

UNIVERSITY OF THE VIRGIN ISLANDS

Procurement Card Policy



**Approved by Cabinet
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PROCUREMENT CARD – GENERAL INFORMATION

This policy applies to all university employees that have been issued a procurement card.

A procurement card is a credit card issued by a financial institution to an organization for use in making direct purchases from vendors. The procurement card provides a cost effective, convenient, and decentralized method of purchasing for individuals whose jobs require them to make frequent business-related purchases. The individual named on the card is authorized to make certain business purchases on behalf of the university. Procurement card transactions do not require a purchase order or a check requisition.

Use of the procurement card is a privilege extended to university employees. As with all university privileges, the use of the procurement card can be revoked for inappropriate or unauthorized use.

The university is liable to the financial institution issuing the procurement cards for the charges and remits payment directly to the financial institution. **Therefore personal purchases are not permitted.**

A procurement card purchase must be used for business purposes only and in full compliance with other university policies. The cardholder is responsible for ensuring that any expense paid by procurement card is not otherwise submitted for reimbursement or used for any inappropriate purpose.

Only regular full time UVI employees are eligible to have the procurement card at this time. Faculty members nor employees serving in an 'interim' or an 'acting' capacity are not eligible to have a procurement card.

Failure to use the card in compliance with this policy may result in the suspension or revocation of the procurement card and but not limited to, garnishment of wages, employee termination, as well as the filing of criminal charges.

.01 Purchase Thresholds

A purchase limit applies to each transaction and a monthly limit applies to total purchases. The university's maximum approved amount is:

- \$2,499.99 per transaction
- \$10,000.00 per month

The Program Administrator may use his/her discretion to increase a cardholders monthly credit limit or the per transaction limit when circumstances warrant.

.02 Card Usage

Transactions made with the procurement card must be in accordance with all of the university's policies, procedures and regulations. The card is not intended to be a tool to circumvent existing policy or regulations.

.03 Personal Purchases

The cardholder may not make personal purchases on the card. Cardholder understands that he/she shall be personally liable for any improper use of the university procurement card and agrees to obtain a direct credit from the vendor for the improper charge to the procurement card and make payment via another source. The cardholder understands that his/her personal use of the university procurement card may be cause for disciplinary action by the university, including termination, and that improper use of the university procurement card may subject the cardholder to criminal prosecution. The cardholder understands that the university may withhold amounts attributable to personal use by the cardholder from any paycheck or other university check which may be payable to the cardholder.

.04 Allocating Procurement Card Charges

It is the cardholder responsibility to allocate the charges on the procurement card account. The cardholder must know the Banner Index/Account to be charged and provide an expense description. Cardholders do not need to wait until receiving the monthly statement to allocated charges on the account.

Failure to allocate the procurement card charges by the designated date will result in the following;

1. Temporary suspension of procurement card privileges.
2. Cardholder charges will be allocated at the discretion of the program administrator.

.05 Delivery Address

All orders placed using the procurement card must be delivered to the university. The cardholder is responsible for providing the information listed below to the vendor and should request that this information appear on any invoice/packing slip.

Cardholder Name

University of the Virgin Islands
2 John Brewers Bay
St. Thomas, VI 00802-9990

Cardholder Name

University of the Virgin Islands
RR 1, Box 10,000
Kingshill, VI 00850

.06 Billing Address

A vendor may request the cardholder's billing address. The address is as follows:

**University of the Virgin Islands
2 John Brewers Bay
St. Thomas, VI 00802-9990**

.07 Small Dollar Purchases

A small dollar purchase is defined as a purchase whose total value does not exceed \$2,499.00. For purposes of administrative efficiency, university departments may use the procurement card to purchase items from a vendor when the dollar value does not exceed \$10,000.00.

.08 Splitting Orders

Cardholder are expressly prohibited from splitting orders in order to circumvent the \$2,499.00 limitation. For purposes of administrative efficiency, university departments may use the procurement card to purchase items from a vendor when the dollar value does not exceed \$2,499.00. Moreover, cardholders shall not encourage vendors to split orders. **Splitting orders will result in a procurement card use violation notation.**

.09 Canceled Cards

A procurement card may be canceled immediately for any of the following reasons:

- Unauthorized use or misuse
- Cardholder employment termination
- Cardholder department transfer

The department head is responsible for ensuring that employees terminating employment or transferring to another university department return the procurement card and supporting documents to the Purchasing Department prior to their departure or transfer. Procurement cards shall be surrendered upon notification of resignation of the cardholder from the university.

.10 Card Security

It is the cardholder responsibility to safeguard the procurement card and the account number to the same degree that a cardholder safeguards his/her personal credit card. Sharing, loaning or otherwise providing the procurement card number to any other individual may in the cardholder having his/her card revoked.

If a procurement card is lost, the cardholder is responsible for notifying the financial institution as soon as possible. Representatives are available 24 hours a day, 7 days a week. If the procurement card is stolen, contact the police department and the financial institution as soon as possible. The cardholder is also responsible for contacting the program administrator regarding a lost or stolen card.

.11 Inappropriate Purchases

An inappropriate purchase is a purchase made using university funds that has no business purpose. Inappropriate purchases are ground disciplinary action by the university against the cardholder.

.12 Documentation of Charges

The university requires sufficient documentary evidence for all purchases in order to comply with its policies, sound business practices, and the requirements of external and internal auditors. Sufficient documentary evidence includes an original receipts, e-mail confirmation, packing slip, or commercial invoice. **All cardholders are responsible for maintaining all documentation in a neat and orderly manner.**

.13 Missing Documentation

A cardholder who loses or misplaces an original receipt should make an attempt to secure a replacement receipt. Should this fail, the cardholder must provide a written explanation of why the original is missing and details about the item(s) purchased, date, vendor name, description of item(s), quantity, unit price, total cost, and business purpose.

The cardholder should immediately review each receipt, invoice or purchase confirmation and ensure that the name of the merchant, description of purchase and total dollar amount are listed.

If a receipt is not available, an explanation must be attached that includes a description of the items(s) purchased, date of purchase, vendor's name and reason for the lack of supporting documentation.

.14 Cardholder Absence

It is the cardholder responsibility to allocate all procurement card charges in a timely manner. If the cardholder is on leave, the cardholder must provide the transaction information to the program administrator by the indicated date.

.15 Transactions Credits

Transaction credit must be allocated to the same Banner Index/Account that the original purchase was made. The cardholder must get a receipt or transaction confirmation from the vendor indicating a credit on the procurement card account.

.16 Erroneous Charges

It is the cardholder responsibility to contact the vendor if there is a erroneous or incorrect charge on his/her account. If this does not remedy the situation, the cardholder should contact the financial institution.

.17 Fraudulent Charges

It is the cardholder responsibility to contact the financial institution directly if there are charges that are unauthorized or unrecognized. The disputed charge must be communicated to the financial institution within 60 days of the transaction date on the cardholder account.

.18 Disputed Transactions

When necessary, it is the cardholder responsibility to initiate the dispute transaction process by contacting the financial institution within 60 days of the transaction date.

.19 Charges/Credits not posted

If purchased items or transaction credits are not posted to the cardholder account within 14 business days after the date of the transaction, the cardholder should contact the vendor directly to inquire about the inaction.

.20 Monthly Statement

The cardholder will receive a monthly statement when transactions are made. Cardholders are required to keep all procurement card information - matching receipts and monthly statements - in a secure file and in an orderly manner separated by month and fiscal year.

.21 Outside Reviews and Audits

Cardholder transactions are subject to review and audit by the program administrator, the Accounting Department, or other external auditing agencies. Based upon these audits, cards may be suspended or permanently revoked, or other disciplinary action may be taken.

All packing slips, email confirmations, receipts, credit card slips, etc. must be retained with your monthly statement, for five years to satisfy record keeping requirements.

Any financial penalties associated with external audits by regulatory agencies are the responsibility of the university department.

.22 Sales Taxes

When a cardholder uses the procurement card for purchases to be delivered to the U.S. Virgin Islands no sales taxes are levied in the transaction. When a cardholder uses his/her card in the United States mainland purchases will not be exempt from sales tax where applicable.

.23 Disciplinary Action

Serious violations of procurement card policies may result in disciplinary action. Disciplinary action includes but is not limited to the oral reprimand, written reprimand, suspension without pay or termination for egregious misuse. See Human Resources Policy (HR Discipline Section VI No. 35.00) for more information on disciplinary actions.

.24 Eligibility

University employees are eligible to apply for procurement cards if their roles require them to make frequent business-related purchases. The employee must complete the required orientation before a procurement card will be issued. When a cardholder's employment status changes, his/her supervisor should reevaluate the business need for a procurement card. Where appropriate, procurement card privileges should be suspended or canceled.

.25 Unauthorized Purchases

An unauthorized purchase is purchase made using university funds that is restricted by university policy. There are products or services that fall into categories of special risk, importance, oversight, or sensitivity. Cardholders shall not use the procurement card to acquire these items which are listed under unauthorized purchases. This list may not be exhaustive. Cardholders are expected to become familiar with the Unauthorized Purchases listed below to avoid making purchases that are unauthorized. If there are any questions, contact the Program Administrator at x1483 or the Purchasing Supervisor at x1491.

- Alcoholic Beverages
- Automotive Repairs
- Bottled Water (5 gallon bottles)
- Cash Advances
- Catering Services
- Computers (Laptops, CPUs)
- Contracts (Any labor/consulting, etc. that is 1099'able)
- Ebay Purchases
- Entertainment (i.e. meals, food, beverages, refreshments)
- Gasoline
- Gift Certificates and Gift Cards
- Hazardous Materials
- Honorariums
- Insurance of any kind
- Limousine Service
- Maintenance Agreements, Contracts
- Narcotics, Controlled substances
- **Personal Items**
- Printing - Letterhead, Stationery, Envelopes
- Products or services that are provided by other UVI departments are not to be purchase with the Procurement Card (i.e. Bookstore, Cashier, Reichhold Center for the Arts, CELL)
- Weapons, Ammunition

.26 Banner Account Pool Number

The following are the only Banner account pools that can be used to allocate procurement card transactions.

- 702 – Vendor Reimbursements
- 703 – Travel Transportation and Hospitality and USVI Travel & Transportation
- 705 – Communication and Information
- 729 – Material and Supplies
- 733 – Minor Equipment/Furniture
- 740 – Purchases for Resale (UVI Bookstore only)
- 741 – Student Scholarship/Fellowship
- 754 – Library Books and Periodicals (Information Technology Service only)

.27 Travel Related Transactions

All cardholders shall provide a TA number when allocating charges for any the following types of travel related purchases. Failure to do so will result in a procurement card violation notation.

- Airline tickets (including Seaborne Airlines, Cape Air, Sea Flight)
- Hotel accommodations
- Ground transportation (Car rentals, taxi/ground transportation type purchases)
- Conference registration fees
- Baggage/Ticket Agent Fees

If a cardholder fails to provide a TA number when allocating these travel related charges, the charges will be considered personal. Use of the procurement card for personal purchases is prohibited and is considered a procurement card use violation.

A card holder shall not use the procurement card to purchase an airline ticket if combining personal travel with business travel.

- **Travel Vouchers**

The use of a procurement card does not negate the need to complete a Travel Voucher (TV) after travel is completed. Purchases made with the procurement card shall be noted on the TV.

Cardholders are expressly prohibited from seeking reimbursement of funds when transactions have been made with the procurement card. **Any cardholder who seeks reimbursement for a purchase made with the procurement card will have their card privileges terminated and may be subject to further disciplinary action at the discretion of the University.**

- **Travel Authorizations**

All travel by University personnel must be previously authorized by a TA. The use of a procurement card to facilitate travel does not negate the need for a TA. Cardholders who make travel related transactions without having an approved TA will be in violation of procurement card policy **may be subject to further disciplinary action at the discretion of the University.**

.28 Expense reports

All cardholders are required to have their immediate supervisor, sign the procurement card monthly expense report. This report details all card transactions for the month. **Failure to have the expense report signed may result in a procurement card violation notation.**

.29 Receipts

While all original receipts/documentation of each procurement card transaction are to be maintained by the card holder, there are situations where original receipts shall be provided to other areas on the university upon request. Card holders shall surrender those requested receipts while maintaining copies of those receipts for their records. **Failure to maintain receipts (original or copies) will result in a procurement card violation notation.**

.30 Violations of Procurement Card Policy

Every cardholder is expected to manage their procurement card account and use their procurement card in a manner that is consistent with the procurement card policy and good business sense. In the event that a cardholder fails to do so, the cardholder will be notified in writing, via a "Procurement Card Violations Notification" form. Any cardholder who accumulates three or more violations will have their card privileges suspended for a period of three months. **Any cardholder who commits a fraudulent act will have their card privileges terminated.**

.31 Returns and credit

Cardholders must allocate charges associated with a purchase that was returned to a vendor. The vendor will be expected to credit the cardholder account at some future date. If the credit does not post to the cardholder account within a reasonable time, the cardholder should contact the bank to obtain a temporary credit.

.32 Cardholder Termination of Employment at UVI

When a cardholder terminates employment at the university, it is the cardholder's responsibility to inform the procurement card program administrator of such in order to cancel the procurement card. No card transactions shall be made once the cardholder separates from the university. Additionally, the cardholder shall also return the actual credit card and all supporting documents, receipts, and other documents to the Purchasing Office in St. Thomas.

.33 Failure to Allocate in a Timely Manner

All cardholders are expected to allocate their transactions by the 21st day of the month. If the 21st day of the month falls on a weekend (Saturday/Sunday) or a university holiday, the charges shall be allocated by the end of the next business day. **Failure to do so will result in a procurement card violation notation.**

.34 Fraudulent Acts by Cardholders

Cardholders are expressly prohibited from seeking reimbursement of funds when transactions have been made with the procurement card. **Any cardholder who seeks reimbursement for a purchase made with the procurement card will have their card privileges terminated and may be subject to further disciplinary action at the discretion of the University.**