

University of Northern Colorado

# PROCUREMENT CARD PROGRAM

## HANDBOOK

FOR

TRAINING

OF

PROGRAM PARTICIPANTS



August 2008

## **Welcome to the Procurement Card Program!**

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

Procurement Card Program Administration  
Judy Marie Scofield  
Purchasing Department  
(970)351-1612  
[Judy.scofield@unco.edu](mailto:Judy.scofield@unco.edu)

### **USING THIS HANDBOOK**

This handbook will provide you with the basic steps to use the Procurement Card Program. It covers usage compliance issues, documenting transactions, reviewing and approving statements, reallocating transactions, and more.

For further details on any topic, contact your Department Liaison who has the Procurement Card Program Department Manual or call Program Administration.  
(see Key Contacts, page 5)

**TO ACTIVATE YOUR CARD:**

**CALL THE NUMBER ON THE  
STICKER ON YOUR NEW CARD,  
BUT USE THE LAST 4 NUMBERS  
OF YOUR BEAR NUMBER, NOT  
YOUR SOCIAL SECURITY NUMBER.**

**LOST OR STOLEN CARD**

**CARDHOLDERS:**

**TO  
REPORT  
A  
LOST OR STOLEN  
CARD**

**IMMEDIATELY CALL**

**(800) 316-6056**

When reporting a lost or stolen card to JP Morgan Chase,  
inform them this is a "Purchasing Card".

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## KEY CONTACTS - WHO TO CALL

To report a LOST OR STOLEN CARD: (800) 316-6056  
Inform them this is regarding a "Purchasing Card".

### Procurement Card Program Information:

Department Liaison: \_\_\_\_\_

Reallocator: \_\_\_\_\_

Approving Official: \_\_\_\_\_

#### Procurement Card Program Administration

Judy Scofield, Purchasing

Phone: (970) 351-1612

Fax: (970) 351-1142

E-mail: [judy.scofield@unco.edu](mailto:judy.scofield@unco.edu)

#### Administration Backup:

Mary Jantz, Purchasing

Phone: (970) 351-2287

Fax: (970) 351-1142

E-mail : [mary.jantz@unco.edu](mailto:mary.jantz@unco.edu)

For Information on Declined Purchases or for Specific Transaction  
Information, Contact:

#### JP Morgan Chase Customer Service:

Phone: (800) 316-6056

Fax: (800) 931-8861

## CARDHOLDER STATEMENT OF ACCOUNT

An e-statement will be sent to each Cardholder who had transactions which were **posted to the bank** during the cycle period (21st of previous month through the 20th of the current month). The e-statement will be coming from [pvsnet@procard.com](mailto:pvsnet@procard.com) (which is JP Morgan Chase). This is the only statement you will receive, we no longer receive mailed statements. **Contact Program Administration if you are not receiving your monthly statements.** See the key Contacts list, page 5.

If you did not have any transactions that posted at the bank between the 21<sup>st</sup> of the previous month and the 20<sup>th</sup> of the current month, you will not receive a statement. Statements are not printed if there was no activity.

The Cardholder must review all transactions and verify that each transaction is theirs. If there are transactions that need to be disputed, please make a notation on the statement, then begin the dispute process on page 13.

Upon receipt of the e-statement, attach all documentation and any other backup for each purchase listed on that month's statement.

By signing the bottom of the statement, the Cardholder certifies that the purchases are necessary to conduct University business. The Cardholder will then forward their statement of account to their Approving Official for the proper signatures.

All e-statements along with all attached documentation and with all applicable signatures, is to be filed in a secure location in your department each month. Each department has a different procedure, so check with your department liaison to see where the records are kept. Records for the current fiscal year are kept in your department.

## DOCUMENT FILING

On June 30<sup>th</sup> each year, the Procurement Card Administrator will request all records for the fiscal year be sent to the Purchasing Department. All records will be due in the Purchasing Department by July 31<sup>st</sup> each year. If you are leaving the campus for summer, you are encouraged to forward your records prior to your departure. Cardholders who have not turned in their records to the Purchasing Department in a timely manner will have their card(s) suspended until received and reviewed by the Procurement Card Administrator.

**There are 3 people in your department who are directly involved with the Procurement Card program; the Cardholder, the Approving Official and the Reallocator.**

## **RESPONSIBILITIES**

### **Cardholders are responsible for:**

- IMMEDIATELY reporting a lost or stolen card to JP Morgan Chase at 1-800-316-6056. Your department has full liability for all purchases made before a card is reported lost or stolen.
- Making purchases for your department of **authorized** and **allowed** goods up to \$1,000 per transaction (this can be one item, or multiple items charged at 1 merchant in a day).
- Making purchases in compliance with information set forth in this handbook.
- Ensuring original merchant documentation is complete and available for every transaction.
- Signing off on Statement of Account for each cycle which had transactions.
- Using the card only for official State business.

**The individual's name assigned to the card is the only person authorized to use that card – the card must not be given to or shared with other employees.**

### **Approving Officials are responsible for ensuring the integrity of the PCARD program by:**

- Reviewing the monthly Statement of Account for each Cardholder who has had transactions during the cycle period.
  - 1) Review for original documentation for each transaction
  - 2) Look for prohibited transactions
- Signing off on each Statement of Account.
- Recording violations.
- Taking appropriate action for violations. (page 14)
- Informing your Department Liaison of Cardholder transfer or terminations.

### **Reallocators are responsible for:**

- Logging on to PVS Net (our bank's software) anytime within the cycle to change the default FOAP (Banner accounting string - Fund, Organization, Account & Program codes) and to update the description column. The reallocator will be able to review all transactions posted by the bank during the cycle period.
- Transactions may be reallocated into multiple FOAPs.

- It is now mandatory that the “Accept” tab is chosen for each charge **the reallocator is responsible for each month. The “Description” column, to the right of the “Accept” tab should also be filled out monthly. A short description of the business purpose of the charge should be filled in here.**
- If you intend to reallocate a purchase using Foundation funds, please get approval from Foundation prior to making your purchase.
- **Transactions which have not been reallocated by 5:00 pm on the 25<sup>th</sup> of the month following the end of the cycle will feed to Banner with the default FOAP code. After they feed to Banner the only way to change the FOAP will be thru a General Journal entry.**
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### KEEP TRACK OF ORDERS PLACED

**Use of an Order Log or filling out the “Description” column in PVS Net during the process of reallocation is now mandatory** . If your department requires use of a particular Order Log, it will be provided by your Department Liaison.

- If you choose the option of using the Order Log, please attach each month’s order log to your statement and documentation. **Be sure to fill out the “business purpose” of all purchases on the order log.**
- Keeping track of the orders you place will allow you to follow up on late deliveries, order problems, partial shipments and other order issues. Please keep notes on all problems and resolutions including names, dates, phone numbers and conversation results. A good place to keep these notes is on your order log.
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### AUTHORIZATION TO MAKE A PURCHASE

Your department Liaison will let you know what you are authorized to purchase with and without prior approval.

## PROHIBITED TRANSACTIONS

### DO NOT PURCHASE THE FOLLOWING GOODS WITH YOUR CARD.

These are Prohibited Transactions and are Cardholder violations.

- **Personal Purchases** –p-card must be used only for state business.
- **Cash or Cash Type Transactions** – no banks, ATM's, or Financial Institutions.
- **Split Purchases** - an item/items costing over \$1,000 at one merchant in 1 day, split among more than one transaction.
- **Inappropriate Purchases**
  - Services
  - Contracts requiring authorized signature (this includes maintenance agreements)
  - Drug Enforcement Agency (DEA) licensed substances
  - Office Furniture (anything listed in the Juniper Valley catalog)
  - Rentals of any kind
  - Radioactive material
  - Long distance and pay phone calls
  - Alcoholic beverages
  
  - Restaurant meals – example: Pizza Hut, Taco Bell
  - Automotive Expenses – example: convenience store transactions, fuel, auto parts & repairs
  - Travel and Travel Related Expenses - example: airfare, vehicle rental, airport shuttles, parking charges, meals & lodging
  - There are, however, several exceptions:
    - 1) Conference registrations must be put on the purchasing card, however, your transportation to and from, lodging & meals can not be put on the purchasing card (if you have a UNC travel card, these expenses should be put on it).
    - 2) Food, such as party trays, can be purchased at a grocery store (Safeway, King Soopers, Walmart) for any occasion that uses an Official Function Form. Please attach a copy of the Official Function Form to receipts for the purchase.
    - 3) Payment of Deep Rock water bills, office supplies (Corporate Express, Office Depot, Office Max) and all dues and memberships should be put on the procurement card.
    - 4) Freight (UPS, Fedex), quick copy charges (Kinko's) & copier maintenance should also be paid with the procurement card.

- 5) **Gift cards may now be purchased on the p-card. Please see the Accounts Payable site on the UNC website for the UNC Cash & Non-Cash Award Report form (and accompanying instructions) that must be filled out for each gift card purchase.**

## **EXCLUDED MERCHANT TYPES**

### **DO NOT PURCHASE GOODS FROM THE FOLLOWING MERCHANT TYPES**

**An attempted purchase from these types of merchants will cause the transaction to decline.**

- Travel Related Merchants - airlines, auto rental, hotels, motels, travel agencies, airport shuttles
- Automotive and Transportation Related Merchants - railroads, bus lines, taxi, cruise lines, auto dealers, rental, sales service
- Eating Places - restaurants, bars, cocktail lounges, nightclubs, fast food restaurants
- Betting, lottery, wagers, beer, wine, packaged liquor stores
- Dating & escort services, counseling, massage parlors, health and beauty spas, computer dating

Please call the Procurement Card Administrator for a complete list of excluded merchant types and their Standard Industry Codes.

## **STEPS TO SELECTING THE MERCHANT**

Ask yourself the following questions when selecting the merchant for each transaction:

1. **Is there a State Price Agreement?** If yes, you need to use the State Price Agreement merchant. For example, you must use the State Price Agreement for office supplies. Information is available on the UNC Purchasing home page or you may call (970) 351-2287 to find out which items are on State Price Agreements.
2. **Is there a minority, women-owned, or small business that can supply the item for a reasonable price?** If yes, use the minority, women-owned or small business merchant.
3. **Could a recycled or green product work?** Make every effort to purchase recycled and green products.
4. **Are there vendors that offer discounts to the University?** Cardholders should inquire with the vendor when making the purchase

**5. What if the vendor I want to use does not accept MasterCard?**

You will need to:

- choose a different merchant or,
- choose another purchase method

If you think you will be doing business with the vendor frequently, contact the Procurement Card Program Administrator (Key Contacts, Page 5) to get them set up as a MasterCard vendor.

**6. What if the vendor wants more information or needs tax exempt information?**

- UNC's procurement cards have the tax exempt number (98-03693) printed on the front of the card.
- The actual tax exempt form is also available on the UNC web site at <http://www.unco.edu/acctservices/ftp/purc/taxexempt.pdf>. This URL can be given to the vendor, or a copy of the tax exempt form can be faxed to the vendor.

### **PLACING THE ORDER**

You may place your order in person, by phone, by fax, or mail. **Internet purchases are allowed on secure web sites; a secure website will have a padlock in the lower right corner and the http at the site address will change to https.**

Inform the merchant of the following information:

- This purchase is tax exempt.
- Remind the merchant that this is a University of Northern Colorado purchase and should be accorded any applicable discounts.
- Give your name exactly as it appears on the card.
- Give accurate delivery information, please give building and room.
- Do not allow COD deliveries.
- Request documentation showing description & cost of each item.

**NOTE: Hobby Lobby does not routinely provide itemized receipts. Please hand write a general description of the items purchased somewhere on their receipts. Please follow the same procedure for all vendors that do not provide itemized detail of their transactions.**

## DOCUMENTING EACH TRANSACTION

### Every transaction MUST have valid and complete source documentation from the merchant.

Valid source documentation may be any one of the following:

- \* an itemized receipt from the merchant.
  - \* an itemized packing slip from the delivery, make sure the amount of the purchase is on the packing slip. Hand writing an amount on the packing slip is acceptable.
  - \* a print out of an itemized receipt for internet purchases.
  - \* an order form for dues, subscriptions, registrations or similar items.
  - \* **an invoice showing credit card payment**, the yellow copy of the credit card receipt is not acceptable.

All documentation MUST include the following information:

- \* Vendor Identification (Merchant Name)
- \* Date the purchase was made
- \* Description and quantity of each item purchased
- \* Total cost of the order
- \* Per item cost, if available from the merchant

### Gift Card purchases are to include a copy of the UNC Cash & Non-Cash Award Report Form. Also, Official Function purchases are to include an Official Function Authorization form. Both forms can be found on the Accounts Payable website.

## DECLINED TRANSACTIONS

Possible reasons for decline and what to do:

- \* **Phone Orders** - The merchant may have written down the card number and/or expiration date incorrectly. Verify the numbers with the merchant.
- \* **The transaction exceeds your daily or per cycle number of transaction limits.** Verify the number of transactions you have made to determine if you have exceeded your limits.
- \* **The merchant's 4-digit Merchant Category Code is one of the University's excluded codes.** Ask the merchant for their MCC. Merchants sign up at Master Card with one code that sometimes does not reflect their actual business. You can call the Program Administrator to ask if an MCC is on UNC's list of excluded codes.
- \* **If the transmission is down between the merchant and its bank, the transaction will decline.** Worse case scenario, you may have to return to the vendor for them to try later. **Note: If the vendor tries 3-4 times, and is declined each time, the card will then decline at any vendor for the remainder of the day. You may also be asked to call JP Morgan Chase to verify that you were physically at the location trying to make those charges (this is a fraud prevention measure).**

- \* Contact the Program Administrator, 970-351-1612, for information on why a transaction was declined.
- \* If you are unable to contact the Program Administrator, you may also contact JP Morgan Chase customer service, 800-316-6056, for information on why a transaction was declined.

**IF THE ORIGINAL DOCUMENTATION FROM THE VENDOR IS LOST:**

- \* Contact the Merchant to provide a copy of the original documentation.
- \* If the merchant cannot provide a copy:
  - \* Contact the Program Administrator for a copy of the Unavailable Document form.
  - \* The Cardholder will need to sign the form.
  - \* Obtain the Approving Official's Signature on the form.
  - \* Attach the completed form to the Bank Statement in lieu of the lost documentation.

**Note: The Unavailable Document Form may be used in place of Original Merchant Documentation, HOWEVER, repeated instances of missing Original Merchant Documentation will be considered a cardholder violation (except in cases where the merchant does not provide documentation to any of its customers) and the Cardholder may be required to obtain additional training on use of the program. Chronic abuse may result in cancellation of the card and will be investigated as potential personal purchase(s).**

**RECEIVE AND INSPECT THE GOODS**

Inspect all goods IMMEDIATELY UPON RECEIPT. If there is a problem with the order, contact the merchant immediately

**RETURNS AND/OR EXCHANGES**

- \* Make arrangements with the merchant before shipping an item for return.
- \* The merchant must credit a return and charge a new transaction. Exchange of like items, for example: different colors, may not require a credit transaction. If it is acceptable to do an exchange with your vendor, that is fine with Program Administration.
- \* It is a merchant violation to refund cash for a credit card return. Do not allow merchants to do this. It is also a Cardholder violation to accept cash.
- \* Refund of sales taxes charged to a card must be put back on that card.
- \* Document all returns and exchanges. This information may be needed for a formal dispute.

## DISPUTES

The following may be formally disputed with JP Morgan Chase.

- \* Unauthorized charges, including unauthorized phone or mail order charges
- \* Difference in amount authorized and amount charged
- \* Altered charges
- \* Duplicate charges
- \* Unrecognized charges
- \* Failure to receive goods
- \* Defective merchandise
- \* Returned Merchandise
- \* Your account has not been credited on the statement, but you have received a credit voucher from the merchant or have been told by the merchant they will issue a credit (credits can take several months).
- \* Transaction which is yours but you are challenging for other reasons.

Formal disputes must be filed with JP Morgan Chase within 60 days of the date the charge appeared on a statement. Please call the Procurement Card Administrator to begin the dispute process or see your reallocator. The Cardholder's signature is required on the dispute form and the form may be photocopied.

## VIOLATIONS AND CONSEQUENCES

**Below are four types of Cardholder violations.** All violations are to be recorded on a Violation Warning Form by the Approving Official. A copy of the completed Violation Warning Form is to be attached to the bank statement for the billing cycle in which the violation occurred. Please contact the Program Administrator at 970-351-1612 to determine if a copy of the Violation Warning Form needs to be forwarded to the Purchasing Department as well.

**The Department and/or the Program Administrator have the authority to cancel a card at any time, regardless of the consequence listed.**

### Personal Purchases

- \* Are prohibited under this program
- \* May be considered cause for card cancellation

### Cash or Cash Type Transactions

- \* May be considered cause for card cancellation
- \* Cardholder may be required to obtain further training.

**Note: Violation of both of the above may be investigated and could result in termination and/or criminal prosecution. In any event, the University must be reimbursed immediately. In the event of neglect or willful default of these obligations, the University shall take any recovery action deemed appropriate, which is permitted by law.**

### **Split Purchases (items costing over \$1,000, split between transactions)**

- \* Card may be revoked.
- \* Cardholder may be required to obtain further training before determining if the card is to be reinstated.

### **Any Other Inappropriate Purchase**

- \* Cardholder may be required to obtain additional training on use of the program.
- \* Continued misuse may result in cancellation of the card.

**All violations will receive a verbal or written warning and/or may have violation points assessed. See the Violation Point System Form or contract Program Administration for details.**

**The State of Colorado has issued the guidelines for UNC's Procurement Card Program. July 1, 2003, Fiscal Rule 2-10 came into effect. The rule pertains to various areas of the P-Card Program, most specifically Cardholder violations. According to the rule, all incidents of suspected fraud or card abuse should be reported in writing to the State Controller. Misuse of the card (improper or incorrect use) that is recurring or in excess of \$500 should also be reported to the state controller. Please refer to Section III Forms in the P-Card Department Manual to view the rule in its entirety.**

## **REVIEW OF THE PROGRAM**

All documentation must be available for site review upon request. Each department's p-card records will be reviewed periodically by Program Administration to ensure appropriate use of the card and compliance with the Program's rules and regulations. The Department Liaison will be contacted in advance to schedule a time and place for the review and will be asked to collect all Cardholder records from within the department.

Other sources may also request to review this program from time to time. The State of Colorado can request our records for a review of our Procurement Card program at any time. Please make sure your statements and all documentation is in order, including all applicable signatures.

Additionally, a monthly report showing all vendor names and transactions posted to the card during the billing cycle is printed and reviewed by Program Administration, at which time the Cardholder(s) may be contacted to provide further information on questionable items.

**To a successful Procurement Card Program!**

