

Procurement Cards

I. Purpose

The University of Kentucky authorizes the use of multiple Procurement Card types 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](#) and a signed [Procurement Card User Agreement](#) 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 demand.

III. Definitions

- **Procard** – Abbreviated term for Procurement Card.
- **Procard Edit** – All procurement card transactions are downloaded to the default g/l account 540348 and cost object associated with each card. Each entry must be edited to an appropriate g/l account based on the nature of the expense and the appropriate cost object. Once the information is updated, the document must be posted. The resulting posted document is referred to as the procard edit.
- **Procard Transaction Edit/Deletion Schedule** – Unedited procurement card transactions are deleted based on a rolling 60 day deadline as published in the Procard [Transaction Edit/Deletion Schedule](#). The deadline is subject to change based on year end processing deadlines, holidays, and University closings.
- **Procard Force Posted Expense** – Unedited procurement card transactions which remain on the general ledger account code 540348 after the 60 day deadline based, on the procurement transaction edit/deletion schedule, are considered Force Posted Procard Expenses. These expenses are not compliant with the Procurement Card Policy.
- **Procurement Card Types**
 - Standard Procurement Card – This card is configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement. [BPM B-3-2 Delegated Procurement Authority](#)
 - Enhanced Procurement Card – Based on an application, this card may be configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement as well as certain discretionary restricted purchases. All Enhanced Procurement Cards require a discretionary account as the default cost object
 - 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

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the time period expires. Declining Balance Cards allow for limited cash access and may be set up in lieu of an imprest cast account. There are two types of declining balance cards:

- Effective Date Card – This card may be set up 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 6 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 set up 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.
- Open Procurement Card – Based on an application, this card may be configured to allow the cardholder to make purchases authorized under the University policy for delegated procurement as well as most other restricted purchases. Issuance is limited and applications must be specifically approved by the President, Provost, the Executive Vice President of Health Affairs or the Executive Vice President of Finance and Administration based on the applicants respective organization. All Open Procurement Cards require a discretionary account as the default cost object
- Student Payment Procurement Card – Established for payments on behalf of students covered by BPM E-7-14 [Payments to Students](#) Issuance is limited by unit. Cardholder is responsible for reporting additional information to Student Financial Aid as required by BPM-7-14 [Payments to Students](#)
- **Declining Balance Procurement Card Reconciliation Report:** A report of the detail expenditure 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 for Declining Balance Cards.
- **Student Payment Procurement Card Reconciliation Report:** A monthly report of the detail expenditures made on the card must be reconciled to SAP report ZFI_Procard_Detail and submitted to the Student Financial Aid Office within 15 days following the end of each month.

IV. Responsibilities

A. Cardholders

1. Compliance with the guidelines and restrictions of the Cardholder User Agreement.

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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 proper documentation to the appropriate editor in a timely manner.
6. Submit proper documentation and reconciliation reports as due and upon requests for audit.

B. Editors

1. Review and edit all transactions. See [Cardholder Editing Manual](#) for proper editing instructions and [Procard Edit/Deletion Schedule](#) for edit deadlines.
2. Coordinate records retention and maintenance of documentation of all expenditures in accordance with the University Records Retention Policy.
3. Have all transactions approved in accordance with the college/division transaction approval plan.
4. Submit journal vouchers to correct procard force posted expenses according to the [Journal Voucher \(JV\)](#) policy.

C. Reconciler

1. Validate that all charges on the Procurement Card have been edited and charged to the appropriate account.
2. Verify that documentation meets the required standards.
3. Verify that all records are stored in accordance with the University Records Retention Policy.
4. Verify that electronically stored records are legible.

D. Deans/Directors/Administrative Officers

1. Review and approve all Procurement Card Applications.

E. President/Provost/EVPHA/EVPFA

1. Review and approve all Open Procurement Card request. Open cards must be approved by either the President, Provost, Executive Vice President of Health Affairs, or the Executive Vice President of Finance and Administration.

F. Procurement Card Administrator

1. Review applications and authorize Procurement Cards for approved applicants.
2. Conduct cardholder training for all card recipients.
3. Audit reconciliation reports.
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.

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4. Submit the Application to the Procurement Card Administrator at procard@email.uky.edu
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. See Procurement Card Types ([Section III.](#))
4. Editing, record retention and documentation requirements must be met, See Procurement [Cardholder Manual](#) for more details.

C. Reconciliation Reports

1. All Declining Balance cards require a reconciliation report be completed and submitted to the Procurement Card Administrator.
2. All Student Payment Procurement Cardholders are responsible for reporting additional information to Student Financial Aid. See [BPM E-7-14](#) Payments to Students.

D. Other Special reporting requirements

1. If a declining balance 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 quarterly whichever comes first.

E. Records Retention and Documentation Requirements

1. The University requires that records of card transactions be kept on file for audit purposes and in accordance with the University's [Record Retention Policy](#). See Procurement [Cardholder Manual](#)