

Procurement Card Policy

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MISSOURI WESTERN STATE UNIVERSITY PROCUREMENT CARD POLICIES AND PROCEDURES

Purpose

The purpose of the Missouri Western Procurement Card Program is to establish an efficient, cost-effective alternative for departments to make small dollar purchases. The procurement card has been established to reduce, if not eliminate, the need for petty cash, employee reimbursements and small local purchase orders.

Using the procurement card benefits you, your department, the College, and its vendors. The College saves time and money by consolidating paperwork, vendors receive payment more quickly, and your department receives the supplies needed without delays.

All procurement cards are the property of Missouri Western State University. As a College employee, you are being entrusted and empowered to make small dollar purchases on behalf of your department. As a cardholder, you have the responsibility to comply with all policies and procedures set forth in the MWSU Purchasing, Procurement Card and Accounts Payable manuals.

How Does The Procurement Card Work?

The procurement card is a special Visa card. It works similarly to your personal credit cards, except that the charges are billed directly to the College and paid for by Accounts Payable.

Purchases made on your card will be charged to the department the designated on the procurement log.

Limitations

To ensure the proper purchasing procedures are being followed, the following restrictions have been placed on each individual procurement card:

- Restriction of certain merchant types
- Total dollar amount per transaction
- Total dollar amount per billing cycle

All transactions are approved or declined (electronically) based on the Procurement Card authorization criteria established. If a cardholder tries to make a purchase that violates any of these parameters, the purchase will automatically be declined at the point of sale.

Improper use of the procurement card will result in termination of the card to termination of your employment.

How Do I Get A Card?

Any full-time College employee who has the responsibility for making purchases on behalf of his/her department is eligible for a Procurement Card. Each director is responsible for designating the employees who will be issued a Procurement Card.

Directors should forward a signed Procurement Card Application to the Procurement Card Administrator. The Procurement Card Administrator will review this form. Upon approval, the applicant must read and sign a cardholder agreement and attend a training session before receiving their procurement card.

Card Holder Responsibilities

The cardholder must use the Procurement Card for legitimate business purposes only. Misuse of the card will subject the cardholder to disciplinary action ranging from suspension of card privileges to termination of employment. The cardholder must:

- Ensure the Procurement Card is used only by the person it was issued to.
- Maintain the Procurement Card in a secure location
- Abide by all College policies and procedures established by the MWSU Purchasing, Procurement Card and Accounts Payable manual.
- You must obtain an ***itemized*** sales receipt for all purchases. This is critical to the success and continuation of the program.
- Examine the sales receipt at the point of purchase to ensure sales tax **has not** been charged. If sales tax is charged **you must** contact the company and have them issue a credit on your card. The MWSU tax-exempt number is printed on the face of the card.
- Record and reconcile each purchase on a transaction log (See Forms Section) to the itemized receipts and the monthly statement. The transaction log will list the date, vendor, amount and description of the purchase. The reconciled log and receipts will be given to the department director for approval.
- Resolve any disputes with vendors as quickly as possible and notifying the Procurement Card Auditor of any discrepancies on the monthly statement. ***All returned merchandise is to be taken as credits to the card.***

Do Not take cash in lieu of a credit. Return the Procurement Card to the Procurement Card Auditor upon termination of employment or transferring to a different department.

- ***Immediately*** report a lost or stolen card to United Missouri Bank at 1-888-494-5141. In addition, you need to notify the Procurement Card Administrator at the first opportunity during the next business day.

Department Director Responsibilities

- Select and approve employees eligible to receive a Procurement Card.
- Submit the Procurement Card Application to the Procurement Card Administrator.
- Designate default department number where charges will be posted.
- Select individual responsible for reconciling the cardholders' statements to the individual transaction logs.
- Ensure reconciled statements are returned to the Procurement Card Auditor (in the Accounting Office) within 7 days after receipt of monthly statements.
- Evaluate the need to cancel or reissue cards.
- Collect cards from terminated employees or employees transferring out of their department.
- Monitor employees to ensure they are abiding by all College policies and procedures.

Procurement Auditor Responsibilities

- Receive the approved monthly reconciled statements
- Audit receipts for account coding, signatures, sales tax and adherence to College policies and Procurement Card procedures
- Processing accounting data to the general ledger
- Maintain statements and receipts
- Monitor and ensure vendor/cardholder disputes are resolved

Procurement Card Administrator Responsibilities

- Review all Procurement Card requests
- Review and evaluate all requests for card limit changes
- Submit all approved card requests to UMB
- Distribute new cards and dispose of expired cards
- Train new cardholders
- Download information from the bank to the Bitech system

- Electronically transfer statement to department managers
- Ensure monthly electronic payment is made to UMB
- Coordinate program policies with Purchasing and Accounts Payable
- Maintaining internal controls

Human Resource Department

- Investigate allegation of misuse of the Procurement Card by the cardholder
- Coordinate disciplinary action with the Procurement Card Administrator and the Director of Purchasing when misuse of the card is proven

Making A Purchase

Any vendor accepting MasterCard or Visa will accept the Procurement Card. If you should run into a vendor who will not accept the card, please notify the Procurement Card Administrator as soon as possible. A purchase split into two or more Procurement Card transaction to avoid the following Purchasing procedures will be considered inappropriate use of the card and is grounds for **immediate cancellation**.

MWSU is a tax-exempt organization. It is the cardholder's responsibility to ensure that sales tax is not charged at the time the purchase is made. If you are charged sales tax in error tax, you must contact the vendor and request a credit to your card as soon as possible. The sales tax exempt number is printed on the front of your Procurement Card.

Telephone Fax or Mail Orders

When placing a telephone order with your Procurement Card, you must exercise the same caution utilized when making purchases with your personal credit cards. Remember to record the purchase on your Procurement Card Transaction Log for reconciliation purposes until the invoice is received.

Internet Purchases

Procurement Cards may be used to make purchases via the Web. It is highly suggested the cardholder ensure, up front, that you are dealing with a bona fide business with encrypted security to accept your card electronically. A Company you have dealt with in the past may be a better risk than one that was discovered via the Web.

One possible suggestion is to place the order via the Web and call them with your card number. If you must give the card number over the Web, inquire as to the encrypted security the company has in place.

As with other purchases, the cardholder is ultimately responsible for the purchases made with their card and is, therefore, responsible to determine whether a Web site is the most appropriate method to use to make the purchase.

Returning An Item

It is the cardholder's responsibility to work directly with the vendor for any item being returned that was originally purchased with the Procurement Card.

The cardholder must:

- Notify the vendor and initiate a request for a credit to the Procurement Card. **Cash refunds are absolutely prohibited.**
- Obtain a credit reference number, name and phone number of the person you are dealing with, and a brief explanation of the conversation and course of action that was discussed to return the item.
- Note on your monthly statement where the charge appears and watch for the credit.
- If the credit is not promptly issued, a Procurement Card Dispute Form (See Forms Section) may need to be completed until the credit is received. It is the cardholder's responsibility to ensure that the credit is issued.

Unauthorized/Prohibited Purchases

The Procurement card may not be used for the following transactions:

- Personal use
- Cash Advances
- Pharmacy supplies (aspirins, cough drops, etc.)
- Donations of any kind
- Alcoholic beverages
- Any type of lease agreements
- Travel expenses. Any personal charges (extra days at a hotel) or alcohol on meal receipts, must be paid for separately.
- Flowers
- Gifts
- Telephone charges and installation (Including cell phone charges)
- Any purchases prohibited by the MWSU Purchasing Manual

In the event the procurement card is inappropriately used, **the card will be cancelled immediately**. The Procurement Card Administrator will notify the Director of Human Resources, who will investigate the allegations. If an inappropriate use is proven, reimbursement will be required from the employee immediately. **If the reimbursement is not obtained willingly from the employee, the amount can and will be deducted from the employee's payroll check.**

For more serious infractions, the employee will be disciplined consistent with the seriousness of the situation.

Procurement Card Forms and Instructions