

*Portland State University
Office of Business Affairs*

VISA Procurement Card User Guide

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Table of Contents

Procurement Card Overview.....	Page 3
Lost or Stolen Cards or Fraudulent Purchases.....	Page 3
Card Custodian Responsibilities.....	Page 4
Using the Procurement Card.....	Page 4
Acceptable Procurement Card Purchases.....	Page 4
Unacceptable Procurement Card Purchases.....	Page 5
Selecting the Merchant.....	Page 5
Placing the Order.....	Page 6
Using the Card to Make a Purchase in Person.....	Page 6
Using the Card to Make a Purchase by Telephone.....	Page 6
Using the Card to Make a Purchase by Mail.....	Page 7
Using the Card to Make a Purchase by Fax.....	Page 7
Using the Card to Make a Purchase by Web.....	Page 7
Declined Transactions.....	Page 7
Procurement Card Transaction Log.....	Page 7
Documenting Each Transaction.....	Page 8
Receiving the Goods.....	Page 8
Reviewing and Reconciling Monthly Statements.....	Page 8
Incorrect Charges.....	Page 9
Defective Items.....	Page 9
Return an Item Purchased with the Procurement Card.....	Page 9
Payment.....	Page 10
Procurement Card Audits.....	Page 10
Procurement Card List Serve.....	Page 12

Procurement Card Overview

The Portland State University Procurement Card Program is designed to provide authorized faculty and staff with a cost-effective and convenient method of procuring small dollar purchases of regularly consumed supplies. As a Portland State University employee, you are being authorized to make purchases on behalf of your department. Along with this authority comes responsibility. Card users are expected to make sound business decisions in the best interest of the University and always comply with the policies and procedures set forth in this guide and the Procurement Card Custodian Use Agreement. All parties, by their signatures on the Agreement, acknowledge having read the Agreement, understand it, and agree to be bound by its terms and conditions.

In addition, Portland State University's Ethics and Conflict of Interest Policy also must always be adhered to. The policy is available on-line in the Purchasing Guidelines manual at <http://www.bao.pdx.edu/forms/purchasingguide.pdf>

The Procurement Card Program is not intended to supplant the University's existing purchasing system. It is intended to broaden the University's portfolio of procurement methods. Ideally, the Procurement Card is to be used for the purchase of allowable supplies less than \$5,000 in value. Items valued more than \$5,000 should be procured through the issuance of a purchase order. Contact the Purchasing Office for questions about existing contracts and bidding requirements. As is the case with all procurement decisions, Card users are reminded to give emerging, minority, and women-owned business enterprises the opportunity to compete for the University's business.

The Procurement Card is not to be used for travel or hosting expenses. These types of services should be procured through the Visa Corporate Travel and Entertainment Card. (Contact Kris Schultz at 5-3734 for information about the Corporate Card).

Lost or Stolen Cards or Fraudulent Charges

The Procurement Card is PSU property and should be secured as one would secure personal credit cards. If a Card is lost, stolen or if fraudulent charges appear on your statement:

1. Immediately notify **US Bank Customer Service at 1-800-344-5696**
(This number is staffed 24 hours per day, 365 days per year)
2. Notify the **PSU Visa Card Program Administrator, Kris Schultz**
at extension 503-725-3734 or email schultzk@pdx.edu.
3. Review the next bank statement to identify all unknown charges
and begin the dispute process with US Bank.

You will be issued a replacement card within one week following bank notification.

Card Custodian Responsibilities

University Procurement Card Custodians are responsible for:

- Making purchases in accordance with guidelines set forth in the Portland State University Procurement Card Custodian Use Agreement
- Keeping their Procurement Card and Card Account Number secure.
- Reporting a lost or stolen Procurement Card or suspected fraud immediately to US Bank and the PSU Visa Card Program Administrator.
- Notifying the PSU Visa Card Program Administrator should the Card Approver or any Designated Users change so the Agreement can be updated.
- Using the Procurement Card for University business only.
- Maintaining Card Sign-Out and Activity Log.
- Obtaining receipts or other support documents for each transaction.
- Each month verifying charges and reconciling the bank statement to the Card Log and supporting documents and then routing the Monthly Statement Packet to your supervisor for review and approval.
- Retaining all Procurement Card records for four (4) years.
- Dealing directly with a merchant in the event a problem with a transaction arises. If the problem cannot be resolved, the Custodian must notify US Bank and the PSU Visa Card Program Administrator within sixty (60) days of purchase.

Using the Procurement Card

Use of the Card must be consistent with good purchasing practices and in accordance with University procurement policy and procedures. The Card may be used for any allowable commodities with any supplier that accepts Visa as a form of payment. Ideally, a supplier solicited to provide a needed supply should be one with a historically good business relationship with the University.

Acceptable Procurement Card Purchases

The Card may be used for most types of purchases necessary to conduct the University's teaching and administrative support activities. Any purchase \$4,999 or less in unit price, or total aggregate value, for the categories listed below may be considered to be an acceptable use of the Card.

- Office supplies
- Operating supplies for department or project
- Computer hardware and software (non-capitalized <\$5,000)
- Teaching research materials and supplies
- Materials for minor repairs (not the repair itself)
- Furniture (non-capitalized <\$5,000)
- Conference registrations
- Hotel reservations only (traveler pays hotel using their Corporate Card)

- Subscriptions
- Allowable dues and memberships

Unacceptable Procurement Card Purchases

- Travel purchases (airline tickets, gasoline, lodging, meals – use Corporate Card)
- Hosting official guests (host uses Corporate Card or personal credit card then files personal reimbursement)
- Hosting candidates (host uses Corporate Card – files personal reimbursement)
- Repairs of vehicles or equipment
- Capitalized equipment (>\$5,000) or upgrades
- Cash advances
- Rentals (furniture, equipment, facilities, etc.)
- Personal / professional services (PSC's) with independent contractors/consultants
- Printing / copying (Clean Copy and Kinko's will bill Index Codes)
- Awards and prizes
- Alcoholic beverages
- Gifts or flowers
- Any 1099 tax reportable service (see Expenditure Account Code List from BAO)
- Personal purposes benefiting you or another person individually rather than facilitate the discharge of the official functions or duties of your department or yourself

A Card Custodian or Designated User determined to have made unauthorized purchases using the University's Procurement Card may be held liable to the University for the total amount of all unauthorized purchases.

Selecting the Merchant

Ask the following questions when selecting the merchant for each transaction:

- Is there a State Price Agreement or other contract available to the University? If yes, you should use the Price Agreement or contract vendor. Contact the Purchasing Office for more information on contracts or see their Web page at <http://www.bao.pdx.edu/purchasing.html>
- Is there an emerging, minority or women-owned business that could supply your goods? The use of ESB/MBE/WBE vendors is encouraged. Contact Purchasing or see their Web page for additional information.
- Does the vendor accept Visa? If not, you will need to choose a different vendor, or choose another purchase method (purchase order, direct pay invoice).

Placing the Order

You may place your order in person, by phone, mail, fax or internet. You should use caution sending your Card number over the fax or internet to place an order. Always use “secured connections” on the internet and be familiar with a vendor’s reputation before placing an order.

Using the Card to Make a Purchase in Person

When using the Procurement Card to make a purchase in person, present the merchandise and the Card to the cashier. Inform the cashier that the merchandise is being purchased for use by Portland State University. Be prepared to show your Portland State University ID card for verification. The cashier should then process the sales transaction and present the PSU employee with a transaction receipt to sign for the net value of the merchandise being purchased. This receipt must be returned to the Card Custodian and retained to document the transaction. The receipt may also be needed should it be necessary to return or exchange the merchandise purchased or resolve any billing disputes.

Using the Card to Make a Purchase by Telephone

After confirming the price, availability and specifications of the needed merchandise, the Custodian or Designated User should advise the supplier’s representative that they wish to place an order using a Portland State University Procurement Card. The Cardholder should inform the supplier not to charge the Card until the item(s) being purchased is actually shipped.

Provide the merchant with the appropriate Procurement Card account number and Card expiration date. Also advise the merchant the merchandise being purchased is for use by the University and that the purchase is exempt from sales tax. **If the merchant request a Social Security Number it is PSU’s Federal Tax ID # 93-6001786.** If the merchant requests a billing address, they may be attempting to verify your Card by matching information on file at the bank with the information you give. Your Card may be declined if the exact address is not given. Contact the PSU Visa Card Program Administrator if you have billing address questions. Confirm the final total price of the transaction with the merchant including the cost of the item(s) being purchased and any shipping charges.

Advise the merchant that all packages/packing slips must identify the Card Custodian’s name, Department and University address. Contact the PSU Visa Card Program Administrator if you have questions about the ship to address.

Vendors should be advised not to send separate invoices for the item(s) purchased to the University’s Accounts Payable Office. The merchant will receive payment directly from US Bank.

Using the Card to Make a Purchase by Mail

Occasionally, it may be necessary or convenient to place an order through the US Mail. In instances of this kind, any required Procurement Card information e.g., account number, expiration date, etc., should be mailed to the supplier in a sealed envelope. To protect the confidentiality of the Cardholder's Procurement Card, this information should never be sent by postcard.

Using the Card to Make a Purchase by Fax

Occasionally, it may be necessary or convenient to place an order by fax. This means of ordering is discouraged. It is very easy to compromise a Cardholder's information using this means of ordering.

Using the Card to Make a Purchase by Web

Access the merchant's web site and select desired item(s). Enter your Procurement Card account number and Card expiration date. Print and retain the Web site order, or other information verifying price, and file in the Monthly Statement Packet. Make sure you have recorded the order on the Transaction Log.

The risks involved in using the Procurement Card over the Internet are similar to the risks involved when using the Card by other methods. In all cases, the Cardholder trusts a merchant with the Procurement Card information. Whether the transaction is made in person, by phone, mail, fax or Web, the merchant could retain the Card information for a personal fraudulent use. Card Custodians and Designated Users must exercise caution when determining who shall be trusted with the Procurement Card information. It is recommended that departments purchase over the Internet with reputable companies only.

Declined Transactions

Transactions may be declined by "blocked" merchants, certain classes of merchandise, or for transactions that exceed the dollar limits of a Card. If a Cardholder thinks a transaction should not have been declined, they should contact the Visa Card Program Administrator in the Office of Business Affairs. The Administrator will then discuss the matter with US Bank.

Procurement Card Transaction Log

The Sign-Out and Activity Log is required for monthly reconciliations and provides an additional method for expenditure tracking while using the Procurement Card. Each Card Custodian must maintain a log for each month's purchases. The Sign-Out and Activity Log shall be filled out as each order or purchase is made, not at the end of the month. The log should be kept along with all receipts and other documents supporting

each purchase. This information will prove helpful in keeping track of all purchases made using the Procurement Card should it be necessary to return any item or resolve billing disputes. The log is also critical for tracking purchases should your department's Card ever fall victim to fraudulent use.

Documenting Each Transaction

Regardless of the method of purchase, all Procurement Card transactions must be supported with back up documents. Receipts include charge slips, cash register receipts, packing slips, order forms for allowable dues/memberships, or print out of e-mail or web page transaction confirmation. For subscriptions only, a copy of the renewal notice or initial subscription request is a receipt.

Receipts must include the following information:

- * Vendor identification (merchant name)
- * Date the purchase was made
- * Description and quantity of each item purchased
- * Total cost of the order

Receipts that do not clearly list the items purchased will not be considered adequate documentation. If an original receipt is lost, the Custodian must circle the charge on the Visa statement, then attach a statement from the Designated User identifying what was purchased. This information should then become part of the Monthly Statement Packet and be approved at month end by the Department Chair (or other approval authority for the Card). A pattern of incomplete log entries or missing original charge documents may result in revocation or suspension of the Visa Procurement Card for your department.

Receiving the Goods

Inspect all goods promptly upon receipt. If there is a problem with the order, contact the merchant immediately. Keep notes on problems and their resolution including names, dates, and conversation results.

Reviewing and Reconciling Monthly Statements

Each Card Custodian will receive a monthly statement from US Bank. This statement will identify each transaction made with the Card during the previous billing cycle. If there was no activity on the Card during a billing cycle, no statement will be received. Items should *not* appear on the statement that have not been shipped by the supplier. The supplier has been instructed to enter an item for payment only after it has been shipped.

Each month, the Card Custodian must reconcile the monthly bank statement with their receipts and monthly log of Procurement Card transactions. If you find a discrepancy, follow the steps in **Incorrect Charges** on Page 9.

Once the review and reconciliation is complete Custodians must do the following:

1. Attach all applicable supporting documents and log to the monthly statement in the same order as they appear on the statement.
2. Sign and date the statement.
3. Route the materials to you supervisor for their review and signature indicating their approval.
4. Once approved, file the monthly statement packet so is readily available for future audit by the Office of Business Affairs or OUS Internal Audit Division.

Monthly statements with all Procurement Card supporting documents and logs must be batched at fiscal year end (June 30) and kept on file for four (4) years.

Incorrect Charges

There may be occasions where purchase transactions listed on a Card Custodian's monthly statement do not correspond to the Card Custodian's records. Should such an instance occur, the Custodian should first contact the supplier involved to resolve the error. If a supplier agrees an error has been made, it will credit the Custodian's account. **Do not accept cash back from the vendor when an item is returned or credit is due.**

If a supplier does not agree that an error had been made, the Custodian should contact US Bank Customer Service at 800-344-5696 and request a Dispute Form. For verification purposes, the Bank may request a telephone number or Social Security Number.

Telephone numbers are **(503)725-3611** or **(503)725-3734**
Social Security Number is PSU's Federal Tax ID **93-6001786**

The Custodian must notify US Bank in writing within sixty (60) days of the first statement on which a disputed charge has occurred. US Bank will research the disputed charge and make any necessary adjustments. A disputed charge will remain a part of a Custodian's account balance until the dispute has been resolved. **Be sure to retain all correspondence involving disputes in your Procurement Card file.**

Defective Items

If an item purchased with the Procurement Card is found to be defective, the Card Custodian has the responsibility to alert the merchant and to obtain a replacement item as soon as possible. If a merchant refuses to replace or correct a defective item, then the purchase transaction will be considered to be in dispute. If such a situation arises, the Card Custodian must complete the Dispute Form and submit to US Bank.

Returning an Item Purchased with the Procurement Card

For an in-person purchase, return the item directly to the supplier and obtain a credit receipt. Cash refunds are absolutely prohibited.

If you made the purchase by phone, mail, fax or internet:

- Contact the vendor for return instructions
- Get a return reference number from the supplier, e.g. Returned Materials Authorization (RMA) or credit number
- Take item to Shipping & Receiving Department in Facilities for assistance in returning item to vendor.

On the bank statement where the original charge appears, note the date of the return. Be sure to check subsequent statements to verify you have received credit for the returned item(s).

Payment

Each Procurement Card is preassigned to a particular FIS Index Code, and uses the generic Account Code 28995 "Procurement Card Purchases". Each month, Accounts Payable will receive a data transmission from US Bank identifying all University Procurement Card transactions for that billing cycle. Accounts Payable remits payment to US Bank for all identified charges on the master invoice, and then journal vouchers each Card's FIS accounting string for that month's purchases. Card Custodian's do not have to forward anything to Accounts Payable for the bill to be paid. Once charges are applied by AP the department can review and reconcile the information in Banner on the Organization Budget Status screen FGIBDST and the Organizational Detail Report FGRZODTA.

Procurement Card Audits

Purchases made using the Procurement Card are subject to review and audit by the Office of Business Affairs and the Oregon University System Internal Audit Division. The Procurement Card audits will review the following procedures:

1. Your card will be examined for wear and to verify that the signature block contains a proper signature and has not been altered.
2. The Procurement Card Custodian Use Agreement signature sheet will be examined to insure that signatures are accurate.
3. The Card Sign-Out and Activity Log will be reviewed for the following items:
 - "Date/ Time Out and Returned" section is complete
 - Vendor Name
 - User Initials
 - Adequate description of purchase(s)
 - Correct amount
 - Statement date identifying Visa payment

4. User initials on the log will be examined for any discrepancies that would indicate that someone other than those on the Agreement signature sheet used the Procurement Card.
5. Amounts will be examined to insure that they have been updated to show actual amount including returns, etc. Any purchases that do not indicate the Statement Date and are more than one month old will be questioned. The Custodian should note that items were received or returned. If items were received, then the Custodian needs to contact the vendor to determine status of payment. If items were returned, a comment needs to be added to the log.
6. You will be asked to verify that you as the Custodian are reconciling the statements. Monthly Visa statements need to have current receipts stapled to the back of the statement. Check marks should be made next to the dollar amounts indicating that the Custodian has reconciled the statement with receipts.
7. The Department Head's signature (or other budget authority for the Card) should be on the statement with all supporting receipts attached. This signature indicates that the Department Head is aware and has approved the current charges. This step also fulfills the required "segregation of duties" step that the auditors must see in all financial transactions.
8. The Procurement Card is not to be used for hosting, travel, fixed assets or any 1099 tax reportable services (repair, rental, printing/copying, etc.). If the card has been mistakenly used for any of the above purchases the following steps will be taken:
 - **Hosting** – If the Card has been used for hosting, then a written explanation is required from the Custodian indicating that all hosting guidelines have been followed and that no alcohol was purchased. Documentation must be maintained in the file for future audits.
 - **Travel** - The Card is not to be used for travel unless the Travel Coordinator (Marissa de Leon, 5-3733) approved its use in advance. Each travel violation will be resolved as directed by the Travel Coordinator.
 - **Fixed Assets** – If the Card has been used to purchase a fixed asset (equipment over \$5,000) the Property Control Clerk (Lisa Sablan, 5-3109) must be notified to establish an inventory tag.
 - **1099 Tax Reportable** – If the Card has been used for a 1099 tax reportable service, then the Accounts Payable Supervisor must be informed of the vendor's name, Tax ID, #, address, amount and Journal Voucher number used to re-distribute the charges.

Custodians must agree to never use their Procurement Cards for the above prohibited purchases in the future.

Whenever two or more items required by the Procurement Card review have not been completed correctly, another review is scheduled within two months to determine if documents have been located or corrected and if all procedures have been followed. Additional reviews will be scheduled until all problems have been resolved to the satisfaction of the reviewer and the Accounts Payable Supervisor.

Procurement Card List Serve

In order to communicate urgent or important information to Card Custodians in a timely manner, the Office of Business Affairs requires all Custodians to be subscribed to the Procurement Card List Serve psupcard. Designated Users are welcome to join the list if they wish.

Contact the list owner, Kris Schultz at extension 5-3734 or email schultzk@pdx.edu to be added to the psupcard list.