

UI Purchasing Card Program

USBANK

User Manual

**Accounts Payable
PO Box 444244
709 Deakin Street Rm042
Moscow, ID 83844-4244**

UI PURCHASING CARD USER MANUAL

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Forms and Contact Information available on the
Purchasing Card Web site:

<http://www.uidaho.edu/controller/accountspay/purchasingcard>

OVERVIEW

Purpose: The purpose of the University of Idaho Purchasing Card Program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions. The Program is designed to streamline the purchasing and accounts payable process by reducing paperwork generated by small dollar or, high volume transactions. The Program reduces small-dollar department purchase orders, the use of petty cash funds and personal reimbursements. The Program is also designed to provide a Travel and Entertainment card for business related travel and activities. The Purchasing Card Program empowers departments to better manage their business processes, control expenditures, and to delegate spending authority in a manner that facilitates day to day operations.

The Program is NOT intended:

- To avoid or bypass appropriate purchasing or payment procedures, rather, the Program complements the existing processes available;
- For purchases over \$5,000.00; or splitting of purchases over \$5,000.00 to avoid the bidding process.
- For purchase of personal items.

Exceptions to the Purchasing Card Policies may be made by The Purchasing Card Program Administrator or the Controller for the University of Idaho as long as it does not conflict with the current Banking Contract.

Scope: These procedures apply to all University of Idaho employees. All Purchasing Cards shall be governed by this policy and used in a manner that complies with the State of Idaho and State Board of Education policies regarding the procurement of goods and services.

Definitions:

Purchasing Card—the USBANK One Card is a commercial credit card for purchases of goods and/or services, less than \$5,000, necessary for official university business. The purchasing card is issued to permanent employees of the University of Idaho for purchases by the designated employee.

Purchasing Card Program Administrator-- The designee who will serve as a single point of contact between the University of Idaho and the Bank for general oversight of the Purchasing Card Program.

Purchasing Cardholders – Full-time, permanent employees who have been designated by Supervisors or Department Heads to be issued a purchasing card in their name for use under these procedures.

Purchasing Card Record Keepers – Employees who are responsible for completion of reconciliation documents, review and retention of cardholder's receipts and transactions.

Bank—the bank selected by the University of Idaho to provide the purchasing card program.

Splitting—Breaking large dollar purchases into smaller amounts to bypass the purchasing control limits

MCC—Merchant Category Code identifies the type of service a merchant provides

Restrictions

All purchases with this Card must comply with the guidelines in the University of Idaho's Faculty-Staff Handbook (FSH), the UI Purchasing Card Manual, and other funding agency restrictions that may apply. The following items are restricted and may not be purchased using the UI Purchasing Card:

Alcoholic Beverages/Controlled Substances
Ammunition/Weapons
Utilities/Cellular Phone Charges
Radioactive/Hazardous Materials
New Employee Moving/Househunting
Prizes/Awards
Internet Connections/Skype/NetFlix/Hula

Office Decorations
Personal Items/Personal Travel/Personal Usage
Hospitality Expenses/Gifts (food/flowers/plants)
Consulting Fees/Individual Contractors
Travel – per diem
Gift Cards/Gift Certificates
Event Tickets

The Program can be used for in-store purchases as well as mail, phone or fax orders.

All cards are issued at the request of the supervisor or manager. Card usage will be audited and may be rescinded at any time.

This manual provides the guidelines under which you may use your Purchasing Card. Please read it carefully. Your signature on the University of Idaho Cardholder Agreement indicates that you understand the intent of the Program and agree to adhere to the guidelines established for the Program. Non-adherence to any of the above procedures may result in revocation of individual Cardholder privileges. Cardholders should also be aware of Idaho law regarding misuse of financial transactions cards such as P-Cards (see Purchasing Card Memo from Office of General Counsel 1/15/2009 found at <http://www.uidaho.edu/controller/accountspay/purchasingcard>). The Purchasing Card will be issued once the Cardholder Account Form and the *signed* Cardholder Agreement Forms are received in Accounts Payable. You may begin using it once you have activated the new card. Please contact the Purchasing Card Program Administrator if you have any questions about the Purchasing Card Program or the card usage.

No individual transaction may exceed \$5,000, excluding travel (expenses such as airfare, lodging, etc.) Each Card has been assigned credit and transaction limits by the supervisor or department/business/finance office. Certain MCC groups have been "blocked" from usage in the Program. If you present your Card to any of these merchants, the transaction will be declined. It is likely that any merchant you currently utilize as a source for products will accept your Card. If the Card is declined and you feel that this should not have occurred, you may contact the bank customer service 800 number indicated on your Card. Customer Service will be able to tell you if the MCC code is blocked or if you may have exceeded the monthly credit limit or single transaction dollar limit imposed on your Card.

Record keeping is essential to ensure the success of the program. The University of Idaho, the State of Idaho, and grantor policies require retention of purchasing transaction documentation. You will be required to retain sales slips, order forms and receiving reports in order to document the transaction details. In addition, you will be required to state the purpose of your purchases for all capitol outlay and grant expenditures.

You are responsible for the security of your Card and the transactions made against the Card. The Card is issued in your name and any purchases made against the Card will be your responsibility. ***Use of the Card not in accordance with the guidelines established for this Program may result in personal liability.***

CARD CONTROL

To Obtain a Card

After you read and understand the procedures outlined:

- Your department head or financial officer must submit to the Purchasing Card Administrator:
 - a. Purchasing Card Cardholder Account Form
 - b. Cardholder Agreement Form
- Once the completed information has been received, your new Purchasing Card should arrive in Accounts Payable within 5 – 10 working days ready to be picked up.

Upon receipt of your Card, sign the back immediately and ***always keep it in a secure place!*** Although the Card is issued your name, it is the property of the University of Idaho and is only to be used for official University purchases as defined in this document. Before beginning to use the new purchasing card, you will be required to activate the card with the bank Customer Service.

The following individuals are not permitted to have a card:

- Independent contractors (anyone not receiving a University of Idaho paycheck) – Limited exceptions provided with Vice President for Finance & Administration written authority.
- Employees who have had a card previously revoked
- Untrained employees or employees who have not signed and returned the cardholder agreement form
- Suspended employees
- Terminated employees

Purchasing Card Training

Purchasing Card training must be completed prior to issuance of the card to the cardholder. The prospective cardholder must complete the training and may not designate a proxy to complete the training on the prospective cardholder's behalf.

Purchasing Card training must be completed prior to granting reconciliation access to the record keepers. They are expected to be able to complete the financial documents correctly and in a timely manner.

Cardholder Account Form and Agreement

The Purchasing Card Administrator requests purchasing cards on-line from the bank after the cardholder and supervisor have completed the University of Idaho Cardholder Account Form, Cardholder Agreement Form and attend training on proper use of Purchasing Card. Misuse and/or non-compliance with procedures will result in revocation of the card. Please note that the default accounting budget cannot be a grant budget administered by the Office of Sponsored Programs.

Forms

The forms are available on the Accounts Payable web page.

Card Cancellation

A cardholder or record keeper wishing to cancel a card should destroy the plastic card. A completed Cardholder Account Form showing the cancellation request should be sent to the Purchasing Card Administrator. The administrator will deactivate the card with the bank.

Lost or Stolen Card

If the card is lost, the Cardholder is responsible for notifying USBANK at (800) 344-5696 and Linda Keeney at acctpay@uidaho.edu. If your card is stolen, you must also notify Campus Police at (208) 882-5551.

Revising Accounting Information

To change or update your default accounting, use the Purchasing Card Administrative web application reconciliation process. Select "edit" make the changes and save the changes. It will update the forms along with the Banner processes. Please note that the default accounting budgets listed on either the Cardholder Account Form or Vandal Web cannot be a grant budget administered by the Office of Sponsored Programs.

Revising Cardholder and/or Record Keeper Information

Notify the Purchasing Card Administrator, by submitting a completed Cardholder Account Form reflecting the change at campus zip 4244 of any employment or work location changes pertaining to the Cardholder and/or the Record Keeper.

Purchasing Card Security

Only the authorized Cardholder may use the Card. Cards and Card numbers must be safeguarded against use by unauthorized individuals in the same manner you would secure your personal credit card. Purchases should only be made in person or with a vendor offering a secured web site or billing processes.

Record Keeping and Documentation

Cardholders are responsible for **all** charges on his or her electronic statement or Travel AR, including resolution of charges in error. After final review is completed by the cardholder, all necessary original receipts and packing slips are attached to the printed reconciliation form and signed by the cardholder's supervisor. The reconciliation with supporting documentation is filed at the department level. In event of an audit, all documentation must be made available to the auditor.

To facilitate reconciliation, substantiation, and reallocation of charges, the Cardholder is required to provide detailed information about their purchasing card purchases. The original transaction documentation (invoices, credit card slips, packing slips, etc.) will generally provide such important information as when the transaction occurred, who the vendor is, where they are located, the purchase amount, and the purchaser identification. Additionally, the Cardholder must provide a description of the item purchased identifying the UI budget and account code to be charged for the expense.

Bank Payments

Accounts Payable pays the bank on a 10 day cycle for the previous 10 days of posted transactions.

The Vandal Administrative Web applications electronically distribute the charges based upon the departments assigned to each purchasing card and the record keeper's. Each record keeper is responsible for allocating charges to the appropriate organization and account code on a timely basis.

Reconciliation and Approval Process

Transactions posted by the bank are sent electronically to the university on a 10 day cycle. Record Keepers will receive a statement of charges per Card for the preceding 10 days. Department record keepers will reconcile the transaction detail provided by the purchaser with the statement, complete the administrative web application, and file the documentation. The documentation supporting credit card expenditures must be retained by the departments for 3 years unless there are further requirements for Grants maintained by Sponsored Programs.

The completion of the Purchasing Card web application must be completed within 6 working days after the electronic statements are distributed. All electronic statements that are not completed during the 10 day cycle will be closed to the assigned default budget. Please note that the default accounting budgets listed on Vandal Web application cannot be a grant budget administered by the Office of Sponsored Programs.

This activity is subject to continual review. A pattern of non-compliance will be the basis for revocation of the Purchasing Card.

Unauthorized Charges and Liability

The university has a corporate account with US Bank. US Bank will hold the university accountable for all *authorized* charges. Unauthorized charges, according to the bank are charges incurred from lost or stolen cards after they have been reported lost or stolen. The University is responsible for charges until the card is reported lost or stolen. Once a card has been reported stolen, the university is not responsible for any further charges.

We encourage you to use the card. The Purchasing Card can reduce your workload; save you time, and make small dollar purchases easier. However, you will need to take some reasonable steps to ensure that your card will be used only for authorized charges. There are a number of precautions your department can take to minimize this risk:

- Keep the card in a secure location.
- Keep track of who is in possession of the card at all times by implementing a tracking system (a sign-out and sign-in sheet) for the card. Assign one or two employees to manage this tracking system, making sure any lost or stolen cards are reported immediately.
- If desired, code your cards to limit the number of transactions or dollars that can be charged. The cards are issued with a maximum \$5,000 per transaction limit. Restrictions may be changed using this mechanism. Please fill in the Card Account Form accordingly to have your Purchasing Card coded with specific limits.

- Report any misuse of the card immediately. An employee theft insurance program by US BANK covers the university. If the card is misused by an employee, and the employee is terminated and card canceled, US Bank will cover up to \$15,000 per card per year (minus a \$200 deductible). Unfortunately, the university's insurance does not cover unauthorized purchases if the card is stolen and/or misused by a student or non-employee.

Misuse of the Purchasing Card

Individuals granted purchasing card access in their departments are held accountable for all the transactions related to their card(s), including those transactions made with cards they have delegated to another. Consequences for misuse of the purchasing card are serious.

Misuse of the card can be either personal or administrative. Personal misuse includes, but is not limited to: using the purchasing card for personal purchases; use of the card by a suspended or terminated employee; allowing an unauthorized person to use the card.

Administrative misuse includes, but it not limited to: lack of proper reconciliation of the cardholder account; card use in direct violation of the purchasing card procedures as outlined in this document.

Consequence of Misuse

When appropriate, supervisors should attempt informal resolution by bringing the misuse, and consequences of further misuse, to the employee's attention.

If informal resolution is inappropriate or ineffective, the supervisor must contact the purchasing card administrator. The following consequences of misuse have been established. Not all consequences will be applied to every violation; there are situations that may lead to disciplinary action, including suspension or termination of employment, without following all these steps

- A formal warning will be delivered to the cardholder by the Purchasing Card Administrator. The cardholder's immediate supervisor and divisional vice president will also be notified of the violation. In some cases, written notification of misuse may be included in the employee's personnel file. The reprimand will include a warning for possible card revocation pending further misuse.
- If violations continue after notification of misuse, a formal notification from the University of Idaho Controller notifying the cardholder that the purchasing card privileges will be revoked. The cardholder's immediate supervisor and the divisional vice president will be notified.
- Based on the severity of the misuse, the college 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 college is required following resolution of the discrepancy. Repayment may be made by cash or check. Payment for this misuse must be made within 10 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 a delegated card.

“It is a serious crime under Idaho law to “knowingly use any public monies, or financial transaction card to make any purchase, loan, guarantee or advance of monies for any personal purpose other than for the use or benefit of the governmental unit.”

Violation of the law has severe consequences. If you are found guilty, or you plead guilty to violating the law, the University must by statute terminate your employment for cause, and you will be disqualified from holding any other public employment involving the receipt, safekeeping, or disbursement of public monies.

The University’s purchasing card procedures, consistent with the statute, prohibits use of purchasing cards for personal use. The applicable statutes are Idaho Code 18-5701 and 18-5703.

PURCHASING PROCESS

Order and Receipt of Goods

The Cardholder is responsible for ensuring receipt of materials and will follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.

For telephone or catalog orders, make sure complete shipping address and instructions are given along with your name (e.g., name, department name, complete street address, room number, city, state, and zip code). Be sure to ask for shipping charges and record them on your order form. If materials are ordered by phone, ask the vendor to include a sales receipt in the package. Save the Credit Card receipt and shipping documentation for your department records.

Tax Exempt Status

The University of Idaho is a tax-exempt organization. The college's tax exempt information can be obtained from Accounts Payable. The cardholder must provide a signed State of Idaho ST-101 Tax Exemption form to all suppliers at the time of any transaction to exempt payment for Idaho or a reciprocal state sales tax. We are only tax exempt if we have taken possession of the items in Idaho. Items purchased or delivered to other states are not tax exempt. In the event sales tax is billed to the cardholder's account, the cardholder should contact the supplier and provide the tax exemption information.

Resolving Errors

Within 60 days of the transaction date, a cardholder may dispute a charge that appears on his or her monthly purchasing card statement. The Cardholder is responsible for following up with the vendor or bank on any erroneous charges, disputed items, or returns when detected. Disputed billing can result from failure to receive goods/services, fraud, misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, unprocessed credits, etc. The Cardholder will first contact the vendor to resolve any outstanding issues; most problems can be resolved this way.

Resolving Disputes

If the Cardholder is unable to reach an agreement with the vendor, contact the bank's Customer Service Center at the 800 number on the back of the card.

The bank will ask the Cardholder to complete a Dispute Form and fax the completed form to the bank. Please note on the form the reference number given to you by the customer service representative. A copy of the dispute form should also be sent to the Purchasing Card administrator at campus zip 4244.

During the investigation by the bank, a credit will automatically be issued to the cardholder's account for the amount questioned. When the bank has completed the investigation, the cardholder will be notified of the resolution. If the dispute was not settled in the cardholder's favor, the account will be charged for the disputed transaction amount. If the Cardholder is still unable to reach an acceptable solution, call the Purchasing Card Administrator.

TRAVEL PROCESS

Travel Usage on the Purchasing Card

The University of Idaho Purchasing Card Program includes the usage for business related travel and entertainment expenses. We encourage UI travelers to use this process as designed by the guidelines. The program was intended for specific expenses such as airline, rental cars and gas, hotel reservations and conference registrations. The cardholder is responsible for ensuring original receipts are obtained and submitted for reconciliation.

Travel Restrictions

The below listed items are still restricted purchases. This includes the purchase of Per Diem or food while in travel status and Personal or 3rd Party Travel Expenses.

Alcoholic Beverages/Controlled Substances	Office Decorations
Ammunition/Weapons	Personal Items
Utilities/Cellular Phone Charges	Hospitality Expenses/Gifts (food/flowers/plants)
Radioactive/Hazardous Materials	Consulting Fees/Individual Contractors
Household Moving Expenses	Per Diem or Food while in Travel Status
Cash Advances	Personal Travel or 3rd Party Travel Expenses
Fuel for personal Vehicles	

Purchasing Card Travel Web Form Training

Travel Web Form training must be completed prior to granting reconciliation access to either a cardholder or a record keeper. The training reviews the State of Idaho Travel Policies and the requirements of the IRS Accountable Plan reconciliations.

Travel Reservations with the Purchasing Card

The Purchasing Card is the preferred method of arranging business travel. You will be able to reserve flights, lodging and rental cars. According the IRS Accountable Plan, all of the expenses must have a business purpose. Expenses must be accounted for and all unaccountable amounts must be refunded to the employer.

Purchasing Card Travel Employee Processing

All travel related purchases are placed on the cardholders Travel Accounts Receivable (A/R). These expenses are reconciled and removed by the processing of a Purchasing Card Travel Claim using the Administrative Vandal Web Travel Forms. A completed Purchasing Card Travel form should be submitted within 15 days upon return from the trip.

The cardholder and the record keepers will receive a monthly e-mail with a listing of the travel expenses that have posted to their A/R. This will be a reminder that a Purchasing Card Claim should be submitted. If there are no charges listed on the AR at that time, no email notification will be generated.

Transactions remaining on the A/R after 60 days without a properly submitted purchasing card claim are to be reviewed by the record keepers and report the information to the Department supervisor along with reminding the cardholder of their responsibility and creating the web forms to clear the charges.

At 90 days without a properly submitted purchasing card claim the cardholder will be notified of the possible beginning of payroll deduction for the outstanding travel expenses. Your purchasing card and travel usage privileges may be revoked at this time as well.

Purchasing Card Non Employee Travel Processing

All Non Employee travel related purchases are placed on the cardholders Travel Accounts Receivable (A/R) such as candidates expenses, visiting professionals, student travel expenses. In addition, items that require additional documentation or review such as food purchases are also placed on the cardholders Travel A/R based on the MCC code. These expenses are reconciled and removed by the processing of a Non Travel Employee Purchasing Card Claim using the Administrative Vandal Web Travel Forms. A completed Non Travel Claim should be submitted within 15 days after it is posted to the cardholders Travel A/R.

The cardholder and the record keepers will receive a monthly e-mail with a listing of the expenses that have posted to their A/R. This will be a reminder that a Purchasing Card Claim should be submitted. If there are no charges listed on the AR at that time, no email notification will be generated.

Transactions remaining on the A/R after 60 days without a properly submitted purchasing card claim are to be reviewed by the record keepers and report the information to the Department supervisor along with reminding the cardholder of their responsibility and creating the web forms to clear the charges.

At 90 days without a properly submitted purchasing card claim the cardholder will become personally responsible for the outstanding expenses and will be notified of the possible beginning of payroll deduction for the outstanding expenses. Your purchasing card and it's privileges may be revoked at this time as well.

Food and Promotional Meals

The purchasing card may be used to purchase food for use in lab or research purposes, Meals and refreshments that satisfy the APM section 70.20. No food or per diem is allowed while in travel status.

Entertainment

Entertainment or Public relations expenses such as meeting rooms, meals, food catering, etc. that are in connection with an event supporting the University's mission. Such activities must have an underlying business purpose such as promoting goodwill, donor cultivation, etc. A few restrictions:

- An Approved Entertainment Expense Form should be included for each charge.
- Alcoholic beverages, Bars, Cocktail lounges, etc are restricted.
- Gifts/Donations and flowers are restricted.

Fleet Card Program

The Purchasing Card Program offers a fleet management solution that monitors vehicle expenses such as fuel purchases, repairs and maintenance. The card is issued to a vehicle with card level restrictions.

To Obtain a Card

After you read and understand the procedures outlined:

- Your department head or financial officer must submit to the Purchasing Card Administrator: Fleet Cardholder Form - including the assigned Fleet Controls for each card.
- Once the completed information has been received, your new Purchasing Card should arrive in Accounts Payable within 5 – 10 working days ready to be picked up.

Upon receipt of your Card, sign the back immediately and ***always keep it in a secure place!*** The Card is the property of the University of Idaho and is only to be used for official University purchases required to maintain the Motor Pool Fleet.

Keep track of who is in possession of the card at all times by implementing a tracking system (a sign-out and sign-in sheet) for the card. Assign one or two employees to manage this tracking system, making sure any lost or stolen cards are reported immediately.

Reconciliation and Approval Process

Transactions posted by the bank are sent electronically to the university on a 10 day cycle. Record Keepers will receive a statement of charges per Fleet Card for the preceding 10 days. Department record keepers will reconcile the transaction detail provided by the Fleet Manager with the statement, complete the administrative web application, and file the documentation. The documentation supporting credit card expenditures must be retained by the departments for 3 years unless there are further requirements for Grants maintained by Sponsored Programs.

The completion of the Purchasing Card web application must be completed within 6 working days after the electronic statements are distributed. All electronic statements that are not completed during the 10 day cycle will be closed to the assigned default budget. Please note that the default accounting budgets listed on Vandal Web application cannot be a grant budget administered by the Office of Sponsored Programs.

This activity is subject to continual review. A pattern of non-compliance will be the basis for revocation of the Fleet Card.

Fleet Card updates and Changes

For Budget changes or vehicle changes in the fleet program, please follow the same instructions for the Purchasing Card Program.