05.160 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”; Updated January 2017

Source of Authority: Office of State Purchasing

Related Links: Appendix A; Appendix B; Purchasing Card Guidelines; Purchasing/Disbursements Matrix

Responsible Office: Purchasing Office

I. Purpose

The UNCW Purchasing Card Program allows for the easy, rapid purchase of goods and services both on-line and in store up to $2500 per transaction by university 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 and services using the card is a privilege that automatically ceases upon separation from the university.

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 Guidelines - available on the Purchasing Services Web site
- Bank of America WORKS Purchasing Card Reconciliation System link and tutorials - available on the Purchasing Services Web site
B. Documentation and Review Policy

1. Transactions and Receipts:

A system of receipts uploaded to credit card transactions is used to document the business purpose served by the purchase. The cardholder reviews each transaction for accuracy. Budget authorities review that each purchase complies with state, federal or university guidelines. Two sign-offs (cardholder/reconciler and budget authority) are required on each transaction. When the budget authority is the cardholder, another fiscally responsible budget authority in that group will sign off for approval. A budget authority cannot sign off on their own transactions.

2. Bank of America WORKS System:

The Purchasing Office is responsible for providing timely means of review for departments. The WORKS system enables review of charges immediately 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 weekly and at cycle end.

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(s) 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, without explanation. 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 “NC Debarred Vendor List.”

Uploaded receipts are required to support each transaction, unless processed through a uShop catalog. It is the responsibility of the cardholder to ensure the goods are received and that receipts are obtained. The cardholder is responsible for timely reconciliation and sign-off of transactions with required 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 fund 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. Budget Authority Responsibility for Program Management

The budget authority 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 WORKS system, required documentation, and review and approval of purchases. The budget authority approves each card issued within his/her department and establishes the default fund (six-digit university fund) and the monthly card limit. The monthly limit for an individual purchasing card may not exceed $20,000 without Budget Office approval. The budget authority designates a reconciler to assist in program management.

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

F. Reconciler Responsibility

Reconcilers are designated by the budget authority and can, particularly in large departments, play an important role in program monitoring.

Responsibilities include:

1. Review accounting information in the WORKS system. Update accounting information as needed (which may include six-digit funds and account codes) before charges are signed off and transferred to Banner.
2. Monitor funds that have expired or no longer valid and request removal from the Allocation Profile.
3. Act as a liaison to the Purchasing Card Administrators and immediately cancel cards when employees leave the university.
4. Assist Purchasing, Accounting, plus any other reviewers and auditors in examining the Purchasing Card Program.
5. The reconciler retrieves cards and notifies Purchasing when employees terminate employment, or when cards are no longer needed.
6. Assist the budget authority in fulfilling other monitoring responsibilities (See Purchasing Card Procedure, Appendix A).

G. Purchasing Card Administrator Responsibility

The UNCW Purchasing Card Administrator(s), in Purchasing, are responsible for:
1. Processing new and replacement cards.
2. Providing support and assistance and acting as bank liaison for the cardholders, reconcilers and approvers.
3. Auditing before transferring to Banner.
5. Cancellation or suspension of cards as required.
6. Training new program participants.
7. Maintaining access privileges for WORKS.

H. Purchasing Office Responsibility

Auditing for compliance with purchasing policy and Purchasing/Disbursement Matrix, account codes, receipt attachment and proper sign off.

I. Accounting Office Responsibility

Monthly reconciliation of University master program statement and payment of bills.
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 Controller'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. Compliance Infraction Guide

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 and Critical Infractions. General descriptions and discipline measure are listed below.
Minor Infractions (4 infractions, over multiple cycles, until card revocation)

- Missing/inadequate receipts over 30 days
- Inappropriate funding source (fund/account)
- Inappropriate purchase (i.e.: entertainment, food, gift card/certificates)
- Split Transactions
- Inappropriate use of card (letting someone other than the cardholder use the p-card, required by Check Request or uShop)
- Failure to comply with State Contract Terms (without explanation) or purchasing from a debarred vendor

**1st offense:**
Memo letter to the cardholder stating what the minor infraction is and what action is needed to resolve the infraction.

**2nd offense:**
Memo letter to the cardholder, reconciler and budget authority/approver stating what the minor infraction is and what action is needed to resolve the infraction.

**3rd offense:**
Memo letter to the cardholder, reconciler and budget authority/approver stating what the minor infraction is and what action is needed to resolve the infraction.

**4th offense:**
Card is revoked for six (6) months. After six (6) months a request may be made to reinstate the card, and the cardholder must attend the Purchasing Cardholder Training Class, Pur 202, before the card is reinstated.

**NOTE:** Infraction for not reconciling/signing off causes a reduction in available spend amount.

Critical Infractions (Immediate card revocation)

- Intentional personal use

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 p-card use.