



December 9, 2002

MEMORANDUM

TO: Deans, Directors and Department Heads

FR: Robert D. Wood
Director of Materials Management

RE: Change In the Rules Regarding Charge Cards

The State Purchasing Office has issued new rules regarding the use of credit cards by universities and state agencies. The new rules require that the university discontinue the use of most credit cards (MasterCard, Visa Card, etc.) and all vendor-issued charge/debit cards (Lowe's, Harris-Teeter, etc.). The following charge cards are excluded from this change and will remain active:

1. University's Visa Pcard (used in the Purchasing Card Program)
2. Motor Pool gasoline credit card
3. Diners Club credit card issued to an employee for travel
4. American Express credit card issued to an employee for travel

Please follow the procedures outlined in the attachment to this memorandum. All cards not authorized under the new state regulations must be discontinued by March 31, 2003.

In some limited cases, exemptions to the rules may be permitted if there is a substantial justification. Any request for exemption should be submitted to the University's Purchasing Department. Consideration of the request will be based on the justification and must ultimately be approved by the State Purchasing Office.

The Purchasing Department will schedule additional training programs on the Visa Pcard program to ensure that units which need access to the university's purchasing (charge) card as a result of this change can obtain training prior to the March 31 cutoff. We will assist wherever possible to make this change go as smoothly as possible. You may sign up for purchasing card training by going to:

<http://www.fis.ncsu.edu/materialsmgmt/purchasing/purcard.htm>

If you have questions about this change or would like to discuss an exception to the rules, please call me at 5-6121. Thank you for your assistance.

Attachment

C: Mr. George Worsley
Mr. Ernest Murphrey
University Business Officers
Departmental Accounting Personnel

Credit Card Phase Out Procedures
December 9, 2002

1. The department should identify the different types of credit/debit cards currently in use, and who has them. If assistance is required, please call Kim Kelley in Accounting at 5-7132 or Mary Sanders in Purchasing at 5-2173.
2. If departmental review determines that an employee continues to need a charge card, the employee should sign up for the university's VISA pcard at <http://www.fis.ncsu.edu/materialsmgmt/purchasing/purcard.htm>. Attendance at a pcard training class is required before the card will be activated for use.
3. Once an alternative method of purchasing is operational (either our small purchase process or the pcard), all other credit/debit cards should be canceled. In order to accomplish this, the cardholder is normally required to call or write the credit card company.
4. Each department is responsible for canceling other types of charge/debit cards. Between now and March 31, 2003, assistance may be requested from Accounts Payable and/or Purchasing to run reports, by department or college, that identify any continuing credit card expenditures.
5. Departments should establish procedures to ensure that no unauthorized credit/debit cards continue to be used after March 31, 2003. The Accounts Payable Office will not reimburse for or pay charges that are incurred after March 31, 2003 on credit cards that do not fall within the State's new regulations.