



FHSU Procurement Card Policies

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TABLE OF CONTENTS

Introduction.....	1
P-Card Allowed for Official State Business Only	2
Prohibited P-Card Purchases.....	2
How to Obtain a Card	3
Receipt of Goods and Materials.....	3
Record Keeping and Documentation	3
How to Audit a Procurement Card Transaction.....	4
Resolving Errors, Disputes, Returns, and Credits.....	4
Sales and Use Tax.....	5
Reconciliation and Approval Process	5
How to Cancel a Card.....	5
Card Renewal.....	6
Declined Charges, Limit Increases and Other P-Card Changes/Issues	6
Procurement Card Security	6
How to Report a Lost or Stolen Card.....	6
Procurement Card Notification and Cancellation.....	6

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 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 14th calendar 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 in Workday to find out why the transaction was declined and if possible to open up the card for that transaction to process. If a P-Card is opened up for travel expenses, the following expenses can be charged:

- Airfare and Associated Charges (Ex. Checked Bag Fee)
- Registration Fees
- Lodging
- Tolls
- Business Calls and Internet Charges (WiFi)
- Parking
- Rental Car
- Rental Car Fuel
- Ground Transportation
- Hospitality

Examples of vendor codes that have been blocked are:

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

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

P-Card Allowed for Official State Business Only

At the request of an employee's manager, P-Cards are issued in an employee's name and are the property of Fort Hays State University, but the safe keeping, security, and use of the P-card is the responsibility of the cardholder. P-Cards are to be used only for expenses allowed per university and State of Kansas guidelines and for expenses that will be paid for with State funds.

- P-Cards are issued for official State business. Items which will not be paid through the State accounting system (i.e., funds in the State Treasury) may not be purchased with the P-Card; therefore, any personal expenses or expenses intended to be paid for with Foundation or Student Activity funds cannot be paid for with the P-Card. If a p-card is used for personal expenses, reimbursement should immediately be delivered to Accounts Payable. Departments should contact the Foundation to discuss purchasing options for expenses being paid with Foundation funds. To make purchases with Student Activity funds, a Student Activity credit card should be checked out by following these procedures: [Create Spend Authorization: Request for Student Activity Credit Card](#). If a State issued P-Card is used for personal purchases or purchases intended to be paid for with Foundation or Student Activity funds, the following action will be taken:
 - **First offense:** Cardholder will be sent email notification of the policy violation and reminded of State of Kansas P-Card policies and procedures.
 - **Second offense:** Both the cardholder and their manager will be sent email notification of the second policy violation and reminded of State of Kansas P-Card policies and procedures.
 - **Third offense:** Cardholder's P-Card will be inactivated for one calendar year.
- Purchases made with P-Cards are to follow all State of Kansas and Fort Hays State University policies and procedures. P-Cards should not be used to avoid procurement or payment procedures.

Prohibited P-Card Purchases

The items listed below are prohibited P-Card purchases:

- Alcoholic beverages
- Business Cards (the FHSU Print Shop should be used for Business Cards orders)
- Cash advances
- Food (for instances of allowed food purchases, review the list of exceptions [Food Purchases with State Funds](#))
- Gift Cards (review the university's [Gifts, Prizes, and Awards Guidelines](#))
- Hospitality or Entertainment (unless certain hospitality criteria are met [Official Hospitality Guidelines](#))
- Honorariums (including reimbursement of travel expenses)
- Personal items
- Purchases from other State agencies—Payment for purchases from other State agencies should always be processed as interfund transactions ([Request for Interfund](#))
- Real Estate Leases (unless prior approval has been obtained from FHSU Purchasing)
- Recruitment expenses for job candidates
- Weapons and ammunition (unless purchased for law enforcement or FHSU Shooting Sports use)

- Certain travel-related expenses:
 - Meals are prohibited P-Card transactions
 - Room service, personal phone calls, movies, laundry (unless there is a business justification) and any other miscellaneous personal charges, and any charges not considered reimbursable under the State Travel Expense guidelines are prohibited P-Card purchases.

How to Obtain a Card

A Workflow P-Card Request should be submitted in Workday by the department. This request will automatically route to the cardholder's manager for approval. The Business Office will initiate the process to request a new card once the Workflow P-Card Request has been approved by the cardholder's manager. It will take approximately 7-10 business days for the new card to arrive. Once the P-Card has been received by the Business Office, it will be activated and Accounts Payable will contact the cardholder to schedule a time for the cardholder to pick up the card, sign a cardholder agreement form, and receive training on P-Card purchasing policies and procedures.

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. FHSU is a tax-exempt entity, and cardholders must present a tax-exempt form to the supplier to have tax removed from purchases. For more information, see the Sales and Use Tax section on page 5.

Cardholders need to use the complete shipping address for their department. Delivery must be to a University address.

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 to 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 with amounts 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 a transaction is intentionally split to bypass lower transaction or monthly limits, the misuse and violation of procedures could result in the card being permanently closed.
- If inappropriate state purchases appear, the employee should return the goods for a refund to the P-Card and follow up with paying the vendor directly, or the department should use private funds for payment and have a credit issued to the P-Card by the vendor.

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 and the attempt to request a receipt.

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 14th calendar 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.

Refunds are not typically issued for canceled airfare. The airlines will issue a voucher in the traveler's name; therefore, if a trip including airfare expenses was cancelled for business reasons, due to emergency or medical reasons, the airfare 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 and on a university business trip.

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). No sales tax should be charged for P-Card purchases made in the State of Kansas. Cardholders should inform vendors that the purchase is exempt from Kansas sales tax before the purchase is processed. If an Exemption Certificate is needed, please contact Purchasing at 4250 or 4463.

When Kansas sales tax is inadvertently included in a transaction, cardholders are not required to subsequently obtain credit for tax paid if the sales tax associated with the transaction is five dollars or less. 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 14th calendar day 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 department must submit a Workday P-Card Request Form-Inactivate Card Request to close the terminated employee's card. 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 the 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, Limit Increases and Other P-Card Changes/Issues

The cardholder's department should submit a Workday P-Card Request Form for the following (see user guide [Workflow Apps: P-card Request Instructions](#))

- Name change
- Department change
- Temporary or permanent transaction limit or monthly limit change
- International travel
- International purchases
- Software purchases
- One-time charge larger than the current transaction limit/monthly limit (Note: Any purchase \$5,000 or over must follow Purchasing guidelines)
- Denied transactions

P-Card Security

Cardholders along with their respective departments need to determine how to secure their State issued P-Cards. 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