Department of Purchasing: Policy and Procedure

Topics

Introduction
Purpose
Caution
Security
Obtaining a Procurement Card (aka 'PCard')
   The Application Process
   Required Training
Using the Procurement Card
   Card Use by the Assigned User
   Card Use by Another Employee
Department Cards
   Definition
   Regulations
Allowable Travel & Entertainment Use of the PCard
Purchasing General Merchandise
Restricted Usage of a Procurement Card
   Restricted Vendors
   Pyramiding
   Restricted Purchases and Activities
Record Retention Responsibilities
Administrative Maintenance of Your Procurement Card
Violation Procedures
Procurement Card General Guidelines

Introduction - Purpose

The Procurement Card Program has been established as a service to campus departments. This program enables departments the convenience of a University Procurement Card to purchase certain goods costing less than $1,500.

The University benefits from the use of the PCard because our procurement process facilitates the placement and payment of small dollar orders in a more efficient and cost-effective manner.

We recommend the Procurement Card should be used for as many small purchases as possible.

Introduction - Caution

While we encourage its use, departments are required to follow the established rules and procedures listed in this manual.

All cardholders will be held accountable for their actions.

The Procurement Card Program cannot be used to avoid or bypass appropriate purchasing procedures or bidding requirements.

The Procurement Card 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.


Introduction - Security

The cardholder is responsible for the security of their PCard.

The card shall be treated with the same level of care as the cardholder would use with his or her own personal credit cards. The card is to be stored in a secure location.

The PCard account number should be protected. Be cautious and be suspicious of requests for account information.

The PCard account number should never be put in an e-mail. At most, only use the last four (4) digits.

If you are unsure of any request regarding your PCard, contact the Department of Purchasing with questions or concerns.
Obtaining a Procurement Card (PCard)

The Application Process

First, the requester must email the Procurement Card Program through Pcard@uakron.edu

They should copy their supervisor on their request to have the card and state the purpose for using the card (Travel, Office Supplies, Equipment)

The requester will then be given an access code to the Bank site to complete an online application.

Once the application has been submitted, the bank will create the new account and send the PCard to the Purchasing Office.

Required Training

Once the PCard is received by the Department of Purchasing, the cardholder will be notified when to complete the on-line training tutorials and also to set up a time to pick up the card.

While picking up your card, the PCard Coordinator will review the proper procedures for using the card.

The cardholder will be required to sign a “Procurement Card Agreement”, wherein you agree to use the Procurement Card for University purchases only and will comply with all requirements set out by the department.
Using The PCard

Card Use by the Assigned User
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.

Follow these guidelines when using your Procurement Card:

- First, 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 this purchase is on behalf of The University of Akron, a state institution and exempt from state sales tax
- Next, provide the vendor your PCard information and allow them to process your transaction.
- If your transaction is within the acceptable transaction and credit limits, and not with a restricted vendor, your transaction will be complete.
  - If the accountholder ever has an issue with a transaction that should go through, please contact PCard Program administrator.
- Finally, 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 what information you have that aids in documenting the purchase. Also request a receipt from the vendor at delivery or when you pick up the items.
- Please note you must scan receipts and any documentation supporting the transaction. You then attach the PDF scans to the transaction using the payment processing website within 21 days of the purchase.
- For Grant related expenditures, the department or cardholder will be required to electronically attach all itemized receipts and any other supporting documentation within the payment processing website.
- Follow up on the payment processing website to review your transaction within 7 days of the purchase. You may access the website ([https://payment2.works.com/works/](https://payment2.works.com/works/))
Card Use By Another Employee

Should you allow another University employee to use your card, you are responsible to ensure that the individual using the card is aware of the appropriate uses of the card.

Further, the borrower must return the card, along with the necessary purchase documentation, immediately after making the purchase.

You should note vendors may question a different person signing the card, and may refuse the sale.

Department Cards

Department PCards are cards that are not in any one University Staff member’s name, rather, the PCard is tied to the Department holding the card.

Department PCards are most effective for using with ESM and other online purchases. The card may be used by several people in the department, who have permission from the Department Head, to use the card.

The Department PCard can also be used to go to local stores, or even travel, however, any vendor has the right to refuse to accept the card given it does not have a specific person’s name on the card. Department PCard authorizations are provided to use with the Department Card, which should reduce any chance the card would be denied through a vendor, however, it is recommended that anyone using the Department Card outside of the office, should have a back-up source for expenses.

Procedures for Department Cards

- There is a designated Department representative who handles the Department Card, keeping a record of who uses the card, and then reconciling card transactions as they occur.

- Specific regulations for using Department PCards are as follows:
Each Department using a PCard Department Card will have a designated liaison who handles the PCard check out process and reconciles transactions made with the PCard.

Check out forms indicating the purpose for using the PCard will be completed by the person who wants to use the Department PCard.

The Liaison will check the accounts prior to PCard check out to determine available funds. If any changes need to be made to the card limits contact the Procurement Card Administrator to make any adjustments.

Check out forms are reviewed to ensure purchases are within UA’s policies for allowable expenses.

If needed, a tax exempt form will be provided.

If needed, a PCard authorization form will be provided.

The Person using the Department PCard will “Log out” the PCard with a set return date, using the Department Visa Card Use & Agreement form.

Cards will be returned by the designated date and itemized receipts will be required at that time.

Once a card is checked back in, purchases will be reconciled by the Department liaison immediately.

Bank of America “Works” will be monitored regularly by the designated liaison for transactions occurring on the PCard.

If PCards are not returned by date indicated, notification emails will be sent as reminders to return the card with documentation of use.

Any misuse of the Pcard Policies and Procedures, will be flagged for violation and Department supervisors notified to determine any consequences for the misuse.
Allowable Travel & Entertainment Expenditures

1. **Hotels & Cars** Please note there are University contracts in place for the use of hotels and rental cars. Travel and Information forms are available from the Department of Purchasing. You may also access these forms on the department website under Travel.

2. **Daily Per Diem Limits as prescribed by:**
   - **2.1.1. University Travel Policy #3359-31-05** &
   - **2.1.2. Business related expenses #3359-31-06.**
   - Please see the Resources section of the manual for links to these two policies.

   2.2. Please keep in mind that items such as
      - 2.2.1. in-room hotel movies
      - 2.2.2. personal hotel phone calls
      - 2.2.3. alcohol,
      - 2.2.4. extended stay portion of trips, etc. are not authorized purchases and should be charged to a personal credit card.

3. **Travel & Hospitality Expenses**
   3.1. receipts for meals must be itemized.
   3.2. Also include a list of attendees as well as the business purpose of the meal.
   3.3. Routine departmental lunches or functions of that nature. Not permitted
   3.4. Please refer to the University’s Travel Policy for guidance on approved expenses.

4. **Entertainment & Discretionary expenses**, refer to University Rule #3359-31-06 for a chart of allowable expenses.
   4.1. For your convenience, we have provided guidance interpreting Rule #3359-31-06. Please reference the Resources section of the manual for a link to the document.
   4.2. Additionally, purchasing items similar to the following would be considered an inappropriate use of public funds:
   4.3. Examples include, 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.
   4.4. Exceptions and approvals for such items must be obtained in advance from the Controller’s Office.
Purchasing General Merchandise

When making purchases of some day-to-day items, we encourage using the PCard with vendors the University may have under contract through the ESM Program. This program provides a cost savings using online ordering from contracted supplier catalogs.

Departments should continue to purchase basic office items such as paper, pencils, pens, etc., through Central Stores as these items are competitively priced and offer the convenience of on-campus stock.

Restricted Usage

Restricted Vendors

Vendors are assigned a Merchant Category Code, or MCC, based on the type of business they operate.

Using these classifications, the PCard is restricted for use with certain types of vendors. If the PCard is presented for payment to these vendors, authorization will be declined.

However, if a transaction within guidelines is declined, please call the Program Coordinator immediately to discuss the purchase.

Also note that many vendors who operate within acceptable MCC’s may sell some items restricted from purchase using the PCard.

The message here is, even though an approved vendor sells it does not always mean the Cardholder will be able to buy it. Please reference the Restricted & Prohibited Items topic for a complete listing of restricted items.

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

Another restricted use of the PCard is called Pyramiding, which 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.

For this discussion, important terms are transaction, transaction limit, and available credit.

To illustrate, here are two descriptions and examples of pyramiding:

First, is **pyramiding charges**, which is the use of multiple transactions to circumvent per transaction limits.

For example, someone with a $1,500 per transaction limit makes 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 the practice of pyramiding is considered in play whether a transaction is for several items or just one item.*

Second, **pyramiding orders**: is the use of multiple installment payments to circumvent a transaction limit. More specifically, pyramiding an order is a sequence of 3 behaviors:

1. First, the purchase of item(s) in excess of your transaction limit,
2. Second, spreading separate payments for the item(s) in amounts under the permitted per transaction limit,
3. over an interval of time. UA’s interval is 7 days.

For example, say a department has a $9,000 monthly available credit limit. If by making a $5000 purchase on the last day of the month, then an additional $5000 purchase on the second day of the next month, we are effectively spreading a $10,000 transaction over two billing cycles, in <7 days.

This is an example of pyramiding an order and is not permitted.
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 items from the “Restricted & Prohibited Items List” 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 the current list of items available through the system.

<table>
<thead>
<tr>
<th>Category</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising</td>
<td>Legal Notices, Job Advertising, Internet, Publications.</td>
</tr>
<tr>
<td></td>
<td>University Communications &amp; Marketing must be contacted.</td>
</tr>
<tr>
<td>Alcoholic Beverages</td>
<td>Except as allowable under The Allowable Entertainment and Other Discretionary Expenses Chart.</td>
</tr>
<tr>
<td>Appliances</td>
<td>Air Conditioners, Heaters, Refrigerators, Stoves, Ovens, Washer, Dryers, Microwaves, Coffee Pots, Toasters, etc.</td>
</tr>
<tr>
<td>Cash Advances</td>
<td></td>
</tr>
<tr>
<td>Computers, Electronic Communication Devices</td>
<td>Laptops, Tablets, PC's, iPads, Cell Phones, Two-way Radios, Telecommunication Equip., Printers, Copiers, Faxes, etc.</td>
</tr>
<tr>
<td></td>
<td>Online University Computer Store must be consulted for all purchases of computer systems, equipment, &amp; software.</td>
</tr>
<tr>
<td>Drugs</td>
<td></td>
</tr>
<tr>
<td>Copiers, Printers</td>
<td>Contact Printing Services</td>
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<tr>
<td>Furniture</td>
<td>All furniture - contact buyer for University contracts</td>
</tr>
<tr>
<td>Gasoline or Fuel</td>
<td>The University Fleet Fuel Card is available through The Department of Purchasing and exempt from fuel and gasoline taxes.</td>
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<tr>
<td>Gift Cards</td>
<td>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 <a href="#">Zip Card web</a> 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.</td>
</tr>
<tr>
<td>Guns, Weapons, Ammunition or Other Explosive Devices</td>
<td>Hazardous chemicals are 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</td>
</tr>
<tr>
<td>Hazardous Chemicals</td>
<td>Rental cars, Travel, etc., purchase no additional coverage.</td>
</tr>
<tr>
<td>Insurance</td>
<td>Computer Store, DocuZip, etc.</td>
</tr>
<tr>
<td>Leases</td>
<td>Copiers, Vehicles, Parking Spaces, Storage Space, Printers, Equipment, etc.</td>
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</tbody>
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### Department of Purchasing: Policy and Procedure

<table>
<thead>
<tr>
<th>Topic</th>
<th>Details</th>
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<tbody>
<tr>
<td><strong>Printing</strong></td>
<td>For all off-campus printed materials, departments are required to work with University Communications &amp; Marketing for prior approvals</td>
</tr>
<tr>
<td><strong>Purchases that exceed your per transaction limit</strong></td>
<td>In any form described above, or any other attempt to make a transaction outside the parameters of your procurement card.</td>
</tr>
<tr>
<td><strong>Pyramiding/Splitting Transactions</strong></td>
<td>PYRAMIDING IS NOT PERMITTED WITHIN THE PROCUREMENT CARD PROGRAM</td>
</tr>
<tr>
<td><strong>Bio hazardous or Radioactive Materials, Lab Chemicals</strong></td>
<td>See Hazardous Chemicals above.</td>
</tr>
<tr>
<td><strong>Rentals (except Vehicles - through University Contract)</strong></td>
<td>Including but not limited to Tools, Tents, Property, Storage, Equipment, Halls, etc. Contact the Purchasing Department if you need an exception to this rule.</td>
</tr>
<tr>
<td><strong>Security Systems</strong></td>
<td>Including but not limited to Audio Video, Alarms.</td>
</tr>
<tr>
<td><strong>Services</strong></td>
<td>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).</td>
</tr>
<tr>
<td><strong>Services - Catering on Campus</strong></td>
<td>Contact Dining Services</td>
</tr>
<tr>
<td><strong>Software</strong></td>
<td>Contact the Computer Store for more information.</td>
</tr>
<tr>
<td><strong>Telephone, Cellular Phones, Pager Equipment &amp; Supplies</strong></td>
<td>This type of equipment must be purchased through the Department of Telecommunications. There are existing contracts</td>
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in place. Additionally, purchased devices must be compatible with UA networks.

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<tr>
<th>Toners, Printer ink</th>
<th>Contact University Printing Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicle Purchases</td>
<td>The University has existing contracts for better pricing, contact The Department of Purchasing</td>
</tr>
</tbody>
</table>
**Hazardous Chemicals & Bio Hazardous/Radioactive Materials Or Lab Chemicals**

Hazardous Chemicals and Bio hazardous/Radioactive Materials, as defined in the Restricted Items List, are restricted from purchase with the PCard;

Based on the criteria, the Department of Environmental & Occupational Health and Safety, or EOHS, makes the final determination if a chemical or material is considered hazardous and therefore excluded from the Procurement Card Program.

Please note, EOHS needs to be notified of any permitted chemicals purchased using the PCard.

You are strongly encouraged to consult with either EOHS or the PCard Program Coordinator prior to purchasing chemicals with your PCard;

It is important to understand that purchasing restricted chemicals, or the failure to report purchased chemicals to EOHS, may result in immediate suspension of your Procurement Card.
Record Retention

Record Retention Responsibilities

As required by IRS regulations and OMB circulars, all purchases must be properly documented. Specifically, transactions must be supported by original, itemized, receipts.

Internet purchases require a copy of the order, itemizing all costs.

If documentation is not available, an explanation must be documented and filed on the payment processing website.

Explanations supporting a transaction must explain the business purpose in terms that would be clear to an external viewer.

Cardholders are responsible for maintaining documentation in compliance with the university’s record retention policy. Cardholders must keep paper and/or electronic receipts for the current Fiscal Year and for 2 years prior.

Record Retention Requirement for Grants

Per federal grant regulations, transactions purchased using grant funds require a longer record retention period.

Records related to grant funded sponsored projects have a retention period of “Active +10 years”.

‘Active’ means all documents related to a sponsored project that has not ended, and for which the final financial report has not been filed.

For this reason, all receipts and records pertaining to a grant funded purchase must be scanned and attached to the transaction in the payment processing website.
Maintaining The Procurement Card

Reconciliation Of Your Procurement Card

The bank will notify you by email, of transactions waiting to be reviewed.

Instructions for completing a reconciliation are located on the Procurement Card web-site.  
https://www.uakron.edu/purchasing/facultystaff/procurement-card.dot

In general, the steps for reconciliation are:

1. log-in
2. check any un-reviewed transactions as reviewed,
3. change the speedytype number if necessary,
4. select the 4 digit – expenditure account code,
5. split the charge if necessary, to more than one account,
6. add transaction notes for the business reason for the purchase. If not the cardholder, document who made the purchase.
7. if necessary, dispute the transaction.

We strongly recommend you review all transactions within 5 calendar days of the transaction posting to the PCard web-site.

To ensure account changes you may make have time to take effect, all transactions must be reviewed and any changes made, within 7 calendar days after the transaction has posted.

Please note, Speedtype changes made in payment processing website after the 7 day review date will not be 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

Change requests must be made via an email to Pcard@uakron.edu, copying the cardholder’s supervisor or approver.

Lost/Stolen Cards

The Procurement Card is University property. It should be secured just as you would secure your personal credit cards.

If a card is lost or stolen, the cardholder should immediately notify Bank of America at 888.449.2273 the contact provided in the Resources section of the course and also the Department of Purchasing at ext. 7340.

Upon receipt of your call, further use of the Procurement Card will be blocked.

Also send written confirmation via email of card loss to the Department of Purchasing, at Pcard@uakron.edu, as soon as possible, to limit University and departmental liability.

Prompt action in these circumstances can reduce University and your department's liability for fraudulent charges.

Cancel Card

The Procurement Card must be returned to the Program Coordinator when the cardholding employee separates from the University.
Sales Tax

The University of Akron is a tax-exempt organization. Our tax exempt status means The University is not subject to many federal taxes and is always exempt from State of Ohio Sales Tax.

For your convenience, the University Tax ID number, 34-6002924, is printed on the PCard. Cardholders are responsible for reminding vendors of our tax-exempt status. 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.

Additionally, The University of Akron has been granted a state sales tax exemption in several other states. Check the department website for a list of these states. Be sure to check this link if making hotel accommodations in another state. [https://www.uakron.edu/purchasing/facultystaff/other-state-tax-exemptions.dot](https://www.uakron.edu/purchasing/facultystaff/other-state-tax-exemptions.dot)

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 within 21 days of the purchase.

Charges are approved electronically, via the payment processing web site. ([https://payment2.works.com/works/](https://payment2.works.com/works/))

**Audit/Review**

All Procurement cards are randomly *audited* by the University Internal Auditors, or external auditors.

The Department of Purchasing conducts *random reviews* of PCards.

The Department of Purchasing uses *automated monitoring systems* to generate monthly usage reports.

The Department of Purchasing provides reports to the Controller’s Office twice a month for its 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 Policies & Procedures:

- 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.

Procurement Card Users (Card Users) agree to accept responsibility for the protection and proper use of the Card as outlined in this Manual. Card Users agree that the Card may be used only for authorized University business and that such use shall conform to all University rules and policies, including those in Rule 3359-31-05 (Travel on Behalf of the University) and Rule 3359-31-06 (Business Related Expenses) and as outlined in this Manual. Card Users agree that no personal expenses will be charged to the Card per the Department Card Use & Agreement and Card Users agree that the Card may not be used to purchase restricted items as described in the aforementioned Rules or in this Manual. Card Users understand and agree that improper, fraudulent, or any unauthorized use of the Card is a serious violation and may result in disciplinary action, up to and including termination of employment. Card Users agree to allow the University to collect any amounts owed for improper, fraudulent or unauthorized purchases. The University reserves the right to terminate a Card User’s right to use the Card at any time, for any reason, and Card User agrees to surrender the Card immediately upon request for misuse of the Card.

Similarly, Card Approvers must ensure that all rules and policies, including those outlined in Rule 3359-31-05 (Travel on Behalf of the University) and Rule 3359-31-06 (Business Related Expenses) are followed. Card Approvers who fail to follow the correct procedures as outlined in the aforementioned Rules or in the P-Card Manual will be subject to disciplinary action, up to and including termination of employment.
Links Referenced in Manual:

- Bank of America, Request Account: http://www.bankofamerica.com/accountrequest
- Payment Processing website: https://payment2.works.com/works/
- UA Travel and Information forms: https://www.uakron.edu/purchasing/facultystaff/travel-information--forms.dot
- UA Department of Purchasing: https://www.uakron.edu/purchasing/
- UA Travel Policy #3359-31-05: https://www.uakron.edu/ogc/UniversityRules/pdf/31-05.pdf
- UA Business related expenses #3359-31-06: https://www.uakron.edu/ogc/UniversityRules/pdf/31-06.pdf
- UA Controller's Office: uakron.edu/controller/
- UA ESM Program: https://www.uakron.edu/purchasing/facultystaff/office-supplies.dot
- Instructions for completing reconciliation: https://www.uakron.edu/purchasing/facultystaff/procurement-card.dot
- Procurement Card Administrative Email: PCard@uakron.edu
- Contact for lost or stolen card:
  - Bank of America 888.449.2273
  - Department of Purchasing x7340
  - PCard@uakron.edu
- State Exemptions list: https://www.uakron.edu/purchasing/facultystaff/other-state-tax-exemptions.dot
- Procurement Card Polices and Procedures Manual:
  https://www.uakron.edu/purchasing/facultystaff/procurement-card.dot
- Department of Purchasing: https://www.uakron.edu/purchasing/