



Department of Purchasing

PROCUREMENT CARD PROGRAM

POLICY & PROCEDURE MANUAL

The purpose of this manual is to provide University employees guidance and direction regarding the proper use of the procurement card program.

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INTRODUCTION

PURPOSE

The Procurement Card Program has been established as a service to campus departments. This program allows departments the opportunity to use a University Procurement Card to purchase certain goods costing less than \$1,500. The University benefits from the use of the Procurement Card by utilizing a procurement process that allows for the placement and payment of small dollar orders in a more efficient and cost effective manner. Thus, the Procurement Card should be used for as many small purchases as possible. Departments are required to follow the established rules and procedures listed in this manual. All cardholders will be held accountable for their actions.

CAUTION

The Procurement Card Program cannot be used to avoid or bypass appropriate purchasing procedures or bidding requirements. This program is designed to work side by side with existing purchasing procedures and to empower the cardholder to make needed small dollar purchases without delay and, with minimal paperwork.

SECURITY

The cardholder is responsible for the security of their Procurement Card. This card shall be treated with the same level of care as the cardholder would use with his/her own personal credit cards and must be kept in a secure location. Guard the Procurement Card account number carefully and be suspicious of any requests for account information; contact the Department of Purchasing should you have any questions regarding a fraudulent request. The Procurement Card number should never be put in an e-mail, only use the last four (4) digits if necessary.

RESTRICTIONS

RESTRICTED VENDORS

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The Procurement Card is restricted from use with certain types of suppliers and merchants. If the Procurement Card is presented for payment to these vendors, the authorization will be declined. If this happens and the purchase is within the guidelines, call the Program Coordinator immediately to discuss the purchase. In addition, please note that many vendors who operate within acceptable MCC's may sell some items that are restricted from purchase on the Procurement Card; just because the vendor sells it does not mean the Cardholder can buy it. (See the restriction list).

If you believe your department has a unique purchasing need that can't be met due to the restrictions below, please contact the Program Coordinator prior to the purchase, as an exception may be approved.

PYRAMIDING

Pyramiding is the use of multiple card transactions to make a purchase that would otherwise exceed your procurement card per transaction limit. Pyramiding is not permitted.

Various forms and definitions of pyramiding are listed below:

- **Pyramiding Charges:** Using multiple transactions to circumvent per transaction limits. For example, if someone with a \$1,500 per transaction limit made a purchase of \$1,900 by requesting the vendor process one transaction for \$1,500 and another transaction for \$400 to circumvent the \$1,500 per transaction limit. ***Note that this is pyramiding whether the transaction is for several items or for one item.***
- **Pyramiding Orders:** Pyramiding, or fragmenting, is making a purchase greater than your transaction limit and paying for the item(s) in separate payments of less than permitted per transaction limit over an interval of time. U of A's interval of time is 7 days.

RESTRICTED/PROHIBITED PROCUREMENT CARD PURCHASES AND ACTIVITIES **

Please contact Purchasing for assistance if you have a need that may not comply with this program.

** Certain “Restricted Items” may be purchased through the ESM on-line ordering system and charged to the University Procurement Card. Visit the Department of Purchasing website for more information about the ESM on-line ordering system, including a current list of items available through the system.

Advertising	Legal Notices, Job Advertising, Internet, Publications. University Communications & Marketing must be contacted.
Alcoholic Beverages	Except as allowable under The Allowable Entertainment and Other Discretionary Expenses Chart.
Appliances	Air Conditioners, Heaters, Refrigerators, Stoves, Ovens, Washer, Dryers, Microwaves, Coffee Pots, Toasters, etc.
Cash Advances	
Computers, Electronic Communication Devices	Laptops, Tablets, PC's, iPads, Cell Phones, Two-way Radios, Telecommunication Equip., Printers, Copiers, Faxes, etc. Online University Computer Store must be consulted for all purchases of computer systems, equipment, & software.
Drugs	
Copiers, Printers	Contact Printing Services
Furniture	All furniture - contact buyer for University contracts
Gasoline or Fuel	The University Fleet Fuel Card, is available through The Department of Purchasing and exempt from fuel and gasoline taxes.

Gift Cards

Gift Cards should be purchased through the Zip Card Office with an on-campus order form. Cards are available for all on-campus and many off-campus merchants. See the [Zip Card web](#) site for a complete list of merchants.

The P-Card may not be used to add funds to “Zip Card Gift Cards” or an individual’s Zip Card.

Guns, Weapons, Ammunition or Other Explosive Devices	
Hazardous Chemicals	Defined as any chemical with the following information on the label: explosive, flammable, oxidizer, corrosive or poison and with either a flammability, health or reactivity designation factor above one (1); see special notes on Hazardous Chemical purchases below) (2) exemptions may be granted for specific users and departments
Insurance	Rental cars, Travel, etc.,- no additional coverage.
Inter-Departmental Purchases	Computer Store, DocuZip, etc.
Leases	Copiers, Vehicles, Parking Spaces, Storage Space, Printers, Equipment, etc.
Printing	For all off-campus printed materials, departments are required to work with University Communications & Marketing for prior approvals
Purchases that exceed your per transaction limit	
Pyramiding/Splitting Transactions	In any form mentioned above or any other attempt to make a transaction outside the parameters of your procurement card. PYRAMIDING IS NOT PERMITTED WITHIN THE PROCUREMENT CARD PROGRAM
Bio hazardous or Radioactive Materials, Lab Chemicals	See Hazardous Chemicals
Rentals (except Vehicles - through University Contract)	Including but not limited to Tools, Tents, Property, Storage, Equipment, Halls, etc. Contact the Purchasing Department if you need an exception to this rule.
Security Systems	Including but not limited to Audio Video, Alarms.
Services	Including but not limited to: Construction, Professional, Personal, Performance, Lectures, repairs to any equipment on campus property (repairs may be charged to Procurement cards if the repair is done off campus property).
Services - Catering on Campus	Contact Dining Services
Software	Contact the Computer Store for more information.
Telephone, Cellular Phones, Pager Equipment & Supplies	This type of equipment must be purchased through the Department of Telecommunications. There are existing contracts in place and must be compatible with the networks.
Toners, Printer ink	Contact University Printing Services

Vehicle Purchases

The University has existing contracts for better pricing, contact The Department of Purchasing

ALLOWABLE TRAVEL & ENTERTAINMENT EXPENDITURES

Please note that there are University contracts for hotels and rental cars in place. Departments may contact the Department of Purchasing for more Travel Information & Forms through our [website](#).

The cardholder should keep in mind that items such as in-room hotel movies, personal hotel phone calls, alcohol, extended stay portion of trips, etc. are not authorized purchases and should be charged to a personal credit card. **In addition, daily per diem limits as stated by the University Travel Policy # 3359-31-05 & Business related expenses #3359-31-06** must be followed.

In regards to travel/hospitality purchases Procurement Cards should not be used for routine departmental lunches (or functions of that nature). Receipts for meals and gift cards must be itemized and include a list of attendees as well as the business purpose of the meal. Please refer to the University's Travel Policy for approved expenses.

Refer to University [Rule #3359-31-06](#) for the chart that lists what are allowable entertainment & discretionary expenses. These items otherwise would be considered an inappropriate use of public funds such as: personal items, coffee pots, coffee services, microwave ovens, bottled water, flowers, office artwork, awards, gift certificates, trophies, plaques, etc., unless the department can justify that the item is necessary to conduct official University business. Exceptions and approvals for such items must be obtained from Controller's Office in advance.

GENERAL MERCHANDISE

To save dollars, departments should strive to use the Procurement Card with vendors that the University may have under contract through the [ESM Program](#). Departments should continue to purchase basic office items (paper, pencils, pens, etc.) stocked through Central Stores. These items are competitively priced and offer the convenience of on-campus stock.

HAZARDOUS CHEMICALS & BIO HAZARDOUS/RADIOACTIVE MATERIALS or LAB CHEMICALS

Hazardous Chemicals and Bio hazardous/Radioactive Materials as defined above are restricted from purchase with the Procurement Card; the Department of Environmental & Occupational Health and Safety (EOHS) will make the final determination if a chemical or material is considered hazardous based on the criteria set above and would therefore be excluded from the Procurement Card Program. In addition, EOHS needs to be notified of any permitted chemicals that are purchased via the Procurement Card Program. You are strongly encouraged to consult with either EOHS or the Program Coordinator prior to purchasing chemicals with your Procurement Card; the purchase of restricted chemicals or the failure to report purchased chemicals to EOHS may result in immediate suspension of your Procurement Card.

Laboratory supplies, chemicals and general scientific equipment should be procured through the current contracts and the ESM on-line ordering system. Contact the Department of Purchasing to learn more about these contracts and to obtain information and access to the on-line ordering system.

OBTAINING A PROCUREMENT CARD

HOW TO OBTAIN AN APPLICATION

The requester must first complete an online application which can be found on the Department of Purchasing web-site which you may access [here](#). The application will require supervisor's electronic signature.

UA SPEED TYPE

The requester must select a default speed type (6-digit account code) that all Procurement Card charges will be charged back to. This speed type is only a default account; individual charges may be changed by the cardholder at the time of review to other UA accounts. (Note: if you are using a grant account, keep in mind that your grant may have restrictions placed upon it beyond the Procurement Card Program)

SELECT LIMITS

The requester must select both a Monthly Limit and Single Transaction Limit, initially not to exceed \$1,500. Limits may be adjusted later based upon Departmental needs, prior to the purchase, when using the ESM Program; all limit requests must be reviewed and approved by the Department of Purchasing in advance.

APPLICATION SUBMISSION

The requester will then submit the completed application to the Department of Purchasing for processing; the expected processing time from the time the Department of Purchasing receives the application is approximately 1week.

TRAINING

Once the Procurement Card is received by the Department of Purchasing, the cardholder will be notified to complete the on-line training tutorials and set up a time to pick up the card. At the time of pick-up, the P-Card Coordinator will review the proper procedures for using the Procurement Card and the cardholder will be required to sign a "Procurement Card Agreement" where the cardholder states they will use the Procurement Card for University purchases only and will comply with all requirements.

CARD USE BY ANOTHER EMPLOYEE

Each cardholder will be required to initial a Procurement Card training checklist prior to receiving their Procurement Card; should a cardholder allow another University employee to use their card, they are responsible to insure that the individual using their card is aware of the appropriate uses of the card and need to return the card along with the necessary purchase documentation immediately after making the purchase. Please note, vendors may question a different person signing the card and may choose to refuse the sale.

USING THE CARD

Making a University related purchase with your Procurement Card is a simple process; the card is permitted for purchases via telephone, internet, mail or in person:

- Verify the purchase is within your monthly & per transaction limits.
- Verify the item being purchased is not on the list of restricted items.
- Inform the vendor that this purchase is on behalf of The University of Akron which is a state institution and is exempt from state sales tax (see section on Sales Tax Exemption).
- Provide the vendor your Procurement Card information and allow them to process your transaction.
- Provided your transaction is within the acceptable limits and not with a restricted vendor, the vendor will be provided an authorization number and your transaction will be complete.
- You will need to obtain an itemized receipt of your transaction from the vendor; if the purchase is via the internet, telephone or mail, print off what information you have that aids in documenting the purchase and request a receipt from the vendor when they either deliver the goods or you pick up the items.
- Receipts and any necessary documentation must be scanned and attached electronically directly to the transaction on the PaymentNet website
- Grant related expenditures: The department/cardholder will be required to electronically attach all itemized receipts and any other supporting documentation within the PaymentNet system
- Follow up on Paymentnet to review your transaction within 10 days of the purchase, you may access the website [here](#). (see section on Reconciliation of your Procurement Card)

RECORD RETENTION

As required by IRS regulations and OMB circulars, all purchases must be properly documented. Transactions must be supported by original itemized receipts. Internet purchases require a copy of the order confirmation itemizing all costs. If required documentation previously described is not available, an explanation must be documented and filed on PaymentNet. All transactions must include an explanation that supports the business purpose in terms that would be clear to an external reviewer. Documentation must be maintained in compliance with the university's record retention policy. Paper and/or electronic receipts must be kept for 2 years prior as well as the current Fiscal Year's receipts.

Record Retention Requirement for Grants

Per federal grant regulations, transactions purchased with grant funds require a longer retention period; records related to grant funded sponsored projects require a retention period of "Active +10 years". All documents related to a sponsored project that has not ended, and for which the final financial report has not been filed, are considered "active." For this reason, all receipts and records pertaining to a grant funded purchase must be scanned and attached to the transaction in the PaymentNet system.

RECONCILIATION OF YOUR PROCUREMENT CARD

The bank will notify you by email, of transactions waiting to be reviewed. You will need to access the Procurement Card web-site, www.paymentnet.jpmorgan.com.

- log-in
- check any un-reviewed transactions as reviewed,
- change the speedtype number if necessary,
- add the 4 digit – expenditure account code,
- split the charge if necessary, to more than one account,
- add transaction notes for the business reason and person, if not the cardholder, for the purchase.

If necessary, dispute the transaction.

It is recommended that all transactions be reviewed within 7 days of the transaction posting to the Procurement Card web-site. However, in order to make sure your account changes take effect, all transactions must be reviewed, approved, and any changes made within 10 days after the transaction has posted.

Please note, Speedtype changes made in PaymentNet after the 10 day review date will not get updated to the departmental budget report in Peoplesoft. Please contact the Controller's office to make changes after this date.

CHANGE CARD LIMITS AND PARAMETERS

Changes can be made to accounts, on a temporary or permanent basis, for an adjustment to limits, to open a card for a special purchase, etc.

Change requests must be made via an email to Pcard@uakron.edu, and include the cardholder's supervisor as copied on the distribution list of the email.

LOST/STOLEN CARDS

The Procurement Card is University property and should be secured just as you would secure your personal credit cards. If a card is lost or stolen, the cardholder should immediately notify JPMorgan Chase at (800)316-6056 and also the Department of Purchasing at ext. 7340. Written confirmation via email to Pcard@uakron.edu of card loss should also be sent to The Department of Purchasing as soon as possible to limit University and departmental liability.

Upon receipt of your call, further use of the Procurement Card will be blocked. Prompt action in these circumstances can reduce the University's and your department's liability for fraudulent charges.

CANCEL CARD

The Procurement Card must be returned to the Program Coordinator in either of the following cases:

Upon employee termination from University employment.

Upon employee transfer to another University department.

SALES TAX

The University of Akron is a tax-exempt organization; for your convenience the University Tax ID number, 34-6002924, is printed on the Procurement Card. As a result of our tax exempt status, The University is not subject to many federal taxes and is always exempt from State of Ohio Sales Tax. Cardholders should remind all vendors of our tax-exempt status and be sure that Ohio Sales Tax is not added to the invoice. If needed, copies of the University's Tax Exemption Certificate may be obtained from the Department of Purchasing website, you may access the webpage [here](#).

In addition, The University of Akron has been granted a state sales tax exemption in several other states. The list of approved exemptions from states other than Ohio are located on the Department of Purchasing's website, you may access the list [here](#). Be sure to check this list if you are staying at a hotel in another state.

If sales tax is inadvertently charged to the Procurement Card, it is the cardholder's responsibility to contact the vendor and have them issue a credit for the tax amount.

Should you have any questions regarding whether or not sales tax should be paid, please contact the Department of Purchasing at ext. 7340.

SUPERVISOR'S RESPONSIBILITIES

It is the supervisor's responsibility to approve all charges made on the Procurement Card in their area. Charges are approved electronically via the Procurement Card web site.

AUDIT/REVIEW

All Procurement cards are randomly audited by the University Internal Auditors, or external auditors. Random reviews of Procurement Cards are conducted by the Department of Purchasing.

Automated monitoring systems are in place for monthly reporting to the Purchasing Office.

The Purchasing Office provides monthly reports to the Controller's Office for their use and review. Data is then uploaded to the Peoplesoft Budget.

PROCEDURES FOR IMPROPER PROCUREMENT CARD USAGE, RECORD MAINTENANCE OR RECONCILIATION

The following list provides examples of violations of the Procurement Card Procedures Manual:

- Purchase of a prohibited item.
- Exceeding per transaction limits by splitting purchases.
- Improper record keeping.
- Failure to review Procurement Card transactions online.
- Supervisor's failure to approve Procurement Card transactions.
- Excessive state sales tax applied to Procurement Card transactions.

When a procedure in the Procurement Card Manual is violated, the following actions will be taken:

- 1st Occurrence** – A Purchasing representative will discuss the violation and proper procedures with the offending party. A warning of the consequences of the 2nd occurrence will be explained and possible additional training required.
- 2nd Occurrence** – Both the cardholder and supervisor will be notified of the violation, the card limits will be reduced until the cardholder has completed the required additional training class.
- 3rd Occurrence** – The situation and its history will be escalated to the supervisor's supervisor and that person, in conjunction with the Associate Vice President/Controller, will determine the appropriate action to be taken.