

PROCUREMENT CARD CHANGES, UPDATES AND REMINDERS

JULY 1, 2002

New Procurement Card Application

The Procurement Card Cardholder Authorization Form has been revised and can be printed from the Procurement Card web site. You can also send an email to cballard@busaff.usc.edu to have the application emailed to you. Beginning July 1, 2002 this will be the only acceptable application for a Procurement Card. Please note that your email address is required and that the Shipping/Street Address should be the address to which you would have any items shipped. Also, at the bottom of the form your Sr. Business Officer (VP or Dean in some cases) must initial their approval for you to carry the card with you. If you are not authorized to carry the card it must be kept in a secure location to which only you have access.

Merchant Category Code Groupings

A Merchant Category Code (MCC) is a four digit code assigned to a vendor, by Mastercard, based on their commodity. One of the ways we manage the Procurement Card program is by allowing or disallowing vendors based on their MCC. We have different MCC groupings assigned to Procurement Card based on the intended use of the card and the account number to which the card is linked. You can view the lists for Procurement Cards on unrestricted accounts and sponsored accounts at the following web site:

<http://adminweb.usc.edu/purchasing/public/proCard.cfm?team=DIR>

Beginning July 15, 2002 we will institute the new MCC grouping for sponsored accounts. If you have a Procurement Card on a sponsored account you will be notified via email of the new restrictions, or you can consult the web site for a listing of the allowable commodities. This grouping was put together to keep Procurement Card transaction in line with the guidelines for sponsored funds, specifically government funds.

Vendor Surcharges or Processing Fees for Credit Cards

According to the Mastercard International Bylaws and Rules, Section 9:

The merchant shall not directly or indirectly require any MasterCard cardholder to pay a surcharge, to pay any part of any merchant discount, whether through any increase in price or otherwise, or to pay any contemporaneous finance charge in connection with the transaction in which a Mastercard card is used.

This means that a vendor cannot require a minimum purchase amount for a Mastercard transaction, nor can they charge any additional dollar amount to process a Master Card payment. Any vendor who charges an additional amount for using Mastercard should be reported to the program administrator, Cathy Ballard.

Supporting Documentation

Supporting documentation is required for all Procurement Card transactions. Please make an effort to make your Procurement Card supporting documentation self explanatory. For example, if you go to the grocery store to purchase food items for a meeting, you'll need to note the date of the meeting, what it was about and the number of people in attendance. If you purchase a gift or flower arrangement you are required to list the name of the recipient, as well as have VP approval on all gift/flower purchases over \$75. These requirements are specified in the USC Expenditure Manual and will make the audit process run more smoothly.

On-line Ordering

For those Cardholders who purchase from vendors like Amazon.com and use the same on-line account for personal and business transactions, be aware of the credit card you are selecting when making your personal purchase. It is recommended that you set up different on-line accounts or not save your credit card information with the vendor. If you accidentally “click on the wrong card” while making a personal purchase, the transaction could be considered an intentional misuse of the Procurement Card and you could be subject to disciplinary action.

Catering

Catering vendors can be paid by Procurement Card provided that the card is on an unrestricted account and the vendor is not associated with a restaurant. Because restaurants are automatically declined on the Procurement Card, you must use an independent caterer or USC Dining Services. If you are not sure how a vendor is classified with Mastercard, have the vendor contact Cathy Ballard at 213/740-9793 for clarification.

Contact Information

Cathy Ballard – Procurement Card Administrator
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Rachel Baeza – Procurement Card Auditor
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Bank One Customer Service
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Bank One Disputes
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