# WKU

# *Purchasing Card*

## Guide for Record Keepers

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# WKU Purchasing Card Guide for Record Keepers

This guide has been created to help Record Keepers:

- Accurately maintain purchasing card documentation
- Reconcile the transactions in ActivePay with accuracy and efficiency
- Recognize and report fraudulent activity
- Effectively dispute transactions
- Understand state sales tax exemption
- Identify potential purchases as authorized or unauthorized

This guide is not a substitute for the Purchasing Card Policy. Using the information in this guide together with the Purchasing Card Policy will ensure accuracy and compliance in the card program.

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# Reconciling Transactions

- **Reconcile the ActivePay transactions weekly!** All Record Keepers must schedule a **Transactions Not Reviewed** report to be emailed to the Record Keeper, Cardholder (if it's an individual card), and Supervisor. This report provides transaction information for all transactions which need to be reconciled. A **Transactions Not Reviewed** must be scheduled for every card. The report should be scheduled to run weekly, but you can schedule it to run daily if you so choose. Use the report not only as a reminder that there are un-reconciled transactions but also as an organizational tool. Upon receiving the email, print the email and gather the receipts and invoices. Go into ActivePay immediately and reconcile the transactions. Attach the receipts and invoices to the report and keep all in a temporary file. Repeat this procedure each week. At the end of the month, print and review the card statement. Place the report/receipt packets with the statement and obtain necessary approval signatures. File all documents together in the main card file (see Card Files for examples).

- **Always allocate the correct account code for the commodity purchased.** The transactions default to 71119 when they post to ActivePay. 71119 is a clearinghouse account code and does not give a description of what was purchased. Choose the account code that best fits the commodity purchased. Why is this so important? Compliance with state laws regarding contract vendors.

- **Always add transaction notes to the transaction.** Be brief but specific when stating the business purpose of the transaction. For example, if you have purchased airfare, add notes that state the conference name and dates and the individual who is going. Add a detailed explanation for any unusual purchase and how the items will be used. Also, if you have more than one index on your ActivePay Index list, it's a good idea to add the index to be charged in the notes – especially if you work with many grants, AA/PD accounts and/or Sponsored Programs internal grants.

# Receipts/Invoices and Other Necessary Documentation

- **Receipts and invoices must be itemized**. This includes the quantity, description of item, unit price, total price for item, and the final payment total.

- Credit card machine tapes showing only the vendor and credit card information and the total amount of the purchase are NOT considered receipts! Itemized receipts must be maintained.

- Receipt tapes from stores such as Wal-Mart, Lowe's, Best Buy, etc. are heat sensitive and are likely to fade over time. The best practice for these receipts is to make a copy of the receipt then attached the original to the printed copy before filing.

- **Rosters must be maintained for food purchases.** This should include the faculty/staff member(s) present as well as the guest/prospective employee. An easy idea for events involving large groups is to invite the guests to sign a guest book.

# Receipts/Invoices and Other Necessary Documentation continued
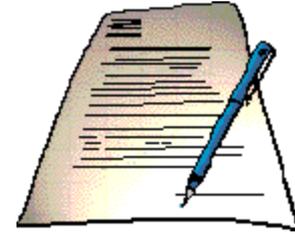
- Maintain a copy of any email correspondence approving an unusual purchase and any other necessary documentation explaining the purchase with the receipt in the card file. For example, memberships must have supervisor approval and justification for the membership.

- **Departmental cards must have a card log and a user agreement file maintained by the Record Keeper.** These are layers of security for our cards. These user agreements should not be sent to the Pcard Admin, but instead maintained in the card file in the Record Keeper's office.

- **Card statements must be signed**. For department cards, the Record Keeper and the Supervisor must sign. For individual cards, the Cardholder and the Supervisor must sign. This is another layer of security.

- Please contact the vendor for a duplicate receipt if the original has been lost or destroyed. Most vendors are able to provide a duplicate.

# Contract 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/finadmin/purchasing/index.php

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.

# Card Files

Organization is the key for maintaining accurate files with optimum accessibility. Below are several suggestions in establishing an organized purchasing card file:

A. The departmental card, card log and the User Agreement forms can be kept in a slim 3-ring binder.  A zippered pencil pouch that can be put in the 3 ring binder is an easy method of keeping the card.  This slim binder can then be locked in a file drawer for security when not in use.

B. A 3-ring binder with sheet protectors can be used as the card file.  Set up the binders by fiscal year.  Each month would have its own sheet protector with the statement in the front and the receipts/invoices tucked in behind.  The binder can then be secured in a locked file drawer.

C. If you prefer files rather than binders, you can create a file folder for the fiscal year for each card.  Staple the receipts behind the statement and keep in monthly order in the folder.

# Disputing Transactions
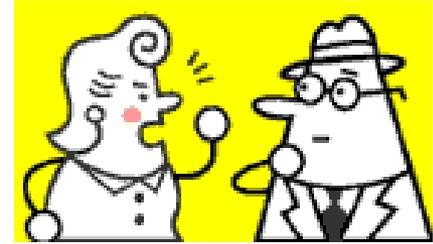
- **Contact the vendor prior to disputing a charge.** The vendor must have the opportunity to correct the situation. If a vendor is not willing to work with you on the situation then you can dispute the charge online. Transactions must be disputed online within 60 days of their post date.

- Remember that the vendor must be contacted directly if they were not given the exemption information and a credit must be requested. The vendor does have the right to refuse to credit sales tax after a purchase.

- To dispute a PNC transaction, you must print and complete the Dispute Form found in ActivePay on the Transaction Detail screen. Once the form is completed, send the form to the P-card Admin for approval. Once the form is approved it will be sent back to the department so that any additional documentation can be attached. The form/documentation packet must then be sent to PNC.

# Sales Tax Exemption

WKU is sales tax exempt in the following states:

- KY
- TN
- IN – not exempt from meals & lodging
- MN – not exempt from lodging
- MI
- FL
- KS
- OH
- MS
- SD
- IL – not exempt from hotel occupancy taxes
- CO (no certificate as they accept other states exemption certificates)

- Please make sure when making a purchase with a vendor in these states that you explain we are tax exempt when you are ready to proceed with payment.  A certificate can be provided if the vendor requests one to have on file.

- Verify that no sales tax was charged on your invoice/receipt.  The exemptions are for state sales tax only.

- Hotel charges and sales tax exemption can seem a bit confusing.  There are some states (see list) that we must pay a hotel/lodging/occupancy tax regardless of our exempt status.  Also you may see city/local taxes on a hotel invoice.  Our exemptions do not apply to those taxes.

# Purchasing Card Usage: Authorized Transactions

- Travel transactions are allowed on the pcards. These transactions include hotel/motel, airfare, rental vehicle, registrations. Please remember that personal purchases during a hotel stay such as internet, long distance, room service, etc. are not allowed on the pcard.

- Office, classroom and lab supplies

- Books

- Small purchases less than $2,000

- Award plaques & trophies

- Professional association membership dues – Organization's mission/goal must be directly related to the department's mission/goal. Additional documentation is required to be kept with the receipt: Supervisor approval and a justification for the membership.

- Departmental subscriptions mailed directly to the University.

# Purchasing Card Usage: Unauthorized Transactions

- **Furniture is not allowed on the purchasing card**. Furniture is under contract to several vendors. Please contact the Purchasing Department if you need to purchase furniture.

- **Foundation/Development purchases.** This includes gifts, greeting/holiday cards, contributions/sponsorships, gift certificates/cards, clothing, etc. Please see the Discretionary Spending Policy found on the Controller's website for a complete listing.

  http://www.wku.edu/policies/finance_administration.php

  *The purchasing cards are to be used for items that can only be paid through state funds. They are not to be used as a convenient way to make Foundation purchases which are reimbursed after the fact.*

- **Printing/Copying Services.** Printing services are under contract. The contract vendors can be found on the Printing Services website. You can also place your printing request on the website.

  http://www.wku.edu/Dept/Support/StuAffairs/CSF/printing/Home.html

- **1099 Reportable Services.** To determine the 1099 reportable status of a vendor, go to the FTMVEND screen in Banner. Query for the vendor. The status is located on the Text (right click on the first screen). Contact the Pcard Admin. if there is no reporting information on the vendor.

- **Capital Equipment and complete Computer Systems.** These items must be purchased through the requisition process in Banner so that they are tagged appropriately by Inventory Control.

# Purchasing Card Security
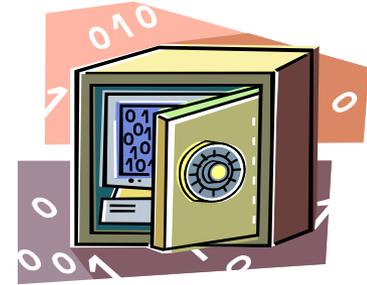
Card security is extremely important to prevent identity theft and credit card fraud. We have several levels of security in place to protect our cards but these levels are only as good as the individuals who are vigilant and utilize them appropriately.

**Card and card documentation security:**

- Be mindful of your environment. Most offices have students and visitors continually flowing through. Make sure that the card and card information are secured when assisting these individuals. That includes working in ActivePay as well as with the actual card and card documentation. The best practices are to keep the card and card files in a locked location when not in use and to log out of ActivePay when finished or will be delayed from the task.

- Keep a card log and User Agreement file for departmental cards.

- Reconcile the transactions in ActivePay and obtain the appropriate signatures on the card statements. This allows all who are responsible for the card(s) to view the card activity.

- When sending campus emails, only reference the last 4 digits of the card number and/or the card name. You never know who might be at the other end reading the email. The recipient may be careless of who reads the emails or may not realize someone is reading the emails "over their shoulders".

- Report all scams referencing PNC to the Pcard Admin. These will be forwarded to PNC for investigation. There are documents on the Purchasing website under Purchasing Card that will help you recognize scams. http://www.wku.edu/finadmin/purchasing/index.php

# Purchasing Card Security continued

**Card security when purchasing:**
The following are several simple steps to be utilized when using the pcard.

- Present your WKU ID card at the same time you present the pcard for payment.

- Keep the card in sight as much as possible when at the point of sale. This can be difficult when using the T & E cards at restaurants.

- Always review the receipt/invoice.

- Be mindful of your environment when making purchases by phone or over the internet.

- Check to see if the vendor has a secured website by looking at the address; **https:**
  You may want to make the purchase by phone if they do not.

# WKU Purchasing Card Guide for Record Keepers

## Contact information:

WKU Procurement Card Administrator/Buyer

Pamela Davidson

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Phone:      745-4260

Fax:        745-3059

Purchasing Department Director

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Pro Card Program Coordinator

Marci Morehead

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Fax:        745-6367

Purchasing Department Asst. Director

Kimberly Bradley

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**To report a lost/stolen card after business hours:**

PNC Customer Service

1-800-685-4039