



UNIVERSITY OF KENTUCKY PROCUREMENT CARD

**GUIDANCE
for
PROPER – EFFECTIVE – EFFICIENT
USE**

PRESENTED BY ACCOUNTS PAYABLE SERVICES



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”



BACKGROUND

CONTINUED

- 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.



POLICIES, CONTROLS AND PROCEDURES

continued

- 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



POLICIES, CONTROLS AND PROCEDURES

continued

- RESOURCES AND INFORMATION FOR AUTHORIZED USE OF PROCUREMENT CARDS:

BPM B-3-2 Delegated Procurement Policy for Departments

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/B-3-2.pdf>

BPM E-7-6 Procurement Cards

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-7-16.pdf>

Purchasing/APS Quick Reference Guide

<http://www.uky.edu/Purchasing/docs/quickrefguide.pdf>

BPM E-7-10 Discretionary Expenditures

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/bpm/E-7-10.pdf>

APS Homepage <http://www.uky.edu/ufs/procurement-card>



PROCESSES AND PROCEDURES

- 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.



PROCESSES AND PROCEDURES

continued

- 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.

<http://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/Procard%20Transaction%20Edit-Deletion%20Schedule.pdf>



PROCESSES AND PROCEDURES

continued

- Transaction Editing/Approval
 - Segregation of duties:
 - User
 - Editor
 - Approver
 - Account Reconciliation



PROCESSES AND PROCEDURES

continued

– 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)



PROCESSES AND PROCEDURES

continued

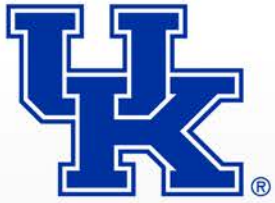
- Each cardholder may authorize others to use their card.
 - In the case of authorized use by others, it is recommended that the cardholder maintain a log documenting the event and transaction details.

Date	Control #	Amount	Vendor	Item Description	Card Out to	Date In	Bank Date	Account Number to Be Charged



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.



? QUESTIONS ?

QUESTIONS AND ANSWERS

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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?



FREQUENTLY ASKED QUESTIONS

continued

- Why does my card decline and I get a “Fraud Alert” so often?