

# UNIVERSITY OF NORTHERN IOWA CARDHOLDER GUIDE PROCUREMENT CARD PROGRAM

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## UNIVERSITY OF NORTHERN IOWA PROCUREMENT CARD PROGRAM

### I. Introduction

The Procurement Card is a VISA credit card, issued by US Bank/ Élan Financial Services showing the name, University of Northern Iowa and the individual cardholder's name. The Procurement Card is designed to provide a more efficient and cost-effective method for departments to purchase small dollar, commonly used items, specifically transactions less than \$3,000. The monthly credit limit will be determined by the department, Business Operations and the Procurement Card Company, based on departmental need. The maximum credit limit allowed per card will be \$5,000, unless special approval has been obtained from the Purchasing and Payables Manager or their designee. The monthly credit cycle for the procurement card runs from the 26<sup>th</sup> of the month to the 25<sup>th</sup> of the following month. The spending limit resets at the beginning of each new cycle.

The card is a privilege granted to the individual by the University, it is the duty of each cardholder to ensure the responsible use of University funds. All purchases made using the Procurement Card fall under the same guidelines as all other University purchases such as with a purchase order of request for payment. The University will seek reimbursement for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result in revocation of the card. Procurement card transactions are audited by the Purchasing and Payables Services area of Business Operations, and monitored by Internal Audit.

Questions regarding the program should be directed to Pam Rousselow, ext 3-3116 or Steve Curry, ext 3-2211.

### II. Applying for a New Procurement Card and Other Subsequent Activities

#### A. Applying for a New Procurement Card

1. Locate the [University Procurement Card Application & Agreement](#) on the Office of Business Operations webpage or on the Forms Repository. The application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University Procurement Card Application & Agreement.
3. Once the form is completed, print the form.
4. Acquire the necessary signatures:
  - a. Cardholder signature (required)
  - b. Department Head approval signature (required)
  - c. Dean/director approval signature (if applicable)
5. Make one copy of the signed document, both pages, for personal future reference.
6. Send original paperwork to Molly Rickert, Purchasing Agent, Mail Code: 0008.
7. The applicant will be contacted by the Office of Business Operations (OBO) with questions concerning the application or when the card arrives to set up a time to pick up the Procurement Card in person. In addition, the cardholder will be guided through the on-line training program.
8. At the time of pick up, the cardholder will sign the back of the card and be required to participate in a brief quiz recapping the on-line training. This should take no longer than 15 minutes.

Note: It is left to each department's discretion to whom the procurement cards will be issued.

#### B. Cardholder Transferring to Another Department

Before existing cardholders can transfer their card to another department, they must receive proper approval for use of an existing card in another department. An application and department approval needs to be provided.

**Note: The Procurement Card cannot be transferred to another individual.**

1. Locate the [University Procurement Card Application & Agreement](#) on the Office of Business Operations webpage or on the forms repository. The application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University Procurement Card Application & Agreement.
3. Once the information is completed, print the form.
4. Indicate on top of the application/agreement:
  - a. Name of old department and "transferred to" name of new department (i.e. Prior department was Biology – transferred to the Library)
  - b. The last 4 digits of your current procurement card number.
5. Acquire the necessary signatures:
  - a. Cardholder signature (required)
  - b. New Department Head approval signature (required)
  - c. Dean/director approval signature (if applicable)
6. Make a copy of the signed document, both pages, for personal future reference.
7. Send original paperwork to Molly Rickert, Office of Business Operations, Mail Code: 0008.

Note: The Procurement Card cannot be transferred to another individual.

#### C. Change of Address of Cardholder

**Note: Change of address is important. If your address in the US Bank system does not match what you provide to a vendor, you may be turned down for the purchase.**

1. Notify Molly Rickert, Office of Business Operations, Mail Code: CAM 1148 0008, in writing (e-mail is acceptable, [molly.rickert@uni.edu](mailto:molly.rickert@uni.edu)) the following information:
  - a. Cardholder Name
  - b. Last 4 digits of card number
  - c. New address
2. Person requesting the change of address must be the cardholder, departmental secretary or department head.

#### D. Request Monthly Credit Limit – Increase or Decrease

Cardholders may need a higher monthly credit limit on their card due to more frequent use or large dollar purchases. The monthly credit limit cannot exceed \$5,000 unless proper approval is obtained from the Purchasing and Payables Manager or their designee. It must be identified as to whether the increase is a permanent or temporary request. Our first preference would be a new signed application for a 'credit limit change only'. However, in an emergency situation, an email from the Department Head/Dean/Director is acceptable.

1. Locate the [University Procurement Card Application & Agreement](#) on the Office of Business Operations webpage or on the forms repository. The application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University Procurement Card Application & Agreement.
3. Once the information is completed, print the form.
4. Indicate on top of application/agreement:
  - a. "Credit limit change only"
  - b. The last 4 digits of your current procurement card number
5. Acquire the necessary signatures:

- a. Cardholder signature (required)
- b. Department Head approval signature (required)
- c. Dean/director approval signature (if applicable)
6. Make one copy of signed document, both pages, for personal future reference.
7. Send original paperwork to Molly Rickert, Office of Business Operations, Mail Code: 0008.

#### E. Cancellation/Termination/Retirement

The Accounts Payable department needs to be notified when a card needs to be cancelled or the cardholder is retiring or their employment has been terminated.

1. The cardholder or the cardholder's department must notify Molly Rickert, Office of Business Operations, Mail Code: 0008., in writing (e-mail is acceptable: [molly.rickert@uni.edu](mailto:molly.rickert@uni.edu)) the following information:
  - a. Cardholder name
  - b. Last 4 digits of card number
  - c. Effective date of cancellation
2. Person requesting cancellation must be cardholder, departmental secretary or department head
3. Cut the card in half and return to Molly Rickert at Mail Code: 0008.

### III. Procurement Cardholder's Responsibilities

#### A. Card Plate and Card Number Safekeeping

The card is the property of The University of Northern Iowa. All cards, when not in use, should be stored in a secure location on campus. Cards should not be carried in the cardholder's purse or billfold on an ongoing basis because of the possibility of it being lost or mistakenly used in place of a personal credit card.

#### B. Authorization

In some instances another staff member (secondary user), other than the cardholder, may need to use the Procurement Card. The cardholder must expressly approve the use of the card by the secondary user. No written documentation is required. The cardholder still remains responsible for all purchases made by the secondary user, including retention of receipts and documentation related to the purchase as agreed to in the [University Procurement Card Application & Agreement](#).

#### C. Internet Transactions

The Procurement Card may be used for purchasing items through the websites of established reputable companies. The Procurement Card may **not** be used for purchases from online auctions (i.e. E-bay, uBid.com, Overstock.com). There is no recourse for items purchased on these websites.

#### D. Lost, Stolen, or Misplaced Card

Should a card be lost or stolen, the cardholder or the cardholder's department is responsible for notifying US Bank at 866-485-454, UNI Accounts Payable at 319-273-2211, and UNI Public Safety at 319-273-2712 in the event of theft.

#### E. Procurement Card List Serve

In order to communicate urgent or important information to cardholders in a timely manner, the University of Northern Iowa Office of Business Operations requires all cardholders to be enrolled in the Procurement Card List Serve.

#### IV. Using your Procurement Card

##### A. Dollar Limitations

The Procurement Card single transaction limit will be \$3,000, with departments having the option of setting their limit lower. The monthly credit limit will be determined by the cardholder's department, Business Operations and the Procurement Card Company based on departmental need. The maximum monthly credit limit allowed per card per month will be \$5,000, unless special approval has been obtained from the Purchasing and Payables Manager, ext. 3-2253 or their designee. Once the card has reached its monthly limit, it will be denied by a vendor. The monthly limit automatically resets per cycle. The cycle for the procurement card is the 26<sup>th</sup> of the month to the 25<sup>th</sup> of the following month.

##### B. Purchase Incentives

In some instances University purchases may result in cash or cash-like value incentives. The cash and/or 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 these promotional offers. It's the responsibility of the cardholder to be assured that any monetary or cash incentive reward received as a result of a University of Northern Iowa purchase becomes the property of the University. If there is a cash purchase incentive attached to the purchase, every attempt should be made to receive the cash incentive as a credit to the Procurement Card. If credit to the card is not feasible, then deliver the currency or check to the cashier's office. Refer to the "[Depositing Cash Receipts](#)" quick reference guide under the MEMFIS website (<http://www.vpaf.uni.edu/memfis>) for further instruction. The funds should be deposited to the account which was originally charged. If a purchase incentive is received in the form of a gift card, retain the gift card within the department and use for future purchases. Contact Accounts Payable if further clarification is needed.

##### C. Procurement Card Returns

Any item that is returned must be returned for credit if possible. If credit to the card is not feasible, deliver the currency or check to the cashier's office. Refer to the "[Depositing Cash Receipts](#)" quick reference guide under the MEMFIS website (<http://www.vpaf.uni.edu/memfis>) for further instruction. The funds should be deposited to the account the original which was originally charged. If a purchase return is received in the form of a gift card, retain the gift card within the department and use for future purchases. Contact Accounts Payable if further clarification is needed.

##### D. Preferred Vendors

Cardholders are asked to make purchases from vendors with which the University of Northern Iowa holds a contract (preferred vendors). There are two cases in which the cardholder may use a non-contracted vendor; the item is unavailable from contracted vendors, or if substantial savings can be found from another vendor other than preferred vendors. Cardholders may make the purchase from another vendor if they document the substantial savings. The savings should be documented and sent with the statement. If using non-contracted vendors, then make the purchase from the lowest priced vendor.

### **Office Supplies:**

Located in the Physical Plant off Hudson Road, Campus Supply is the University's Vendor of First Contact for office supplies. Before going out to the local retailer, check with Campus Supply first. Campus Supply works through a contract with OfficeMax to keep prices at a minimum. All office items can be found in the OfficeMax catalogue, or on the OfficeMax/Campus Supply website. Procurement card use is required for purchases from the OfficeMax website.

### **Travel Agencies:**

The University has two preferred travel agencies. By booking through one of the two following agencies you receive all benefits available to University of Northern Iowa business travelers including discounted airfares, detailed reporting, enhanced security measures and time savings.

#### **Travel & Transport, Inc.**

<http://www.tandt.com/ts/uni>

213 N. Duff Avenue  
Ames, IA 50010  
Phone: 515-292-5584  
Fax: 515-292-9100

#### **Short's Travel Management**

<http://www.shortstravel.com/uni>

1203 West Ridgeway  
Waterloo IA 50701  
Phone: 800-274-6787 ext 0714  
Phone: 319-433-0714 direct  
Fax: 319-234-2490

### **Airlines:**

American Airlines, Northwest Airlines and United Airlines offer discounted rates for University employees traveling on University business. These discounts can only be obtained by using the preferred University travel agencies listed above.

### **E. Examples of Eligible Charges to the Procurement Card**

***The general rule is that each purchase with the Procurement Card must have a business purpose that benefits the public and the University. Document in detail the business purpose for the purchase for review. Failure to document the business purpose may result in further questions to the cardholder and delay in processing of the journal entry spreadsheet.***

1. Airline Tickets (Allowable Travel Expense)
2. Conference Registrations – department must provide a copy of the registration form, traveler's name, trip dates, and conference location.
3. Express Freight (Federal Express, Airborne Express, UPS etc.)
4. Laboratory supplies
5. Maintenance expenses
6. Office equipment (low dollar, non-capital equipment)

7. Office supplies – unavailable from Campus Supply or where the department can realize a significant savings over purchasing from Campus Supply. The savings must be documented.

F. Unauthorized Charges to the Procurement Card

1. Animals
2. Automotive parts or repairs – this pertains to both personal vehicles and vehicles owned and operated by Motor Pool.
3. Business cards – these should be purchased through Print Services.
4. Controlled substances
5. Gasoline
6. Hospitality, entertainment, meals and interview expenses
7. Interdepartmental purchases
8. Letterhead
9. Medical services
10. Personal items and personal expenses
11. Personal gifts to individual employees (i.e. Flowers for a funeral)
12. Purchases involving trade of University property
13. Radioactive materials and hazardous materials
14. Telephones and related equipment
15. Travel expenses such as hotel rooms, meals, car rentals and parking fees (must submit a Travel Reimbursement Form to Accounts Payable) with the exception of certain departments and/or individuals who have been approved on a case by case basis.
16. Weapons and ammunition

G. Sales Tax

***Inform vendors that the University is sales tax exempt!!***

***Sales tax can frequently be avoided by providing or drawing attention to the tax certificate numbers affixed to the card.***

The University of Northern Iowa, as a state educational institution, is exempt from paying state sales tax or local option sales tax on goods or services purchased in the state of Iowa. Payment of hotel/motel taxes is still required. The states listed in **Appendix A** also grant tax exempt status to the University for goods or services purchased while in their state. As indicated in **Appendix A**, a form or copy of a letter is usually required. These forms or letters may be obtained by contacting Steve Curry at (319) 273-2211 or [steven.curry@uni.edu](mailto:steven.curry@uni.edu). If there are inadvertent sales tax charges on the Procurement Card, contact Steve Curry, ext. 3-3116. The tax exempt certificate can also be downloaded from the Office of Business Operations website below:

[http://www.vpaf.uni.edu/obo/purchasing/documents/tax\\_exempt\\_certificate.pdf](http://www.vpaf.uni.edu/obo/purchasing/documents/tax_exempt_certificate.pdf)

#### H. Receipts and Other Supporting Documentation

Supporting documentation of each Procurement Card purchase must be submitted to Accounts Payable in the Office of Business Operations. As purchases are made throughout the month, the cardholder is responsible for retaining supporting documentation from each purchase. Supporting documentation includes any of the following:

1. Invoices
2. Detailed cash or sales receipt
3. Packing slips with dollar amount
4. Billing statements
5. Conference registration forms
6. Internet confirmations

All supporting documentation must include:

1. Supplier name
2. Amount
3. Date
4. Itemized description of items purchased

Failure to supply supporting documentation may result in suspension of procurement card privileges.

#### V. Reconciliation and Review Process

The Office of Business Operations monitors procurement card program activity. Accounts Payable staff reviews all procurement card transactions prior to processing individual journal entries. ***The general rule is that each Procurement Card purchase must have a business purpose that benefits the public and the University. Document in detail the business purpose for the purchase in order for review.*** In addition to the standard monthly review, Accounts Payable staff performs an annual review assessing the credit limit levels of each cardholder. The result of this review may be a recommendation for a change in the credit limit of your card. If your credit limit will be affected, you will receive a notice from the Accounts Payable staff giving you the opportunity to justify your current credit limit.

Step 1 - Upon receiving monthly billing statements, cardholders must reconcile receipts to amounts shown on the billing statements.

Step 2 - It is the responsibility of the cardholder to resolve discrepancies. If there are charges the cardholder wishes to dispute, it is the responsibility of the cardholder to first contact the supplier to seek resolution. If efforts to resolve the problem directly with the supplier fail, the item in dispute is charged to the department account and the cardholder should contact Accounts Payable for procedures to initiate the dispute with US Bank/Élan.

Step 3 - Refer to the “[Procurement Card Processing](http://www.vpaf.uni.edu/memfis)” quick reference guide under the MEMFIS website (<http://www.vpaf.uni.edu/memfis>) for form processing instructions. Cardholders must validate and distribute charges to the appropriate fund/account combination, sign and date the journal entry form, obtain approval from the department head and forward the journal entry form, monthly statements and supporting documentation to Accounts Payable, OBO – Mail code 0008. All documentation should be received by Accounts Payable by the ***18<sup>th</sup> of the month*** to be included in the current month’s accounting. All card charges and associated fees are the responsibility of the cardholder’s department.

If documentation is not received by the 18<sup>th</sup> of each month, then...

**Reminder Notice (18th of the month)**

Cardholders/reconcilers that have not completed their journal entry spreadsheet by the 18th of the month will receive an email from Accounts Payable. This email will remind them that their journal entry spreadsheets were due today.

**1st Notice (Last business day of the month)**

The cardholder/reconciler is notified via email that their journal entry spreadsheet was either not received and/or was missing documentation. The email states the journal entry spreadsheet and/or documentation needs to be in our office within two weeks.

**2nd Notice (10th business day of the following month)**

The cardholder/reconciler is notified via email and phone call that their journal entry spreadsheet was either not received and/or was missing documentation. The email states the journal entry spreadsheet and/or documentation needs to be in our office immediately or the procurement card may be frozen.

**3rd Notice (21st business day of the following month)**

If the journal entry spreadsheet is not received and audited in our office, the cardholder/reconciler and department head is notified. The third notice identifies that if a journal entry spreadsheet and appropriate documentation is not received within two weeks the card will be put on a "freeze" status, thus eliminating any further transactions. (The determination of the freeze is determined by the Purchasing and Accounts Payable Manager after a review of the cardholder's account to determine if this is a unique situation or a trend in behavior).

The Office of Business Operations maintains original copies of all procurement card documents in a central location. The University issues one payment each month to US Bank/ Élan for the total procurement card charges. The University of Northern Iowa Internal Audit Department will periodically review and audit procurement card procedures and transactions of departments and colleges. The Internal Audit Department may review some procurement card transactions during departmental audits.

**VI. Types of Violations and Disciplinary Action****A. Types of Violations**

- i. Unallowable purchases (detailed in Section V, Part F)
- ii. Unacceptable documentation (acceptable documentation detailed in Section V, Part H)
- iii. Late submission of procurement card journal entry form, monthly statements and supporting documentation (due 18<sup>th</sup> of each month)
- iv. Unresolved item disputes
- v. Splitting charges to avoid the transaction limits. (i.e. If the transaction limit is set at \$1,000, then one \$2,000 transaction cannot be split into two transactions to avoid the transaction limit.)
- vi. Violation of Procurement Card Guidelines

**B. Disciplinary Action**

All cardholders are subject to disciplinary action which may include revocation of the procurement card up to dismissal of employment. If the Procurement Card is used improperly, the University of Northern Iowa may deduct from the cardholder's paycheck or from any other amounts payable to the cardholder, an amount equal to the total of the improper purchases. The University of Northern Iowa may also collect amounts owed to the cardholder after the cardholder is no longer employed by the University of Northern Iowa. If a

situation such as this occurs, the cardholder is responsible for the legal fees incurred by the University in such proceedings.

## **VII. Contact Information**

Questions concerning Procurement Card procedures or purchases should be directed to Steve Curry, ext. 3-2211 or Pam Rousselow, ext 3-3116.

Questions or concern regarding policy should be directed to Tori Stafford, Purchasing and Payables Manager, Office of Business Operations, ext. 3-5885.

**UNI IS TAX EXEMPT FROM THE FOLLOWING STATES**

**APPENDIX A**

<b>STATE</b>	<b>DOCUMENTATION</b>
Alaska	No sales tax.
Colorado	Need Iowa form showing vendor name.
Delaware	No sales tax.
District of Columbia	Need a copy of Letter of Exemption to vendor.
Florida	Need a copy of Consumer's Certificate of Exemption.
Hawaii	No sales tax.
Idaho	Need Iowa form showing vendor name.
Illinois	Need Iowa form showing vendor name.
Indiana	Need Iowa form showing vendor name.
Kansas	Need completed copy of School or Educational Institution Exemption Certificate.
Kentucky	Need completed copy of Kentucky Revenue Cabinet.
Maine	Need completed copy of Permanent Exemption Certificate.
Massachusetts	Need completed copy of Exemption Certificate to vendor.
Michigan	Need copy of Michigan Sales and Use Tax Certificate of Exemption.
Minnesota	Need a copy of Tax Exempt letter from Department of Revenue to vendor. The following items are taxable: food, drinks, rental cars and sleeping rooms.
Missouri	Need copy of Exemption from Missouri Sales and Use Tax on Purchases.
Montana	No sales tax.
New Mexico	No sales tax.
North Dakota	Need copy of Certificate of Exempt Status-Exempt Organization at time of purchase.
Ohio	Need copy of tax exempt letter from Department of Taxation and Sales and Use Tax Unit Exemption Certificate.
Oklahoma	Need copy of Tax Exempt letter from the Oklahoma Tax Commission to vendor.
Oregon	No sales tax.
Rhode Island	Need a copy of Certificate of Exemption to vendor.
South Dakota	No sales tax.
Texas	Need a copy of Tax Exempt letter from Comptroller of Public Accounts and Documentation to vendor.
Wisconsin	Need a copy of Certificate of Exempt Status to vendor.