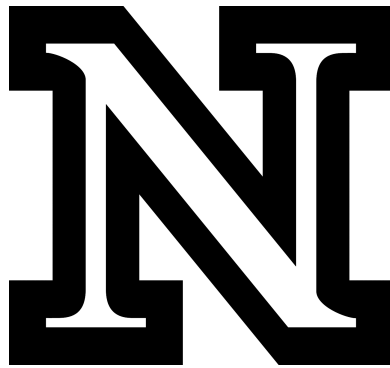


# **Purchasing Card User Guide**



**University of Nebraska–Lincoln  
Division of Business and Finance, Financial Services  
Accounting Department  
Revised October 14, 2009**

**Note: this presents a summary of the Purchasing Card program. As such, it does not attempt to provide all of the salient details regarding all aspects of the program. Complete information is available during training classes and by request to the Accounting Department.**

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### **1. Purchasing Card Program Overview**

The Purchasing Card (also called Procurement Card or P-Card) program provides UNL employees with a Visa credit card to make purchases from vendors/suppliers for approved University related business purposes. This procurement option improves efficiency by eliminating the need to process vendor invoices and to issue checks for payment. The Purchasing Card program is administered by the UNL Accounting Department.

When a purchase authorization is requested by a vendor/supplier at the point-of-sale, the Visa system validates the transaction against pre-set limits established by the Accounting Department in conjunction with department administrators. All transactions are approved or declined (instantaneously) based on the assigned limits of transactions and/or dollar volume of purchases.

Purchasing responsibility is delegated to the UNL Department Head/Chair of the ordering department who is responsible for selecting a cardholder, an approving official, and a reconciler for that department. Each Purchasing Card is issued to a named individual with the University shown on the card as the corporate buyer of products. The sales tax exempt status of the University is also embossed on the card. The approving official reviews cardholder transactions (approving those judged appropriate). The reconciler reviews and posts cardholder transactions to the general ledger.

Where the University has established "Preferred Vendor" contracts, cardholders are encouraged to purchase commodities from those contracted vendors/suppliers. Office equipment and supplies are normally available through Preferred Vendor contracts.

Transactions will be subject to audit by the UNL Accounting Department, the UNL Operations Analysis Department, the Auditor of Public Accounts, and Federal Auditors (for Federal grants).

## **2. Purchasing Card Financial Policies and Procedures**

### **Cardholder Agreement**

All cardholders must sign and accept the terms and conditions of the University of Nebraska "Purchasing Card Program Cardholder Agreement." All Purchasing Card transactions must only be made by the individual to whom the card is issued. The Purchasing Card is to be used only for University business purposes.

### **Card Purchases**

Examples of typical Purchase Card transactions include the following.

1. Books, training materials and subscriptions
2. Conference registrations
3. Communications services
4. Printing services
5. Advertising services
6. Athletic equipment
7. Laboratory equipment and supplies
8. Safety equipment

### **Prohibited Purchases**

There are a variety of transactions that are prohibited for the Purchasing Card. These generally include, but are not limited to, the following, among others.

1. "Pyramiding" (dividing a large purchase into smaller ones to bypass a spending limit)
2. Personal use of any kind
3. Travel expenditures
4. Food or beverages
5. Recruiting expenditures
6. Gifts, donations, contributions or celebrations
7. Medical, drug or pharmaceutical expenditures
8. Lab animals
9. Payments to individuals, employees, or students for any reason
10. Potentially hazardous materials or services related thereto
11. Any expenditures not normally within the cardholder's job responsibilities

Cardholders are encouraged to obtain office equipment and supplies through the University's Preferred Vendor contracts.

A more detailed list of permissible and nonpermissible purchases is available as part of the Purchasing Card training class or from the UNL Accounting Department.

### **Cardholder's Responsibilities**

The cardholder is responsible for the following.

1. Ensuring compliance with Purchasing Card Policies and Procedures.

2. **Reporting the loss of the card immediately** to the issuing bank (US Bank, NA - 800-344-5696, 24 hours per day) and to the Accounting Department
3. Assuring that purchases are made only for approved University-related business purposes.
4. Ensuring that any purchases are within the limits assigned to the card (i.e., no “pyramiding”). Purchasing limits may be increased by request to the UNL Accounting Department.
5. Obtaining the documentation for all transactions and forwarding it to the Reconciler as soon as possible. This includes the business purpose of the expenditure(s). Documentation must be maintained in accordance with the University’s Records Retention Policy.
6. Assuring the proper use of the University’s sales tax exempt number. (This is provided during training.) Out-of-state vendors are not required to honor UNL’s Nebraska sales tax exemption, however many do.
7. Confirming that deliveries match orders, coordinating returns, and contacting the UNL Accounting Department regarding unresolved issues.
8. Resolving disputes with vendors. (See “Transaction Disputes” later in this section.)
9. Ensuring that the proper University cost objects and general ledger accounts are charged for the purchase(s).
10. Addressing any questions regarding the use of the Purchasing Card to the UNL Accounting Department.

### **Approving Official’s Responsibilities**

The approving official cannot be supervised by the cardholder. This is to assure independent approval of transactions.

The approving official is responsible for the following.

1. Ensuring compliance with Purchasing Card policies and procedures.
2. Reviewing, approving and signing individual transactions or the weekly summary of cardholder transactions.
3. Ensuring that any purchases are within the limits assigned to the card (i.e., no “pyramiding”)
4. Assuring that proper documentation, including the business purpose, is provided in support of all Purchasing Card transactions and that the transactions are for appropriate University business uses.
5. Forwarding documentation to the reconciler on a timely basis.
6. Notifying the UNL Accounting Department of the cardholder’s separation of employment to the Purchasing Card is deactivated.
7. Addressing any questions regarding the use of the Purchasing Card to the UNL Accounting Department.

### **Reconciler’s Responsibilities**

The reconciler is responsible for the following.

1. Ensuring compliance with Purchasing Card Policies and Procedures.
2. Assuring that all charges are reconciled weekly and posted to the proper University cost objects and general ledger accounts.
3. Ensuring that any purchases are within the limits assigned to the card (i.e., no “pyramiding”)
4. Assuring that proper documentation, including the business purpose, is provided in support of all Purchasing Card transactions and that the transactions are for appropriate University business uses.

5. Notifying the UNL Accounting Department of the cardholder's separation of employment to the Purchasing Card is deactivated.
6. Addressing any questions regarding the use of the Purchasing Card to the UNL Accounting Department.

### **Transaction Disputes**

A cardholder may dispute a charge appearing on his/her Purchasing Card daily feed on SAP. The first step is to notify the UNL Accounting Department immediately. The next step is to contact the vendor. Contact US Bank if the dispute cannot be resolved with the vendor. Disputed charges must be resolved within 60 days of the transaction date. If there is no resolution from US Bank, the cardholder should contact the UNL Accounting Department.

### **Violations of the Purchasing Card Policy**

A violation of the Purchasing Card Policy will normally result in the immediate termination of the cardholder's Purchasing Card for a minimum of one year. An email will be sent to the cardholder, his/her reconciler, his/her supervisor, his/her approving official and the Department Head/Chair and/or Dean/Director. The former cardholder must attend a Purchasing Card Training Class before being reissued a Purchasing Card.

Fraudulent use of the Purchasing Card will result in corrective action in accordance with the policies of the Department of Human Resources.

## **3. Contact Information**

### **Report a Lost/Stolen Card or Disputed Item**

US Bank Customer Service (lost/stolen card, disputed items)  
1-800-344-5696 (Outside United States: 1-701-461-2042 – collect)

### **Questions Regarding the Program Policies and Procedures**

University of Nebraska – Lincoln, Accounting Department  
Marlene Pyatt  
401 Canfield Administration Building  
City Campus 0439  
402-472-8778  
mpyatt2@unl.edu

### **Misuse or Fraudulent Use of Purchase Card**

State Ombudsman at (800) 742-7690 or  
Nebraska Auditor of Public Accounts at (800) 842-8238.

Further information regarding Fraud Awareness can be found on the following website:  
<http://oa.unl.edu/fraud.shtml>