

# University Of North Alabama

## Purchasing Card Program

### User Guidelines

**University of North Alabama Procurement Department**

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University of North Alabama Purchasing Card Program

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## **Purpose of the Card Program**

The University of North Alabama Purchasing Card Program has been established to provide a more convenient means with which to make small dollar transactions within established usage limits. The program is designed to enhance purchasing options by reducing purchase order creation, check processing and the need for petty cash or disbursement transactions. The card may be used with any merchant who accepts VISA, either in store, by phone, mail, fax, or on-line via the Internet.

### **The Purchasing Card Program is not intended:**

- To avoid or bypass established procurement or payment procedures;
- To replace certain established travel policies and procedures;
- For personal use.

The cards are intended exclusively to conduct *official University business*, defined as any business that directly provides a benefit to the University's educational and public service objectives.

Cardholders must be aware of and sensitive to the **State Bid Law**, <http://purchasing.alabama.gov/codeofala.htm>, and contact UNA Procurement for assistance *prior to making a purchase* if there is a question about the official purpose of a purchase or if the use of the Purchasing Card to make a purchase seems questionable.

The responsibility for card control ultimately rests with you as a purchasing card user. The policies contained in this user's guide are designed to protect both you and the University.

## **Obtaining a Card**

The Purchasing Card program is available to all University Deans and designated Cost Center Heads, as desired by each administrative Vice President. Each card holder must be pre-approved by the Vice President of Business and Financial Affairs, will be required to complete a Purchasing Cardholder Application ([Appendix A](#)), sign the UNA P-Card Agreement ([Appendix B](#)), and attend a brief orientation session before obtaining a card. Although the card is issued in the name of the individual your personal credit history will, in no way, be affected by the Purchasing Card.

Each Department having Purchasing Card holders must designate a Department Auditor. The Auditor, with the card holder, must be responsible for monitoring appropriate use of the cards.

The Auditor will be specifically responsible for:

- Verifying that all charges against the Cardholder's account are backed up with itemized support documentation;
- Validating the allocation of individual charges to the correct ledger account numbers prior to submission of the weekly statements.
- Submitting all appropriate documentation, with the Purchasing Card Usage Report, ([Appendix D](#)) to Accounts Payable weekly, while insuring that all copies of these documents & forms are retained within the department for the prescribed period of time.

## **Administrative Responsibilities**

The Credit Card **Program Administrator** will be the Director of Procurement. The **Procurement Staff will assist the Administrator.**

The Administrator will be responsible for:

- Establishing Guidelines and a control structure for use of the card;
- Monitoring appropriate use of the card (along with the Auditors);
- Training cardholders and other personnel regarding use of the card;
- Ordering replacement cards;
- Supervising and conducting internal audits of card use.

## **Purchasing Card Security**

Each assigned cardholder must determine the best means for securing the purchasing card. In most cases, it is appropriate for individuals to carry the cards. If not, the cards must be stored in a secure place, such as a locked desk or locked cabinet. **In either case, the account number must be protected.**

## **Guidelines for Use of the Card**

All credit card purchases must be made in compliance with University of North Alabama procurement policies and procedures, as well as the Alabama State Bid Law. As a cardholder, you are responsible for all charges made to the card and as one to whom purchasing authority has been delegated to insure that all purchase activity is conducted in compliance with the NAEB Code of Ethics. Therefore, keep your card secure and protected at all times. **Use of the card for personal purchases is strictly prohibited.**

Individual Purchasing Cards will have pre-approved limits of \$2500.00 per transaction and per day, unless otherwise authorized at time of set up. Transactions for more than the authorized amount will be denied at the point of sale. Charges may not be split amongst several invoices in an attempt to circumvent these limits or the standard University Procurement policy.

Examples of **Acceptable** purchases with the card include:

- Purchases less than \$200.00 (itemized receipts & purpose of expense)
- Athletic Team Travel or Other Student Group Travel (Rooms, transportation and maximum of 3 meals per day – *not snacks*)
- Subscriptions
- Institutional memberships
- Purchases made on the Internet (screen print confirmation for receipt)
- Conference registration fees
- Airline tickets (reference purpose of trip)

Because of either a need for additional approvals or mandated reporting requirements, some items should not be purchased with the card.

Examples of items that are **Not Acceptable** purchases with the card include:

- Personal use or Non Business expenses
- Business Luncheons or Dinners
- Any professional service
- Repairs to University Property
- Local Auto Rentals
- Most Rental Agreements
- **Travel related expenses other than airfare and conference registration fees (follow UNA travel policy)**
- Cash advances
- Capital items (examples: computers, copiers, furniture, televisions, etc)
- Controlled substances (including radioactive materials, drugs /medications and vaccines)
- Cylinder gases
- Livestock and laboratory animals
- Maintenance or service agreements
- Software license agreements
- International use, unless pre-authorized by the Director of Procurement

Keep in mind that a contract or grant account may restrict the purchase of certain items. As the cardholder it is your responsibility to insure that all purchases are in compliance with restrictions placed by the contract or granting agency. ***Any exception requires the approval of the Director of Procurement.***

In general, the flow of use of the Purchasing Card is as follows:

1. Cardholder makes purchase and obtains appropriate receipt for documentation.
2. Cardholder denotes the account(s) and account code(s) to be charged for that purchase on the Credit Card Usage Report ([Appendix D](#)) found on-line at <http://www.una.edu/purchasing/>
3. Cardholder provides all documentation to the designated Auditor who is responsible for the account reconciliation & initial validation of use.
4. The Auditor Submits all appropriate documentation, with the signed Credit Card Usage Form ([Appendix D](#)), to procurement weekly
5. Procurement will audit and forward to Accounts Payable who will make appropriate accounting entries.

**The cardholder is responsible for obtaining itemized receipts for all Purchasing Card purchases.** The account numbers and sub-codes to be charged for each purchase **must** be denoted on the Purchasing Card Usage Report ([Appendix D](#)) with the original receipt given to the department auditor who will be completing the weekly reconciliation of your departmental Purchasing Cards.

## **Tax Exemption**

***Remind the vendor of the tax-exempt status when making a purchase on behalf of the University.*** Most expenditure's from University funds are exempted from Alabama Sales Tax. Purchases from other states and shipped into Alabama are normally exempt from tax. Verify whether or not a valid exemption applies prior to ordering. A tax exempt form is also available from the University Procurement Department. The form should be forwarded solely for qualifying tax exempt status on behalf of the University of North Alabama.

**Please note:** Lodging tax for hotels, etc. and equipment rental taxes are not exempt from payment, this is not considered Sales tax. You may request the exemption from the vendor: it is at the vendor's discretion to consent.

## **Guidelines for Auditing a Purchasing Card Transaction**

- For each Purchasing card transaction, the department Auditor should keep copies of the originating documentation along with any notes from order placement, the packing slip, printed receipt from the web site, and copies of the original invoices. Transaction documentation must be retained for seven years after the end of the fiscal year that the transaction occurred by the department making the purchase.
- If the vendor name doesn't agree with the credit card documentation, ensure that the documentation does not belong to another transaction. Example: an order placed with a Chevrolet Division, but the vendor is General Motors. In this example, the two vendors refer to the same organization. You should notate this on the documentation submitted for payment.
- If you are unable to identify a transaction on your account by the vendor, the transaction should immediately be disputed on the Vendor Dispute Form. Make sure the dispute form is faxed or sent to the Bank and a copy is forwarded to the Administrator in the Procurement Department. Disputes must be filed within 60 days of the cycle ending date. Retain a copy for departmental records.
- Like any other purchase, users may experience "partial shipments." Note partial shipments on your record of transactions by using alphabet for entry: "A" for the first charge, "B" for the second, etc. As partial shipments may span more than one statement period, keep appropriate copies of the transaction with each statement reconciliation package.
- Verify extensions and additions on attached receipts, charge slips, etc. An arithmetic error should be disputed.
- Review all receipts, packing slips, invoices, cash register receipts, or other transaction documentation to determine that Alabama State Sales Tax or Federal Excise Tax has not been charged prior to submission for payment.
- **If inappropriate purchases appear, justification will be required of the originator. Insufficient justification may result in the loss of card privileges or other appropriate disciplinary action.**
- Disputed billing can result from failure to receive goods or services charged non-authorized charges, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc.
- In the event of suspected fraud, notify the Director of Procurement and Accounts Payable as soon as possible. Cardholders may also contact the Bank to put a block on additional charges then contact the Credit Card Program Administrator. The Director of Procurement will contact the University Police or the appropriate law enforcement agency.

## **Disputed Charges**

If there is a discrepancy on the Visa Purchasing Card monthly memo statement, you should **first** contact the vendor to try to resolve the situation. If it is resolved, you should verify the correction when the next monthly memo statement arrives.

If the dispute cannot be resolved with the vendor, you should complete a Card Holder Statement of Dispute Form ([Appendix C](#)) and send the original to Compass Bank and a copy to Procurement and Accounts Payable (with reconciliation). Disputed items should be reported within 60 days of the statement date. Any disputed items reflected on the monthly statement must be allocated (to a University account) at that point. Any credits resulting from disputes will be allocated back to the account initially charged when the credit appears on the statement.

## **Lost/Stolen cards**

If your Purchasing Card is lost or stolen, immediately contact the Director of Procurement, Cindy Conlon, (256)765-4206. If the Director cannot be reached immediately, contact Compass Bank directly at 1-800-239-1220 to report the lost or stolen card and send an email notification to the Administrator of this action. Your card will be canceled and a new one will be sent to the Program Administrator for distribution.

## **Employment Termination/Card Expiration**

Should you leave the employment of the University, cut your card in half and return it to your department Auditor, Department Head, or Human Resources. They will send the card to the Program Administrator with the explanation of Card termination. In addition, call Compass Bank at 1-800-239-1220 to cancel your account.

All cards will automatically be renewed every three (3) years for the life of the contract. These replacement cards will be sent to the Program Administrator for distribution.

## Appendix A

### UNIVERSITY OF NORTH ALABAMA CARD PROGRAM PURCHASING CARDHOLDER APPLICATION

Cardholder's Name \_\_\_\_\_ (printed)

Department Name \_\_\_\_\_ UNA BOX# \_\_\_\_\_

E-Mail Address \_\_\_\_\_ Phone # \_\_\_\_\_

Date of Birth \_\_\_\_\_

Assigned Auditor/Reviewer \_\_\_\_\_ Phone # \_\_\_\_\_

As Vice President or Dean, I approve the issuance of a Purchasing Card to this University of North Alabama employee and assure that the above employee has met the requirements of a University cardholder.

\_\_\_\_\_  
*Signature (Vice President or Dean)*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Signature (Vice President of Business and Financial Affairs)*

\_\_\_\_\_  
*Date*

Intended card use:

\_\_\_\_\_  
*(General description)*

Spending limit per Day \$2500.00      Monthly Maximum\$ \_\_\_\_\_

(Unless otherwise approved limits will be based on levels established under this policy)

The University of North Alabama Purchasing Card is intended to be used for low value, non-capital purchases. All purchases with this card must comply with the guidelines in the University of North Alabama Card Program and with extramural funding agency restrictions.

The following items **ARE NOT** to be purchased using this card:

Capital equipment & furniture

Non-business purchases

Most Travel expense,

Cash Advances

Alcoholic beverages

entertainment or hospitality  
expenses

Controlled substances/items

Tax reportable services (1099)

Insurance Leases of business

Cylinder gases

Radioactive materials

property

Personal items

Laboratory animals

Any purchases prohibited by University policy or not related to University business

**If the card is lost or stolen, the cardholder has the responsibility to notify the Bank immediately, and the Credit Card Administrator.**

**Failure to adhere to procedures may result in revocation of cardholder privileges**





# THE UNIVERSITY OF NORTH ALABAMA

## PURCHASING CARD USAGE FORM

***One card per report***

APPENDIX D

### Appendix B

#### University of North Alabama Purchasing Card Agreement

University of North Alabama has agreed to provide you with a Purchasing Card ("Card") to make certain purchases on behalf of the University. By accepting the Card you assume the responsibility to protect the University from unauthorized and improper use of the Card.

**In recognition of that responsibility, I, the undersigned, acknowledge receipt of the University of North Alabama Purchasing Card (# listed below) and hereby agree to the following items: (please initial each statement).**

\_\_\_\_\_ I have been provided:

- A copy of the University of North Alabama Purchasing Card Program Guidelines
- Training on the use of the Card
- An opportunity to ask questions to clarify my understanding of the Purchasing Card Program

\_\_\_\_\_ I shall comply with the terms and conditions of this Agreement and with all the provisions of the University Purchasing Card Guidelines, which are incorporated herein by reference.

\_\_\_\_\_ I understand the Purchasing Card is State property as are the goods and services purchased with the Card.

\_\_\_\_\_ I understand that when I make purchases using the Card, I make the University liable for those purchases in accordance with its agreement with Compass Bank.

\_\_\_\_\_ I shall protect and properly use the Card as outlined in this agreement and the Program. I shall use the Card solely and exclusively for authorized University purposes in accordance with the Program, University policies, and the laws of the State of Alabama.

\_\_\_\_\_ I understand that I cannot, and will not, use the Card to purchase certain restricted items that are described in the Program.

\_\_\_\_\_ I agree that I cannot, and promise that I shall not under any circumstances, use the card for personal purposes, I will not make cash advances or make any personal purchases for any other person when using the Card.

\_\_\_\_\_ I will keep receipts and turn them in to the Designated Auditor and will resolve any discrepancies concerning my Card purchases, and shall follow proper Card security measures.

\_\_\_\_\_ I will immediately report to the Director of Procurement any Card purchases that appear unauthorized or made by someone other than the undersigned.

\_\_\_\_\_ I will immediately report the loss or theft of the Card to Compass Bank Customer Service at 1-800-239-1220 and to the Purchasing Card Administrator @256-765-4206.

\_\_\_\_\_ **I understand that fraudulent, improper, or unauthorized use of the Card may subject me to disciplinary action, including termination of my employment.**

\_\_\_\_\_ I understand that my failure to use the Card in accordance with this Agreement and the Program may result in my being personally liable for all charges to my Card for fraudulent, unauthorized or improper purchases made with the Card furnished to me. I hereby agree and promise to pay to the University on demand all Card charges, fees, interest, costs, including attorney fees, that the University may incur as a result of fraudulent, improper, or unauthorized purchases made with the Card furnished to me for which I am found liable or responsible. In addition to any other remedies it may have, I further hereby consent to and authorize the University to deduct and withhold from my salary, wages, or any other monies due or that become due to me from the University such amounts as equal to the charges, fees, interest, costs, including attorney fees, incurred by the University as a result of such fraudulent, improper, or unauthorized Card purchases.

\_\_\_\_\_ I understand that the University of North Alabama may terminate my use of the Card at any time without reason or cause. Upon request by the University or upon termination of my employment by the University, I shall immediately return my Card to the Administrator. I acknowledge that at all times the Card is and shall remain the property of Compass Bank.

\_\_\_\_\_ I understand the Purchasing Card Transaction limits that have been assigned to me for individual and daily limits and that all purchases are subject to authorized budget availability.



# THE UNIVERSITY OF NORTH ALABAMA

## PURCHASING CARD USAGE FORM

***One card per report***

APPENDIX D

Cardholder Name (Printed) \_\_\_\_\_

Cardholder Signature \_\_\_\_\_ Date \_\_\_\_\_

### Appendix C

#### Card Holder Statement of Dispute FORM

Cardholder Name: \_\_\_\_\_

Cardholder Number \_\_\_\_\_

Statement Date \_\_\_\_\_ Merchant \_\_\_\_\_

Transaction Date \_\_\_\_\_ Reference \_\_\_\_\_

Transaction Amount \_\_\_\_\_ Posting Date \_\_\_\_\_

Check the item that best describes your dispute. IF you have any questions, please call Compass Bank or your Program Administrator.

\_\_\_\_ **1. Alteration of Amount**

The amount of the sales draft was altered from \$ \_\_\_\_\_ to \$ \_\_\_\_\_ (include copy of sales draft)

\_\_\_\_ **2. Unauthorized Mail or Phone Order**

I certify that the charge listed above was not authorized by me or any person authorized by me to use this account. I have not ordered merchandise by phone or mail, or received goods or services as represented above.

\_\_\_\_ **3. Cardholder Dispute**

I did participate in the above transaction. However, I dispute the entire charge, or a portion, in the amount of \$ \_\_\_\_\_ Because \_\_\_\_\_

\_\_\_\_ **4. Credit Not Received**

The merchant has issued me a credit slip for the transaction listed above; however, the credit has not posted to my account. The date on the voucher is between 30 and 90 days old. (Include a copy of the credit voucher).

\_\_\_\_ **5. Imprinting of Multiple Slips**

The above transaction represents multiple billings to my account. I only authorized one charge from this merchant for \$ \_\_\_\_\_. I am still in possession of my card.

\_\_\_\_ **6. Merchandise Not Received (Check one)**

My account has been charged for the above transaction, but I have not received this merchandise. I have contacted the merchant

\_\_\_\_ **7. Merchandise Returned**

My account has been charged for the above transaction, but I have since contacted this merchant and canceled the order. I will refuse delivery should the merchandise still be sent.

\_\_\_\_ **8. Inadequate Description/Unrecognized Charge**

I do not recognize this charge. Please supply a copy of the sales draft for my review.

\_\_\_\_ **9. I am no longer disputing this charge**

\_\_\_\_ **10. Other (Explain)** \_\_\_\_\_



# THE UNIVERSITY OF NORTH ALABAMA

## PURCHASING CARD USAGE FORM

**One card per report**

APPENDIX D

DATE: \_\_\_\_\_

DEPARTMENT: \_\_\_\_\_ INDEX – ACCT CODE: \_\_\_\_\_

CARD NUMBER (Last 8 digits only): \_\_\_\_\_

Date of Use	Place of Business	Items Purchased	Purpose of Expenditure	Amount

TOTAL AMOUNT \$

The University of North Alabama Purchasing Card is intended to be used for low value, non-capital purchases. All purchases with this card must comply with the guidelines in the University of North Alabama Card Program and with extramural funding agency restrictions.

The following items **ARE NOT** to be purchased using this card:

- Capital Equipment (furniture, technology, etc)
- Controlled substances/items
- Cylinder gases
- Personal items
- Non-business purchases
- Alcoholic beverages
- Tax reportable services (1099)
- Radioactive materials
- Laboratory animals
- Most Travel expenses, entertainment or hospitality expenses
- Insurance Leases of business property
- Any purchases prohibited by University policy or not related to University business

**If the card is lost or stolen, the cardholder has the responsibility to notify the Bank immediately, and the Credit Card Administrator.**

**Failure to adhere to procedures may result in revocation of cardholder privileges**

*I hereby certify that all purchases itemized on this report are true and accurate and made for official University of North Alabama business purposes. All receipts are attached.*

Card Holder \_\_\_\_\_ Date \_\_\_\_\_ Auditor \_\_\_\_\_ Date \_\_\_\_\_

Cost Center Head \_\_\_\_\_ Date \_\_\_\_\_

Director of Procurement \_\_\_\_\_ Date \_\_\_\_\_ Accounts Payable \_\_\_\_\_ Date \_\_\_\_\_