

***Procurement Cards***

**Procurement Cards**

**I. Purpose**

The University of Kentucky authorizes the use of a Procurement Card to increase the efficiency and internal controls of purchasing. Procurement Cards may be used to pay for small dollar acquisitions, to provide an alternative for imprest cash funds and for travel advances. They may also provide optimal procurement and payment solutions for other suitable projects that have a defined purpose, timeframe and budget.

**II. Policy**

Procurement Cards may be made available to regular faculty and staff upon approval of an [application](#) for each specific card. All cards are issued in the name of the applicant and the cardholder is personally accountable for using the card in strict compliance with all University policies and procedures. Each card may only be used for expenditures directly related to the purpose/project/event for which the card is established. The records of expenditures must be maintained in accordance with the University's record retention policy and available for audit upon request.

**III. Definitions**

- **Concur Expense Report** – Electronic report submitted in the SAP Concur Travel and Expense System which includes the documentation required by University policies and the allocation of the travel and procurement card expenses to the proper cost objects.
- **Procard** – Abbreviated term for Procurement Card.
- **Procurement Card**
  - Declining Balance Procurement Cards – Based on an application, this card may be configured for a specific time period and a specific spend limit that is reduced by each expenditure until the spend balance is exhausted or the time period expires. Declining Balance Procurement Cards allow for limited cash access and may be set up in lieu of an imprest cash account. There are two types of Declining Balance Procurement Cards:
    - Effective Date Card – This card may be established with an authorized spend limit with a beginning and ending effective date. This type is generally appropriate for international group travel and short-term projects (less than six months). A reconciliation of the expenditures is required quarterly throughout the travel/project and within 30 days of the end of the travel/project.
    - Revolving Card – This card may be established with an authorized spend limit for an ongoing time period (not to exceed one year) and the spend limit may be replenished periodically. The card is generally appropriate for extended projects with recurring expenditures throughout the project. (Examples are: A research project that includes payments to research subjects/survey participants and study abroad programs that include international group travel.) A reconciliation of the expenditures is required quarterly or with each request to replenish the spend limit, whichever occurs first.

***Procurement Cards***

- **Declining Balance Procurement Card Reconciliation Report:** A report of the detail expenditures made on the card, supported with copies of all the documentation for each of the expenses. Reconciliation Reports are required at the end of the validity period and with each request for spend replenishment.

**IV. Responsibilities**

**A. Cardholders**

1. Compliance with the guidelines and restrictions of the Cardholder User Agreement.
2. Compliance with the guidelines and restrictions of the policy for delegated purchasing authority [BPM B-3-2 Delegated Procurement Policy](#).
3. Make/authorize/approve all expenditures in accordance with the terms and conditions under which the Procurement Card was issued.
4. Properly safeguard the card.
5. Submit Concur expense reports in a timely manner. Procurement card transactions should be submitted to Accounts Payable Services by the 15<sup>th</sup> day of the following month. Transactions more than 60 days past due will result in temporary suspension or cancelation of the procurement card.

**B. Supervisor**

1. Review and approve all transactions in a timely manner.
2. Verify that documentation meets the required standards.
3. Verify that electronically stored records are legible.
4. Ensure transactions are reasonable and necessary and in compliance with University policies and procedures.

**C. Business Officer**

1. Validate that all charges on the Procurement Card have been charged to the appropriate cost object and expenditure type. Verify that documentation meets the required standards.
2. Verify that electronically stored records are legible.
3. Ensure transactions are reasonable and necessary and in compliance with University policies and procedures.

**D. University Financial Services**

1. Review applications and authorize Procurement Cards for approved applicants.
2. Conduct cardholder training for all card recipients.
3. Audit the reconciliation reports for declining balance cards.
4. Monitor Procurement Card activity and conduct periodic audits of expenditures.

**V. Procedures**

**A. Applying for a Procurement Card**

1. Only regular employees may be issued a Procurement Card.
2. Complete a University of Kentucky [Procurement Card Application](#).
3. Obtain the required signatures of the approving officials.
4. Submit the Application to the Procurement Card Administrator at [procard@email.uky.edu](mailto:procard@email.uky.edu)

**Procurement Cards**

5. Upon being approved for a card, complete a [Cardholder User Agreement](#) and submit to the Procurement Card Administrator.
6. Attend cardholder training.

**B. Procurement Card Use**

1. All transactions must be in compliance with University policy, procedures and regulations. Please refer to [Regulations Library](#).
2. Each card may only be used for expenditures directly related to the purpose/project/event for which the card is established.
3. Editing and documentation requirements must be met. See Procurement [Cardholder Manual](#) for more details.

**C. Reconciliation Reports**

1. All Declining Balance Procurement Cards require a reconciliation report to be completed and submitted to the Procurement Card Administrator.

**D. Other Special Reporting Requirements**

1. If a Declining Balance Procurement Card is issued for purchasing gift cards for [research subject](#) payments then a log detailing the disbursement of the gift cards is required to be submitted with each spend replenishment or at the end of each quarter, whichever comes first.