



Purchasing Card News

New Procurement Associate:



Marci Caldwell joined the Purchasing Dept in November of 2008. Many of you have already worked with Marci. She performs the majority of the daily purchasing card activities: opening MCCs, limit increases, hardcoding, and pcard questions. She is very knowledgeable of the purchasing card program and will be happy to assist you with your purchasing card needs.

Pcard Record Keeping in Payment:

When reconciling the purchasing card transactions in PaymentNet, there are several steps that are extremely important to ensure the department budget is managed correctly.

Index and Account Code Drop Downs

Index

000010 Example Index

Account

71119 Supplies Procurement Card

All transactions must to be allocated to the correct Index and Account Code. Please be vigilant when choosing these from their respective drop downs. Inadvertent mouse clicks could result in additional paperwork to correct a budget error.

71119 - Supplies Procurement Card

This is a clearinghouse account code. This account code does not describe what was purchased. *Please make sure to choose the account code that best describes what has been purchased.*

“Why is this so important?” - We must comply with state purchasing laws regarding contracts. In order for us to be in compliance, we must know what is being purchased. The purchasing card program has decentralized purchasing small dollar items, but the responsibility for compliance is still the same. Record Keepers are now responsible for this information by choosing the correct account code when reconciling PaymentNet. Purchasing then utilizes the information to research for potential contracts.

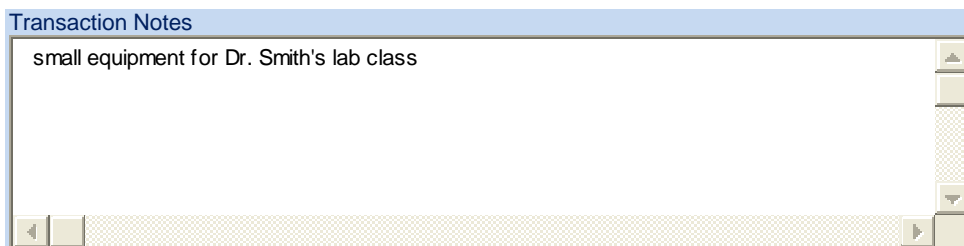
Transaction Notes

Transaction notes should be added to every transaction. Be brief but specific.

“Why is this so important?” - State laws require a purpose for every purchase. See the examples below.

Transaction Notes

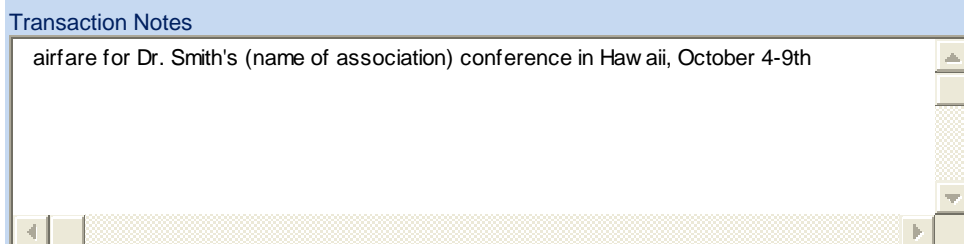
small equipment for Dr. Smith's lab class



OR

Transaction Notes

airfare for Dr. Smith's (name of association) conference in Haw aii, October 4-9th



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THE TRANSACTION NOTES SECTION WILL BE A REQUIRED FIELD BEGINNING WITH THE NEW FISCAL YEAR (FY10) TRANSACTIONS.

Adding and Deleting an Index

To add a new index, please send an email to Marci.Caldwell@wku.edu and copy Pam.Davidson@wku.edu. Approval should be obtained prior to requesting the addition of an index, or the approving department/individual should be copied on the email requesting the addition. Examples requiring additional approval are: grant indexes beginning with a 5 or 6, AA/PD indexes, and graduate research grants. An email will be sent when the request has been completed.

To have an index deleted, please send an email to Marci.Caldwell@wku.edu and copy Pam.Davidson@wku.edu.

Grant indexes are deleted regularly through direct correspondence of the Pcard Admin and Grant Accounting.

Hard-coding Indexes to Transactions

On occasion, a transaction amount may need to be charged to an index not listed on the PaymentNet drop down, or split between indexes from different departments. An example of such a transaction would be a charge to a Faculty Scholarship index. These indexes are not allowed on the purchasing card drop downs. This process is called Hard-coding and replaces the need to request an Inter-Account transfer.

Please follow the following procedure to have an index hard-coded to a transaction:

1. Once the transaction has posted to PaymentNet, allocate the correct account code and add transaction notes. *It is a good idea to add the*

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index to be charged in the transaction notes section as part of the transaction description.

2. Email Marci.Caldwell@wku.edu or Pam.Davidson@wku.edu with the transaction ID #, the vendor name, and the index to be charged.

*If you need a Faculty Scholarship index hard-coded, please email Faculty.Scholarship@wku.edu for Sponsored Programs approval.

*If the index to be charged is from a different department, please cc the appropriate individual in that department so that we have their approval as well.

3. The hard-code will be performed once we have received approval. We will send an email when it has been completed.

Purchasing Card Policy - REMINDERS

University funds are committed each time a purchasing card is utilized. The card user must abide by the University's policies and procedures which include the [Purchasing Card Policy](#), the [Discretionary Spending Policy](#), [Purchasing Policy](#) and the [KRS 45 A](#).

Purchases are for University use only.



Personal purchases and Foundation purchases are prohibited.

Intentional misuse/abuse or fraudulent use may result in disciplinary action up to and including dismissal.

Vendors

Contract vendors have been established for many commodities and some commodities have many contract vendors. We are in compliance with state purchasing laws when utilizing these contracts. The list of current contracts can be found on the Purchasing website.

<http://www.wku.edu/Dept/Support/FinAdmin/Purchasing.htm>

Please contact the Purchasing Department if you have specific questions about a contract or if you need assistance with a commodity not on the list.

Employee-owned Businesses

UPS Store #5638 is an employee-owned business. State law Kentucky Revised Statute 164.390 specifically forbids the University from purchasing goods or services from an employee.

"164.390 Interest in contracts prohibited. Unless specifically approved by the governing board of an institution under the provisions of KRS 164.367, no president, professor, teacher, member of the executive council, or other officer or employee shall be interested in any contract or purchase for the building or repairing of any structure or furnishing of any supplies for the use of a university or college."

Purchasing Card Audits

The purchasing cards are audited for several reasons:

- 1) To review the level of record keeping of the cards. This helps determine what areas are in need of enhanced training.
- 2) To check for compliance with the Purchasing Card Policy.
- 3) To guard against internal fraudulent activity.

The purchasing cards are subject to audits at any time without prior knowledge by the Record Keeper, Cardholder, or Supervisor.

The following are notified of all audit results: the Internal Auditor's office, the Director and Assistant Director of Purchasing, the card Supervisor, the Record Keeper, and if an individual card, the Cardholder.

Corrective actions will be determined by the Procurement Card Administrator, the Director and Assistant Director of Purchasing, and/or the Internal Auditor.

Types of Purchasing Card Audits:

1. **Pcard Spot Check Audit** - This audit serves as a "snapshot" of the card. It consists of a three-month period of time within a year of the audit date. The months may not be consecutive and are chosen at the Procurement Card Administrator's discretion. This audit will determine the level of basic reconciliation and record keeping for a purchasing card.

Correction actions depend upon audit score: recommended improvements by the Procurement Card Administrator, additional training, reduction of limits, full audit of card with correction actions based on full audit score.

2. **Full purchasing card audit** - This audit covers all transactions within a two-year period. This audit will determine the level of record keeping and reconciliation as well as the level of compliance to the Purchasing Card Policy.

The audit is comprised of the following items:

Card Statements	Minor violations
Signatures on the statements	Major violations
Receipts	

User Agreements
Transaction Notes

Corrective actions depend upon audit score: additional training, reduction of card limits, removal from participation in the pcard program, or disciplinary action up to and including dismissal.

Violation Examples

Minor Violations include but are not limited to:

- ☒ Use of non-contract vendor without justification
- ☒ Items not allowed on the purchasing card but allowed with University funds - 1099 reportable services, items to be inventoried, etc.
- ☒ Items only allowed through WKU Foundation
- ☒ Split transaction with an inventory item
- ☒ Sales tax
- ☒ Tip > 15%
- ☒ Meal in travel status > subsistence (VIP cards)
- ☒ Personal purchase repaid prior to audit
- ☒ Insecure card storage location
- ☒ Individual card used by another employee
- ☒ Account code left unallocated (i.e. left at 71119)

Major violations include but are not limited to:

- ☒ Personal purchases not repaid
- ☒ Items not allowed with WKU or WKU Foundation funds
- ☒ Fraudulent charges not disputed
- ☒ Items paid by another source (travel voucher, PA, etc.)
- ☒ Card used by non-employee