



Procurement Card Program Guide

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Procurement Card Program Guide

Program Roles

There are three roles associated with the Procurement Card Program: Cardholder, Reviewer, and Approver. Program participants may perform more than one role; however, adequate separation of duties must be maintained.

Cardholder Role

Procurement card usage may vary from cardholder to cardholder; however, every cardholder must be knowledgeable of applicable University policies relating to the purchases they make. This includes policies relating to travel, asset purchases, sponsored projects, HIPAA compliance and preferred suppliers. See appendix A for a copy of Unallowable Procurement Card Purchases and Practices.

All cardholders will have access to PaymentNet. As a best practice, all cardholders should log into PaymentNet regularly to ensure transactions are valid. Users with cardholder access will only be able to see transactions purchased with their card. Within PaymentNet, cardholders can assign account codes to their transactions, enter comments, run reports and write queries. Depending upon how the program is structured for the department, these functions may be performed by the Reviewer Role.

Reviewer and Approver Roles

Best practices suggest that the Reviewer and Approver should not be the same person.

Every procurement card transaction must be marked as reviewed and approved in PaymentNet. Users with reviewer access will be able to mark a transaction as reviewed. Users with approver access will be able to mark a transaction as reviewed and approved. Security within PaymentNet prevents approvers from marking their own transactions as approved.

Procurement card transactions are not encumbered, therefore, prompt review and approval is recommended. Transactions post to FIS after both of these steps are completed. Individuals who are the cardholder's primary transaction reviewer or approver will receive a weekly e-mail notification of transactions that need to be reviewed.

Cardholder Responsibilities

Obtain 'acceptable' supporting documentation at the point of sale and forward it to the Reviewer regardless of the amount

All available supporting documentation should be forwarded to the Reviewer. Procurement cards will be revoked if a cardholder has an excessive number of transactions without acceptable supporting documentation.

Acceptable supporting documentation is defined as an original document from the merchant/vendor that contains the price. Examples include receipts, invoices, Internet order confirmation screens, and packing lists with pricing detail.

Note: If acceptable supporting documentation is not available, the Cardholder and the Approver must sign a print screen of the transaction detail page or other written documentation that contains the details of the transaction.

Procurement Card Program Guide

Travel Expense

If the Procurement Card is used to pay for travel expenses, all travel expenses must be recorded on a travel expense statement and submitted to Accounts Payable. The total Procurement Card expenses should be deducted from the amount to be reimbursed to the employee via lines 18-22 on the travel expense statement. As a best practice, the supplemental procurement card expense form should be used to detail Procurement Card activity. The original procurement card receipts should be kept in the department or school procurement card files.

Document asset purchases

If an asset is purchased, the cardholder must provide the Reviewer with information about the make, model, serial number, custodial department, and Principal Investigator. If the item purchased is an enhancement to an existing asset, the asset number of the asset being enhanced must be provided.

Social & entertainment expenses

Employees may use the Procurement Card to pay for out of town social and entertainment expenses and catered events. Local social and entertainment expenses are not allowed on the Procurement Card.

Entertainment and social expenses must be documented in accordance with University policy and IRS regulations, which require the date and place of event, specific purpose of the event or reason for expenditure, and names and titles of people in attendance and their relationship to the University. For groups larger than 12, the number of attendees and makeup of the group are acceptable. Entertainment and social expenses greater than \$50 require a dean, vice chancellor or authorized designee approval. An "Additional Supporting Documentation Form" can be completed and signed by designated level approver. If this document is used, it must be retained in the Procurement Card supporting documentation files.

Ensure that Missouri taxes are not included in the transaction

As a not for profit educational institution, the University is exempt from Missouri taxes. This includes sales tax, as well as other taxes. Missouri sales tax should not be paid on purchases made on behalf of the University. The University's tax identification number is printed on the face of the card and must be brought to the attention of the merchant at the time of the purchase. The cards also have a phone number that a merchant can call to receive a paper copy of the University's tax identification letter.

If Missouri sales tax cannot be avoided, the sales tax portion must be charged to budget object 35-51 (Sales Tax). Taxes from which the University is exempt must not be charged to a federal grant.

Other Cardholder Information

Safeguard Account Information

Safeguarding cardholder account information is an important step that helps protect the University from fraud. Sharing your card or account information with another employee is not allowed unless the employee is booking your travel arrangements.

Procurement Card Program Guide

Activation Requirements

New or replacement procurement cards require activation. JPMorgan Chase is required to ask for the last four digits of your SSN; however you should provide them with the last four-digits of your Employee ID number instead. They may also ask for your date of birth and/or single/monthly transaction limits.

Billing Address on Internet Purchases

When purchasing items via the internet, many sites will ask for a billing address in order to authenticate the identity of the person using the card. Your procurement card billing address was established using the campus box and address that you indicated on your Security Access Form. For your reference, below are the standard address formats used.

<u>Danforth</u>	<u>Med. School</u>	<u>West Campus</u>	<u>North Campus</u>
Campus Box XXXX	Campus Box XXXX	Campus Box XXXX	Campus Box XXXX
1 Brookings Drive	660 South Euclid	7425 Forsyth Boulevard	700 Rosedale Avenue
St. Louis, MO 63130	St. Louis, MO 63110	St. Louis, MO 63105	St. Louis, Mo 63112

Transaction Disputes

Your department must attempt to resolve transaction disputes directly with the merchant. If your department is unable to resolve the situation, an electronic dispute form should be completed. You must also ensure that an appropriate credit for the reported disputed item(s) or billing error appears as a subsequent transaction. Under no circumstances should you accept cash in lieu of a credit to the Procurement Card account. If you need assistance resolving a disputed transaction with a merchant, contact Purchasing Services for assistance at 314-935-5649.

Spending limit changes (single transaction and monthly credit limits)

Monthly limits will reset on the 21st of each month depending on weekends or holidays. Requests for changes in spending limits must be sent in writing (preferably e-mail) and have the approval of your supervisor. The request should include whether the increase is temporary or permanent. If the increase is temporary, an expiration date must also be provided. Single transaction limits over \$24,500 will require the approval of the Purchasing Department and the Controller's Office. Requests should be sent to the University Card Programs Administrator, Box 1147 or Mary.Koenig@wustl.edu.

Procurement Cards renew every three years

Your procurement card will expire on the last day of the expired month. You will receive a replacement card approximately 45 days prior to the expiration date. The card will be mailed to the cardholder's attention at their designated campus billing address. In addition, the same activation requirements stated above will apply.

Lost or stolen cards.

If your procurement card is lost or stolen, you must immediately contact JPMorgan Chase at 1-800-270-7760 and the Corporate Card Administrator at 314-935-8640. Replacement procurement cards can be mailed within seven days at no cost. Rush orders for replacement procurement cards can be delivered within 24-48.

Procurement Card Cancellations

Your procurement card will be cancelled if you transfer to another department or if you are no longer employed by the University.

Procurement Card Program Guide

Note: Cards may be temporarily suspended (deactivated) and subsequently reactivated at the request of the department. Card suspension may be used for seasonal employees or for employees who are on extended leave from the University.

Important Numbers and E-mail Addresses:

University Card Programs Administrator: 314-935-8640

University Card Programs Administrator E-mail Address: Mary.Koenig@wustl.edu

JPMorgan Chase 1-800-270-7760

Reviewer Responsibilities

Verify transactions in PaymentNet against supporting documentation

Reviewers must ensure that acceptable supporting documentation is received from the cardholder and that it matches the corresponding item in PaymentNet. Transaction ID numbers must be written on the original receipt document.

Acceptable supporting documentation is defined as an original document from the merchant/vendor that contains the price. Examples include receipts, invoices, Internet order confirmation screens, and packing lists with pricing detail.

Note: If acceptable supporting documentation is not available, the Cardholder and the Approver must sign a print screen of the transaction detail page or other written documentation that contains the details of the transaction.

Note in the PaymentNet “Transaction Note” field

PaymentNet details entered in the PaymentNet “transaction note” field are an essential part of documenting the purpose of the Procurement Card purchase. This procedure is consistent with the current A/P process of requiring notes in the “Payment Explanation” field in AIS check request (CR) documents. As a best practice, the PaymentNet note field should have a minimum of 10 characters.

Review or Change transaction account codes

Transactions are posted to PaymentNet using the cardholders default account code. Reviewers must verify that each component of the account code is appropriate for the transaction. Transactions can be allocated to as many as 50 different FIS accounts. PaymentNet security restricts which department and funds are available. The Reviewer should contact the University Card Programs Administrator if additional departments or funds are needed.

Remind cardholder that travel expenses must be recorded on a travel expense statement

If the transactions are for travel, remind cardholders that they must record those expenses on a travel expense statement and submit to Accounts Payable. Employees should not be reimbursed for these transactions. They should deduct these expenses from the reimbursable amount by using lines 18-22 on the travel expense statement.

Asset purchases

If the item purchased is an asset, the Reviewer must provide the Asset Accountant in Plant Accounting (935-5618) with information about the make, model, serial number, custodial department, and Principal Investigator. If the item purchased is an

Procurement Card Program Guide

enhancement to an existing asset, the asset number of the original asset must be provided.

Mark the transaction as reviewed

After completing the steps above, the Reviewer should mark the transaction as “reviewed” in PaymentNet.

Approver Responsibilities

Ensure the transaction is coded to appropriate account, including budget object.

Ensure policy compliance

The Approver is responsible for determining whether or not the purchases are made in accordance with procurement card policy and other applicable University purchasing policies.

If an Approver determines that a cardholder has violated a policy, they should notify the cardholder of the violation and add comments to the transaction in PaymentNet stating what has been done to prevent future occurrences. The Approver should pay close attention to Unallowable Purchases and Practices.

Mark the transaction as approved

After completing the steps above, the Approver should mark the transaction as “approved” in PaymentNet.

Other Important Information

Accounting Cycles

PaymentNet accounting cycles end on the 20th of the month, but may vary due to weekends and holidays. The default transaction view in PaymentNet only shows records that have not been approved for the current accounting cycle. Therefore, reviewers and approvers will need to create queries to see transactions that have not yet been reviewed or approved from the previous accounting cycle. See “How to Build your Standard Queries” in the How to Use PaymentNet guide (located at <http://cashandcredit.wustl.edu/universitycard.html>).

Auto-Approval of Transaction

Departments are given a grace period of approximately twelve days after the end of the accounting cycle to mark transactions as reviewed and approved. The grace period end date will always be the third business day of the following month at 5:00 p.m. Transactions will be swept to FIS on the fourth business day at 4:00 p.m. Transactions not approved by this time will automatically revert back to the cardholder’s default account and will be posted to FIS. Departments will be required to journal the transactions to the appropriate account.

Special instructions relating to fiscal year-end will be communicated in June. Transactions that post on the last day of the fiscal year or prior will be swept to FIS in the current fiscal year.

Procurement Card Program Guide

Record Retention

All supporting documentation must be retained in the department and must follow University record retention guidelines. To facilitate periodic compliance audits, all supporting documentation must be kept in a neat, orderly, and easily accessible fashion. If applicable, the filing of procurement card receipts must not conflict with those required by Sponsored Projects. For departments that do not have sponsored funds, it is recommended to file receipts by PaymentNet Transaction ID number.

Compliance Audits

Every department with a Procurement Card program will be subject to compliance audits. These audits may be performed by the University Card Programs Administrator, internal auditors, or external auditors. Audits will check for compliance with the Procurement Card policy and will include testing for:

- Receipts with Transaction ID number
- Sales tax
- Dean, vice chancellor or designee authorized approval for social and entertainment expense
- Travel expenses recorded on a travel expense statement
- Other compliance issues as needed

Audits showing non-compliance with the Program Guide may result in the suspension of Procurement Cards or the cancellation of the department's Procurement Card program.

Reports and Queries

The PaymentNet software contains pre-written reports organized into four categories: Cardholder/Employee, Transaction, Merchant and Administration. Different reports are available within each section based upon a user's security level. Reports and an explanation of their contents can be found under the "All Reporting" section within the software. The selection criteria of each report can be modified to meet the specific needs of the user. Output from reports can be exported to Word, Excel, or Adobe PDF.

In addition to running pre-defined reports, users can also write queries from PaymentNet based upon selection criteria that they define. Queries can be saved after they have been run and will show up in the upper left hand corner of the transaction list page under the "select a view" pull down menu. Output from queries can be exported from PaymentNet into a zipped file. Zipped files can then be imported to spreadsheet or database programs such as Microsoft Excel and Access. Users will need to have access to WinZip software in order to export files in this manner.

Procurement Card Program Guide

Appendix A



Unallowable Purchases

The following is a list of items that may not be purchased with the procurement card.

1. Software Purchases from Vendors outside the United States
2. Local social & entertainment expenses
3. Living Animals
4. Radioactive or hazardous materials (including disposal of)
5. Controlled substances
6. Employee relocation expenses
7. Maintenance or lease agreements
8. Purchases between Washington University departments (ex. Parking Permits)
9. Personal Expenses

Unallowable Practices

1. Cardholders cannot give their card or account number to another employee.
2. Procurement card transactions cannot be split or parsed into two or more smaller ones to avoid per-transaction dollar restrictions.
3. Procurement cards cannot be used to circumvent the competitive bidding process. Single transaction limits over \$24,500 will require the approval of the Purchasing Department and the Controller's Office.
4. Procurement cards cannot be used to purchase items in a manner that is inconsistent with any procedures put into place by Purchasing Services.