

Procurement Card Policies

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Introduction

Fort Hays State University is a participant in the United Missouri Bank Visa Procurement Program. The purpose of the State of Kansas Procurement Card Program is to establish a more efficient, cost effective method of purchasing. The Procurement Card (P-Card) can be used for in-store purchases as well as mail, phone, internet, or fax orders.

This manual provides the guidelines for the use of procurement cards. The cardholder's signature on the Procurement Cardholder Agreement indicates that they understand the intent of the program and agree to adhere to the established guidelines. The cardholder will be issued their procurement card after receipt of the signed Agreement by the Procurement Card Coordinator in Accounts Payable. The card can be used immediately after completion of training provided by Accounts Payable.

Each card has been assigned a transaction limit and monthly limit for total dollar amount of expenditures allowed in a billing cycle (30 days). The billing cycle will close on the 10th business day of each month.

Some vendor types have been blocked from usage with this procurement card. If the card is presented to any of these merchants, the transaction will be declined. It is likely that any merchant currently utilized as a source of commodities will accept this card. If a transaction is declined, submit the Workflow P-Card Request form to find out why the transaction was declined and if possible to open up the card for that transaction to process. If a Workflow P-Card Request has been submitted to open the card up for travel expenses, the following travel related expenses can be charged:

- Airfare and Associated Charges
- Lodging
- Tolls
- Business Calls
- Business Internet Charge
- Parking
- Rental Car
- Rental Car Fuel
- Local Transportation
- Hospitality

Examples of vendor codes that have been blocked are:

- Caterers
- Package stores
- Insurance services
- Some service providers

Merchants are paid by UMB Bank within three days of the business transaction. Detailed receipts should be requested from the merchants.

The P-Card is NOT intended:

- to avoid or bypass appropriate procurement or payment procedures, rather to complement the existing processes available
- for PERSONAL USE

How to Obtain a Card

A Workflow P-Card Request for a new card should be submitted by the department and routed through the cardholder's supervisor for approval. The Business Office will initiate the card process once the Workflow P-Card Request has been approved by the cardholder's supervisor.

Accounts Payable will arrange for cardholder training when the card is available to be picked up.

When the card is received, sign the back of the card immediately and always keep it in a secure place. Although the card is issued in an individual's name and employee number, it is the property of the State of Kansas and is only to be used for University purchases.

The card is not to be used for entertainment or personal expenses.

Receipt of Goods and Materials

The cardholder is responsible for ensuring receipt of goods and materials and will follow-up with the vendor to resolve any delivery problems, discrepancies, or damaged goods. It is also the department's responsibility to obtain credit memos.

For telephone or catalog orders, make sure complete shipping address and instructions are given along with the cardholder's name (e.g., Name, FHSU, Department, Department's delivery address, Hays, KS 67601). Delivery must be to a University address.

If goods or materials are ordered by phone or internet, request a detailed sales receipt from the vendor to be included in the package and explain that FHSU is a tax exempt organization. The receipt will be attached in the Workday transaction as documentation.

Record Keeping and Documentation

Record keeping will be essential to ensure the success of the program. Standard payment policies require retention of receipts and other documentation. As with any credit/charge card, detailed sales slips, cash register receipts, order forms, and receiving documents must be retained.

The cardholder's reconciler should keep the original itemized receipt for one fiscal year plus the current year and a PDF version will be attached in the p-card transaction in Workday.

Credit card slips are not acceptable documentation since they do not list the items purchased.

How to Audit a P-Card Transaction

The reconciler will enter all pertinent information into the transaction in Workday for each purchase at the time the purchase appears in Workday. P-Card processing procedures can be found at: [Verify a Procurement Card Transaction](#)

Before processing a transaction in Workday, check the following information:

- Do not process a transaction unless you have an itemized credit card receipt, cash register (sales) receipt, or itemized packing slip or invoice.
- Check to make sure the *Ship To* address on the documentation is FHSU. If not, justification for why the address is not a FHSU address must be documented.
- Check receipt for sales tax. If there is sales tax greater than \$5.00, a credit must be obtained from the vendor.
- Payment of invoices should not be split into more than 1 transaction. This is against state policy. If any invoice is split, justification must be provided in the transaction details.
- If inappropriate state purchases appear, the employee should return the goods, pay the vendor directly, or the department should use private funds for payment and have a credit issued to the P-Card by the vendor.
- Justification may be required for unusual purchases. Please contact Accounts Payable for further details.

If a sales receipt is missing, the cardholder should immediately contact the vendor to provide a detailed sales receipt or credit memo. If one cannot be obtained, complete the Workflow Lost Receipt Verification form and document the reason for no receipt obtained.

If a reconciler is unable to process transactions in Workday for an extended period of time, arrangements should be made with Accounts Payable or another employee so they can allocate transactions for you in your absence.

Resolving Errors, Disputes, Returns, and Credits

The cardholder is responsible for contacting and following up with the vendor on any erroneous charges, disputed items, or returns as soon as possible. (Most issues can be resolved this way).

If the cardholder is unable to reach an agreement with the vendor, the next step is to contact the Accounts Payable to begin the Dispute process.

For disputed charges, Accounts Payable will send a Vendor Dispute Form to the cardholder who will complete and return the form as soon as possible. Accounts Payable will then fax the completed form to UMB Bank for resolution with the vendor. The transaction will still need to be processed in Workday using the 'Fraud' spend category.

The bank must be notified of any disputed items within 60 days of the cycle in which the item was purchased. The cycle closes on the 10th business day of each month.

Disputed billing may result from failure to receive goods or materials, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. In the event of fraud, notify Accounts Payable immediately.

Documentation should be kept explaining each credit received for returns or exchanges.

If a trip was cancelled for business reasons, due to emergency or medical reasons, the credit should be used on the traveler's next trip. Departments are responsible for monitoring the credit voucher to ensure the credit is used in the time frame.

Sales and Use Tax

Fort Hays State University, as an agency of the State of Kansas, is exempt from paying Kansas sales or use tax per KSA 79-3606(b). If an Exemption Certificate is needed, please contact Purchasing at 4250 or 4463.

The University's tax exempt number appears on the front of the P-Card. It is the cardholder's responsibility to inform the vendor of the tax exempt status when making a purchase.

If there is sales tax greater than \$5.00, a credit must be obtained from the vendor. When processing the transaction when sales tax is charged, the sales tax should be recorded on a separate line from the purchase, no matter the amount of the sales tax.

Reconciliation and Approval Process

The statement closing date is the 10th business day of the month. This usually falls on the 12th through the 14th of the month. After the P-Card deadline (5 business days after the close of the P-Card statement) all transactions are due to the Business Office. The transaction must be processed and through all approvers in Workday to meet this deadline. If the deadline is missed, the p-card may temporarily be inactivated until all required documentation is received by Accounts Payable.

How to Cancel a Card

If a cardholder terminates employment with FHSU, the employee's p-card will be closed at the time of employment ending. The card can be shredded, cut, or turned in to Accounts Payable for shredding. If a cardholder moves to another FHSU department, the old department's card does not transfer to the new department. The new department must submit the Workflow P-Card Request with the new department name under Permanent Change Section.

Card Renewal

Renewal cards will automatically be sent to the Business Office. The cardholder will be notified when the new card is available to be picked up. Only the cardholder and/or the reconciler are authorized to pick up the card.

Declined Charges and Limit Increases

For review of a declined charge, increase a transaction limit temporarily, or increase the monthly limit on a cardholder's p-card, the P-Card Request form in the Workflow must be completed and routed through the cardholder's supervisor.

P-Card Security

If cards are used by someone other than the cardholder, the receipt must be signed or initialed by the cardholder.

Each department needs to determine how to secure the cards and card numbers. In some areas it is more appropriate for individuals to carry the cards. In other areas, the cards may be stored in a secure place in the department's office. The card and account number should be secured in the same manner that one would secure a personal credit card.

The cardholder is responsible for the security of this card and the transactions made against it. The card is issued in the cardholder's name and any purchases made against the card will be their responsibility. Card usage will be monitored and cards may be rescinded at any time. Use of the card not in accordance with guidelines established may also result in personal liability and revocation of the card. Remember, the card is committing University funds each time it is used. This is a responsibility that cannot be taken lightly.

How to Report a Lost or Stolen Card

If a procurement card is lost or stolen, immediately notify Accounts Payable by email at apayable@fhsu.edu as well as by phone at 628-5948.

Procurement Card Notification and Cancellation

A cardholder will receive notices due to, but not limited to, the following incidents. Use of the Procurement Card may be restricted or cancelled if any of the following occur:

- Unauthorized User
- Unauthorized Purchase
- Missing processing deadlines related to receipts
- Insufficient Itemized Receipts