



# PROCUREMENT CARD MANUAL



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**<https://www.uky.edu/ufs/concur-travel-expense-management>**

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## PURPOSE OF THE PROCUREMENT CARD PROGRAM

The purpose of the University of Kentucky Procurement Card Program is to establish an efficient, cost-effective method for purchasing and paying for goods and services of small-dollar amounts. It should be used for most small dollar purchases instead of the Payment Request Document (PRD). All procurement cards are issued by US Bank, the University's provider, in the name of individual employees; however, the procurement cards remain the property of the University of Kentucky and, with exception of combining business with personal travel when purchasing an airline ticket, **personal charges are strictly prohibited**.

## PARTICIPATING IN THE PROGRAM

To obtain a University of Kentucky procurement card an individual must be recognized as a regular UK employee in the Human Resource database. Cards are not issued to students or STEPS employees. Each recipient is required to attend a cardholder training session prior to the disbursement of the card. The training focuses on the basic use of the card and the responsibilities associated with it.

### Obtaining and Completing a Card Application

The Cardholder Application may be obtained by visiting the Accounts Payable Services website or the University [eForms](#) page. The applicant will sign the User Agreement located within the application, indicating that the individual is requesting a procurement card and that they agree to the terms and conditions of being a University cardholder.

Two departmental approvals are required when applying for a procurement card. Approval from the cardholder's supervisor along with an additional approval from the cardholder's business officer, dean, or director. Approval indicates that colleges and departments using the cards have agreed to do so in accordance with all University policies.

Once the form has been completed in its entirety and signed by the cardholder, supervisor, and business officer (or other approving official with signature authority), it should be forwarded to [procard@email.uky.edu](mailto:procard@email.uky.edu) for final review and approval by the Procurement Card Administrator. Upon final approval, all new applicants will be notified via email of upcoming cardholder training dates to allow for scheduling and completion of the required course.

## HOW THE PROCUREMENT CARD SYSTEM WORKS

The card is a Visa and readily accepted by most vendors. It can be used:

- Locally
- Mail Order
- Phone Orders/Fax Orders
- **Secure** Internet sites (A secure web address begins with <https://>)

Technology provides the ability to encode each card with the following controls and limitations, enabling the card to be tailored to departmental needs:

- Single Purchase Limit
- Monthly Limit
- Merchant Category Restrictions-used to restrict certain businesses and commodities

At the point-of-sale, the Visa system validates the transaction against these pre-set controls.

Misuse of procurement cards will be viewed as a breach in security and will result in denial of access to the procurement card system. University Financial Services monitors the use of the procurement card for violations

of internal controls and improper purchases and has the authority to void system access if a breach of security occurs or if the security of the procurement card system information is in question.

## Transaction Import

After procurement card transactions are conducted and post to US Bank, a transaction file is imported into the Concur Travel and Expense Management system. The transactions will load into the respective cardholder profile based on their University of Kentucky Employee ID Number. The cardholder will then create an expense report under the appropriate policy (General Expenditure or Travel Expenditure) and include all required documentation. The report may be created by a delegate but *must* be reviewed and submitted by the cardholder.

## Frequency and Timeliness of Submitting Expense Reports

General Expense reports can be submitted with an unlimited amount of transactions, and generally submitted once per month. However, when deemed necessary by the department, multiple reports for a single cardholder may be submitted in one given month. It is expected that departments continue to be mindful of potential additional costs incurred by the University when processing multiple reports in a month. To continue to operate as good financial stewards, reasonable discretion should be exercised when choosing to do so.

Procurement card transactions should be submitted to Accounts Payable Services by the 15<sup>th</sup> day of the following month. Transactions more than 60 days past due will result in temporary suspension or cancellation of the procurement card.

## Training Resources for Concur Travel and Expense Management System

There are three training resources to learn more about the Concur Travel and Expense Management system. On-demand training videos and quick reference guides are available for the Concur Travel and Expense Management system, while virtual training is available for only the online booking tool. Access to the recommended training options are as follows:

- Virtual training is also available for the Concur Travel Online Booking Tool which can be found through myUK Learning.
- Quick reference guides for various Concur processes can be found by visiting the [Concur Travel and Expense Management Website](#).

## GENERAL EXPENSE - PURCHASING POLICIES

### Delegated Purchasing Authority

Authority to use the procurement card is delegated to departments by the Purchasing Division. However, disbursement of funds for settlement of valid claims for goods and services is the responsibility of University Financial Services. Therefore, use of the procurement card must be in accordance with purchasing regulations as well as the internal controls and audit standards set forth by University Financial Services.

The Purchasing Division has delegated certain purchases to the departmental level. The procurement card is designed to be the primary purchasing method under this delegated purchasing authority in accordance with

Business Procedures Manual sections [B-3-2 Delegated Procurement Policy for Departments](#) and [B-3-2-1 Procurement Card Authorization and Limits](#).

A limited number of purchasing policies have been included herein. The [Purchasing/Accounts Payable Quick Reference Guide](#) may be used as a tool or starting point to quickly determine appropriate purchasing methods. For further guidance, it is recommended to become familiar with associated Business Procedures, the Accounts Payable Services website, and the Purchasing Division website.

## Contract Compliance

University Price Contracts established by the Purchasing Division must be used when purchasing any goods or services covered by a Price Contract. The University Price Contracts are listed by commodity and/or vendor name on the Purchasing Division's web site at <http://www.uky.edu/Purchasing/pctsbyvendor092800.htm>.

## Capital Equipment

Capital equipment may not be purchased on the procurement card. To review the University's capital equipment policy see [BPM E-12-1](#).

## Promotional Items

The purchase of promotional items is allowable on procurement card. However, promotional items must be purchased from one of the contracted vendors listed on the Purchasing Division website at <https://purchasing.uky.edu/promotional-items>.

## Printing/Stationary and Duplicating

Printing and duplicating are allowable expenses on the procurement card. As an agent of the state, it is required that we exclusively use our contracted print vendors for printing services listed on the purchasing website at <https://purchasing.uky.edu/printing>. The approved local managed print service vendor for duplicating is Ricoh.

## Hospital Purchasing

Hospital departments are not authorized to purchase patient related items on the procurement card when using a hospital cost center (105xxxxxx – 107xxxxxx). These items include, but are not limited to, medical/surgical supplies and/or minor equipment.

## Food Products and Alcohol

Purchases of food products or alcohol by procurement card must be in strict accordance with the University's [Discretionary Expenditure Policy](#).

When purchasing food, departments are responsible for utilizing discretionary funds when necessary. The purchase of alcohol is not allowed on a sponsored project unless sponsor prior approval is received.

## TRAVEL EXPENSE - PURCHASING POLICIES

The University procurement card must be used to pay for University business travel expenses not covered by the meal per diem or the IRS Standard Business Mileage Rates, when possible. Generally, the following expenses shall always be placed on the University procurement card:

- Airfare baggage and other airline fees
- Lodging (excluding personal expenses such as room service, movies and mini bars)
- Car rentals
- Ground transportation
- Registration fees

Receipts, along with any required cost comparison, must be submitted for all travel related procurement card expenses of \$75 or more. Lodging receipts are still required at all amounts.

Travel expenses may be paid only in strict accordance with the Procurement Card User Agreement and the guidelines outlined in the Cardholder Manual and Business Procedures Manual. A limited number of purchasing policies have been included herein. For further guidance specifically relating to University travel regulations see [E-5-1 Reimbursement of Travel Expenses](#) and [E-5-2 Travel Advances and Repayments](#).

### Airline Tickets

When purchasing airline tickets, the lowest available airfare that meets the business need of the traveler should be purchased. Cardholders are encouraged to make commercial air travel arrangements through the University's preferred travel program, UK Travel Services. Should the traveler elect to make their travel arrangements outside of the University's preferred travel program, the University reserves the right to limit the travel reimbursement to what would have been paid had UK Travel Services been used.

The University only approves coach class airfare for domestic and international flights. However, with supervisor approval, business class airfare may be purchased for eight (8) hours or more of uninterrupted flight service. Reasonable ancillary fees, including but not limited to expenses for convenient or early boarding, extended legroom, seat location, baggage, in-flight meals, and Wi-Fi service are approved at the supervisor's discretion.

### Hotel Expenses

Hotel expenses are limited to the business days of travel at the single room rate, including room tax and other business-related hotel fees (e.g., Wi-Fi or parking). These expenses must not be paid in advance unless they are required by the lodging facility. Personal travel meals (e.g., room service) are not allowed on the procurement card due to the different per diem rates for each destination.

### Auto Rentals

The most economical car feasible for University business travel must be rented.

Insurance on domestic rental vehicles is provided by the University's Actual Cash Value Comprehensive and Collision coverage plan. Collision deductible waiver (CDW) or any other additional insurance is *not* an authorized domestic travel expense.

Comprehensive, collision, and liability insurance on vehicles rented outside the United States, including the District of Columbia, Canada, and U.S. territories, as defined in IRS Publication 570 is an authorized expense, per the University's Risk Management Department.

## Gasoline

Gasoline may be purchased on the procurement card when refueling a rental vehicle while traveling on official University business. The procurement card should not be used to purchase fuel for a personal vehicle.

## Conference/Registration Fees

Registration and conference meals included within the registration fee may be charged to the procurement card for official University business travel. Meal per diem cannot be claimed on a Travel Expense Report for meals that have been included within a registration fee and paid for by procurement card or otherwise provided at no cost as part of the event.

Other expenses associated with the registration fee such as optional events (e.g., tours) are not allowable on the procurement card.

## OTHER UNIVERSITY POLICIES AND PROCEDURES

### University Financial Services - Documentation Standards

Documentation must support the propriety of the transaction and contain the following information:

- Vendor name
- Detail listing of purchase, including item description, quantity and price
- Total dollar amount of the purchase
- Transaction date
- List of attendees (for expenditures that include the purchase of food)
- Business purpose/explanation for purchase
- Receipts are required for all non-travel procurement card purchases regardless of amount.

The *business purpose* is a statement that adequately describes the expense as a necessary, reasonable and appropriate business expense. When using University funds, documentation of a clear business purpose is required so that an approver, reviewer and/or auditor may reasonably conclude and agree that the expenditure supports or advances the goals, objectives and mission of the University. Providing a valid business purpose is a requirement for Uniform Guidance and University Policy.

The 5 “Ws” (Who, What, Where, When, and Why) can help you determine if the expense meets the criteria of a University business purpose.

- Who: The documentation must note specifically who the expense is for.
- What: The University needs to know what type of event or activity occurred, or what was purchased. All receipts or invoices should be itemized.
- Where: Document where the business activity took place.
- When: Document when an event occurred.
- Why: Most importantly, substantiate why the expenses are reasonable and appropriate for the university. The “Why” should include the primary reason for the expense.

Examples of acceptable supporting documentation include, but are not limited to:

- Original sales receipt
- Original packing slip
- Original cash register receipt
- Copy of order form or application
- Email confirmation of internet order

**Documentation required for travel expenses may differ from the above.**

Airline expenses require the flight itinerary and ticket receipt. A hotel folio must be provided for hotel expenses. For registration fees, a receipt/documentation including a breakdown of itemized expenses is required.

Copies of supporting documentation are acceptable only when the original has been misplaced/is not available and copies requested.

**Records Retention**

The University requires that records of card transactions be kept on file for audit purposes. Under the [State University Records Retention Schedule](#), the supporting documentation for most University procurement card activity is considered record series U0239 and must be kept for at least three (3) years or after audit is completed, whichever is longer. For procurement charges posted to grants, the record series is U1800 and the retention period is three (3) years after submission of the final financial report, closure of account, and audit, unless otherwise specified by the terms of the grant contract. The grant master in SAP displays the retention period date once the final financial report is filed. Departments are encouraged to view it using the reporting tab on transaction GMGRANTD.

When original receipts are scanned/uploaded into the Concur Travel and Expense Management system cardholders and department personnel must ensure scanned images are completely readable. Documents shall be unfolded, and all staples, clips, and other fasteners removed prior to scanning/uploading. For standard text documents, 200 dpi shall be the minimum resolution. Additional information on document preparation and scanning resolution may be found in [Policy Memorandum on the Storage of Public Records as Scanned Images](#).

For scanned/uploaded documents, departments must maintain the original procurement card receipt and supporting documentation until transactions have been allocated and posted in SAP as verified through the unit's monthly [Reconciliation and Review of Financial Transactions](#) as described in BPM E-17-6.

**Internal Controls**

Each college/department utilizing the card must maintain a **separation** of duties between the use of the card and approval of the transactions for payment. To maintain good segregation of duties within the college/department, consideration must be given when assigning delegates within the Concur Travel Expense Management system. See [BPM E-7-16](#) for specific responsibilities of procurement cardholders, supervisors, and business officers.

**Card Information Revision**

On occasion, it may be necessary to adjust minor information on a procurement card. In these cases, the information on an original card application may be revised by sending an email to the Procurement Card Administrator. The email must be from the cardholder's business officer or supervisor and include the cardholder name and the changes desired. To request a change to the name printed on the procurement card (e.g., last name changes due to marriage), the cardholder's name must first be changed in the Human Resources (HR) database.

**Card Renewal**

New cards are issued in four-year periods. Upon expiration, they are automatically renewed and mailed to Accounts Payable Services. Once received and validated, the cards are disbursed to the cardholders.



## Termination of Employment and Transfers

A card assigned to an employee who terminates employment with the University or transfers to another department must be deactivated immediately. The cardholder/department is responsible for notifying the Procurement Card Administrator in writing via email prior to the termination/transfer date. To change the department of a cardholder, the card must be deleted and a new card application completed with appropriate approval from the new department.

## Lost/Stolen Card(s)

Upon determination that a card has been lost or stolen, it is the cardholder's responsibility to **immediately** contact US Bank at **1-800-344-5696** and also notify the Procurement Card Administrator at [procard@email.uky.edu](mailto:procard@email.uky.edu).

## Card Failure/Declined Transaction

If a card cannot be processed at the point of sale or a transaction is declined, contact the Procurement Card Administrator at [procard@email.uky.edu](mailto:procard@email.uky.edu). All reports of declined transactions should be reported within five (5) business days, otherwise the transaction(s) in question cannot be researched. If it is believed that the card may have declined due to exceeding the monthly spend limit, the cardholder may contact US Bank directly at 1-800-344-5696 to confirm the card balance.

## Card Misuse or Irregularities

Misuse of a card or unusual or irregular transactions should be reported to the Procurement Card Administrator immediately.

## Disputes Charges, Credits, and Returns

If a card number has been compromised or fraudulent activity is recognized on a procurement card the cardholder should immediately contact US Bank.

Cardholders are also responsible for attempting to resolve any non-fraud related transactions that may result in a dispute. Disputed charges may result from failure to receive goods or services, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. Such disputes can generally be resolved by first contacting the vendor. However, if the cardholder is unable to reach an agreement with the vendor, the next step would be to contact US Bank.

In either event, cardholders must report all unauthorized transactions to US Bank within 60 days from the date of the first statement on which the item was billed. Cardholders may call US Bank Customer Service at 1-800-344-5696 to initiate a fraud or dispute investigation.

If the procurement card number has been compromised US Bank will cancel the existing procurement card and reissue a new card with a newly issued card number.

Both disputes and fraud investigations can be lengthy procedures. It is the cardholder's responsibility to track the results of the case and provide any requested documentation to US Bank within a timely manner. Further detail regarding additional procedures associated with fraud and disputed transactions is outlined in the Concur Travel and Expense Quick Reference Card at: <https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/fraud.pdf>

## Sales Tax

As an agency of the Commonwealth of Kentucky, the University of Kentucky is exempt from Kentucky Sales Tax. The sales tax-exempt number is **A00276**. Along with the disbursement of a new card, cardholders are

provided a sleeve containing the Sales Tax-Exempt Certificate. Vendors may also obtain a tax-exempt certificate by contacting the Purchasing Division at (859) 257-1951 or by following the link provided below: <https://purchasing.uky.edu/sites/default/files/2020-10/kysalestaxexempt.pdf>.

When making out-of-state purchases, please be aware that the tax-exempt status may be recognized by that state. Purchasing's webpage offers a listing of State-by-State Sales Tax Exemption Information which can be found at the following site: <https://purchasing.uky.edu/sites/default/files/2021-01/statestaxexempt.pdf>.

Based on cost and administrative burden for recoupment, a sales tax threshold of \$30 is allowable. When sales tax greater than \$30 is charged to your procurement card, you must contact the vendor directly to arrange for a credit for recoupment of sales tax.

## **Express Mail Couriers**

The University requires all express shipments to be paid on the procurement card. This requires that the card be set-up with UPS and/or FedEx. Registration forms are located on the Accounts Payable Services website at: <https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/FedEx.pdf> and <https://www.uky.edu/ufs/sites/www.uky.edu.ufs/files/UPS.pdf>. In order to receive the University's discount, these forms must be submitted to register a procurement card on an established shipper account. Typically, only one shipper account is established within a given area/department and only one card number is associated with that given account. Check with your department's business office to determine if your card needs to be established with your area's shipper account. If the card currently registered with these express mail couriers is canceled, a new form needs to be processed ASAP to register a new card number.

If you do not have an account with the express mail courier you wish to use, contact the vendor's customer service to establish an account before sending the registration forms.

## **Ordering**

The procurement card may be used to purchase goods or services in person, over the phone, by fax, by mail, or by secure internet sites. When making a purchase, please remember:

- The University is tax-exempt, and the tax-exempt number is A00276
- For shipping address, provide work address including building and room number
- The transaction will be declined if the billing address does not match the address on file with US Bank
- Backordered items should be ordered separately if the entire order is under the designated single transaction limit. Purchases are not to be split to avoid the procurement card's single transaction limit.
- Verify total charges, ensuring that Kentucky state sales tax has not been assessed
- Obtain an itemized receipt of the order for supporting documentation
- Charges should not occur on a procurement card until items are available for shipment