BACKGROUND

• Originated and Implemented in 1996
• Designated as the primary procurement method for Delegated Purchasing Authority
• Tailored to provide end users with an efficient and timely method for “Small Dollar Purchases” and....
• To reduce the high cost of processing payments for “Small Dollar Purchases”
• The single transaction dollar limit has grown to $5000.00.
• Active cards exceed 2400.
• Standard card plus four specialty cards:
  – Enhanced Cards
  – Open Cards
  – Student Payment Cards
  – Declining Balance Cards
• Daily transactions exceed 1000.
POLICIES, CONTROLS AND PROCEDURES

• All procurement cards are the property of the University and may be revoked at any time.
  – Departments must promptly deactivate and cancel cards when cardholders transfer or terminate from the University

• Each cardholder is personally accountable for all transactions on their card and is personally responsible for its safekeeping.
  – Restricted Access – Locked in safe if available.
• Procurement Card types include: Standard, Open, Enhanced, Student Payment and Declining Balance Cards.

• Applications must contain appropriate approvals for the type of card requested, and Cardholders must be an active regular employee. (no STEPS or Temporary employees)

• Merchant Category Codes (MCC) are combined with the following limits to tailor cards to specific cardholder needs.
  – Spending limits per transaction
  – Spending limits per month
  – Number of transactions per day
  – Number of transactions per month
• RESOURCES AND INFORMATION FOR AUTHORIZED USE OF PROCUREMENT CARDS:

BPM B-3-2 Delegated Procurement Policy for Departments

BPM E-7-6 Procurement Cards

Purchasing/APS Quick Reference Guide
http://www.uky.edu/Purchasing/docs/quickrefguide.pdf

BPM E-7-10 Discretionary Expenditures

APS Homepage http://www.uky.edu/ufs/procurement-card
• Transaction File Posting/Timing
  – Merchant Processing
  – Bank Processing
  – APS/EAG File Import/Loading for Editing
  – Editing – recommended daily
    • avoids expiration of grant validity dates and promptly detect fraud or misuse.
– Report fraud by calling the number on the back of the card. – VISA only allows a 60 day period to report fraud.

– Deletion Schedule – monthly all transactions pending editing that are more than 30 days old are deleted.

• Transaction Editing/Approval
  – Segregation of duties:
    • User
    • Editor
    • Approver
    • Account Reconciliation
– DOCUMENTATION:

• Only Permitted goods/services
• Receipts – itemized detail of purchases.
• Clear Statement of Business Purpose, including a listing of participants or attendees when required.

– Appropriate funding.

– Records Retention (Standard and Grant Funding)
• Each cardholder may authorize others to use their card.

  – In the case of authorized use by others, it is recommended that the cardholder maintain a log documenting the event and transaction details.

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<th>Date</th>
<th>Control #</th>
<th>Amount</th>
<th>Vendor</th>
<th>Item Description</th>
<th>Card Out to</th>
<th>Date In</th>
<th>Bank Date</th>
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NOTES AND REMINDERS

• The procurement card should be the FIRST option for delegated purchasing authority. Efficient – Timely – Economical

• All procurement cards are exempt from Kentucky State Usage Tax.  
  http://www.uky.edu/Purchasing/docs/taxexempt.pdf  
  http://www.uky.edu/Purchasing/docs/statestaxexempt.pdf

• All **authorized expenses** for official University travel, except meals and gas for a personal vehicle, may be paid by procurement card.
  – Airfare expenses are limited to only flights booked through University Travel Services.
  – Airfare expenses that include “personal travel” are not permitted.
  – Optional insurance for rental cars should be declined.
FREQUENTLY ASKED QUESTIONS

• Why is my card is being declined at the point of sale? (MCC/Spend Limits)
• I have a charge that the cardholder says they did not make, so what do I do?
• May I purchase gift cards for students/employees/research participants on a procurement card?
• What can I do when the supplier requires payment by VISA and the item cost exceeds $5000?
• Why does my card decline and I get a “Fraud Alert” so often?