



Policy: Procurement Card – revised 12/04

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Financial Affairs Department
Procurement Policies and Procedures

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Policy

General:

Villanova University Procurement Card Program has been established to provide Departments with a convenient and efficient means to purchase low dollar items and, at the same time, reduce the costs associated with initiating and paying for purchases.

The Procurement Card Program is administered by Bank of America. Procurement Cards will be issued in the name of the employee, for the purpose of making authorized purchases on the University's behalf. No one other than the cardholder whose name is on the card is authorized to use the card. Payment will be issued for these authorized charges. Each Department is responsible for the integrity and accuracy of their Procurement Card purchases.

It is the responsibility of the Procurement Department to oversee all aspects of the Procurement Card program. These responsibilities include authorization of new cards, the monitoring of current cardholder accounts, review of charges prior to uploading into the general ledger, and performing monthly Departmental / cardholder audits to verify that the Procurement Card Policy and Procedures are being followed.

The Procurement Department reserves the right to terminate/rescind a Procurement Card at any time. Fraudulent or misuse of the Procurement Card may result in disciplinary action under standard University Disciplinary Policy as stated by Human Resources, up to and including discharge and termination.

Eligibility: The Procurement Card Program is available to **full-time** Villanova employees. It is required that you spend a minimum of \$1000.00 per year on your card. Your supervisor must approve your request.

Card Limits:

Purchases are limited to \$2,500 per transaction, with a monthly limit of \$7,500. Higher or lower limits may be granted for those cardholders with special circumstances. You may request a limit change by completing an Account Maintenance Request Form. This form may be obtained at [Account Maintenance Request Form](#). Certain Merchant Category Codes (MCC) have been blocked to prevent misuse.

Unallowable Charges:

Your Procurement Card cannot be used for the following items:

- personal charges, even with the intent of reimbursing the University

- travelers checks or cash withdrawals from ATM's
- inter-departmental charges
- Computer Hardware: The purchase of all computers, monitors, printers, scanners and all other equipment over \$500.00 per item is prohibited except when purchased through the [Dell/Villanova web site](#). This is limited to \$2500.00 per transaction. For additional information please click here.
- Computer software over \$500.
- transactions exceeding cardholder limits
note: asking the vendor to split a charge into two separate transactions to meet the transaction limit is **unacceptable**
- honorariums
- construction, renovations and installation services
- payments for special services that require 1099 reporting
note: these payments include services such as stipends, honoraria, consulting, and contracted services. These payments must be made by check for tax reporting purposes
- capital equipment
note: equipment with a cost exceeding \$5,000 requires special tracking by the Accounting Department
- rents and leases
- controlled substances
- hazardous chemicals, materials, and environmental risk items
- annual contract maintenance
- purchases involving trade-in of University property

The Procurement Department must approve any/all exceptions

Items that should be on Procurement Card

- **Airline/Train tickets**
- **All subscriptions/renewals**
- **Memberships**
- **Annual dues**
- **Conference/seminar registrations**
- **Florists**
- **Water delivery service**
- **Pagers**

- **All other purchases less than \$2500 and are not listed as unallowable charges**

Gifts:

Any gift purchased for an employee of Villanova University including faculty, staff or student must follow guidelines as indicated in the [Gift Policy](#). Failure to do so will result in cancellation of Procurement Card and may result in disciplinary action.

Sales Tax:

Villanova University is a tax-exempt organization, as a non-profit educational institution. When making a purchase, please inform the vendor of our exemption. Our Pennsylvania Tax Exempt number is located on the front of the card. If the vendor requests an actual Tax Exempt Form, one may be obtained from the Procurement Department.

Hierarchy Responsibility:

It is the responsibility of the Department Head/Dean/Vice President to ensure the proper use of the Procurement Card by their cardholders within their hierarchy, as outlined in this policy, to ensure that the cardholders who report to them properly document their charges on a monthly basis.

Auditing of Departmental Charges:

To ensure that purchases are in compliance with the procurement card policy and procedures each cardholder/Department will be subjected to an audit by the Procurement Department. The Department will be notified 2 weeks prior to the audit. All paperwork will be made available to the auditor for verification. Failure to show or have proper paperwork may result in failed Audit and/or disciplinary action under standard University Policy.

Preferred Vendors:

To ensure that Departments receive superior customer service and competitive prices, the Procurement Department has named preferred vendors for selected commodities and services. It is highly recommended that you use one of these vendors when purchasing goods or services when possible. Vendor's name, address, phone number and additional information such as discounts, special services and shipping information is available. The preferred vendor list may be found at the [Preferred Vendor Page](#).

Code of Ethics:

Each cardholder has been given the authority to purchase on behalf of the University. In doing so, we ask each cardholder to follow the Code of Ethics listed below:

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.

6. Demand honesty in sales representation, whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.

Procedure

Obtaining a Procurement Card:

Cardholder Agreement Forms may be obtained at [Cardholder Agreement Form](#). New cardholders must sign the Agreement Form, which specifies that they will adhere to the University's Policy and Procedures. The Department Head must sign the Agreement Form, and return the form to the Procurement Department. The Procurement Department then reviews the form for the following: cardholder signature, Banner id, account index and supervisor approval. The Director of Procurement will approve the application. In the absence of the Director of Procurement, the Procurement Card Administrator will then approve the application. The application is then processed using the WORKS on line system provided by Bank of America. When the card is received in the Procurement Department the cardholder is called and is required to attend a training session. After completion of the training session the cardholder will sign a statement saying that they have received training, they understand their responsibilities and they have read the policy and procedures. Cards will not be issued unless training has been completed. Procurement Cards will not be placed in campus mail.

Expense Allocations:

Every Procurement Card is associated with a Departmental index number. The Banner account numbers have been cross-referenced with the Merchant Category Codes (MCC) so that the charges may be properly allocated. It is possible to change the account codes if necessary. Please see the Procurement Card Users Guide for instructions. A reference guide of these expense allocations is available at [Account Allocation Guide](#).

Review of Monthly Charges:

Report Periods: Reporting period is from the first to the last day of the month.

Charge Review: On the first day of the month, the Procurement Department will send a reminder e-mail to all cardholders of the cut off date to make any corrections to account numbers on charges from the previous month. Cardholders have the ability to view their charges via the web at <https://payment2.works.com/> (please see the Procurement Card User's Guide for access

instructions). Charges are available for review on the WORKS site two days after charge has been posted. Posting date is the date the vendor sends the information about the charge or credit to the bank. There may be a few days difference between the transaction date and the posting date. Some transactions may be purchased in one billing cycle but not posted to the bank until the next billing cycle. For those who do not have web access, or would rather not use this new technology, a manual review of their charges (i.e. completing the log sheets) from the Bank of America statement is acceptable.

Deadlines: The cardholder and/or Department Head has until the third working day of the following month to review and change any account codes on line (as a reminder charges may be viewed and changed continuously during the month). On the fourth working day of the month, Financial Information System Support (FISS) will download all charges into an Excel format. FISS will then check the document for missing bank or transaction allocation codes and for any transactions where the bank allocation code and the transaction allocation code do not match. A list of missing and non-matching allocation codes is given to the Program Administrator for review and approval. After all corrections have been completed the charges will be loaded into the Banner Finance System, for budget review. Any changes after the fifth working day must be done by a journal entry.

Up-loading to General Ledger:

The Program Administrator will then return the allocation changes to FISS with a signature approval. Transactions are downloaded into Banner's general ledger. A copy of the changes are printed and filed with the bill from Bank of America.

Charge Reporting/Approvals: After reviewing the charges on the WORKS site, the cardholder will print a report log of their charges, (see [User's Guide](#) for instructions). When using the Procurement Card for travel or business expenses, a copy of the expense report must be attached to the report log. It is also required to make note of the business purpose and list the attendees on the report log or expense report. The report log must be signed. The original receipts and statement from Bank of America must be attached. All cardholders must obtain the next reporting level signed approval.

Approval Hierarchy:

Cardholder	=	Department Head
Department Head	=	Dean
Dean	=	Vice President
Vice President	=	President

Receipt Retention: The report log with all original receipts and the Bank of America statement are to be retained in the cardholder's Department. It is the responsibility of the Department Head to retain these receipts and signed report log for five years. The report logs are to be made available anytime for audit by the Procurement Department.

Original Receipts: The cardholder is responsible for getting an itemized receipt for every purchase. If an original receipt is not available, the following types will be accepted:

- faxes or photocopies
- screen prints or confirmation e-mail for web purchases
- [missing receipt affidavit](#)

Monthly Department Audit:

1. Each month the Procurement Department will review reports from WORKS. Based on the last three months of card usage, they will then decide on which Department(s) and or cardholder(s) will be audited. The selection will be based upon:
 - large dollar amount transactions
 - large number of transactions
 - cardholder who is close to the monthly limit continuously
 - those with past audit problems
 - random selection
2. The Procurement Card Administrator will contact the Departments two (2) weeks prior to performing the audit by phone to set up the date/time for the audit.
3. The Procurement Card Administrator will contact the Departments one (1) week prior to the audit by sending an e-mail reminder.
4. The Procurement Card Administrator will then visit the Department and ask that the credit card information be turned over for review.
5. While performing an audit on a cardholder, the auditor will :
 - review all receipts
 - make sure the statements have the proper approvals
 - determine if the cardholder is following the Procurement Card and/or Travel and Business Expense Policy and Procedures
6. Based on the above, the auditor will determine if the cardholder passed or failed the audit. The auditor should exercise a good sense of judgment while reviewing statements and determining if the cardholder has passed or failed the audit. Reasons for failing an audit are:
 - policy violations such as personal purchases, questionable charges and splitting transactions (asking the vendor to split the charge into two or more transactions in order to stay under the transaction limit)
 - missing receipts (excessive)
 - lack of approval signature
7. Upon completion of the audit, the auditor will meet with the Disbursement Manager and the Director of Procurement to discuss the audit results. The auditor will recommend if the cardholder has passed or failed the audit. The Director of Procurement will determine the final decision. It may be necessary to receive written explanation of violations from the cardholder before a decision is made.
8. The Department Head and the cardholder will be notified in writing of the outcome of the audit. For failed audits, a meeting with the Program Administrator, the Department Head and/or cardholder will be scheduled. The Program Administrator will discuss changes that will make the cardholder compliant to all policy and procedures.
9. Follow-up audits will be scheduled for all failed audits.
10. The following actions are to be taken for Procurement Card violations.

FIRST VIOLATION:

If you have failed to meet the requirements as stated in the policy and procedures for a procurement card audit you will be placed on probation for three months.

You will submit your completed/signed log to the Program Administrator by the 15th of each month. Logs submitted late will not be accepted.

You will be given a copy of Villanova University Procurement Card policy and procedure manual and you are to attend mandatory training.

If you fail the three month probation, you will automatically be placed on probation for 1 year.

At any time during the 3 or 12 month probation period, if you fail to provide proper documentation, your procurement card may be revoked.

All receipts must be attached to the procurement log.

Logs should be presented in an organized manner.

SECOND VIOLATION:

If you receive a second violation you will lose your charging privileges for 3 months. It will be required for you to attend a mandatory training session in order for charging privileges to be reinstated. You will be audited within 6 months of your reinstatement.

THIRD VIOLATION:

Third violation will result in cancellation of all Procurement Card privileges. Your Procurement card will be revoked.

NOTE: The Procurement Department reserves the right to terminate/revoke a Procurement card at any time. Fraudulent or misuse of the procurement card may result in disciplinary action under standard University Disciplinary Policy as stated by Human Resources. This may include termination.

Billing Discrepancies:

It is the responsibility of the cardholder to resolve any discrepancies directly with the vendor and to request credits or additional charges generated for the next billing cycle. If unable to resolve these discrepancies, the cardholder must fully document the situation on the Dispute Form that is on the reverse of the **Bank of America** statement and mail it to the address that is indicated. Such claims must be filed in writing within sixty days, acknowledged by Bank of America within thirty days, and resolved within ninety days. The Procurement Department is available if assistance is needed.

Canceling a Card:

If you leave the University, the Procurement Department should be notified immediately. Your card should then be returned to your Department Head or to the Procurement Department.

Lost/Stolen Card or Fraudulent Charges:

As soon as you discover your card lost, stolen, or that you have fraudulent charges, you must notify Bank of America, 1-877-826-0933 immediately to limit the University's liability for fraudulent purchases. Then notify the Procurement Card Administrator.

Departmental Change Form:

When moving to a new position, it is not necessary to close your account. If your new position requires retention of your card, simply fill out the [Account Maintenance Request Form](#) and your new index will

be linked to your new Department. Proper approval is required from the new Department Head. Forward the completed and approved form to the Program Administrator in the Procurement Department.

Who to contact with questions or problems:

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Procurement Department

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