

PURCHASING CARD USER MANUAL

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UNIVERSITY *of* WISCONSIN
GREEN BAY



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FORMS

Sales & Use Tax Certificate of Exempt Status
Élan/VISA Purchasing Card Billing Inquiry Form
Purchasing Card Designated User Agreement
Purchasing Card Application/Use Agreement
Purchase Log

What is a Purchasing Card?

The Purchasing Card is a tool for university employees to use when making low-dollar purchases for official university business needs. It allows the Director of Purchasing to delegate the authority to purchase low-dollar items directly to you, the designated card- holder, enabling you to purchase supplies faster and more easily than before. You will no longer have to enter a purchase order prior to buying qualifying items. Instead, you may purchase these low-dollar items (up to \$5000) with a VISA credit card issued in your name.

The VISA Purchasing Card payment system is an individual bill/central payment system. You, the cardholder, receive a monthly account statement for information and reconciliation purposes only. An electronic billing file is sent centrally to the accounting system (Accounts Payable), together with a summary of all charges with supporting detail. Accounting makes one payment to VISA on behalf of all cardholders. Expenditure transactions are processed through the agency's accounting systems (PeopleSoft) and posted to the various departmental accounting code combinations.

In brief, a Purchasing Card is:

- Authority granted by the Director of Purchasing to individual university employees
- For official state use only
- Authorized for low-dollar purchases
- Authorized for use within certain categories of merchants and commodities

A Purchasing Card is **NOT**:

- A means to avoid appropriate procurement or payment procedures
- A card to access cash or credit (ATM)
- A travel card
- A right of employment
- For personal use

What are the Benefits of a Purchasing Card?

The Purchasing Card enables cardholders, purchasing and accounting staff to perform more effectively and focus on the value-added aspects of your jobs by:

- Reducing time needed to purchase and receive supplies
- Reducing the number of purchase orders
- Reducing reimbursements from petty cash
- Reducing the number of invoices and invoicing problems
- Reducing the number of checks issued

Who are Likely Cardholders?

Because the Purchasing Card allows the cardholder to place orders directly with the supplier, the greatest program benefits are achieved when cards are issued to end-users. Therefore, in addition to traditional buyers (purchasing staff), other staff that should be issued cards are:

- Field staff, who may need emergency parts or supplies
- Librarians/others who routinely buy subscriptions and books
- Program support staff who buy supplies
- Facilities Management/Maintenance staff

How Do I Obtain a Purchasing Card?

1. Contact your Agency Purchasing Card Coordinator at x2598 to request a Purchasing Card Account Setup Form.
2. The Purchasing Card Account Setup Form must be completed and signed by your supervisor. Multiple cards with different budget numbers may be issued to one individual. The card will be mailed directly to you within 10 days after it is requested. You will be notified of the request date.
3. Attend a training session. Contact the Purchasing Card Coordinator at X2598 to schedule a session. The training takes approximately 30 minutes.
4. Read and complete a Purchasing Card Application/Use Agreement. This form will be sent to you at the time you receive the notice that your card has been requested. Your participation must be approved by management level required by your agency to grant purchasing approval.
5. Keep a copy of the Purchasing Card Application/Use Agreement. The Coordinator keeps the original copy.

Personal Liability and Your Credit Rating

The use of the Purchasing Card results in agency liability, NOT a personal liability for the cardholder. Your credit rating will not be affected. However, remember that you sign an agreement with the University prior to receiving the card and as such you are responsible for any misuse of the card as outlined in this manual. The penalty for misuse of these cards is the same as misuse of a purchase order, which can be up to and not limited to dismissal. The Élan Purchasing Card Program provides liability protection to the State once notification of any loss, theft or fraudulent use is made. **However, the same level of liability protection does not apply to cards that are made available to multiple users (designated users).**

Guidelines for Card Use

The Purchasing Card is to be used to purchase low-dollar value items. These items may include:

- office supplies (contact Marie Lyon at X2598 for new Boise Cascade consignee number)
- subscriptions for business use sent to the University address
- membership fees/dues
- conference registrations/NOTE: it must state on the Travel Expense Report that the purchasing card was used for the registration fee. A copy of the conference brochure must be attached to the TER or it will be returned.

Examples of items that **may not** be purchased with the card:

Advertising	Leases/rentals
Alarm/security systems	Legal Services
Alcoholic beverages, drugs or pharmaceuticals	Meals/entertainment
Ammunition	Motor Vehicles
Capital equipment or component parts	Printing
Consulting Services	Radioactive Materials
Flowers/gifts/awards	Tax Reportable Services
Gasoline/fuel	Temporary help
Insurance	Travel (hotel/motel)

- The Purchasing Card **may not** be used for cash advances (ATM machines) or to purchase **non-business (personal)** items/services.
- In order to prevent difficulties in reporting to the IRS, the Purchasing Card should not be used for tax (1099) reportable services. These are services performed by a vendor that is **not incorporated**.

Merchant Category Code Standards

All vendors are assigned a Merchant Category Code (MCC) by their bank. All Purchasing Cards are encoded with specific MCC exclusions (ex. tattoo parlor). Attempting to buy from these merchants will cause your transaction to be denied. Occasionally, a bank may have assigned an incorrect MCC to a “legitimate” vendor. Contact the Purchasing Card Coordinator at X2598 to determine why your transaction is declined.

Use With Statewide Contracts

The Purchasing Card may be used on statewide contract ONLY when the contract or subsequent amendment indicates that card use is allowed. The procedures for use on contracts are subject to change at any time. Be sure to consult the relevant contract before making any purchase with the card.

General Instructions for Card Use

1. If the transaction value is greater than your assigned value, either use traditional purchasing procedures (enter a purchase order) and follow your agency-established process or contact the Purchasing Card Coordinator at X2598 to request an increase on your card limits.
2. If the transaction value is assigned value or less:
 - Using best judgment (under \$1500), determine an appropriate vendor for the materials desired. You must obtain a minimum of three quotes on orders exceeding \$1500. These quotes must be attached to purchase receipt from low bidder. Orders exceeding \$5000 must be bid by the Purchasing Office. Consult VendorNet for mandatory contract vendors.

- The State of Wisconsin is committed to the involvement of minority business enterprises in the state's procurement program by attempting to ensure that 5% of the total amount expended in a fiscal year, is paid to minority businesses. Check the Purchasing website (<http://www.uwgb.edu/purchasing/>) for a listing of minority vendors
- There is a listing of vendors that are not eligible to conduct business with the State. This decision is based solely on vendors not satisfying S.16.765 Wisconsin Statute, which imposes certain requirements for Affirmative Action in employment, on vendors doing business with the State of Wisconsin. You may not buy goods or services on the State's behalf from any of the vendors listed. You may view the Ineligible Vendor List on the Purchasing website <http://www.uwgb.edu/purchasing/>
- Give the vendor your Purchasing Card number and expiration date or present the card at the point of sale. Occasionally a transaction may be denied. Please contact the Purchasing Card Coordinator at X2598 to determine the reason. Some of the reasons may include:
 - i. exceeding the single/monthly transaction limit established for your card.*
 - ii. vendors Merchant Category Code (MCC) is incorrect and therefore may be a blocked item.
 - iii. vendor enters incorrect expiration date when processing authorization.

*If you feel the established limits are not appropriate, please send memo or email Marie Lyon (Lyonm@uwgb.edu) requesting a revision and justification. A response approving or denying the request will follow. Raising credit limits is preferred as opposed to the vendor "splitting" charges in order to remain under the established credit limits.

- Tell the vendor that the State is exempt from State sales taxes. NOTE: Tax exempt number is ES 40706. A copy of the Sales & Use Tax Certificate of Exempt Status is located in the back of this booklet. This may be photocopied as needed.
- If the material will be shipped or delivered, instruct the vendor to enclose or mail a copy of the receipt/invoice with each shipment. Emphasize to the vendor that the receipt must be mailed to the cardholder and not Accounts Payable or the Purchasing Office. Have the vendor mark it "paid" to avoid duplicate payments.

Shipments are to be addressed as follows:

Cardholders Name and Dept. Name
 UW-Green Bay
 Receiving Dept./CHARGE
 2420 Nicolet Dr.
 Green Bay, WI 54311

- Also, ask the vendor to put the following code on the shipping label where there would normally be a purchase order number: the letters "CHARGE". This will notify receiving personnel that the shipment is related to a Purchasing Card Transaction.
- If the material is picked up, be sure to obtain the itemized receipt indicating the purchase price.

3. Maintain a purchase log:

- Log each transaction on the Purchasing Log.
- Put the receipt/shipping invoices inside the yellow Purchasing Log for audit purposes

Reconciliation Procedure

1. A statement for each account is mailed to you, the cardholder. An electronic billing file is sent to the University for payment processing.
2. It is your responsibility as the cardholder to verify the correctness of the statement against your purchase log and receipts. If there are inaccuracies and/or erroneous charges, complete the Billing Inquiry Form (located in back of manual) and notify the Purchasing Card Coordinator.
3. When the purchase log is filled, complete the coverage dates and maintain in the departmental files for 5 years after which it can be destroyed.

What If the Supplier Does Not Accept Credit Cards

Not all suppliers accept Purchasing Cards, if this happens:

- Choose another supplier, or:
- Complete the transaction using traditional purchasing procedures, then:
- Ask the supplier if they are interested in accepting VISA. If yes, refer them to the Agency Purchasing Card Coordinator for information about signing up as a VISA merchant.

Returns, Credits or Disputed Items

You are responsible for following up with the merchant or bank on any erroneous charges, disputed items or returns as soon as possible. Disputed billings can result from failure to receive the goods charged, defective merchandise, incorrect dollar amounts, duplicate charges, credit not processed, as well as fraud and misuse.

If you have a problem with a purchased item or a billing resulting from use of the VISA Purchasing Card, you should first try to reach a resolution with the supplier that provided the item. In most cases disputes can be resolved directly between the cardholder and the supplier.

Credits

Referring to your receipt, request from the merchant that a credit be placed on your card account. If the item was shipped, refer to the shipping form you kept with your Purchase Log.

Returns

A credit should be issued for any item that the supplier has approved for return. The credit will appear on a subsequent statement. Any item purchased with the VISA Purchasing Card that is returned must be returned for credit. **Do not accept a refund in cash or check format.**

Make sure you keep documentation of credits, returns and exchanges with your Purchase Log.

Disputed Items

If you have a disputed charge and cannot reach resolution with the supplier, complete the ELAN Visa Purchasing Card Billing Inquiry Form (copy located at the back of this manual) and send to ELAN Financial Services with a copy to your Agency Purchasing Card Coordinator. This written notice of dispute must be received within 60 days of the date that Élan sent the first statement or transaction file.

Credit Card Security

Your Purchasing Card should be treated with the same level of care you use with your personal credit cards.

- The card should not be loaned to another person. The only person authorized to use the Purchasing Card (unless delegated to another individual by completing the Purchasing Card Designated User Agreement Form) is the person whose name is on the front of the card or who completed the Purchasing Card Application/Use Agreement.
- Your Purchasing Card account number should be guarded carefully. Do not post it or write it in any location that is accessible to others.

Reporting Lost or Stolen Cards

Unlike personal credit cards where cardholders are responsible for paying the first \$50.00 if the card is stolen or misused, the Purchasing Card program will hold the University responsible for paying **all** charges resulting from stolen or misused cards **until Élan has been notified**.

Therefore, you must notify your Agency Purchasing Card Coordinator immediately when you discover your card is lost or stolen.

On weekends or after agency business hours, you should report a lost or stolen card or other emergency situations, by calling Élan at (800) 393-3526. At the first available opportunity, report the same information to your Agency Purchasing Card Coordinator.

Random Audits

University Purchasing and the Internal Auditor, as well as the State Bureau of Procurement and the State Controller's Office, will conduct random audits of Purchasing Card use. The primary purpose of these audits is to ensure the Purchasing Card program procedures are being followed and that:

- Purchase volume appears reasonable
- The card is being used for appropriate transactions
- Documentation is complete (purchasing log/receipts, etc)

Consequences of Failure to Comply with Policy Guidelines

Any misuse of the card or other failure to comply with these procedures will result in the following cardholder consequences:

- Revocation of Card
- Disciplinary measures, if appropriate
- In addition, if the misuse involves personal transactions, the cardholder must repay to the University all personal amounts, including any applicable state, county or city taxes.
- "Three strikes and you're out" rule. Three separate instances of misuse will result in temporary or permanent termination from the program

What If I Leave the Agency or Transfer to Another Unit?

If you leave your agency or transfer to another unit within the agency, you must return your Purchasing Card to the Purchasing Card Coordinator who will cancel the card. Returned Purchasing Cards are not reissued to other employees for use. Before returning a canceled Purchasing Card, cut the card in half.

Note: If you have established accounts with vendors that relate to your card number, these will also need to be canceled and re-established as a new account with your successor (ex. monthly cell phone billing).

Designated Users

Cardholders may, with the approval of their department head, designate certain individuals to use their Visa Card. Designated users may include full time classified employees, or LTE's. **Students cannot be a designated user.** To set up a designated user, complete the Designated User Agreement form located at back of the manual. Be sure it is signed by the designated user, cardholder and department head. Designated users are required to attend a training session and are expected to follow the same guidelines as cardholders. Cardholders may have more than one designated user for each Visa Card; however, keep in mind that the more users on a card, the better chance that the established limits may be exceeded. **As a cardholder you are fully liable for the use of any card by a designated user.** It is the responsibility of the cardholder to notify the Purchasing Card Coordinator if designated user status changes.

Key Contacts

The following resource persons are available to provide assistance, answer questions, or help solve any problems that arise:

Agency Purchasing Card Coordinator

Marie Helmke Lyon, 920-465-2598

- To apply for a Purchasing Card
- For questions about policies and procedures
- To replace damaged cards
- For assistance with suppliers
- For account inquiries
- For billing information
- If you didn't receive your monthly statement
- To report a lost or stolen card
- To determine reason card transaction was denied

Élan Cardholder Customer Service: (800) 393-3526

- To report lost or stolen cards
- For questions about your statement

Statewide Coordinator

State Bureau of Procurement/Liz Simon 608-267-6922

- To initiate agency purchasing card program
- For assistance with purchasing card statewide *procurement* policies and procedures