

**PROCUREMENT
CARD
HANDBOOK
Approving
Officials**

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WELCOME

We hope you find the Procurement Card Program (ProCard) to be helpful in conducting business for the University. Please do not hesitate to ask questions regarding any aspect of this Program. Your input and suggestions for improvement of this program are welcome.

This handbook will provide you with the outline of your responsibilities, reviewing and approving statements, documenting transactions, and usage compliance issues. For further details on any topic, contact your Program Administrator.

KEY CONTACTS - WHO TO CALL

UAF Program Administrator: Helen Connor, 474-6465, fnhec@uaf.edu. For questions, procedural issues, monthly statements, enroll new cardholders, reports, updating cardholder data entry needs, accounting issues, and audit issues.



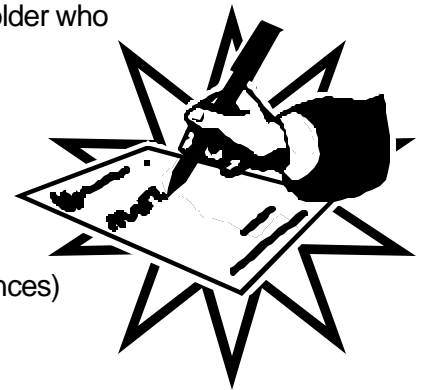
BANK ONE CUSTOMER SERVICE: (800) 316-6056 PHONE (847) 931-8861 FAX

LOST OR STOLEN CARDS - IMMEDIATELY CALL (800) 848-2813

WHEN REPORTING A LOST OR STOLEN CARD TO BANK ONE BANK, INFORM THEM THIS IS A "PURCHASING CARD"

APPROVING OFFICIAL RESPONSIBILITIES

- Timely review of the monthly Statement of Account for each Cardholder who has transactions during the cycle period for:
 - ✓ Proper departmental procurement procedures followed
 - ✓ Appropriate documentation (logs, receipts)
 - ✓ Explanation of variances between invoices & charges are included
 - ✓ Purchase is authorized for ProCard usage
- Sign off on each Statement of Account
- Take appropriate action for violations (see violations and consequences) by:
 - ✓ Inform cardholder of problem and consequence of violation
 - ✓ Inform Program Administrator of actions taken
- Inform the Program Administrator of transfer or terminations of cardholders, and your own transfer or termination



OVERVIEW OF PROCARD PROCESS

- Authorized cardholders use the ProCard MasterCard to purchase allowable small dollar goods and services for the University
- ProCard transactions are transmitted to the University by Bank One through our software vendor. Statewide downloads each department their current transactions weekly
- Departmental Reconcilers work with cardholders to ensure that the correct accounts are charged for the transactions received. Once that is complete, the transaction account information, with changes, is sent back to Statewide. A mapper file is created to translate the information into the Banner
- A Statement of Account is sent to each Cardholder who had activity on their account monthly (15th of the previous month through 14th of the current month). The Cardholder must sign the statement, attach backup (logs, receipts, etc), forward it to their Approving Official for approval and file it for future reference
- ProCard transactions are billed directly by Bank One to the University. The University pays the Bank once a month for all charges made by every cardholder. The merchants are paid by MasterCard within 48-72 hours of when the merchant gives/transmits the transaction to MasterCard
- Questioned transaction charges are credited by Bank One until the problem is resolved

PROCARD & PERSONAL CREDIT CARD DIFFERENCES

- The University is liable for all charges made on the card prior to its being reported lost or stolen to Bank One
- There is no personal liability on the card unless the Cardholder violates the terms of the ProCard by making a personal purchase
- The maximum per transaction limit is \$2,500. The department may set lower limits for a Cardholder.
- All cards are excluded from specific merchant types such as travel, vehicle vendors, and cash
- Each card can have limits as specified by the Department. These are dollar limit per cycle and maximum number of transactions allowed per day and/or per cycle
- The card belongs to the University. When an employee ends employment with the University, the ProCard is returned to the Program Administrator. If an employee moves to another University department and will be using the ProCard, the card can be reprogram for the new department
- Cardholders are trained in the proper procedures for making small dollar purchases for the department. They must sign an agreement holding them responsible for their actions in performing this vital University function



PRICE PREFERENCE FOR IN-STATE VENDORS

The State of Alaska and the University recognize the value of conducting business with Alaskan vendors. By law, businesses located in the State of Alaska are granted a 5% price preference when State funds are expended. That is, if and when an Alaskan vendor's price is not more than 5% higher than that of an out-of-state competitor, the Alaskan vendor shall be considered the low price vendor. This preference is applied by Purchasing to all competed purchases over \$2,500. The departments shall apply it when price competition is sought up to the \$2,500 competitive limit.

AUDIT FINDINGS

A recent audit of cardholders highlighted the following problems. Be careful to avoid these mistakes in your use of the card.

- Monthly statements not being submitted and signed off by approving official timely.
- Weekly e-mail or monthly statement should explain any variance between invoices and charges.
- Cardholder must determine that purchase is proper before charging.
- Cardholder cannot allow other staff to use their ProCard.
- Cardholder must maintain a log of charges.
- Logs must be updated when items are received.
- Cardholder must obtain adequate purchase documentation.
- Maintain ProCard support documents in a manner that facilitates review.
- Do not use insecure internet connections to transmit ProCard information.
- Do not split purchases to avoid cardholder credit limit.

AUTHORIZED AND UNAUTHORIZED PURCHASES

AUTHORIZATION TO MAKE A PURCHASE

The cardholder's Approving Official or Program Administrator will let you know what you are authorized to purchase and the limits that go with that authorization. For purchases against a grant account, it is your responsibility to ensure the purchases are allowable under the terms of the grant.

PROHIBITED TRANSACTIONS

The ProCard shall **NOT** be used for the following transactions:

Representational/Non-Representational Expenses

- ❑ Flowers/Holiday decorations
- ❑ Food items except for Field Camp, Hutchison Career Center and classroom usage
- ❑ Catering
- ❑ Expenses for faculty and staff recruiting, advertising or entertainment of prospective employees
- ❑ Gifts, donations, or contributions to individuals or organizations
- ❑ Microwaves/refrigerators
- ❑ Recreational activities (Bowling, Lazer Tag, etc.)

Commodities

- ❑ Items \$2,500 or greater (NOTE: Computers under \$2,500 are ordered on the Computer Supply account code and are allowed on the ProCard)
- ❑ Capital Equipment (Equipment with a value of \$2,500 or more)
- ❑ Firearms or ammunition
- ❑ Restaurant meals
- ❑ Drug Enforcement Agency licensed substances
- ❑ Contracts requiring authorized signatures

Services

- ❑ No services may be purchased except for:
 - ✓ Memberships/Dues (you must follow the cost accounting rules on these items)
 - ✓ Conferences/Registrations (you must follow the cost accounting rules on these items)
 - ✓ Freight/Shipping (report charges in account 3351)
 - ✓ Postage (report charges in account 3444)
 - ✓ Incorporated vendors that are not excluded below. Cardholder must document that vendor is incorporated on their log. Check Banner or ask vendor.
- ❑ Leases
- ❑ Travel and travel related expenses – example: airline, rail, or bus tickets, vehicle rental, meals, lodging (The American Express Corporate Card should be used for these expenses.)
- ❑ Contracts requiring authorized signatures
- ❑ Moving expenses
- ❑ Purchase of or removal of hazardous or radioactive materials
- ❑ Consulting services
- ❑ Professional services of any type
- ❑ Medical Payments

Other

- ❑ Unauthorized Restricted Fund Purchases
- ❑ Contract purchases to Non-contract providers
- ❑ Payments to individuals, employees, or students for any reason
- ❑ Honorarium payments
- ❑ Student aid payments

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- Unauthorized personal memberships or subscriptions
 - Payments to other University departments
 - Refunds of revenue
 - Time payments
 - Pyramiding (multiple purchases to cover same transaction)
 - Tuition payments
 - Cash or cash type transactions
 - Personal purchases (regardless of intent to reimburse)

EXCLUDED MERCHANT TYPES

DO NOT PURCHASE GOODS FROM THE FOLLOWING MERCHANT TYPES

- Airlines/Automobiles/Vehicle Rentals
- Quick Payment Services/Financial Institutes/Cash Advances/Securities
- Hotels and Motels
- Eating Places, Restaurants
- Bars, Cocktail Lounges, Discotheques, Nightclubs, and Taverns - Drinking Places (Alcoholic Beverages)

VIOLATIONS AND CONSEQUENCES

Personal Purchases

- The University must be reimbursed immediately
- Card Cancellation
- Violation of this policy may be investigated and could result in termination and/or criminal prosecution. In case of willful or neglectful default of this obligation, the University shall take any recovery action deemed appropriate, which is permitted by law.

Cash or Cash Type Transactions

- Card Cancellation
- Violation of this policy may be investigated and could result in termination and/or criminal prosecution. In case of willful or neglectful default of this obligation, the University shall take any recovery action deemed appropriate, which is permitted by law.

Split Purchases (Items costing over \$2500, split between transactions)

- Card will be revoked.
- Cardholder will be required to obtain additional training before determining if the card can be reinstated.

Inappropriate Purchase

- Written warning is to be given to the Cardholder.
- Cardholder is required to obtain additional training on use of the program.
- Continued misuse may result in cancellation of the card.

DISPUTES

The following may be formally disputed with Bank One:

- Unauthorized charges, including unauthorized telephone or mail order charges.
- Differences in amount authorized and amount charged.
- Duplicate charges.

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- Transaction which is yours but you are challenging for other reasons
 - Your account has not yet been credited in the ProCard system but you have received a credit voucher from the merchant or have been told by the merchant they will issue a credit.
 - Failure to receive goods.
 - Returned merchandise.
 - Unrecognized charges.
 - Altered charges.
 - Defective merchandise.

On all disputes call the vendor first and see if they can correct the problem. If not, have your Reconciler call Bank One's customer service number and tell them you have a disputed purchase: (800) 316-6056

A representative of Bank One will take down all of your information concerning the purchase problem. Immediately thereafter, the University will be credited for the disputed purchase until the dispute is resolved. Disputes must be communicated to Bank One within 60 days of the end of the cycle (14th of the month) in which the transaction first appeared.