



PROCUREMENT CARD POLICY AND PROCEDURES MANUAL

PROGRAM OVERVIEW

Welcome to the Western Michigan University Procurement Card Program. This program has been designed to allow for the direct procurement of small dollar purchases by the end-user through the use of a credit card. Our intent is to eliminate the need for low value requisitions, purchase orders, and vouchers. For you, the cardholder, using the card will provide faster turn-around time on your orders, greater flexibility in ordering, and reduced paperwork processing.

CONTROLS

WMU's Bank of America Visa Card program uses both internal management controls, as well as reporting to manage and audit the process to ensure that procedures are followed. The card is a privilege granted to you by the University. It is expected that you will use it responsibly, for purchases that are in the best interest of the University. Charges to the WMU Procurement Card that exceed University policy or are considered inappropriate use of university funds, will be payroll deducted from the cardholder's paycheck. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges/termination of employment.

OBTAINING A CARD

Complete the [Procurement Card Application](#) with your department manager's signature and return to Payroll and Disbursements. You must be a regular University employee to obtain a WMU Procurement Card. Your personal credit history will in no way be affected by the WMU Procurement Card. Statements will be paid directly by Accounts Payable. Your card will be sent to Payroll and Disbursements. To receive your card you will be required to complete a disclosure form. Cards not picked up after two months will be deactivated.

GRANTS AND CONTRACTS PROCUREMENT CARDS

Additional approval is required from the Grants and Contracts department for procurement cards requested using grant funding. Grants and Contracts require the designation of a reserve account. Charges will only be made against a reserve account if a purchasing card transaction cannot be documented as a reasonable and allowable charge against a budgeted grant category. See the Grants and Contracts website for additional policies and procedures for the use of grant funded procurement cards. <http://wmich.edu/grantscontracts/>

GUIDELINES FOR CARD USE

The WMU Procurement Card can be used at any Visa merchant. Each individual procurement card transaction must not exceed the set purchasing limits (including shipping). Transactions greater than your limit will be denied at the point of sale. It is **not** permissible to make multiple charges in the same day to the same merchant in order to facilitate a charge that exceeds the card limit.

Each card will have a monthly spending limit. The monthly spending limits are set by you and your Manager based on your current spending needs. All monthly limits are subject to final approval by Payroll and Disbursements. If you find a need to have your monthly limit increased, a signed memo/email by your Manager should be forwarded to the WMU Procurement Card Administrator.

The unique Procurement Card that the cardholder receives has his/her name embossed on it. The card and all its related information (number, expiration date, and security code) shall **ONLY** be used by the cardholder whose name is embossed on the card. **Delegation of authority is not permitted.** Department procurement cards can be used by staff, faculty and graduate assistants.

Undergraduate students may be utilized to pick-up goods and services by having the cardholder order the merchandise by telephone or fax, with the student following up with the vendor to secure items or services.

All purchases must be made in compliance with University purchasing policies. Use of the card for personal purchases is strictly prohibited. Charges to the WMU Procurement Card that exceed University policy or are considered inappropriate use of university funds, will be payroll deducted from the cardholder's paycheck.

The following items are strictly prohibited from being purchased on the card:

- alcoholic beverages
- automobile service/repair
- cash advances, traveler checks, wire transfers, money orders
- contracted services by the university (carpet cleaning, window washing)
- computers
- drugs/narcotics (controlled or other)
- employment agencies/temporary help services
- flowers
- gasoline/fuel
- independent contractors and personal services
- laboratory and X-ray fees
- Maintenance contracts – may use to pay recurring charges only after the Purchasing Dept has established a vendor contract.
- personal purchases
- travel and entertainment including airlines, auto rentals, hotels and motels, restaurants, cash advances, travelers checks

GENERAL CARDHOLDER INSTRUCTIONS

Your visa card may be used for phone, fax, internet, or pick-up orders. It can be used at any Visa card merchant (except those items restricted above). You will be responsible for retaining receipts, packing slips, etc. for all of your procurement card purchases. Receipts should be itemized whenever possible. When placing an order over the phone, please remind the merchant that WMU is a tax-exempt institution and an itemized receipt will be required. At the end of each billing cycle, all receipts pertaining to a particular statement should be attached to that statement, filed, and retained in your department. All purchases **MUST** have itemized back-up documentation supporting the expense. If the cardholder cannot produce an itemized receipt, the University may hold the cardholder responsible for repaying the University for that expense.

Cardholders will also be required to document and track all procurement card activity including documentation of purchase requester, business purpose of expense, original expense receipts and expense approvals. The Procurement Card log form is a tool for your use and will be helpful in documenting the requestor and business purpose of the expense and in reconciling your monthly statement. The Bank of America Works online system allows comments to be entered on expense transactions, which can document requester and business purpose of the expense. You will be required to maintain complete files of all receipts in accordance with current University retention policies. All cardholders will also be required to adhere to their department's policies and procedures for procurement card use.

For telephone and catalog orders, make sure to give the merchant your complete campus mailing address as well as your name, which should be indicated on the outside of the package. You should instruct the merchant to ship directly to your departmental address. You will be responsible for ensuring receipt of materials as well as any follow-up efforts required to resolve any delivery problems, discrepancies, damaged goods, billing problems or returns.

If you wish to dispute a monthly charge, please contact the vendor first. If the problem cannot be resolved at this level, contact Bank of America. If purchased items or credits are not listed on the monthly statement, the cardholder should retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear within 60 days after the date of purchase, the cardholder should notify the Procurement Card Administrator.

RECONCILIATION AND APPROVALS

Monthly statements will be accessed and printed, by you, from the Bank of America Works website. You should compare all of your receipts, packing slips and your log for the month with your statement. The cardholder will be required to review the online transactions and sign off the transactions for the month using the online system. Monthly statement expenses will be charged against your monthly GLOW accounting report as PROCARD.

After the statement has been reconciled for the month, the statement must be reviewed, approved, and dated. The cardholder may not approve their own transactions. Procurement card purchases must be approved by an authorized individual who can commit funds from the appropriate fund and cost center. Approval should be obtained from a staff member who is administratively senior to the requester or purchaser. Procurement cards with limits greater than \$5,000 should continue to follow University purchasing, accounts payable and grants policies, as well as, approval hierarchy as needed on a per transaction level.

You should devise a filing system that will allow for easy access to these records should Internal Audit or Payroll and Disbursements request backup documentation on a particular transaction or group of transactions. Remember, failure to produce adequate documentation will result in automatic revocation of your card. (Some departments may require more extensive expenditure reviews, please consult your business manager for guidance).

AUDITS

Periodic audits of each cardholder's transaction file and monthly summaries may be conducted by the WMU Internal Audit Department. Additionally, Payroll and Disbursements will be reviewing the daily transaction activity reports to ensure that cardholders are adhering to WMU policies and procedures.

LOST OR STOLEN CARDS

If your Visa Card is lost or stolen, email the Procurement Card Administrator at acnt-procard@wmich.edu or Bank of America at (888) 449-2273 after hours. If the card is issued on a grant/contract you will need to also contact Grants & Contracts at 387-4707. Your card will automatically be deactivated and a replacement card will be mailed to Payroll and Disbursements within two weeks. You will be contacted when your replacement card has arrived.

CARD EXPIRATION AND EMPLOYMENT TERMINATION

All cards will be issued with an expiration date. All Cardholders will need to re-apply for a new card prior to the expiration date. A reminder email will be sent 2 months prior to your expiration date. You will need to fill out the application and return it to the Procurement Card Administrator, Mail Stop 5250. Please be sure to destroy your expired card before disposing of it. The card is University property. If an employee terminates employment, an email must be sent to the Procurement Card Administrator. Employees transferring to another department must contact the Procurement Card Administrator to re-apply for a new card.

Questions

Payroll and Disbursements

acnt-procard@wmich.edu

(269) 387-4253

Bank of America

(888) 449-2273