



## Purchase Card Procedures July 1, 2015

### A. Purpose

The Upper Iowa University Purchasing Card (PCard) Program is used as the primary method to pay for small dollar items (less than \$2,500). In the past, these purchases were items for which you might normally fill out a purchase requisition or check request form. **This card is NOT to be used to pay for services rendered as these services may require issuance of IRS form 1099 to the service provider.**

The use of the PCard enhances purchasing efficiency from beginning to end by delegating purchasing responsibility for items \$2,500 or less to the PCard user and allows purchases to be made without the need for purchase requisitions, purchase orders and processing by the Business Office. The PCard can also reduce the number of small dollar disbursement request transactions that are processed.

### B. Purchasing Card

Bankers Trust is the provider that issues the Upper Iowa University PCard. The PCard is issued to designated Upper Iowa University employees that routinely make small dollar purchases and are approved by their supervisor or manager with budget authority. A PCard is issued to a designated employee only with Vice President approval.

The PCard is more than just a credit card. It is a purchasing card with certain restrictions and spending limits programmed by the administrator.

A new purchase card may be requested by emailing Janelle Soppe, Program Administrator for Bankers Trust Purchase cards, at [soppej@uiu.edu](mailto:soppej@uiu.edu). Information that must be included in the email is as follows: Cardholder name as it should appear on the card, credit limit, and appropriate ELT member approval.

**The Upper Iowa University PCard is the property of Upper Iowa University and is to be used only for authorized Upper Iowa University purchases.**

### C. Budget Officer's Responsibilities

Managers and supervisors with budget responsibility have the authority to and are responsible for:

1. Requesting PCards for designated employees who routinely make individual purchases less than \$2,500, such requests must have VP approval.
2. Monitoring their department's monthly PCard activity to ensure cards are used in accordance with all Upper Iowa University procedures.
3. Approving individual transactions.
4. Ensuring all receipts are turned in on a timely basis.
5. When an employee who has a PCard is terminated, it is the supervisor's responsibility to obtain the PCard from the terminated employee and immediately notify the Business Office of the termination.

### D. Cardholder Responsibilities

1. Utilization of the PCard as the primary method for making small dollar purchases according to these procedures.
2. Ensure that budget funds are available for all purchases made with the PCard.

3. Resolve directly with the vendor any disputes concerning returns, credits or adjustments for transactions made with the PCard.
4. Communicate sales tax exemption status information to all vendors upon purchase of goods.
5. Obtain and attach itemized transaction documents (credit card slips, cash register receipts, packing slips, etc.) to a copy of the appropriate Bankers Trust credit card statement. A receipt is not required for miscellaneous transactions under \$10 such as tolls, parking, and cab fare, where receipts are not always readily available. Transaction documentation should be scanned and emailed with the matching, appropriate month's statement to the business office by the 10th of the following month. Timely submission is critical.

E. Authorized Uses of the Purchasing Card

1. In general, the PCard is intended to buy supplies. Office Max is the official vendor for the institution for basic office supplies.
2. Purchases less than \$2,500 may be made with the PCard within the established limits and restrictions of each individual card.
3. For purchases over \$2,500, you still may be able to use your PCard in place of a purchase requisition or disbursement request form, contact the Program Administrator.
4. **All purchases made with the PCard must be for the benefit of Upper Iowa University, within established budgets, and in accordance with the UIU Purchasing Card Procedures.**
5. Business meals where a majority of the participants are not UIU employees, so long as the business purpose as well as all attendees are indicated on the receipt.

F. Unauthorized Uses of the Purchasing Card

1. Items equal to or greater than \$2,500. Some exceptions apply.
2. Personal items, including meals, may not be purchased under any circumstance, even with the intent of reimbursing the University after the purchase.
3. Capital expenditures.
4. Cash advances.
5. Contractual services, i.e. caterers, pest control, laundry services, etc. Some exceptions apply.
6. The PCard shall not be used to authenticate your personal identity for non-University business purposes. The PCard is intended for official University business purposes only and is not to be used in any manner for personal purposes.
7. Restricted items, such as alcohol (exception of university approved/sponsored events only), weapons, drugs (controlled substances) and hazardous materials.
8. Use of card at University-owned or sponsored businesses, including but not limited to Pavo Blue, Follett, and Aramark.

G. Misuse of Purchasing Card

1. Individuals who are issued a Pcard shall be held accountable for all transactions related to that card, including those transactions made with cards they have delegated to another. Consequences for misuse of the purchasing card are serious.
2. Misuse of the card can be either administrative or personal.
3. Administrative misuse includes, but is not limited to:
  - a. Lack of proper reconciliation of the cardholder account (i.e. turning in receipts and forms late or not at all, missing receipts, wrong or missing signatures, wrong or missing fund/org/account/program codes).
  - b. Card use in direct violation of the purchasing card policies and procedures.

H. Consequence of Misuse

1. Notification – Both the cardholder and the cardholder's supervisor shall be notified of any misuse. The supervisor shall bring the misuse and consequences for further misuse, to the cardholder's attention and shall ensure the cardholder resolves the misuse.

2. Formal warning – If the misuse is chronic and notification is ineffective, a formal warning stating the violation will be delivered to the cardholder, the supervisor, and their Vice President, the President, or the Board of Trustees. In some cases, written notification of misuse may be included in the cardholder’s personnel file. The reprimand will include a warning for possible PCard revocation pending further misuse.
3. Revocation – If violations continue after notification of misuse, the PCard use will be revoked. The cardholder’s supervisor and the supervisor’s Vice President, President, or the Board of Trustees will be notified. The cardholder may regain use of a University PCard only at the request of their Vice President, President, or the Board of Trustees if training is completed and approved by the Chief Financial Officer.
4. Disciplinary Action – Based on the severity of the misuse, the University may decide to initiate disciplinary action, up to and including possible termination and/or legal action.

In addition, in the case of personal purchases, repayment of the purchase by the cardholder to the University is required following resolution of the misuse. Repayment may be made by cash or check. Payment for the misuse must be made within 10 calendar days following resolution, or appropriate disciplinary measures will ensue. It is the responsibility of the cardholder to ensure that repayment is made for personal items charged to all delegated cards they are responsible for.

**Furthermore, purchases not accompanied by a valid receipt will be the responsibility of the cardholder.**

#### I. Making Purchases

1. The cardholder may purchase items via telephone, mail, fax, internet, or in person.
2. The purchase is reflected on the Bankers Trust statement that is submitted to the Business Office after the purchase has been made, but no later than the tenth day of the following month. The cardholder’s signature is required on all submissions as well as the Budget Officer’s signature.
3. It is required that the cardholder obtains Budget Officer approval prior to any purchasing card purchase. Each cardholder should work with his/her Budget Officer(s) to develop any desired departmental pre-approval process.
4. The cardholder may be held personally liable if the Budget Officer does not approve a purchase made with the PCard.
5. The cardholder must keep all PCard records, including itemized copies of receipts, or other documentation supporting charges against his/her purchasing card. A receipt is not required for miscellaneous transactions under \$10 such as tolls, parking, and cab fare where receipts are not always readily available.

**Failure to provide a receipt will result in the employee being held financially responsible for the cost of the transaction.**

6. The cardholder is required to email all such receipts, along with the Bankers Trust statement and submit PCard records to the Business Office in a timely manner.

#### J. Shipping

Cardholders should make prudent selection of shipping options. The cost of shipping heavier packages and/or routine packages via Federal Express or UPS overnight or 2-day express can be very expensive. Such priority handling or expediting of shipments should only be utilized when absolutely necessary. As with all expenditures of University funds, prudence must be demonstrated and expenses justified.

#### K. Returning Purchases

Each cardholder is responsible for any returns of purchases. All returns must be credited to the cardholder’s account. Cash refunds are strictly prohibited.

L. Sales Tax

UIU is a tax-exempt institution. Tax-exempt means that Upper Iowa University does not pay sales tax. The cardholder should remind all vendors of the University's tax-exempt status. The cardholder must review all receipts for each purchase to ensure sales tax has not been assessed. If sales tax has been charged to a purchase, the cardholder should contact the vendor and request a credit.

M. Erroneous Charges

If a cardholder believes that a charge has been posted incorrectly to his/her account, the cardholder must notify the vendor as soon as possible. The cardholder also must notify the Business Office of any disputed charges.

If the vendor agrees that an error was made, the purchase will be credited from the account on the next monthly purchasing card statement. If the disputed charge remains unresolved by the due date the charge will remain on the account until the dispute is resolved. The Business Office will work with the cardholder to ensure accuracy of the invoice received and subsequent payment made.

N. Lost/Stolen Purchasing Cards and Fraud Activity

The cardholder must notify the Business Office immediately of a lost or stolen card. The Business Office will cancel the card and make arrangements for a new card to be issued.

**If the cardholder believes that a charge is fraudulent, the cardholder must contact Customer Services at the number on the back of the card.**

O. Termination of Employment

Upon termination of employment, the cardholder must surrender the card to his/her supervisor. The supervisor will first email the Business Office with the last 4 digits of the card. The card will immediately be suspended. The supervisor will then forward the terminated employee's PCard to the Business Office.