Procurement Card

Guide for Record Keepers

WKU Procurement Card Guide for Record Keepers

This guide has been created to help Record Keepers:

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

Using the information in this guide together with the Procurement Card Policy will ensure accuracy and compliance in the card program.

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- Account Maintenance Forms
- Reconciling Transactions
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Temporary Account Maintenance Forms:

*The Record Keeper is the liaison between the department and the pro-card office. Individuals in the department should send all card requests to the record keeper and the record keeper will work with the pro-card office.

*Backup documentation must be sent with the maintenance form and be specific to the request. A quote or invoice, link to vendor's website, event email, roster of participants, completed GASB96 form, etc. are all examples of documentation. The documentation is required for auditing purposes.

*The form is to be used for temporary changes only. Permanent limit and MCC changes should be requested by email and must be approved by the department supervisor.

*Please send requests in a timely manner. Allow for time to gather documentation, obtain approvals, and questions.

Reconciling Transactions

- **Reconcile the PaymentNet transactions weekly!** It is recommended, and considered to be best practice, to reconcile procurement card transactions weekly. Keep the receipts in a temporary file. At the end of the month, print and review the card statement. Place the receipts 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 PaymentNet. 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? Allocating correctly allows for accurate budgeting and 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 PaymentNet 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.

- When purchasing supplies for an event keep a copy of the event flier with the receipt/invoice and card statement.

Receipts/Invoices and Other Necessary Documentation continued

- Departments should utilize the Aramark contract for food for on-campus events. However, to allow for exceptions to the contract and to alleviate liability to Aramark, WKU Restaurant Group has a waiver form that should be used. The waiver form should be kept with the pro-card food receipt and other event documentation, such as roster of participants and an event email, in the pro-card files.

- 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.

- **Department 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 can be emailed to the Pro-card office for the permanent card file(s) but must be maintained in the card file in the Record Keeper's office. It is recommended that all department card users complete the Procurement Card Policy training. Please contact the Pro-card office regarding training.

- **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 under the TopShop information tab.
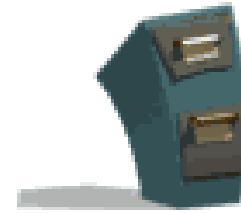
Contracts Available in TopShop

Please contact the WKU Purchasing 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 procurement card file:

A. The department card, card log and the User Agreement forms can be kept in a slim 3-ring binder. A zippered pencil pouch can be put in the 3-ring binder as 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/additional documentation 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.

D. Scanned copies are considered to be originals; therefore, electronic files may be kept. All documentation should still be maintained in electronic files as they would with hard-copy files. Signatures must be obtained on the card monthly statements and then the statements can be scanned and filed electronically.

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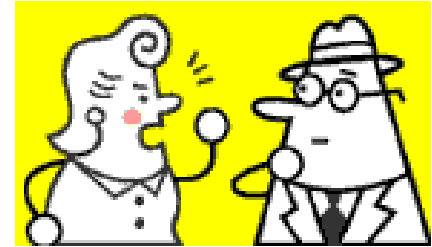
- **Contact the vendor prior to disputing a charge.** The vendor must have the opportunity to correct the situation. If a vendor is not willing to work with you on the situation, then you can dispute the charge online. Transactions must be disputed online within 60 days of their post date.

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

- To dispute a JPMC transaction, you must complete and submit the Dispute form found in PaymentNet on the Transaction Detail screen.

Sales Tax Exemption

WKU is sales tax exempt in the following states:

- KY
- TN
- MI
- FL
- KS
- OH
- MS
- IL – not exempt from hotel occupancy taxes
- ID
- TX
- WI
- CO – present KY tax exemption certificate
- CT
- WY
- AL
- IA

- ME
- MA
- MN
- NJ
- NY
- ND
- NM – present WKU 501(c)3 letter
- UT
- VT

States with no sales tax:

- DE
- MT
- NH
- OR
- AK

- 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. For example, in Illinois 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.

# Procurement Card Usage: Authorized Transactions

- Travel transactions are allowed on the pro-cards. 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 pro-card.

- Office, classroom and lab supplies

- Books

- Small purchases less than $2,000

- Award plaques & trophies

- Professional association institutional 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.

- Department subscriptions mailed directly to the University.

Procurement Card Usage: Unauthorized Transactions

- **Furniture is not allowed on the procurement card**. Furniture is under contract to several vendors. Please contact Purchasing 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.

  Discretionary Spending Policy

  If the funding is Foundation ONLY then it is not allowed on the pro-card.

- **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.

  WKU Print Center

- **1099 Reportable Services.** To determine the 1099 reportable status of a vendor, contact the Pro-card office.

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

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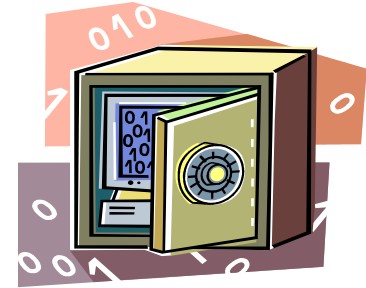
Card security is extremely important to prevent identity theft and credit card fraud. We have several levels of security in place to protect our cards, but these levels are only as good as the individuals are vigilant and utilize them appropriately.

Card and card documentation security:

- Be mindful of your environment. Most offices have a continuous flow of students and visitors. Make sure that the card and card information are secured when assisting these individuals. That includes working in PaymentNet 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 PaymentNet when finished or when you will be delayed from the task.

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

- Reconcile the transactions in PaymentNet 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 JPMC to the Pro-card office. These will be forwarded to JPMC for investigation.

Procurement Card Security continued

Card security when purchasing:

Below are several simple steps you can follow when using the procurement card.

- Present your WKU ID card at the same time you present the pro-card 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.

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Contact information:

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Manager, Purchasing – Procurement Services
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To report a lost/stolen card after business hours:
JPMC Customer Service
in the U.S. 1-800-316-6056 or outside of U.S. 1-847-488-3748