

PURCHASING CARD PROGRAM

Authority:	Vice Chancellor for Business Affairs
History:	Effective May 1, 2001; Updated July 1, 2006; Updated January 1, 2008; Updated October 1, 2008 supersedes former Administration Policy No. PUR2.00, "Purchasing Card Program"
Source of Authority:	Office of State Purchasing
Related Links:	Appendix A; Appendix B; Purchasing Card Users Guide; Purchasing Administrative Card System (PACS) Manual
Responsible Office:	Purchasing Office

I. Purpose

The UNCW Purchasing Card Program allows rapid purchase of low-dollar goods by employees. Liability rests with the university and not the cardholder. This policy is intended to give reasonable assurance, in a cost-effective manner, that card transactions will be appropriate and show sufficient documentation. Appropriate maintenance of purchasing/payment receipts and other documentation is essential to the success of the program. The delegation of authority to purchase goods using the card is a privilege that automatically ceases upon separation from the university or upon reassignment to another cost center (defined by Banner Funds).

II. Policy

A. General Use Policy

The Purchasing Card Program does not change "what" you can buy under state and federal guidelines; it offers another means to process a purchase. The purchasing card cannot be used for personal purchases, even if the intent is to reimburse the university.

Supplemental references for the Purchasing Card Program are (see Related Links):

[Appendix A. Minimum Program Guidelines for Management of the Purchasing Card Within a Department](#)

[Appendix B. Appropriate and Inappropriate Use of the Purchasing Card](#)

Purchasing Card Users Guide - available on the Purchasing Services Web site

Purchasing Administrative Card System (PACS) Manual - available on the Purchasing Services Web site

B. Documentation and Review Policy

1. Statement and Receipts:

A system of original receipts behind monthly credit card statements is used to document the business purpose served by the purchase. The cardholder reviews each statement for accuracy. Budget authorities review that each purchase complies with state, federal or university guidelines. Both signatures (cardholder and budget authority) are required on the statement. When the budget authority is the cardholder, a card coordinator or other designee will sign for documentation. (Two signatures are required on each statement.) Signed statements are submitted to the Purchasing Office.

2. PACS System:

The Purchasing Office is responsible for providing timely means of review for departments. The Purchasing Administrative Card System (PACS) enables review of charges immediately (two business days) after charges are posted to the bank. This web-based system also provides the means for departments to make required fund/account changes, thus ensuring purchases are charged to the proper fund and/or account.

C. Timeliness of Posting to Banner

Charges are posted to Banner after payment is made to bank and modifications are completed.

D. Cardholder Policies and Responsibilities

The purchasing card may be issued only to permanent employees, with the approval of the respective employee's supervisor and department head.

Upon completion of the required training, the cardholder is issued a purchasing card. The cardholder (whose name appears on the card) signs a Cardholder Agreement form, is accountable for all purchases made using the Purchasing Card, and is responsible for protecting the card to the same degree as he/she would protect their personal card.

The cardholder must immediately notify the bank, department head, and Purchasing Card Administrator if his/her purchasing card is lost or stolen to prevent unauthorized charges.

Purchases must be for a legitimate business purpose and in accordance with all published guidelines for appropriate use of the purchasing card, including adherence to state contract terms.

Cardholders are responsible for understanding what items are allowed to be purchased with the purchasing card and what items are not permitted. Cardholders may be financially accountable for items purchased that are on the “Non-Allowable List.”

See also: Allowable Purchases List.

Original receipts are required to support each transaction. It is the responsibility of the cardholder to ensure the goods are received and that receipts are obtained.

The cardholder is responsible for timely submittal of reconciled statements with receipts.

All refunds must be credited to the purchasing card from which the purchase was originally made.

The cardholder is responsible for resolving disputes with suppliers and the bank. Assistance from the Purchasing Office is available to the cardholder, if needed.

Vendor/Manufacturer Rebates:

1. Rebate is defined as a return of all or part of an amount given in payment for product.
2. Cardholders may at times purchase items for which a rebate is available. In this case, it is the responsibility of the department or cardholder to follow the appropriate procedures to receive the rebate.
3. No Cardholder or University staff will be allowed to profit personally from a rebate. Therefore, all rebates must be returned to the department to be deposited back into the account used to make the original purchase.
4. Preferably, rebate checks should be made out to the University. If the check is made out to an individual, it must either be signed over to the University or a personal check in the amount of the rebate must be submitted to the University for deposit.
5. Rebates in the form of certificates or gift cards must be returned to the department to be used for future purchases.

E. Department Head and Budget Authority Responsibility for Program Management

The department head is responsible for managing the program within his/her respective department. Responsibilities extend to management of card use including appropriate use of the purchasing card, card limits, sufficient budgets, proper account coding using the PACS system, required documentation, and review and approval of purchases.

The department head/budget authority approves each card issued within his/her department and establishes the default fund (six-digit university fund and account code) and the monthly card limit. The monthly limit for an individual purchasing card may not exceed \$10,000 without Budget Office approval.

The card coordinator retrieves cards and notifies Purchasing when employees terminate employment, leave the department, or when cards are no longer needed.

The department head designates a card coordinator to assist in program management.

See also Appendix A. Minimum Program Guidelines for Management of the Purchasing Card Within a Department.

F. Card Coordinator Responsibility

Card coordinators are designated by the department head and can, particularly in large departments, play an important role in program monitoring. Card coordinators are required to sign a Card Coordinator Agreement form.

Responsibilities include:

1. Review accounting information in the PACS system. Update accounting information as needed (which may include six-digit funds and account codes) before charges are transferred to Banner.
2. Monitor funds that have expired or no longer valid and request removal from the PACS account.
3. Act as a liaison to the Purchasing Card Administrator and immediately cancel cards when employees leave the department or university.
4. Assist Purchasing, Accounting, plus any other reviewers and auditors in examining the Purchasing Card Program.

5. Assist the department head in fulfilling other monitoring responsibilities (*See Purchasing Card Procedure, Appendix A*).

G. Purchasing Card Administrator Responsibility

The UNCW Purchasing Card Administrator, in Purchasing, is responsible for:

1. Processing new and replacement cards.
2. Providing support and assistance and acting as bank liaison for the card coordinators, cardholders, and others; for example, when a statement is not received or when a transaction is denied.
3. Receiving signed statements for all cardholders with activity for the month. Auditing for completeness and adequacy of receipts documentation before transferring to Accounting.
4. Downloading of the bank file.
5. Cancellation or suspension of cards as required.
6. Training new program participants.
7. Maintaining access privileges for PACS

H. Purchasing Office Responsibility

1. Auditing for compliance with purchasing policy.

I. Accounting Office Responsibility

Monthly reconciliation of University master program statement and payment of bills. (Cardholder is responsible for individual card statement)

Monitoring for compliance with sales tax laws and regulations.

Auditing for compliance with state policies and regulations, including appropriateness of funding source.

Note: All purchasing card transactions are subject to Accounting Office and internal auditor review.

The Comptroller's Office is responsible for providing budget authorities with guidance in determining the appropriateness of a charge to a specific funding source.

J. Budget Office Responsibility

The Budget Office is responsible to provide budget authorities with guidance in establishing cardholder limits.

K. Policy Enforcement

In order to ensure compliance with the policies and procedures of the program, the following actions will be taken by the Purchasing Office when infractions are discovered during monthly audits. Infractions are classified as Minor Infractions, Major Infractions, and Criminal Activity. General descriptions and discipline measure are listed below:

Minor Infractions:

- Late statement – Less than 30 days
- Missing/inadequate receipt
- Other infractions deemed as minor by the Director of Purchasing Services.

1st offence: Card is frozen when error is discovered and remains frozen until correction is received by Administrator.

2nd offence: Card remains frozen for 30 days from time correction is made.

3rd offence: Budget Authority must justify in writing how departmental function would be impaired if said cardholder's privilege is revoked. Also required in letter is a description of actions taken to prevent future infractions from occurring. Card remains frozen until justification is approved by Director of Purchasing Services.

4th offence: Card revoked. Cardholder blocked from new card for twelve months.

Major Infractions:

- Late statement – 30 days or more
- Split transactions (to circumvent single transaction limit)
- Inappropriate purchase (i.e.: entertainment, gift card/certificates, prepared food, (see xxxx.com for details.)
- Failure to comply with State Contract Terms (without explanation)
- Personal purchase - made in error
- Other infractions deemed as major by the Director of Purchasing Services.

1st offence: Cards stay frozen until mistake is resolved and documentation and repayment received by Card Administrator.

2nd offence: Budget Authority must justify in writing how departmental function would be impaired if said cardholder's privilege is permanently revoked. Also required in letter is a description of actions taken to prevent future infractions from

occurring. Card remains frozen until justification is approved by Director of Purchasing Services.

3rd offence: Card is revoked. Cardholder is not eligible for future PCard use.

Criminal Activity

- Personal purchase – Intentionally made

If a personal purchase is intentionally made, a theft of state property has occurred. The card will be immediately revoked, Division head and University Police will be notified, and appropriate disciplinary action will be taken. Cardholder is not eligible for future PCard use.