

Eastern Kentucky University

Tier 3 Travel, Meal and Food Procurement Card Requirements & Procedures

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INTRODUCTION

The University Procurement Card Program has been established as a service to eligible persons within the University community to provide a more efficient method of purchasing and payment of small-dollar goods, as well as travel, meals, food items and travel-related expenditures. While any purchase or payment meeting the criteria for the procurement card is permitted, all usage of the procurement card must be in accord with established University purchasing policies, requirements and procedures, authorized expenditures, travel requirements and procedures, and any other applicable University policies and procedures.

Cardholder knowledge of these requirements is necessary and expected in order to properly and appropriately utilize the University procurement card.

GENERAL UNIVERSITY POLICY & OVERVIEW OF REQUIREMENTS

Pursuant to the Fiscal Misconduct Policy, the University requires that all University employees preserve University resources entrusted to them and for using those resources in a prudent manner and for their designated purposes, as prescribed by law, regulation or policy. Also, pursuant to the University's Code of Ethics, University employees shall protect and conserve public property, including monetary funds or resources, and shall not use it for purposes other than authorized activities.

Consistent with University policies, Eastern Kentucky University requires its employees to procure goods and services in the most efficient and cost effective method possible. The University Procurement Card Program provides a simple and easy method of procuring small-dollar goods and services without incurring the expense of the normal administrative processes required for purchasing and payment.

Each cardholder is responsible for the safekeeping and security of the assigned procurement card, and is ultimately responsible for every transaction on his or her card. Controls are incorporated into the program through the use of University approved Merchant Category Codes.

Financial managers within each college and division, along with their respective Dean or Vice President, are critical to the proper administration of the University Procurement Card Program and are expected to adhere to these requirements and procedures. Each financial manager, Dean or Vice President is expected to review all procurement card activity within each college and division.

Only the authorized cardholder may use his or her card. Delegation of authority is not permitted. Merchants may require that the signature on the card match the signature on the receipt. No one other than the signatory is authorized to use any University procurement card assigned to an individual.

Procurement card usage is restricted to official University business transactions only and University procurement cards are the property of the University. Misuse of the University procurement card will result in cancellation of the card, termination of procurement card privileges, and further disciplinary action up to and including termination of employment with the University.

The University Procurement Card Program is administered by the Procurement Card Administrator in the Office of Purchases & Stores within the Division of Financial Affairs. All purchases must be made in a manner consistent with University purchasing policies and procedures, including exemption from Kentucky state sales tax. (The University's state sales tax exemption number appears on the front of the Procurement Card.) Purchases must also comply with all other applicable University policies and procedures, including travel policies, subsistence chart on the ECU travel voucher and procedures. Any University procurement card purchase related to a sponsored agreement may be subject to more restrictive policies and procedures and will be reviewed by Sponsored Programs Administration. Any such purchases must be in full compliance with the relevant sponsored agreement.

Any personal use of the University procurement card is strictly prohibited. The practice of grouping procurement card transactions to the same vendor, with the sum total exceeding the single transaction limit of the procurement card (split purchases, pyramiding, etc.) is strictly prohibited.

Generally, all University procurement cards have a single transaction limit and a monthly transaction limit. Transaction limits are established when the card is issued, are determined in collaboration with the card user and their supervisor, and are based upon expected card usage. The recommendation is the single transaction limit will not exceed the University's current equipment capitalization threshold. All limits are subject to final approval by the Procurement Card Administrator; any exception must be approved by the cardholders' appropriate Vice President and the Vice President of Financial Affairs.

At times, University purchases may potentially result in cash or cash-like incentives. Such incentives are the property of the University and may not be used for personal gain. Examples of such incentives include, but are not limited to, rebates, gift cards, two-for-one purchases, and spend rewards.

The University recommends that cardholders not participate in such promotional incentive offers, nor allow such offers of potential incentive to unduly influence purchase decisions or vendor selection. It is the responsibility of the cardholder and the cardholder's department to ensure that any incentive reward—in any form or of any kind—received as a result of a University purchase becomes the property of the University and is utilized for the benefit of the University.

Contact the purchasing department if further clarification is needed.

GENERAL PROCEDURES

Order Placement and Purchasing

The cardholder contacts a supplier via telephone, fax, internet, or in person to purchase goods or services to be used for the benefit of the University. When contacting the vendor, please provide the following information:

1. Cardholder name, Procurement Card number, card expiration date, University tax exempt number A-605. (The vendor may require a copy of the University's tax exempt certificate; contact Purchases & Stores at 622-2246.)
2. A complete description of the item including stock/catalog numbers where applicable.
3. For delivery to your desk, the vendor **MUST** include the following information on the outside label on the package: Your name, department, building, and room number, and full street address. Large or bulky items should be delivered to Central Receiving.
4. After the order is placed, please request an order confirmation number from the vendor.
5. Cardholders should maintain document/record purchases made with the Procurement Card. A purchasing log is provided on the Purchasing web site.
6. All EKU purchases are exempt from Kentucky sales tax; tax exempt number A-605. ***If Kentucky sales tax is charged to any qualified purchase, it is the responsibility of the cardholder to contact the vendor for credit.*** If requested, a sales tax exemption certificate is available at <https://purchasing.eku.edu:4628/tax-exempt-purchase-exemption-form>.

Recordkeeping and Statement Reconciliation

Cardholders are required to redistribute and reallocate procurement card charges. Redistribution and reallocation of procurement card charges may be done at any time during the month in which purchases have been made and must be done prior to month-end closing. At the end of each billing cycle, each cardholder will receive an electronic notification to retrieve their card statement and to make any necessary redistributions or reallocations. Cardholders will have at least three (3) business days after month end to complete any redistributions or reallocations.

Each month, the cardholder's supervisor shall review and sign each procurement card statement. Each statement must have detailed receipts attached, including copies of travel documents, list of names in attendance for meals or food purchases and any other supporting documentation. Each statement must be

reconciled, signed, and dated by the cardholder and their supervisor. All items shall be reviewed by the supervisor for propriety.

1. Procurement card payments for the University will be made by the Office of Financial Affairs.
2. Cardholders must retain in their files all original procurement card detailed receipts and documents, any authorizing documents to deviate from the Procurement card restrictions for that cardholders control group along with monthly statement reconciliations. All copies of procurement card transactions and receipts are to be submitted to the Procurement card Administrator office by the 15th of the following month for review.
3. For travel, travel meals and travel-related transactions, cardholders are required to submit original receipts with the travel voucher to Accounting. All procurement card charges should be designating prepaid expense on the travel voucher. A travel voucher should be submitted to Accounting for all travel and travel related charges placed on the procurement card regardless if reimbursement will be received.
4. The minimum retention period for documents relative to expenses against sponsored agreement funds is six (6) years; refer to sponsored agreement for specific terms. The retention period for other University funds is three (3) years.
5. The cardholder must review the procurement card statement on the Visa site to ensure that all transactions were initiated, approved and the merchandise was received or service was performed. It is the responsibility of each cardholder to ensure that any credits due from vendors are received. (A credit transaction may not appear immediately on the card statement; each cardholder is expected to follow-up until the proper credit is received.)
6. The Procurement Card Administrator shall be notified by the cardholder or the cardholder's supervisor IMMEDIATELY if any exceptions or discrepancies are found on the account.

Purchases related to sponsored agreements: By the 7th of each month, a copy of all invoices and receipts for procurement card purchases related to sponsored agreements must be attached to the signed cardholder's statement and forwarded to the Procurement Card Administrator.

Returns, Credits, and Disputed Items

If the purchased item needs to be returned for any reason, returns should be processed in the manner prescribed by the vendor.

1. The vendor should issue a credit for any item that has been returned. It is the responsibility of the cardholder to follow-up and ensure that the appropriate credit appears on the account.
2. In the event there are items on the cardholder's statement that are disputed, the cardholder should first contact the vendor to resolve the problem. If the disputed item(s) cannot be resolved with the vendor, contact the Procurement Card Administrator. The bank may request that the dispute be documented in writing.

The University has only sixty (60) days from the statement date to dispute a charge.

Procurement Card Security

The University procurement card should be treated with the same level of care as a personal credit card. Storage of the card should be in a secure location, accessible to only the cardholder. The card account number should be secured and never posted at a desk or any other location. ***Use of the card by anyone other than the person whose name appears on the card is strictly prohibited. The procurement card is the responsibility of the person whose name appears on the card and should never be given to anyone else.***

Supervisor Responsibilities

Supervisors will identify employees as candidates for the University procurement card by requesting the candidate be given security access to the Procurement card training material, exam and application link on Blackboard. The Eastern Kentucky University Procurement Card Employee Agreement and a copy of the Procurement card exam must be submitted to the Procurement Card Administrator for approval.

Each month, the supervisor shall review and sign their employees' procurement card statement(s). Each statement must have receipts attached, including copies of travel documents and any other supporting documentation. Each statement

must be reconciled, signed, and dated by the cardholder and the supervisor. All items shall be reviewed by the supervisor for propriety.

The following should be considered:

1. Do all transactions adhere to all University policies and procedures?
2. Was the expenditure for a reasonable business purpose?
3. Did the cardholder initiate and approve the transaction?
4. Was the merchandise received or was the service performed?
5. Is the charge being recorded to the proper fund, organization, account, and activity code?
6. Did the cardholder maintain the *detailed* receipt and/or receiving document? Are all required documents attached to the statement?
7. If credits were due or errors made, were they received or corrected?
8. Does any expenditure look artificially divided into a series of small expenditures?
9. Was Kentucky sales tax inappropriately paid? If so, it is the responsibility of the cardholder to secure a credit from the vendor for the full amount of tax paid.
10. If an expense is related to a sponsored agreement, is the expenditure appropriate and allowed?
11. If an item was shipped, was it shipped to an Eastern Kentucky University address?
12. Are the business purposes documented for meals and food purchases coincident with the tier 3 approval document approved by the Purchasing department? Gas for a personal vehicle is not allowed on the procurement card. Gas for personal vehicles should be submitted to Accounting for mileage reimbursement. Gas for a rental vehicles is allowed.
13. Does any expenditure include the purchase of alcoholic beverages? Alcoholic beverages are not permitted on the University Procurement Card.

*Note: Please be aware if using a travel agent to make flight arrangements, the agency will charge an agent fee (approximately \$30.00 per ticket). As stewards of University funds, we encourage flight arrangement be made by the cardholder directly with the carrier thus avoiding the travel agent fee.

The Procurement Card Administrator must be notified immediately of any unreconciled discrepancies on the cardholder's statement and of any changes in employee status such as termination, transfer to another department, departure from the University, etc.

PERIODIC REVIEW

The Procurement Card Administrator shall periodically review the administration of the procurement card program by college and division financial managers and supervisors, as well as the overall University Procurement Card Program. The review will determine whether the financial manager and supervisor have reviewed procurement card transactions, that receipts and other required documentation are attached, that expenditures are for an appropriate business purpose and in compliance with all applicable University policies and procedures, and that the program is meeting the goals and objectives of the University. ***Employees must be fully cognizant of the terms and conditions of procurement card usage as noted on the Eastern Kentucky University Procurement Card Employee Agreement.***

A report summarizing the results of the review will be provided to the financial manager and supervisor. Within thirty (30) days, the financial manager and supervisor will provide the Procurement Card Administrator with comments on the review, including any corrective action taken. Copies of the review, along with financial manager and supervisor comments, will be provided to the appropriate Dean or Vice President, and when applicable, to the Provost and the Vice President for Finance & Administration.

RESTRICTIONS

Any personal use of the University procurement card is strictly prohibited. The practice of grouping procurement card transactions to the same vendor, with the sum total exceeding the single transaction limit of the procurement card (split purchases, pyramiding, etc.) is strictly prohibited.

Some items are strictly prohibited from purchase with the Tier 3 Travel and Meal University procurement card. Restricted items include, but are not limited to, the following:

- alcoholic beverages
- animals
- apparel
- biohazards (i.e., DNA, serum, tissues, etc.)
- break room supplies (water, coffee, paper goods, etc.)
- business travel meals, other meals, food
- capital purchases or inventory-controlled items (items greater than \$5,000)
- cash advances, traveler checks, wire transfers, money orders
- cellular telephones and other cellular access devices (i.e., Blackberry, etc.)
- computers (i.e., desktop, laptop, , IPod, IPAD (tablets), PDA, etc.)
- chemicals (scientific, laboratory or other)
- drugs and narcotics (controlled or other)
- employment agencies/temporary help services
- flowers, florist charges
- furniture purchases greater than \$500
- gifts, gift cards, gift certificates, greeting cards
- human subject payment
- independent contractors and personal services
- inter-departmental charges (EKU Student Accounting Svc, EKU Center for the Arts, etc.)
- laboratory and X-ray fees
- maintenance contracts
- medical Supplies (pain relievers, allergy/cold, etc.)
- motor freight carriers, trucking/moving companies
- personal purchases
- printing or duplicating charges
- printer purchases >\$500 & printers with wifi capability
See <https://it.eku.edu/equipment> for EKU-IT recommended and supported printers
- radioactive materials
- software: multi-user license & single license >\$1,000
- utilities

SOFTWARE PURCHASES

Purchase of individual software licenses will be allowed on ProCard without pre-approval (Purchasing or IT) when

- Individual licenses (single use) costs \$1,000 ea. or less. Department may order small quantities of individual licenses (less than 10) on ProCard without pre-approval.
- Software purchase should be reallocated to ACCOUNT 736100 in the Access Online system.

Software purchases NOT allowed on procard and must be pre-approved (Purchasing and IT). Order must be done via Banner requisition.

- Multi-user license agreements.
- Server software and server-based applications.
- Software intended for use in a computer lab.
- Hosted or Cloud software solutions (SaaS-Software as a Service).

CARD EXPIRATION, EMPLOYEE MOVES, EMPLOYMENT TERMINATION

All procurement cards are issued with an expiration date. A recertification review of the training material on Blackboard and a Procurement card exam must be submitted to the Procurement card administrator before a new card will be issued. Expired cards must be destroyed by the cardholder by cutting or shredding.

When an employee changes departments within the University, the Procurement Card Administrator must be notified in order to update default accounts. Employees who resign from the University, or whose employment with the University ends, must immediately surrender their procurement card to their supervisor. Supervisors shall immediately destroy the card. Supervisors are required to inform the Procurement Card Administrator of all employee terminations and departures from the University when affected employees are cardholders.

In the event a procurement card is cancelled by the Procurement Card Administrator, the cardholder will be notified.