University of Washington/Division of Pulmonary & Critical Care Med
Procurement Card Purchasing Policies & Procedures
Revised March 2008

The Procurement Card is a University of Washington purchasing option. It consists of a Visa charge card utilized for most business related purchases, but it should never be used for personal expenditures. The card can purchase items up to $2,000 per transaction; and with proper approvals, transactions greater than $2,000. The system includes an online (PaymentNet) method for transaction reviews and budget reallocation. It is available to UW staff or faculty with appropriate authorization from their Department Head and the Procurement Card Administrator.

The Procurement Card Program is designed to expand purchasing options. In addition to reducing the use of petty cash funds and confirming requisitions, it streamlines the small dollar purchasing process, reduces the number of requests for special checks, eliminates the need to use personal funds and provides an easy reconciling procedure at the PaymentNet website.

Any permanent member of the University staff or faculty is eligible to receive and use a ProCard, with appropriate authorization from the Division of Pulmonary & Critical Care Medicine Administrator (Monica Fawthrop) and the University Procurement Card Administrator. Please see http://www.washington.edu/admin/procard/ for details pertaining to the program and specific rules and regulations surrounding the use of the Procard. Once the need for a ProCard is established, potential cardholders must read, review and understand Procard regulations, designate individuals to review and reconcile the ProCard, and attend a Procurement Cardholder Training course offered at: http://www.washington.edu/admin/finserv/procard/training.htm

I. Policies & Guidelines

- It is the expectation of the Division of Pulmonary & Critical Care Medicine that each cardholder attend a University of Washington ProCard Training Session prior to using the ProCard
- UW ProCard can only be used for official UW purchases. Use of the card for personal items is strictly forbidden.
- UW ProCard cannot currently be used to purchase items of equipment over $2,000 or for travel expenses. Registration fees however CAN be placed on the ProCard.
- Each individual cardholder account must be reviewed, reconciled and approved by TWO different individuals at least monthly. Lack of compliance may result in erroneous charges to the UW or in charges to incorrect budgets/object codes. Note: Failure of the department to perform weekly/monthly reviews, reconciliation and approval will not delay payment for charges on the account.
- The UW ProCard is issued to an individual and must not be loaned to a third party in order to allow someone other than the individual cardholder to make purchases on the card.
- Never sign "Agreements/Contracts" with vendors. These should be forwarded to the Purchasing Office.
- Do not split purchases in order to avoid the $2,000 limit threshold.
- Adhere to ethics guidelines at the UW (i.e. do not purchase recurring goods from a brother-in-law)
- Do purchase goods from women- or minority-owned businesses.

II. Cardholder: Online, Hardcopy and Reporting Review Process

a) Online Review by Cardholder

1. Each Procurement Card transaction must be reviewed by at least two people, either with a PaymentNet online review or with a hardcopy review procedure **by the 3rd-5th business day of each month**.
2. With original source documentation, the cardholder must review their transactions at PaymentNet:
    - validating that the purchase was received at the agreed upon price
    - enters details of the purchase in the transaction note box (i.e. who requested the purchase, what was purchased, budget # to charge)
    - ensures correct budget and object code allocation
    - **checks the appropriate "Rev" (Reviewer) boxes**
    - It is the responsibility of University of Washington employees to ensure tax is charged to all UW purchases if the item being purchased is <u>used</u> in the State of Washington (regardless of where it is purchased from). Each receipt/invoice for Procard transactions with an out-of-state merchant should be reviewed to determine if the merchant charged WA State sales tax. The check box should be left blank if sales tax was not collected on the transaction. **If the tax box is left unchecked, a Use Tax (WA State sales tax) will be added to the transaction".**
3. The purchase cycle is closed when it is determined that the correct amount was charged and the item was received in acceptable condition.
4. Do not check off the review boxes until the item has been received in acceptable condition.
    - Do not check any of the review boxes if a dispute has been initiated with the vendor or online with PaymentNet's dispute process.
    - Do not check off the review boxes if the transaction is being reviewed by JP Morgan's Fraud Dept.

b) Hardcopy Review by Cardholder

The cardholder is required to write directly onto the back-up purchase documentation; indicating **INITIALS**, **DATE**, **BUDGET NUMBER** and **TRANSACTION ID NUMBER** in ink.

c) Run "UW Transaction Detail with Notes & Account Codes Report" Query (cardholder)

1. This report lists the purchases for each budget in order of object codes. It also shows the cardholder name, transaction date, merchant name, location, amount and any transaction notes included. For review purposes, it is mandatory that either the cardholder or a reconciler **<u>run</u>** the "UW Transaction Detail with Notes & Account Codes Report" query matching for the account cycle being reconciled. ***This report has been identified by the University as the official audit document that is to be retained in place of the Monthly Statement (which is no longer needed as of June 2006)***. This report is available on the "My Reporting" section on PaymentNet:

    Step One: Go to the drop-down menu on the Transaction List screen. Select 'My Reporting'.
    Step Two: Click the Transaction radio button and select the "UW Transaction Detail with Notes & Account Codes Report" custom report
    Step Three: On the far right-hand side of the report criteria, select the month that you are reconciling (typically the prior month). Click the 'Process Criteria' button.
    Step Four: Select the Adobe .pdf format and the green arrow.
    Step Five: Wait a minute for the report to process and click 'Refresh' to see the new report. Print the report.

2. To demonstrate separation of duty and approval of transactions, the cardholder must **print** and **sign** the "UW Transaction Detail with Notes & Account Codes Report". This is handled easiest if the cardholder runs and prints the report themselves.

d) Submit signed "UW Transaction Detail with Notes & Account Codes Report" to Reconciler for secondary review process. All paper back-up documentation should be submitted to Division budget reconciler or Account Reconciler.

III. Reconciler: Online, Hardcopy and Reporting Review Process

a) Online Reconciliation by Reconciler

1. The reconciler must review the cardholder's transactions at PaymentNet **by the 5th business day of each month**:
    - validating that the purchase was appropriate for the purpose/funding source
    - reviews the details of the purchase in the transaction note box
    - confirms correct budget and object code allocation
    - **checks the appropriate "Rec" (Reconciler) boxes** (Rec II does not need to be checked)
2. Do not check off the "Rec" boxes until the item has been received in acceptable condition.
    - Do not check any of the "rec" boxes if a dispute has been initiated with the vendor or online with PaymentNet's dispute process.
    - Do not check off the "Rec" boxes if the transaction is being reviewed by JP Morgan's Fraud Dept.

b) Hardcopy Review by Reconciler (*optional)

The reconciler may review the back-up purchase documentation confirming the budget number(s), object coding, "no use tax" box and transaction ID.

c) Sign "UW Transaction Detail with Notes & Account Codes Report" Query (Reconciler)

To demonstrate separation of duty and approval of transactions, the reconciler must **sign** and **date** the "UW Transaction Detail with Notes & Account Codes Report" underneath the cardholder's signature/date.

d) Reconciler forwards any back-up/hardcopy documentation to Division budget reconciler, and retains the signed "UW Transaction Detail with Notes & Account Codes Report" on a monthly basis.

IV. Required Procurement Card documentation necessary for each transaction (June 2006):

1) Monthly "UW Transaction Detail with Notes & Account Codes Report"

And a "packet" of the following should be stapled together to support each purchase:

2) Transaction approvals/documentation (this includes emails, purchasing worksheets, notes from PI's/staff regarding purchase requests, PurchasePATH forms, etc. (there must be documentation in writing from someone with signature authority to support the purchase request)
3) Invoices and/or receipts
4) Signed and dated packing slips

V. Got Questions?

Procurement Card Program Instruction Manual:
https://www.washington.edu/admin/finserv/procard/pdfs/pctm2006.pdf

VI. Optional auto-scheduling of "Transaction Detail with Notes Report & Acct Codes"

1. If you already have a saved "Transaction Detail with Notes Report & Acct Codes" using "Current" as your dating criteria, skip to number 8.
2. From the main menu drop down box on the Transaction list screen, select either:
   a. Reporting (your transactions only)Identify the item being purchase
   b. My Reporting (your transactions only even if you're a reconciler)
   c. All Reporting (all cardholder transactions viewed at your access level)
3. From the Reporting Screen select the "Transaction" category
   a. Select "Transaction Detail with Notes Report & Acct Codes" report by clicking on its name
4. After selecting the report, the next screen allows you to develop the criteria for the report. Please select:
   a. Account Cycle
   b. is equal to
   c. Current (for dating parameter)
5. Select "Process Criteria" button
6. On the next screen select "Save Report Criteria" button, then:
   a. Enter a name for your report and click "OK"
   b. Next, click the green box with the arrow for the
      i. Adobe .pdf format (recommended) or
      ii. MS Excel format or
      iii. MS Word format
7. The next screen is the "Available Download Files" screen
   a. Click the "refresh" button
   b. When your file appears click on the report name
   c. Your report opens for your use
      i. To print, select the Adobe print icon on the pdf document
8. **From the main menu drop down box select "Schedule Auto Reports"**
   a. Select "transaction"
   b. Select "Transaction Detail with Notes Report & Acct Codes"
   c. Select the frequency: monthly recommended
   d. Select the day: 5th is recommended
   e. Select the output type: .pdf is recommended
   f. Select the saved report name you wish to run automatically
   g. Select the "Add" button
   h. When your file appears click on the report name
   i. Your report opens for your use