
Procurement Card

Policies and Procedures

INTRODUCTION

Business Services

Business Services provides centralized procurement and communication services to the University of Alabama in Huntsville (UAH) Community and is organized within the Finance and Administration Division of the University of Alabama in Huntsville. Procurement and communication services must conform to Federal, State, and University purchasing codes, statutes, and policies. As the primary University interface for campus departments and hundreds of businesses, Business Services is especially responsible for projecting a positive and professional image for the University.

Business Services comprises Procurement Services, Central Receiving & Shipping/Asset Management, Mail Services, Telecommunication Services, and the UAH Copy Center. Business Services strives to provide quality service with the highest possible degree of proficiency. We welcome any comments or suggestions to improve customer service. Staff members are available to conduct training workshops to assist departments with understanding these policies and procedures.

Policies and Procedures Manual

The purpose of this manual is to help the University Community better understand the laws and guidelines by which Business Services must operate. These policies and procedures are subject to change in our rapidly evolving environment (e.g., computer systems, software, administrative procedures, and state laws). Therefore, we may need to update and revise portions of the manual from time to time.

The Policies and Procedures Manual incorporates Alabama State laws, University regulations, and good business practices. This manual also incorporates special requirements imposed by agencies that fund certain University programs.

The policies and procedures contained herein should be used under normal operating circumstances. Exceptions are allowed when, in the opinion of the Associate Vice President of Finance & Business Services and/or the Senior Vice President for Finance and Administration, they appear to be in the best interest of the University. Exceptions must be properly justified and documented.

This manual has been designed to address most situations; however, it cannot cover all eventualities. It has been approved by the Associate Vice President of Finance & Business Services and the Senior Vice President for Finance and Administration. Please contact Business Services if you have questions or suggestions for improving this manual.

**** Exceptions to normal procedures may also be authorized at the discretion of the Director of Procurement & Business Services on an as needed basis. ****

PROCUREMENT CARD

Table of Contents

I.	INTRODUCTION.....	1
I.1.	PURPOSE	1
I.2.	BENEFITS	2
II.	HOW TO BECOME A PARTICIPATING DEPARTMENT.....	2
III.	HOW TO BECOME A CARDHOLDER	3
IV.	PARTIES INVOLVED	3
V.	RESPONSIBILITIES.....	4
V.1.	CARDHOLDER	4
V.2.	DEPARTMENT RECONCILER.....	5
V.3.	APPROVING OFFICIAL	6
VI.	CHANGE IN APPROVING OFFICIAL.....	7
VII.	OVERSIGHT FOR THE PROCUREMENT CARD PROGRAM	7
VII.1.	PROCUREMENT SERVICES	7
VIII.	OBTAINING A PROCUREMENT CARD.....	8
VIII.1.	GENERAL	8
VIII.2.	SETTING UP YOUR DEPARTMENT.....	9
VIII.3.	BUDGET LIMITATIONS.....	9
VIII.4.	SEPARATION OF DUTIES.....	9
VIII.5.	CARDHOLDER ELIGIBILITY	9
VIII.6.	CARDHOLDER LIABILITY	10
IX.	APPLYING FOR A PROCUREMENT CARD.....	10
IX.1.	CARDHOLDER PURCHASE LIMITS.....	11
IX.2.	CARDHOLDER TRAVEL	11
IX.3.	CARD SECURITY	11
IX.4.	CARD SHARING	12
IX.5.	LOST, MISPLACED, OR STOLEN PROCUREMENT CARDS.....	12
IX.6.	CARDHOLDER TERMINATION.....	12
X.	USING THE GRANT PROCUREMENT CARD.....	13
XI.	MAKING A PURCHASE WITH THE GRANT PROCUREMENT CARD	14
XII.	PROCUREMENT CARD VIOLATION POLICY	15
XIII.	COMPLETING A PROCUREMENT CARD TRANSACTION	17
XIII.1.	PURCHASE REQUEST FOR TRAVEL	17
XIII.2.	PLACING YOUR ORDER	18
XIII.3.	BILLING INSTRUCTIONS	19
XIII.4.	SHIPPING INSTRUCTIONS	19
XIII.5.	ACCEPTABLE DOCUMENTATION.....	19
XIII.6.	RECEIVING YOUR SHIPMENT.....	20
XIII.7.	RETURNS, DAMAGED GOODS, CREDITS	21
XIII.8.	ORDER ENTRY AND RECONCILIATION WITH P-CARD SOLUTIONS MANAGEMENT SOFTWARE.....	21

XIII.9. DISPUTED TRANSACTIONS.....	21
XIII.10. ERRONEOUS DECLINES.....	22
XIII.11. CONTROLS.....	22
XIII.12. DEPARTMENT CONTROL ENVIRONMENT.....	23
XIII.13. CANCELING AN ACCOUNT.....	23
XIII.14. CHANGES TO AN ACCOUNT.....	23
XIII.15. RENEWAL OF EXISTING PROCUREMENT CARDS.....	23
XIII.16. PROCUREMENT CARD VENDOR CUSTOMER SERVICE.....	24
XIV. WHO TO CALL?.....	24
XV. GUIDANCE IN THE PROCUREMENT FUNCTION.....	25
XVI. GLOSSARY.....	26
ATTACHMENTS.....	28

I. INTRODUCTION

The University of Alabama in Huntsville (UAH) VISA Procurement Card (P-Card) Program is designed to allow most Cardholders to handle authorized purchases up to **\$2,999.99 per single transaction** including freight without delays or paperwork that can accompany larger transactions. The Procurement Card (P-Card) is another means of making a purchase that has been tailored to meet the needs of each participating department.

As participants in this P-Card Program, you are part of an on-going effort to meet the goals of reduced administrative costs for the purchasing of commodities, increased customer service, and establishing appropriate oversight for differing types of purchases. You can help the University achieve the Program goals by using the P-Card in accordance with the Program Policies, and by encouraging participation in the Program among both employees and vendors. Finally, remember you are representing the University each time you use the P-Card. You are acting as an agent of the University, and as such you must be aware of the Procurement Code of Ethics; see Code of Ethics on page PC-25.

****Note: The P-Card Policies DO NOT necessarily mirror the Requisition/Purchase Order Policies.***

I.1. Purpose

The purpose of this guide is to establish policies and procedures under which departments of UAH must control the use of the P-Cards issued to their authorized employees to purchase commodities on behalf of the University. This guide is intended to accomplish the following:

- Ensure purchases made with the P-Card are accomplished in accordance with State, Federal, and University policies and procedures.
- Ensure appropriate internal **controls** are established within each department using P-Cards.

The P-Card Program utilizes both internal management controls and a number of P-Card Vendor Software management reports to ensure the P-Cards are being used in accordance with UAH policies and procedures.

- Ensure the University bears no legal liability for inappropriate use of UAH P-Cards.

All transactions using the UAH P-Card must benefit and support the University's mission of education, research, and public service. Use of the P-Card for personal purchases is **strictly prohibited**. Procurement Services is responsible for monitoring the effectiveness of the P-Card Program and user compliance with

the procedures outlined in this manual. The P-Card represents the University's trust in you and your empowerment as a responsible employee of the University to safeguard and protect the University's assets. As a Cardholder, you assume the responsibility for the protection and proper use of the P-Card

I.2. Benefits

Cardholders — Since vendors will be paid by the P-Card Vendor within 48 to 72 hours of each transaction, credit holds placed on the University Campus will cease to occur. The P-Card Program will significantly reduce the workload and processing costs related to the purchase and payment of ordered goods.

The University — A built-in card feature makes the program easy to control and manage. It also reduces processing costs at all levels by reducing the number of invoices and checks processed, and empowering the individual to make purchases and allocate expenses as needed. It will allow Procurement Services and Accounts Payable to focus on higher yield, value-added activities.

Vendors — The P-Card will be welcomed by vendors who accept credit cards. Vendors will receive cash payment from the Procurement Card Vendor within 48 to 72 hours of the transaction. Vendors will experience a reduction of credit risk, reduced billing and collection costs, a reduction in the time and cost associated with credit checks, and possibly increased sales opportunities.

II. HOW TO BECOME A PARTICIPATING DEPARTMENT

- Contact Procurement Services and request a copy of the Procurement Card application form (Figure PC-2). (pcard@uah.edu)
- Designate Department Reconciler(s) and Approver(s). Your Department Reconciler(s) should be the Budget Manager or someone familiar with the department's organization codes. Your Department Approver(s) should be the Supervisor, Director, Dean, or Department Head of the selected Cardholder(s) and Reconciler(s).
- Designate state appropriated or grant accounts to be utilized for the P-Card.
- Participants must receive training for Policies, Procedures, and P-CARD VENDOR software.

III. HOW TO BECOME A CARDHOLDER

- You must complete the Application Form (Figure PC-2).

- Your application must be approved by your Dean, Director, or Department Head.
- You must review and understand the Policies and Procedures Manuals.
- You must establish internal controls and procedures to safeguard the P-Card and the P-Card Program.
- You must receive training for Policies and Procedures.
- You must sign the Cardholder Agreement (Figure PC-4), and the Delegation Authority (Figure PC-5), at the time you are issued a P-Card.
- The University P-Card issued in your name is the property of the Procurement Card Vendor, and is to be used for **Official University Business Purchases Only**.

IV. PARTIES INVOLVED

Card Issuer — The Procurement Card Vendor's services include issuing P-Cards to UAH employees, providing electronic transaction authorizations, and billing the University for all purchases made on the cards.

P-CARD VENDOR Software — The provider of the management software for the P-Card Program. Functionality includes on-line reconciliation.

Director / Dean / Department Head — The University official who must approve a designated employee's application for a P-Card, assign a Department Reconciler, designate a default organization code for purchases on the P-Card, and submit applications to the Senior Procurement Card Site Coordinator. Transaction authority is delegated to the Cardholder by Director / Dean / Department Head approval.

Approving Official — The University Official who has fiscal responsibility for the organization code(s) to which VISA transactions are charged. The Approving Official must review and approve all transactions and documentation listed on the Procurement Card Vendor monthly statement and reconciliation report. The Approving Official may be the Dean, Director, Department Head, Budget Manager, Principal Investigator, or other approved official. Accepts financial departmental responsibility for all purchases made within policy.

Reconciler — The individual in each department designated by the Director / Dean, or Department Head to be responsible for reviewing transactions of individual Cardholders, assuring that the transactions are legitimate business expenses and are classified appropriately, and reconciling all transactions to the monthly credit card summary report.

Procurement Card Manager — The individual located in Procurement Services who coordinates the P-Card Program for the University and acts as the organization's intermediary in correspondence with the P-Card Vendor and the card issuer.

Sr. Procurement Card Site Coordinator — The individual located in Procurement Services who is responsible for the Cardholder profiles, card issuance, card cancellations, Cardholder training, daily transaction audits, transaction declines, lost or stolen cards, and dispute resolutions. May also review reports.

Procurement Card Coordinator – The individual located in Procurement Services who is responsible for receiving and reviewing the card receipts and the P-CARD VENDOR'S SOFTWARE monthly Summary Reports, reviews account codes and making changes accordingly, and tracking receipt of packets, receiving and reviewing the Procurement Card Vendor's master statement, distributing monthly reports to Department Budget Managers / Reconcilers, and notifying Department Budget Managers / Reconcilers of cut-off date for approvals and account code changes. Also ensures that all proper supporting documentation has been provided, uploads transactions and batching to Banner, and trains the Reconcilers for the monthly report reconciliation in P-CARD VENDOR SOFTWARE and Banner.

Cardholder — An employee who is approved by the Director / Dean / Department Head to use the Procurement Card to execute purchase transactions on behalf of the University.

Vendor — The supplier from whom a Cardholder is making a purchase.

V RESPONSIBILITIES

V.1. Cardholder

The P-Card may not be used for incidentals while on business travel. This includes but is not limited to entertainment, cash, services, and other categories as included in the P-Card Restrictions (Figure PC-7). The Cardholder must:

- Ensure the P-Card is used for legitimate business purposes only.
- Ensure that P-Card transactions are in compliance with University purchasing policies, procedures, and state bid law.
- Maintain the P-Card in a secure location at all times.

- Adhere to the purchase limits and restrictions of the P-Card and ensure the total amount of any single transaction does not exceed \$2,999.99 including freight without prior approvals from Procurement.
- OPTIONAL: Complete the Procurement Card Transaction Form (Figure PC-9) itemizing all products ordered and unit / total cost for each (optional).
- Obtain all sales slips, register receipts, and/or P-Card slips and provide them to the Department Reconciler for reconciliation and approval within 72 hours of each purchase (refer to Cardholder Travel section for travel related purchases).
- Notify Department Reconciler if the default organization code should be changed on an individual transaction.
- Attempt to resolve disputes or billing errors directly with the vendor and notify the Procurement Card Vendor if the dispute or billing error is not satisfactorily.
- Ensure that an appropriate transaction credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
- Ensure that tax has not been charged.
- Only accept credit to the P-Card account; never accept cash.
- Immediately report a lost or stolen card to the Procurement Card Vendor (24 hours a day, 365 days a year).
- At the first opportunity during normal business hours notify Department Reconciler of a lost or stolen P-Card.
- Return the P-Card to Director / Dean / Department Head/ or Procurement upon terminating employment with the University or transferring between Departments within the University.
- Understand that improper use of the card may result in disciplinary action, up to and including termination of employment (see Section XIII.II. Controls).

V.2. Department Reconciler

Each Director / Dean / Department Head must designate one or more Department Reconcilers for his/her department. The Department Reconciler must receive training before any employees in the department may receive a P-Card. Responsibilities include:

- Review vendor receipts for inappropriate purchases or uses of the P-Card and to ensure that tax has not been charged. Send **original receipts** to Procurement Services for **Compliance** on a monthly basis. The original receipts must be grouped by name and department and attached to a Cardholder Summary Report with the Reconciliation Log (if applicable), placed in the approved P-Card envelope, and routed to Procurement Services.
- Enter Purchase Request for Cardholders to authorize travel.
- Reconcile all Cardholder receipts to the Procurement Card Vendor's Cardholder Summary report.
- Have the Summary report for all reconciled transactions signed each month by the Cardholder ensuring that all purchases are appropriate. Have the Reconciliation Log signed by the Approving Official ensuring that all purchases are appropriate and all appropriate documentation is attached.
- Attempt to resolve any disputes with the vendor and/or the Procurement Card Vendor not resolved by the Cardholder.
- Notify the Senior Procurement Card Site Coordinator of lost or stolen cards.
- Request that the Senior Procurement Card Site Coordinator cancel a Cardholder's card (e.g. terminated employees, employees transferring to other departments, loss of P-Card privileges) as approved by the Director / Dean / Department Head.
- Collect cancelled cards from Cardholders and forward them to the Senior Procurement Card Site Coordinator. Cancelled cards should be cut in half prior to forwarding them to the Senior Procurement Card Site Coordinator.
- Assist Cardholders with erroneous transaction declines and emergency transactions.

V.3. Approving Official

Designated Approving Officials can be Deans, Directors, Department Heads, Budget Managers, or Principal Investigators, or their designee, who have fiscal responsibility for the organization code to which P-Card transactions are charged. They are responsible for oversight of departmental budgets and assistance for department Cardholders and Reconcilers. Responsibilities include:

- Ensure that all Reconcilers / Cardholders have received appropriate training regarding their responsibilities.

- Maintain expertise in processing requirements to serve as a source of information for department users.
- Communicate problems encountered to the Senior Procurement Card Site Coordinator.
- Review monthly Cardholder transactions and Summary report to ensure that all purchases are appropriate and that prohibited items have not been purchased.
- Ensure that proper controls are in place.
- Ensure that all proper and completed documentation is attached to the Cardholder monthly statement.
- Sign the Summary report (Reconciliation Sheet) for all reconciled the Procurement Card Vendor's transactions each month.
- Assign an alternate Approving Official in his/her absence.

VI. CHANGE IN APPROVING OFFICIAL

If an Approving Official transfers to another department or separates from the University, notification must be made to the Senior Procurement Card Site Coordinator. This is done by submitting a completed Procurement Card Approver Update Form (<http://www.uah.edu/business-services/faculty-staff/p-card-services/forms>)

VII. OVERSIGHT FOR THE PROCUREMENT CARD PROGRAM

Procurement Services holds the responsibility for the audit practices and P-Card Program management. Reconcilers/Approving Officials can be called upon to meet with auditors during routine and special Cardholder audits.

VII.1. Procurement Services

- Review Department approved applications (Figure PC-2) for completeness of required information.
- Request P-Cards based on completed applications for the Procurement Card Vendor.
- Train Department Cardholders, Reconcilers, and Approving Officials before releasing P-Cards to Cardholders.

- Have Cardholder sign Cardholder Agreement (Figure PC-4), signifying agreement with the terms of the P-Card Program.
- Handle transaction declines, Cardholder information changes, and cancelled cards.
- Increase monthly limits and pre-authorize approved orders above \$2,999.99 ensuring proper approval documentation is received.
- Handle disputed charges / discrepancies not resolved by the Cardholder or Department Reconciler.
- Secure revoked P-Cards and submit information to the P- Card Vendor to cancel cards.
- Review and Reconcile monthly credit card receipts with the P-CARD VENDOR'S SOFTWARE Summary Report and review account codes, submit for correction where necessary.
- Download VISA transactions.
- Notify Department Reconcilers of cutoff date to perform monthly summary reconciliation.
- Receive, review, reconcile, and prepare the Procurement Card Vendor's master statement for Automated Clearing House payment.
- Audit P-Card transactions.
- Notify Accounting that the master statement is ready for payment.

VIII. OBTAINING A PROCUREMENT CARD

VIII.1. General

For the purposes of efficiency in administration and management, only approved and trained department Cardholders are authorized to make purchases of materials and supplies, directly from the vendor when the dollar value of the purchase is \$2,999.99 or less including freight. The P-Card is another means of making a purchase. University Cardholders do not have to contact Procurement Services before placing an order using the P-Card for these small allowable purchases. All University policies and procedures for the expenditure of funds must be followed. If the department wishes to route the purchase through Procurement Services, normal procedures for processing a requisition must be followed.

NOTE: Warranted exceptions may be granted by the Director of Procurement & Business Services or Associate Vice President of Finance & Business Services.

VIII.2. Setting Up Your Department

The organizational structure for your success with the P-Card already exists within your department(s). Directors / Deans / Department Heads and Budget Managers have some liberties available to them within program parameters when setting up their own P-Card Programs. More than likely those employees who are currently responsible for placing orders should be Cardholders in the P-Card program. Those employees who are responsible for processing payments on purchase orders should be Department Reconcilers. An Approving Official must be designated to sign the reconciled monthly Cardholder report.

VIII.3. Budget Limitations

Each Director / Dean / Department Head and Budget Manager will have the ability to customize each P-Card according to the budget limitations of his/her department.

VIII.4. Separation of Duties

A separation of duties must be followed with the P-Card Program, as with any other financial transaction. The person placing the order and/or reconciling it must not be the same person who ultimately approves all P-Card transactions listed on the Procurement Card Vendor monthly statement and Reconciliation Report. *For example, a Cardholder cannot also act as the Approving Official for their own transactions.*

VIII.5. Cardholder Eligibility

The criteria to receive a P-Card are as follows:

- Individual Applicant must be employed full-time by UAH.
- Applicant's request for a P-Card must be approved by his/her Director, Department Head, or Dean.
- Employee must attend a training session for policies and procedures.

Each individual Cardholder must sign a Cardholder Agreement (Figure PC-4) and the Delegation Authority (Figure PC-5) prior to receiving the P-Card.

VIII.6. Cardholder Liability

The P-Card is a corporate VISA or Mastercard charge card which will not affect the Cardholder's personal credit. However, it is the Cardholder's responsibility to ensure that the card is used within stated guidelines of the P-Card Program, as well as Policies and Procedures relating to the expenditure of University funds. Failure to comply with program guidelines may result in permanent revocation of the card, notification of the situation to management, and further disciplinary measures that may include termination. The P-Card must never be used to purchase items for personal use or for non-University purposes even if the Cardholder intends to reimburse the University. A Cardholder who makes an unauthorized purchase with the P-Card or uses the P-Card in an inappropriate manner will be subject to disciplinary action including possible card cancellation, termination of employment, and criminal prosecution. If a University employee is in a position to obligate the University, that employee is entrusted with the responsibility of protecting the University from harm.

IX. APPLYING FOR A PROCUREMENT CARD

1. The Dean's Office, Director, Department Head, or Budget Manager will decide who should receive a Card. The Approving Official will forward a Cardholder Application Form (Figure PC-2) to authorized user applicants.
2. The prospective Cardholder will complete the application for a P-Card. A default departmental Fund, Organization, and Program must be assigned, and a monthly spending limit must be determined.
3. The Dean, Director, Department Head, or Budget Manager with budgetary responsibility for the organization codes will approve the monthly spending limit for the Cardholder.
4. The Dean, Director, Department Head, or Budget Manager must sign the Application for the P-Card and agree to the Cardholder Agreement.
5. The Approving Official should verify the information and forward the signed and approved Cardholder Application Form to the Senior Procurement Card Site Coordinator in Procurement Services.
6. The Senior Procurement Card Site Coordinator will review the Application and, if in order, transmit the information to the P-Card Vendor.
7. The P-Cards will be delivered to the Senior Procurement Card Site Coordinator in Procurement Services. Upon completion of the University Procurement Card training program, the Cardholder will be asked to sign the Cardholder Agreement (Figure PC-4) and the Delegation Authority (Figure PC-5) prior to receiving the P-Card.

IX.1. Cardholder Purchase Limits

Cardholder monthly purchase limits as noted on the Cardholder Application Form (Figure PC-2) **should be carefully decided according to the funding source or contract associated with the card, and monthly spending requirements.** Single transactions must not exceed \$2,999.99 including freight charges (limit adjusted according to departmental need). Cardholder monthly limits will be monitored and adjusted as needed.

Ghost Cards are granted for specific contract vendors that are paid on a recurring monthly basis. The per transaction limit on Ghost Cards are based on the monthly contract payment.

Note: Credit limit increases, temporary increase in per transaction limit or authorization for an exception “may” be granted for reasons such as: (a) it is travel related, (b) you are making a purchase from a contract vendor, (c) credit card payment is required by the vendor, (d) or as deemed required by the Associate Vice President for Finance & Business Services or the Director for Procurement & Business Services. (Procurement Card Exception Request Form, Figure PC-15) Also, any transactions from the current Contract Vendor over \$25,000 are signed by the Senior Vice President for Finance or his designee.

IX.2. Cardholder Travel

Cardholders who request Travel funds on their P-Card must first request the additional funds be added to their card. A Purchase Request submitted by the Department Reconciler must duplicate the University’s Travel Authorization. When the Purchase Request is approved, the Department Reconciler will print a copy and forward it to you for signature (retain a copy for incidental reimbursement items). *A copy of the completed University Travel Authorization can be attached in place of the cardholders and approvers signature.*

Immediately after you have completed the trip, forward all receipts for airfare, lodging, car rental, conference fees, and miscellaneous items (other than meals) to the Department Reconciler with the approved Purchase Request. Personal Purchases including meals are not allowed. In the event of human error, the cardholder must submit payment for unallowable charges to General Accounting immediately after completion of trip. (Send check to Accounting.) Always remember to review the university travel policies prior to traveling (<http://www.uah.edu/finance/travel-information>).

IX.3. Card Security

Each department must determine how to secure their cards. In some cases, it may be appropriate for individuals to carry the cards in their own personal wallets. In other cases, the cards may be stored in a secure place within the department and checked out as needed. In either case, the P-Card numbers should be protected as any blanket or department Purchase Order number would be. The individual's name that appears on the card bears the responsibility for all purchases made with that particular card.

IX.4. Card Sharing

It is permissible for a Cardholder to share his/her card with another individual for the purpose of picking up ordered items locally, placing orders verbally, or over the internet. In granting this secondary use authorization, the Cardholder remains directly responsible for the proper use of the card in accordance with established procedures. Therefore, the Cardholder must take great care in explaining the proper use of the P-Card to the secondary user.

A **Procurement Card Authorization Memo** (Figure PC-1) and **Delegation of Authority for the Procurement Card** (Figure PC-5) are provided for your use when sharing your P-Card. A Procurement Card Log should be also set up to track the use of the card by the secondary user. The Authorization Memo serves to introduce the secondary user to the supplier and authorizes the use of the card by this individual. The items to be charged to the P-Card can be listed on the Authorization Memo. The Delegation of Authority is an agreement that the secondary user should be asked to read and sign to formally accept the responsibility of using the University's Procurement Card. These forms should be revised to reflect each department's unique information and printed on department letterhead.

IX.5. Lost, Misplaced, or Stolen Procurement Cards

Cardholders are required to immediately report any lost or stolen P-Card directly to the Procurement Card Vendor toll-free at (24 hours a day, 365 days a year). The Cardholder must also notify his/her Department Reconciler and the Senior Procurement Card Site Coordinator about the lost or stolen card at the first opportunity during normal business hours.

IX.6. Cardholder Termination

A P-Card account must be closed if a Cardholder: (a) transfers to a different department, (b) terminates employment or (c) for any of the following reasons which may also subject Cardholder to disciplinary action in accordance with University Policies and Procedures:

- The P-Card is used for personal or unauthorized purposes.
- The P-Card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the University of Alabama in Huntsville.
- The Cardholder splits a purchase to circumvent the State of Alabama bid law or the limitations of the P-Card.
- The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder, or the limitations of the P-Card.
- The Cardholder fails to provide the Department Reconciler with required itemized receipts or facsimile thereof.
- The Cardholder fails to provide, when requested, information about any specific purchase.
- The Cardholder does not adhere to all of the P-Card policies and procedures.

X. USING THE GRANT PROCUREMENT CARD

The Grant P-Card may be utilized for grant purchases, however, the use of the card for a grant or contract requires some forethought. The purchasing authority has been transferred to you through issuance of the card, while charging approval resides with the PI or the PIs designee. You must clearly understand what constitutes an allowable charge to your particular program. You should be aware, for example, items that should already be present within an office such as pens, pencils, paper, etc. are typically considered unallowable as a direct charge on a grant or contract. If you have questions related to allowability, the Office of Contracts & Grants Accounting staff is available to assist you.

<http://www.uah.edu/c-g>

** Cardholders (PIs) must be aware of the regulations and guidelines applicable to each account. Funds must be available before charges are made, if allowed.

When the P-Card is used for a grant or contract purchase, those purchases must comply with the terms and conditions of the award, award budget, and all the P-Card Program policies and procedures. Purchases must also be made within the time frame of the award. If a purchase is made on a contract or grant, agency award requirements will dictate the length of time that the department must maintain the receipts to support the purchase and be available for audit.

If P-Card purchases from a grant or contract are determined (by audit or otherwise) to be unallowable on the grant or contract, charges will be transferred to the department's home labor account.

- A Grant Purchase Request does NOT have to be submitted for the purchase of commodities \$2,999.99 or lower. Prior to purchasing commodities \$2,999.99 or lower submit an email to your Contracts & Grants Accountant (CGA) detailing your required purchase. **Note:** A print out of the approval email from CGA must be included in the reconciliation packet with the receipt. ** (See notes below)
- **Emergency and out in the field purchases only:** It is not required that the cardholder delay purchases of commodities \$2,999.99 or lower, until the Contracts & Grants Accounting (CGA) email approval is received.

Prior to purchasing commodities \$2999.99 or lower, submit an email to your Contracts & Grants Accountant (CGA) detailing your required purchase. **If this is an emergency or out in the field purchase**, do not wait on the approval to make the purchase. **Note:** When the approval is received, a print out of the approval email from CGA must be included in the reconciliation packet with the receipt. In addition, there must be a statement explaining the emergency or that you are out in the field included with the paperwork. This exception to the process is meant to address emergency and out in the field issues only, and is not meant to replace the normal Grant Procurement Card purchase process, where you must wait on the email from CGA approving the purchase.

However, if the commodities charged are deemed unallowable, the charges will be transferred to the default org on the cardholder's application.

It is the cardholder's responsibility to verify before purchase of commodities that each vendor is not currently debarred. To search vendor's debarment status go to: <https://www.sam.gov/>. A print out of the search status must be included in the Reconciliation Packet.

****Debarment:** *In accordance with several Public Laws and Executive Orders, an individual, institution or firm that is debarred, suspended or excluded from doing business with the Federal, State or local governments cannot participate in government procurements or receipt of particular government monies.*
<http://resadmin.uah.edu/resadminweb/information/compliance/complianceguide.html>

XI. MAKING A PURCHASE WITH THE GRANT PROCUREMENT CARD

Cardholder/P.I.:

- Determine cost of commodities and best vendor price

- Determine if the Purchase is Allowable under Contract/Grant
- Check debarment Status and print results
- Send a detailed email to CGA of commodities needing to purchase **
- Complete Travel Request form if out-of-state travel is required
- After approval, Purchase Commodities (Tax Exempt) with Grant Purchasing Card
- Retain Receipt from purchased commodities
- Provide purchase documentation, debarment printed results and CGA email approval to Department Reconciler

Reconcilers:

- Reconciler reviews pre-approved transactions and documentation
- Reconciler inputs proper ORG Account Code(s) in the P-CARD VENDOR SOFTWARE
- Reconciler allocates funds and Signs-Off transactions in the P-CARD VENDOR SOFTWARE
- Reconciler must review Reconciliation Log for signature compliance
- Reconciler sends completed packet to the Procurement Office for final review

*NOTE: ** The department is responsible for purchasing material and supplies according to the terms and conditions outlined in the fully executed agreement. Any cost that is deemed unallowable by CGA will be transferred to the default org listed on the original Procurement Card Application.*

Any questions related to allowability to a grant or contract should be directed to the [Office of Contracts and Grants Accounting](#)

XII. PROCUREMENT CARD VIOLATION POLICY

The P-Card is a corporate charge card. It is the Cardholder's and Department's responsibility to ensure that the card is used within the stated guidelines of the P-Card Program as well as Policies and Procedures relating to the expenditure of University funds. These Procurement Policies and Procedures include State Bid Guidelines, Spending Policies, and Travel Policies. The P-Card must **never** be used to purchase items for personal use or for non-University purposes even when the Cardholder intends to reimburse the University. The following point value has been assigned and will be assessed for P-Card violations discovered during routine audits of P-Card transactions and during a post audit of reconciled transactions. If a Cardholder accumulates a total of 150 points during any one Fiscal year, a card may be revoked, suspended, or permanently cancelled. In an event in which the department accumulates a total of 150 points times the number of Cardholders at any point during one Fiscal year, the department will

lose the privilege to utilize the P-Card Program. Mandatory retraining and a memo from the Department Approver or appropriate Vice President will be required to reinstate a Cardholder or Department.

Cardholder Point Violation:

VIOLATION	POINT VALUE
Sales tax was paid and a full credit was not obtained	10
Itemized Receipt and/or justification for purchase (business purpose statement) is missing (First Violation)	30
Non use of existing competitively bid UAH contracts without prior approval	30
Failure to submit Purchase Request for travel approval	40
Itemized Receipt and/or justification for purchase (business purpose statement) is missing (Second Violation)	40
Itemized Receipt and/or justification for purchase (business purpose statement) is missing (ALL Future Violations)	50
Purchase of Restricted Item(s) (Figure PC-8)	50
Incremental / Split Transaction used to circumvent the limitations of the P-Card including the use of another Cardholder's P-Card.	60
Overspend Departmental Budget	150
State Competitive Bid Law Violation	150
Personal Purchase	150

More Information:

PROCEDURE FOR POLICY VIOLATIONS

1. For the 1st violation, the cardholder will **not** accumulate any points. The Procurement Card Coordinator will contact the cardholder via telephone, informing them of the violation and will outline a future course of action in relation to the violation. The Procurement Card Coordinator will answer any questions or concerns in order to prevent any further violations.

2. For the 2nd violation, the cardholder will **not** accumulate any points. The cardholder will receive a letter from the Procurement Card Coordinator informing them of the violation and will offer additional assistance in order to prevent any further occurrences.
3. For the 3rd violation, the cardholder will receive the appropriate number of points in accordance to the violation. The cardholder will receive a letter from the Procurement Card Coordinator informing them of the violation, number of points accumulated, and a schedule for upcoming training classes. The cardholder will be required to sign and return the letter to Procurement Card Services. The cardholder will also be required to register for additional training. **(Note: Training reduces point total by half)**
 - ✓ *If a Cardholder or Department is violation-free for one year, their points will be reduced in half. If a Cardholder or department is violation-free for two years, their points will be eliminated. After three years, their violations record will be purged.*
 - ✓ *Procurement Card Services reserves the right to require retraining or to revoke cards for repeat violations.*

XIII. COMPLETING A PROCUREMENT CARD TRANSACTION

General

Determine whether the P-Card is the most appropriate process to use for the purchase:

- Check the list of Procurement Card Restrictions (Figure PC-7) to make sure it is not a restricted item.
- Determine if the intended transaction is for travel. If so, a Purchase Request must be created in the P-CARD VENDOR SOFTWARE .
- Identify whether a State or University contract is available that could be applicable to your purchase. **Contract information is available on Procurement Services' website at [Open Bid Information](#) or by calling a Procurement Officer who is responsible for the item(s) you wish to purchase. All University contracts must be honored. Approval must be obtained from a Procurement Officer to purchase items from a different source when they are available on a University standing contract.**
- **Sales and Use Tax: The Cardholder should advise the supplier of the tax exempt status and should monitor the purchases to verify that no**

tax is charged. (Hotel, Airline Tickets, Rental and Gas purchases are exempt).

Determine if the intended transaction is within the single transaction limit, and ensure it does not exceed your monthly authorized P-Card transaction limit.

XIII.1. Purchase Request for Travel

- Cardholder must provide information for travel request to the Reconciler.
- Reconciler will enter a Request (using vendor software) for travel approval on behalf of the Cardholder.

** Remember, a copy of the completed University Travel Authorization should be included with the Purchase Request.*
- Once the Purchase Request has been approved, the Reconciler will print a copy and give it to the Cardholder (Cardholder to retain a copy for his/her records along with a copy of the completed University Travel Authorization).
- **Immediately** after Cardholder has completed the trip, he/she will sign and forward all receipts for airfare, lodging, car rental, conference fees, and miscellaneous items (other than meals) to the Department Reconciler with the approved Purchase Request and a copy of the completed University Travel Authorization.
- Reconciler will allocate the transactions, approve, signoff, print a Summary Report, obtain cardholder's signature, and forward **copies** of all receipts for airfare, lodging, car rental, conference fees, and miscellaneous items (other than meals) to Procurement.
- Cardholder must submit reimbursement for meals on the appropriate travel voucher to Accounting(Out of State Travel Voucher.xls at <http://www.uah.edu/finance/forms>).

XIII.2. Placing Your Order

- Determine if the items to be ordered, pricing for each, and vendor.
- OPTIONAL: Complete a Procurement Card Transaction Form (Figure PC-9) for your records (not required).
- Call, visit, email, or fax your order to the supplier that you selected.
- Identify yourself as a UAH employee. State that you are making a tax-exempt purchase using a University Corporate P-Card (Corporate Credit Card). For

in-store purchases, present the vendor with the P-Card and miniature tax exempt certificate card. For telephone or fax orders, state the Cardholder name, P-Card account number, and expiration date. The University's State of Alabama tax identification number is located on the back of the P-Card. Remind the vendor that VISA regulations stipulate that vendors are to ship orders before processing transactions for payment. Confirm the pricing, availability, and expected ship date. Fax tax exempt certificate to the supplier if necessary. The Tax-Exempt Certificate is available online at <http://www.uah.edu/business-services/faculty-staff/procurement-services/forms> and click on "Sales Tax Exempt Form."

XIII.3. Billing Instructions

Emphasize to the vendor that the receipt copy is to be included with the shipment, preferably, or mailed to **YOUR** department billing address, not to the University's Accounts Payable office. Receipts can also be faxed to your department fax number or emailed to you.

XIII.4. Shipping Instructions

It is very important to provide clear and specific shipping and mailing instructions to the vendor to ensure receipt of your order. Always ask how the order will be shipped. All orders are to be delivered directly to Central Receiving and Shipping and should be addressed as follows, with the exception of NSSTC:

University of Alabama in Huntsville
ATTN: D. Mitchell / P-Card
Central Receiving Bldg
Building Name and Room Number
301 Sparkman Drive
Huntsville, AL 35899

- If the purchase is made by fax, retain a copy of the order form and fax confirmation for your records. If the purchase is made over the internet, print a copy of the summary page for your records. Some internet merchants will email a receipt to you.
- Ask the vendor to provide a "priced packing list" with each shipment; retain a copy of the P-Card sales slip and original receipt for each in-person purchase.
- Provide the supplier with your name, department name, phone number, and complete delivery instructions.
- After the order is placed, provide all transaction information to the Department Reconciler, including the Procurement Card Transaction Form (OPTIONAL:

only if receipt does not provide detail) with itemized list and pricing for all products ordered.

XIII.5. Acceptable Documentation

- Each transaction on the P-Card must be represented by an **itemized receipt or other acceptable form of documentation that verifies the date of purchase, the vendor name and address, itemized list of each item purchased, dollar amount of each item, and total transaction amount to include shipping and handling.** For record keeping purposes, the following items should be maintained:
 - ✓ Sales receipts
 - ✓ Priced packing slips
 - ✓ Credit card slips
 - ✓ Merchandise advertisements
 - ✓ Order confirmation
 - ✓ Other information related to the purchase
- When an itemized receipt is not available, itemized supporting documentation **must** be secured. In many cases, when placing orders by telephone or fax, the packing slip may provide the itemization needed.
- If documentation has been lost or misplaced, contact the vendor for a duplicate copy. If a duplicate copy is impossible to obtain, complete a "Procurement Card Missing Receipt Affidavit" (Figure PC-10) and forward it to the Department Reconciler. **NOTE: Repeated use of this method will subject the Cardholder to loss of privileges.** Each department will be required to maintain a file of all documentation associated with P-Card activity.

XIII.6. Receiving Your Shipment

- Open and inspect all shipments promptly.
- Make sure the supplier correctly filled your order and that all items are in good condition. Verify that you have received all of the items in the quantities specified on your P-Card receipt or priced packing list. Mistakes or damages should be reported to the vendor immediately.
- Verify that sales tax was not charged. UAH is not liable for sales tax in the state of Alabama. The University's tax liability in other states differs from state to state. Sales tax charges will be monitored and questioned. If you are charged sales tax in error, request a credit from the supplier immediately.

- Save the P-Card sales slip, itemized receipt or priced packing list, and shipping documentation.
- Always retain boxes, containers, special packaging, packing slips, etc. until you are certain you are going to keep the goods. Most items cannot be returned without the original packing materials. Also, most vendors have a thirty-day return policy. After that period, you may not be able to return your items or you may be charged a restocking fee.
- Forward the required documentation to the Department Reconciler within 72 hours of the purchase transaction.

XIII.7. Returns, Damaged Goods, Credits

The Cardholder is responsible for working with the supplier for the return of incorrect, duplicate, or damaged merchandise purchased with a P-Card.

- Read all enclosed instructions carefully. Often a customer service telephone number and other instructions are included on the packing slip and/or receipt for returns.
- Many suppliers require a "Return Merchandise Authorization Number" (RMA) before they will accept a return. If you neglect to acquire this return authorization from the supplier when it is required, the package may be refused and/or no credit issued to your account.
- In some cases, there may be a restocking fee. If the supplier is responsible for the error or problem, you should not have to pay this or any other fee. However, if they are not responsible, you may have to pay it. You may use the P-Card to pay this fee as long as it does not exceed any of your limits.

Note: See Merchandise Return Procedures for Supplies (Figure PC-13 & 14) for more specific instructions on returning supply orders.

XIII.8. Order Entry and Reconciliation with P-Card Solutions Management Software

The P-CARD VENDOR'S solution management software is the third party software provided to the University by the Procurement Card Vendor to manage the P-Card Program. It provides a method to track active orders, reconcile transactions to on-line the Procurement Card Vendor's transaction data, and acquire reports based on selective criteria. the Procurement Card Vendor's transaction data is downloaded on a daily basis enabling large users of the P-Card Program to reconcile as often as they deem necessary. Reconcilers have easy access to the transaction activity for each P-Card for which they are responsible.

XIII.9. Disputed Transactions

If there is a discrepancy on the P-Card monthly statement, you should first contact the vendor to try to resolve the problem. If it is resolved, verify that the correction has been made when the next monthly statement arrives.

If the matter cannot be resolved with the vendor:

- Contact the Procurement Card Vendor or Procurement Card Services.
- Any disputed items reflected on the monthly statement must be reconciled and allocated to a Banner FOAPAL at that point. Any credits resulting from disputes will be allocated back to the account initially charged.

Vendors are paid by Visa within three (3) days of submitting the P-Card transaction data to VISA, while the University pays the Procurement Card Vendor for all card purchases once every 30 days.

XIII.10. Erroneous Declines

A situation may occur in which a vendor receives a transaction-declined message at the point of sale when processing a P-Card transaction. If you do not know the reason for the decline, contact the P-Card Vendor for an explanation. If the decline was in error, the Cardholder should immediately contact the Senior Procurement Card Site Coordinator for assistance. If the purchase is being made outside of normal business hours, the employee must find an alternate payment method or cancel the purchase and contact the Senior Procurement Card Site Coordinator during normal hours.

XIII.11. Controls

The University's P-Card program uses both internal management controls and management reports designed to ensure the proper use of P-Cards. Procurement Services, Accounts Payable, and Internal Auditing use management reports to monitor card use for compliance with University policies and procedures and state law. Personal use of the P-Card is not allowed. All purchases made on the card must be for Official University business. Misuse of the card will result in revocation of the card, disciplinary action up to termination, and possible filing of criminal charges.

P-Cards will be immediately cancelled and destroyed if Procurement Services is notified that:

- Cardholder terminates employment

- Cardholder no longer requires a P-Card
- Cardholder reports the loss or theft of P-Card
- Cardholder misuses the P-Card
- Termination of any grant, contract, or budget authority for which the card was issued

Internal control plans call for periodic internal audits of the program by Procurement Services. These audits will include, but are not limited to, the verification of proper record retention in accordance with University guidelines, monthly reconciliations, and the appropriateness of the purchase as well as unannounced audits.

XIII.12. Department Control Environment

Each department is responsible for establishing an appropriate internal control environment for University P-Card responsibilities, including approvals, audit ability, adjustments, record keeping, reporting, reconciliation, segregation of duties, and supervision.

XIII.13. Canceling an Account

When a Cardholder leaves a department or separates from the University, the Budget Manager or Approving Official must provide immediate notification to the Senior Procurement Card Site Coordinator. The Cardholder is required to return the card and all current outstanding documentation on the account to the assigned Reconciler prior to final separation. The Approving Official or Budget Manager shall forward the card (cut in half) along with a memorandum or email to the Senior Procurement Card Site Coordinator requesting that the card be cancelled.

XIII.14. Changes to an Account

All changes to a Cardholder's personal information must be promptly reported to the Senior Procurement Card Site Coordinator, including changes in last name, campus location, campus telephone number, reconciler, approving official, or default account number.

XIII.15. Renewal of Existing Procurement Cards

A new P-Card will be automatically sent to the Senior Procurement Card Site Coordinator within the month of expiration in advance of your current card's expiration date. Renewed cards will be distributed by the Senior Procurement Card Site Coordinator to existing Cardholders.

XIII.16. Procurement Card Vendor's Customer Service

P-Card Vendor's Customer Service is available 24 hours a day, 365 days a year for reporting a lost or stolen card and to discuss disputes.

XIV. WHO TO CALL?

Procurement Card Vendor's Customer Service Representative

- Lost or Stolen Cards
- Transaction Dispute

The Phone number is published in the P-Card's User's Guide.

Procurement Card Program Team

Sr. Procurement Card Site Coordinator

Telephone: 256-824-1863, Fax: 256-824-6151

- Establishes New Accounts / Account Changes
- Declines
- Lost or Stolen Card Notification
- Cancellations
- Dispute Resolution
- P-Card Training
- Audits Daily Transactions

Procurement Card Coordinator

Telephone: 256-824-6515, Fax: 256-824-6151

- Approves Daily Transactions and Reviews Account Codes
- Receives and Reviews Monthly Summary Report
- Maintains Receipt Packages
- Reconciles monthly credit card receipts
- Downloads P-Card Transactions & contacts Department Reconcilers
- Prepares Statement for ACH Payment
- Receives, Reviews, & Reconciles the P-Card Vendor Master Statement
- Audits P-Card Accounts
- Notifies Accounting that the Master Statement is ready for payment

Director of Procurement & Business Services

Telephone: 256-824-6674, Fax: 256-824-6151

- Oversees the program
- Addresses any concerns with the program

P-Card Program web address: www.uah.edu/business-services/faculty-staff/p-card-services/about

Business Services web address: www.uah.edu/business-services

XV. GUIDANCE IN THE PROCUREMENT FUNCTION

The use of the University VISA P- Card at the department level includes responsibilities and accountability. The Procurement function is being conducted in a decentralized manner by an increasing number of individuals. The following code of ethics, modeled after the National Association of Educational Procurement's Code of Ethics, is being offered to provide guidance in the procurement function.

CODE OF ETHICS

Give first consideration to the objectives and policies of my institution.

Strive to obtain the maximum value for each dollar of expenditure.

Decline personal gifts or gratuities in connection with the procurement function.

Refrain from entering into purchasing contracts with students, faculty, and staff or members of their immediate families unless full disclosure of the background facts is presented in writing to the Procurement Department.

Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.

Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.

Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.

Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.

Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of a controversy with a supplier.

Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.

Foster fair, ethical, and legal trade practices.

XVI. GLOSSARY

Automated Clearing House (ACH) – An electronic payments system for clearing and settling transactions. Funds are electronically exchanged directly to/from participants' accounts. Frequently used by end-user organizations as the payment method by which to pay their issuer.

Approving Official – University employee within each department who is primarily responsible for all transactions, and has the ability to reallocate individual charges; may oversee more than one Cardholder; ultimate approval for department.

Cardholder – An employee to whom a Commercial Card is issued for the purpose of making designated business purchases on behalf of their organization.

Controls - The internal, external, and/or environmental policies, procedures, and technological processes put in place to reduce the risk of card fraud and misuse.

Documentation – Any communicable material serving to record and support business expenses paid via the card (e.g., receipts).

Discretionary funds – An amount funded to the card that can be spent at the user's discretion (i.e., without approval).

Fraud – Unauthorized use of a card.

Incremental funds – An amount funded to the user's card only after a purchase request for the funds has been submitted online and approved.

Manager - University employee within each department who is primarily responsible for all transactions and has the ability to reallocate individual charges; may oversee more than one Cardholder; ultimate approval for department.

Personal Purchase – Improper transactions; transactions that are not authorized by policies and procedures.

Prohibited Purchase – Purchase of some items, supplies, or services that are subject to applicable statutes and regulations; see Procurement Card Restrictions list (Figure PC-7).

Reconciler – An employee who reviews, approves, and processes the card transactions of the Cardholder, performs the monthly reconciliation, and enters purchase requests on behalf of the Cardholder.

Reconciliation – Process of reviewing and comparing card transactions to internal records of orders/payments and receipts, including resolving discrepancies and validating or allocating transactions to appropriate accounting codes.

Transactions – An agreement, communication, or movement carried out between separate entities or objects, often involving the exchange of items of value such as information, goods, services, and money.

Procurement Card

Attachments

PROCUREMENT CARD ATTACHMENTS

List of Figures

FIGURE PC-1	.	.	.	Authorization Memo for Secondary User
FIGURE PC-2	.	.	.	Procurement Card Application Form
FIGURE PC-3	.	.	.	Grant Purchase Request Form
FIGURE PC-4	.	.	.	Procurement Cardholder Agreement
FIGURE PC-5	.	.	.	Delegation of Authority for VISA Procurement Card
FIGURE PC-6	.	.	.	Payroll Deduction Form
FIGURE PC-7	.	.	.	Procurement Card Restrictions
FIGURE PC-8	.	.	.	Procurement Card Allowables
FIGURE PC-9	.	.	.	Procurement Card Transaction Form
FIGURE PC-10	.	.	.	Missing Receipt Affidavit
FIGURE PC-11	.	.	.	Merchandise Return Procedures
FIGURE PC-12	.	.	.	Return Merchandise Authorization Form

Figure PC-1

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE
PROCUREMENT CARD
AUTHORIZATION MEMO FOR SECONDARY USER

Memorandum

DATE: _____

TO: _____

FROM: UAH Department: _____

This letter serves to introduce and authorize _____ to make an official University of Alabama Huntsville purchase using my Corporate Procurement Card. This is a State of Alabama tax exempt purchase. The University's tax identification number is located on the front of the Corporate Procurement Card.

Please provide the Card User with an itemized sales receipt.

Please call me if you have any questions or require additional information.

Thank you.

Figure PC-2



THE UNIVERSITY OF ALABAMA IN HUNTSVILLE PROCUREMENT CARD APPLICATION FORM

Action Requested: New Change/Update *(name, org, etc)* Terminate

Is the fund to be used with PCard a GRANT/ CONTRACT with approved operating charges? YES NO
If yes, CGA approval is required

Cardholder Information (to be completed by applicant):

First Name Middle Initial Last Name 'A' Number

Name on Card if Different from Above Department Name

This card will be used for: Misc. Purchases (under \$2000) Travel (airfare, hotels, car rentals)

Job Title

E-mail Address (official email address not first.last) Campus Phone Number Campus Location (Room Number and Building)

Default State FOAPAL - (Fund, Orgn, Prog) **ORG CODE**

** Attach a separate sheet for multiple orgs*

\$3,000 () \$5,000 () \$10,000 () \$20,000 () Other ()

Suggested Monthly Spending Limit ***** Amount Must Be Specified *****

Department Reconciler Name Campus Location and Phone Number E-mail Address

Signature of Cardholder Printed Name of Cardholder Date

Approving Official for Monthly Transactions (Dept Head, Dean or Budget Manager) Printed Name Signature Date

Dean/Director/Department Head /Budget Manager Approval Printed Name Signature Date

To be completed by CGA:

Printed Name Signature Date

To be completed by Procurement Services: (Return to Procurement Services, BSB)

\$2,999.99 FIXED

Monthly Credit Limit Single Transaction Limit

Sr. Procurement Card Site Coordinator's Signature Date Received Date Processed

Rev May 2016

Figure PC-3 GRANT PURCHASE REQUEST FORM

Date: _____ **Procurement Card#** (last four digits) _____

____ Check if Urgent/Rush Order

QUANTITY ORDERED	CATALOG #	DESCRIPTION	UNIT COST		TOTAL
			SHP/HDLG		
			TOTAL		
VENDER NAME _____			ORG/INDEX #'s TO BE CHARGE		
ADDRESS _____					
CITY, ST, ZIP _____					
Phone # _____					
FAX # _____					

Requested By: (Printed Name / Signature) _____ / _____
 Date: _____

PI Approval: (Printed Name / Signature) _____ / _____
 Date: _____

CGA Approval: Printed Name: _____

Signature: _____ **Date:** _____

*This form is required for purchases over \$2,999.99 only

Figure PC-4

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE PROCUREMENT CARDHOLDER AGREEMENT

The University of Alabama in Huntsville is furnishing you with a Procurement Card because of its trust in you to make certain University purchases properly. By accepting the Card you assume the responsibility to protect the University from unauthorized and improper use of the Card. In recognition of that responsibility, I, the undersigned, acknowledge receipt of University Procurement Card No. _____ and hereby agree as follows:

1. I shall comply with the terms and conditions of this Agreement and with all of the provisions of the University Procurement Card Manual ("Manual"), which are incorporated herein by reference. I acknowledge receipt of a copy of the Manual and confirm that I have read, understand, and made myself familiar with all of its terms and provisions. I understand that when I make purchases using the Card, I make the University liable for those purchases in accordance with its agreement with the Procurement Card Vendor.
2. I shall protect and properly use the Card as outlined in this Agreement and the Manual. I shall use the Card solely and exclusively for authorized University business purposes in accordance with the Manual, University policies, and the laws of the State of Alabama. I understand that I cannot, and will not, use the Card to purchase certain restricted items that are described in the Manual. I agree that I cannot, and promise that I shall not, use the Card for personal purposes or make any personal purchases whatsoever for myself or any other person using the Card.
3. I will keep receipts, reconcile monthly statements, and resolve any discrepancies concerning my Card purchases, and shall follow proper Card security measures. I will immediately report to the Senior Procurement Card Site Coordinator any Card purchases that appear unauthorized or made by someone other than the undersigned.
4. I will report immediately the loss or theft of the Card to the Procurement Card Vendor and to the Senior Procurement Card Site Coordinator at Ext. 1863.
5. I understand that fraudulent, improper, or unauthorized use of the Card may subject me to disciplinary action, including termination of my employment. I will assist the Senior Procurement Card Site Coordinator in examining any discrepancies that may be deemed unallowable or unauthorized. **Human error and extraordinary circumstances may be taken into consideration when investigating any violation to this agreement.**
6. I understand that my failure to use the Card in accordance with this Agreement and the Manual may result in my being personally liable for all charges to my Card for fraudulent, unauthorized, or improper purchases made with the Card furnished to me. I hereby agree and promise to pay to the University on demand all Card charges, fees, interest, costs, including attorney fees, that the University may incur as a result of fraudulent, improper, or unauthorized purchases made with the Card furnished to me for which I am found liable or responsible. In addition to any other remedies it may have, I further hereby consent to and authorize the University to deduct and withhold from my salary, wages, or any other monies due or that become due to me from the University such amounts as equal the charges, fees, interest, costs, including attorney fees, incurred by the University as a result of such fraudulent, improper, or unauthorized Card purchases.
7. I understand that the University of Alabama in Huntsville may terminate my use of the Card at any time without reason or cause. Upon request by the University or upon termination of my employment by the University, I shall immediately return my Card to the Senior Procurement Card Site Coordinator. I acknowledge that at all times the Card is and shall remain the property of the Procurement Card Vendor.
8. I understand that if I choose to use my personal vehicle to pick up University related purchases, I do so at my own risk. I understand that I must be appropriately insured under Alabama law, and I understand that the University does not provide primary insurance for employees when they are using their personal vehicles.

Signature

Date

Department

Figure PC-5

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE DELEGATION OF AUTHORITY FOR VISA PROCUREMENT CARD

By taking possession of The UAH Procurement Card to make an official University purchase, you assume the responsibility to protect the University from unauthorized and improper use of the credit card.

In recognition of this responsibility, I, the undersigned, acknowledge receipt of Procurement Card No. _____ and hereby agree as follows:

I shall protect and properly use the Procurement Card in accordance with University policies, and the laws of the State of Alabama. I agree that I cannot, and promise that I shall not; use the credit cards for personal purposes or make any personal purchases whatsoever for me or any other person.

I will obtain a cash register receipt or a priced in-store receipt that itemizes the products purchased and return the Procurement Card with the receipt(s) during the same business day that I receive them. I will reimburse the University for all improper and personal purchases.

I understand that if I choose to use my personal vehicle to make this purchase, I do so at my own risk. I understand that I must be appropriately insured under Alabama law, and I understand that the University does not provide primary insurance for employees when they are using their personal vehicles.

Signature

Date

Figure PC-6

THE UNIVERSITY OF ALABAMA IN HUNTSVILLE PAYROLL DEDUCTION FOR PROCUREMENT CARD PERSONAL PURCHASE FORM

I hereby authorize **The University of Alabama in Huntsville** to initiate automatic payroll deduction from my payroll check for repayment of all personal purchases initiated on my Procurement Card. This deduction will apply to my next bi-weekly pay date following the notification of Procurement Card policy violation memo. In the event that my purchase amount exceeds my payroll check, I also authorize **The University of Alabama in Huntsville** to deduct from all necessary bi-weekly pay dates until the full amount is repaid.

In addition, I agree not to hold **The University of Alabama in Huntsville** responsible for any delays or loss of income due to incorrect or incomplete information.

This agreement will remain in effect until **The University of Alabama in Huntsville** receives a written notice of cancellation of my Procurement Card from myself or my department, or upon my separation from employment with **The University of Alabama in Huntsville**.

Name of Cardholder: _____

A Number: _____

Department: _____

State Account

Grant Account

Authorized Signature (Cardholder): _____

Date: _____

Authorized Signature (Approver): _____

Date: _____

Figure PC-7 PROCUREMENT CARD RESTRICTIONS

- **Alcoholic Beverages**
- **Ammunition, Firearms**
- **Appliances** – *(not allowed for personal use)*
- **Cash Advances, Cash Instruments**
- **Catering** *(Setup, the replenishment of food and cleanup)*
- **Cellular Phones and Service**
- **Coffee, Cream, Sugar, Soft Drinks, Cups, Napkins, etc.** – *(When intended predominantly for consumption by University employees, unless otherwise covered by UAH Expenditure Guidelines)*
- **Computers, Ipads, Tablets, and other Wireless Devices** (See: <http://www.uah.edu/business-services/faculty-staff/open-bid-information>)
- **Contracts/Consulting for Professional Services**
- **Controlled Substances or Chemicals**
- **Cylinders: Containerized Gas Cylinders must be ordered through Central Receiving, unless special pre-approval has been granted by Procurement Services.**
- **Donations/Contributions**
- **Entertainment and Related Expenses** – *(Related to receptions, retirements, department Christmas parties and the like are NOT allowable)*
- **Equipment** *(which exceeds \$999.99)*
- **Floral Arrangements** *(not for personal occasions, i.e. birthdays, weddings, etc.)*
- **Hazardous Materials** *(if unsure, consult the Office of Environmental Health and Safety)*
- **Hazardous Waste Removal**
- **Greeting/Holiday Cards**
- **Items for non-University Purposes**
- **Insurance / Vehicle Insurance / Ticket Life Insurance / Ticket Cancellation Insurance etc.**
- **Laundry and Cleaning of Personal Items**
- **Leases / Rental – Land or Property**
- **Legal Services**
- **Live Animals**
- **Mailing Services** (Bulk)
- **Maintenance or Service Agreements**
- **Meals for University Travel** *(exceptions per University Travel Policy with prior approval from Procurement)*
- **Medical Services**
- **Mini-Storage for University Owned Items**
- **Money Orders**
- **Moving Expenses**
- **Pagers**
- **Parking Services** (Ex. Valet Services)
- **Party Supplies / Holiday Decorations and Supplies**
- **Personal Expenses / Purchases** *(Amazon, paypal, groceries, fans, heaters, radios, etc.)*
- **Pre-Paid Cards, Telephone Cards etc.**
- **Prizes / Gifts / Awards / Plaques, Gift Cards or other taxable expenses when not justified as benefiting the University**
- **Radioactive Materials**
- **Relocation of Household Goods**
- **Sales Tax**
- **Software – Multiple License Agreements requiring a UAH signature**
- **Specialty Gases in Cylinders** (helium, oxygen, nitrogen)
- **Split Transactions** – *To avoid the single purchase limit unless the items are available on University contracts. A “split purchase” includes any action taken to “work around” or “bypass” the single transaction limits set on PCards. The splitting of purchases will not be tolerated and may result in revocation of your card.*

- **Temporary Labor Services**
- **Tax Title, License Fees**
- **Travel -- (In-State) -** *(Hotel expenses are allowed when attending a conference that is part of a national organization, with prior approval from Procurement. UAH students are exempted and should refer to UAH Travel Policy)*

Note: Some items that are not allowed on the P-Card, may be allowed through the Requisition process, in accordance with the University's Expenditure Guidelines.

Figure PC-8 PROCUREMENT CARD ALLOWABLES

Transactions \$2,999.99 and below

NOTE: This is intended as a guide. You must consult University Spending Policies, Travel Policies, Procurement Policies and Bid Guidelines to ensure the proper expenditure of funds.
(www.uah.edu/finance/policies, and www.uah.edu/business-services/faculty-staff/open-bid-information)

- **Advertisements** (*must include written approval/review by Advancement*)
- **Ammunition** (*allowed for Campus Police ONLY*)
- **Books that will become the property of the University**
- **Clothing/T-Shirts and/or Uniforms** (*student and highly visible departments with prior Procurement approval*)
- **Coffee Pots, Refrigerators, Microwaves needed for research or conference situations only, documentation is required** (*not for individual use – must have a demonstrated business need with prior Procurement approval*)
- **Engraving when article to be engraved and engraving are purchased from the same supplier**
- **Equipment totaling \$999.99 or less** (*this includes S&H*)
- **Floral Arrangements** (*official University functions, i.e. commencement*)
- **Food:** *Bulk food items for preparation typically purchased at grocery stores for students or business related meetings*
- **Framing Services** (*for official dept purpose - must include description of item being framed*)
- **Furniture** (*must be purchased from current contract vendor, if available*)
- **Industrial Supplies**
- **Internet Purchases for allowable items**
- **Lab Supplies** (*excludes DNA oligomers*)
- **Landscaping Supplies: Trees, Shrubs, Flowers, and Small Tools**
- **Meals** (*see notes below*)
- **Medical Supplies** (*Student and Faculty/Staff Clinics, Nursing, Athletics Trainer & first aid kits-supplies*)
- **Memberships Dues** (*University and Department only*)
- **Mini Blinds**
- **Music Supplies**
- **Novelty Items with printing** (*i.e. pens, usb thumb drives, cups; must include written approval by Advancement*)
- **Office Supplies** (*must be purchased from current contract vendor*)
- **Parts for in-house repairs of UAH owned equipment**
- **Peripheral Equipment, Power and Network Equipment, and Supplies for Computers**
- **Photographic Film and Slide Processing**
- **Plaques/Awards/Christmas Cards/Retirement Cards** (*in limited circumstances, with documentation, if it is deemed that this expense is in the best interest of the University and promotes the purposes of the University – written pre-approval required by Dean/Chair/Director or designee*)
- **Postage and shipping expenses, USPS, FedEx, UPS, etc.**
- **Printer Cartridges: Must be purchased from current contract vendor or pre-approved by Procurement Services.**

- **Printing with prior approval** (*must have email from UAH Copy Center stating they cannot print the material*)
- **Registrations**
- **Rental Equipment**
- **Repair of UAH owned Equipment; including emergency repairs**
- **Signage** (*use for advertisement after approval by Advancement*)
- **Software** (*single use, off the shelf and does not require UAH signatures*)
- **Sponsorships** (with VP approval)
- **Student Events** (*such as Orientations, Receptions, Residence Hall programs, Recruitment, WOW, and Homecoming with supporting documentation – refer to University Expenditure Guidelines*)
- **Subscription, Journals, Periodicals, and Book Renewals**
- **Travel (Out of State) with an approved Purchase Request** (*exempt from per transaction limit*)
 - **Air Fare for individuals for business related travel**
 - **Conference Registration Fees**
 - **Hotels** (*lodging for business related travel*)
- **Vehicle Rentals/Gasoline** (*for business related travel – not for personal vehicles*)

The University of Alabama in Huntsville is considered an entity of the State, and therefore must comply with the State Competitive Bid Law. Purchase requests for like or similar items or items to like or similar vendors that cumulatively total \$15,000.00 or more within a **fiscal year period are subject to the competitive bid law. Periodically, expenditure reports (POs and PCards) will be reviewed to ensure that campus wide we are not exceeding the bid limit.**

The per transaction limit does not apply when utilizing a current contract vendor (www.uah.edu/business-services/faculty-staff/open-bid-information)

Remember no sales taxes and that itemized receipts, stated business purposes and/or other backup documentation is required for your purchases.

***Meals 1)** while on travel with a student team/group, team and coaches/chaperon's meals are allowed on the P-Card (with itemized receipts and listing of all persons whose meal is being paid).

2) while traveling doing recruitment, recruiter meals along with the prospective student are allowed on the P-Card (with itemized receipts and listing of all persons whose meal is being paid).

3) while traveling (coaches/recruiters) without a student team/group to attend a conference/meeting - meals are not allowed on the P-Card

Figure PC-9

PROCUREMENT CARD TRANSACTION FORM

Department Name _____ Date of Purchase: _____

Account Number _____ Amount _____

.....

Vendor Information:

Vendor Name: _____

Address: _____

Name of Vendor Representative _____

Telephone No. _____ Fax No. _____

.....

Description of Items	Quantity	Unit Cost	Total Cost
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

(Attach additional sheets if necessary)

Shipping/Handling Charges _____

Total Cost _____

Signature

Date

Figure PC-10

PROCUREMENT CARD MISSING RECEIPT AFFIDAVIT

CARDHOLDER: _____ VISA ACCOUNT NUMBER: _____

Department: _____ Campus Location: _____

TXN Number: _____ Date: _____

Supplier: _____ Total Amount: _____

Items Purchased: _____
(With cost)

Detailed explanation for missing documentation:

I certify that the amounts shown above were expended for University of Alabama in Huntsville business purposes. If charged to a grant or contract, I certify that the claimed expenses comply with the conditions of the grant or contract.

Cardholder Signature: _____ Date

Department Administrator _____ Date

Figure PC-11

MERCHANDISE RETURN PROCEDURES:

All returns for items ordered and received against University of Alabama in Huntsville Procurement Cards are the responsibility of the **ordering department** in accordance with the following procedures.

1. Department personnel are responsible for completing the Return Merchandise Authorization (RMA) form (Attachment 12). The Department Information section of the Return Merchandise Authorization form should be completed first with all pertinent information.
2. Department personnel will contact the vendor to complete the Vendor Information section of the RMA form including any special return instructions and to negotiate shipping charges if applicable. As a rule, the vendor will pay for return shipping for incorrect, duplicate, or damaged items. If the vendor is paying for the return shipping, a Return Authorization number will be given or an ARS (Authorization Return Service) label will be provided to affix to the outside of the package.
3. Department personnel must package the item(s) to be returned as instructed by the vendor including proper address and special instructions, if any. **REMEMBER** *it is very important to retain the original packing for repackaging. Some vendors will not accept return if the merchandise is not in the original packing. Also, in the case of a damage claim, the shipper will often come by to inspect the packaging to see if there is damage to the container.*
4. **PREPAID RETURNS:** Department personnel must request pickup by Central Receiving for all prepaid returns. Fax a copy of the completed Return Merchandise Authorization form to Central Receiving giving the building, room number and contact person for the pick-up. Central Receiving will schedule a pick-up of the return. Be sure that the package(s) is ready for pick-up at the time Central Receiving is notified. Department personnel will ask the Central Receiving representative to sign and date the original copy of the RMA form for proof of pickup of the merchandise.
5. **UAH PAID RETURNS:** If the method of return is to be paid by the returning department, the Department Personnel will complete the RMA form, package the item to be returned as instructed by the vendor, and complete a Campus "UPS Shipment" form. Receiving personnel will pick up the package(s) on their regular routes for return to the vendor or shipper by the appropriate method. Department personnel will ask Receiving personnel to sign and date the copy of the RMA form at the time of pick-up as their receipt for pickup of the merchandise.
6. Return shipments paid by the University must be insured for the actual value of the items in case of loss, theft, or damage. NOTE: UPS automatically insures packages up to \$100.00 at no extra charge. Additional insurance is available for an additional charge.

Figure PC-12

RETURN MERCHANDISE AUTHORIZATION FORM

FOR PROCUREMENT CARD ORDERS

DEPARTMENT INFORMATION:

Order # _____ ORGN _____ Date: _____
Department _____
Attention _____ Phone _____
Building _____ Room _____
Item (s) to be returned _____
Reason (s) _____

VENDOR INFORMATION:

Vendor Name _____
Authorization Return Service # _____ Date _____
Authorized by _____ Phone _____
Method of Return _____
Return Address _____
Attention _____
Special Instructions _____
Item (s) to be returned through _____ Central Receiving or _____ Campus Mail
Requested by _____ Date _____
Department Contact _____ Tel # _____
Completed by _____ Date _____
Carrier Representative