasing pages on [info.risd.edu](http://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 with 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 the reason they are being entertained. Entertainment includes, but is not limited to, expenses incurred for meals. Credit card users must list all participants and the business purpose on the back of the credit 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.

## MISUSE OF CARD

"Splitting" a transaction in order to circumvent authorized spending limits is not permitted. In addition, the procurement card is not to be used for the following commodities:

- Personal purchases
- Capital expenditures
- Independent Contractors
- Consultants
- Computer Systems
- Controlled substances, tobacco or e-cigs
- Cash advance ATM (unless otherwise authorized)
- Gas for personal vehicle use
- Firearms
- Casino's
- Luxury items

Use of the procurement card for any of the above commodities will not be tolerated and could result in disciplinary action.

## RENEWAL AND CANCELLATION OF CARDS

Procurement cards are renewed automatically and are sent directly to the cardholder 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. Next, please e-mail Kim Harpin at [kharpin@risd.edu](mailto:kharpin@risd.edu), or Amy Barr at [abarr@risd.edu](mailto:abarr@risd.edu) to confirm that the card has been deactivated.***

## AUDITS

To ensure the continued success of this program and to meet audit requirements of the College, periodic and random audits will be performed on cardholder accounts to ensure that items billed to the card have been received and policies are being followed. During the course of the fiscal year, every card will be audited.

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, you should call Kim Harpin at ext. 6424, or Amy Barr at ext. 6441.

## 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.

## CONSEQUENCES OF MISUSE

Cardholders who do not comply with the prescribed guidelines risk disciplinary procedures. The right 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 that what you are purchasing is an appropriate use of the card, or have any questions concerning the use of the card, please contact Procurement Services.

## ADDITIONAL CARDHOLDER RESPONSIBILITIES

The procurement card represents the College's trust in you as a respected employee of RISD. 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 credit cards, under any circumstances.

### Receipt of Goods and Services:

The cardholder is responsible for ensuring receipt of goods and services, and for follow-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 that appears on their cardholder statement. 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 online via [www.paymentnet.jpmorgan.com](http://www.paymentnet.jpmorgan.com). Purchasing 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.



# PROCUREMENT CARD

## CARDHOLDER AGREEMENT

### Cardholder Agreement

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

I \_\_\_\_\_, hereby acknowledge receipt of a RISD Procurement Card, card number ends with the last four digits of: \_\_\_\_\_.

As a cardholder:

- I agree to comply with the terms and conditions of the Agreement and the applicable provisions of the Procurement Card 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 Procurement Card and not circumvent these limits.
- I accept responsibility for the protection and proper use of this Procurement Card as outlined in this Agreement and User Guide.
- I understand that the College **WILL** audit the use of the Procurement Card.
- I understand that I **MAY NOT** use the Procurement Card for the restricted commodities listed in the User Guide.
- I agree that I **WILL NOT** use the Procurement 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 Procurement 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 Procurement 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 Procurement Card at any time for any reason. I agree to return the Procurement 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 \_\_\_\_\_

Date \_\_\_\_\_

Print Name \_\_\_\_\_

Building \_\_\_\_\_

Department \_\_\_\_\_

Campus Extension \_\_\_\_\_