



UNIVERSITY OF MAINE SYSTEM PURCHASING CARD MANUAL

A Guide for Cardholders, Record Keepers, and Approvers

UMS Purchasing Card Administrator

Renae Byard
207-581-2633
umscreditcards@maine.edu

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1. OVERVIEW

The University of Maine System (UMS) Purchasing Card (PCard) Program, hereinafter referred to as “UMS PCard Program”, is governed by Administrative Practice Letter (APL) VII-C. Should the UMS Purchasing Card Manual differ from APL VII-C, the guidelines of APL VII-C supersede this manual.

The UMS PCard program has been established to provide a convenient means with which to make purchases and, at the same time, reduce the costs associated with initiating and paying for those purchases. The card is used by authorized University of Maine System staff and faculty to purchase small-dollar items (typically less than \$500) for university use. The PCard can be used to make purchases with any merchant that accepts VISA. The authorized cardholder is able to purchase directly on behalf of UMS, thereby allowing tax-exempt use within Maine.

Transactions made with a PCard are approved or declined at the point of sale based on the spending limit per transaction, spending limit per 30-day cycle, and approved VISA Merchant Category Code (MCC).

Each card defaults to one predetermined PeopleSoft Chartfield combination. With correct authorization, expenses may be reallocated to a different Chartfield combination within the PCard online system. Charges for purchases made with the PCard will be electronically posted to PeopleSoft General Ledger (G/L) upon review and authorization within the PCard online system. The length of time between transactions and posting to PeopleSoft G/L depends upon merchant submittal (typically 1 to 3 days) and timely review and approval within the PCard online system.

The PCard is a UMS liability and not a personal liability card. UMS funds are committed whenever the PCard is used. Transactions are paid by UMS to the bank.

Purchases must be for the use and benefit of the university. The PCard is not to be used for personal transactions even if the intent is to reimburse the university. Per APL VII-C, use of the PCard for personal purposes may result in cancellation of the card with no right of re-issuance.

Each PCard is issued to a named individual. The credit card is identified as a “Purchasing Card” and “University of Maine System PCard” is clearly displayed on the card. The person to whom the card is issued is responsible for protecting the card and is accountable for all purchases made with the card. Fraudulent use of the PCard will result in disciplinary action, up to and including termination of employment.

The UMS Procurement Card Administrator, UMS internal auditor, and external auditors will perform periodic reviews, surveys and audits. These actions provide a review of the program’s performance, assurance that the required documentation is maintained, and feedback to improve the program.

The UMS Procurement Card Administrator is responsible for managing the program and each academic or administrative organizational unit is responsible for managing its cardholder accounts and transactions. Three areas of responsibility have been defined. They are the Cardholder, Record Keeper and Approver. It is important to understand that these three areas of responsibility do not necessarily equate to three separate individuals, but one individual cannot perform all functions.

2. UMS POLICY

The use of the PCard does not change or obviate the procedures or documentation required by other applicable APLs.

2.1 Fiscal Year End

Purchases made in June (or the last month of the applicable fiscal year or grant) may not get posted to your account by June 30. Posting depends upon the merchant's submitting transactions on a timely basis, something over which UMS has no control.

For expenses incurred for the subsequent fiscal year, the transaction should be expensed to the appropriate prepaid expense account. Following fiscal year end, it is the academic or administrative organizational unit's responsibility to allocate prepaid monies to the appropriate expense account.

2.2 Administration and Compliance

These procedures shall be administered and enforced uniformly for all UMS employees. The UMS Procurement Card Administrator may impose disciplinary action, such as account suspension and termination, on individuals who fail to follow these procedures and/or fail to provide proper supporting itemized documentation.

3. CARDHOLDER ELIGIBILITY REQUIREMENTS

3.1 Employee Requirements for Obtaining a PCard

In order to obtain a PCard, the individual must:

- Be an employee of the University of Maine System working in a position which requires the employee to purchase goods and services for university-related business
- Have not previously had a PCard terminated for non-compliance
- Completed *UMS PCard Application*
- Completed necessary training and quiz requirements
- Signed the Purchasing Card Acceptance Agreement which requires compliance with APL guidelines and purchasing policies

3.2 Requirements for Relinquishing a PCard

A Cardholder must relinquish a PCard when the Cardholder:

- Resigns from UMS;
- Employment is terminated with UMS;
- Non-compliant with UMS APL guidelines and purchasing policies;
- Changes roles and/or responsibilities which no longer require the purchase of goods for university-related business.

4. ROLES AND RESPONSIBILITIES

It is essential for UMS to conduct business efficiently, effectively and ethically. The UMS PCard Program requires the collaboration of individuals across the university to ensure that UMS is able to serve the campus communities. Cardholders are required to understand and fulfill their roles and responsibilities for participating in the UMS PCard Program.

4.1 Cardholder Responsibilities

Cardholders are authorized to make purchases up to his/her PCard limit. It is the Cardholder's responsibility to remain in compliance with APL VII-C and this manual.

Cardholders will be responsible for working with the UMS Program Administrator, as necessary, to assist with reviews facilitated by both internal and external auditors.

Cardholder responsibilities:

- Completing the *UMS PCard Application*
- Reading the UMS Purchasing Card Manual
- Complete on-line training session and quiz
- Signing and dating the *UMS Purchasing Card Acceptance Agreement*
- Keeping the card secure
- Not allowing others to use assigned PCard
- Making purchases only for university-related business
- Not using the assigned card for personal purchases
- Providing supporting documentation with chartfield combination, if different than default, and verify documentation contains:
 - Vendor identification
 - Date of purchase
 - Description, quantity, and cost of items purchased
 - Cardholder's name and account number
 - Chartfield combination, if different than Cardholder's default
 - Cardholder's signature
- Signing all receipts and backup documentation
- Uploading signed itemized receipts to every transaction within the PCard online system, unless a Record Keeper has been assigned

- Indicating the purpose of a transaction within the comments section of the transaction for every transaction, unless a Record Keeper has been assigned
- Immediately report a lost or stolen card to US Bank Customer service at 1-800-344-5696 and UMS Procurement Card Administrator
- Surrendering the card upon termination, or as otherwise indicated within this manual
- Making and documenting purchases in accordance with this manual and with APL VII-C
- Attempting to resolve disputed items with merchants
- Ensuring that sales tax is not paid for exempt purchases within the State of Maine
- Obtaining credits for State of Maine sales tax charged
- Reimbursing the University for personal expense violations and non-reimbursed State of Maine sales tax
- Reviewing all PCard transactions for accuracy
- Notifying the supervisor and the UMS Procurement Card Administrator of changes in the information for his/her account
- Electronic review of transactions within the PCard online system no later than **14 business days of the transaction posting date**

4.2 Record Keeper Responsibilities

Record Keeper responsibilities include:

- Attend training sessions, as required
- Obtain supporting documentation with Chartfield combination from Cardholders and verify documentation contains:
 - Vendor identification
 - Date of purchase
 - Description, quantity, and cost of items purchased
 - Cardholder's name and account number
 - Chartfield combination, if different than Cardholder's default
 - Cardholder's signature
- Attempt to resolve disputed items with merchants
- Ensuring that sales tax is not paid for exempt purchases within the State of Maine
- Ensuring that personal purchases were not made with the assigned PCard
- Uploading signed itemized receipts to every transaction within the PCard online system
- Indicating the purpose of a transaction within the comments section of the transaction for every transaction
- Electronic review of transactions within the PCard online system no later than **14 business days of the transaction posting date**
- Contacting the UMS Procurement Card Administrator with any issues regarding submission of required documentation and information by a Cardholder

- Notifying the UMS Procurement Card Administrator of any known or suspected inappropriate or fraudulent use of PCards
- Working with the UMS Program Administrator, as necessary, to assist with reviews facilitated by both internal and external auditors

4.3 Approver Responsibilities

Best practices at UMS call for at least two employees to be involved in every transaction. Generally, one person initiates the transaction and a second employee approves it. The Approver should not report to the person(s) who initiate the transaction. The authorized Approver should be the Supervisor or Supervisor's designee. The Approver must electronically approve within the PCard online system all cardholder transactions within **14 business days of the transaction posting date**. Transactions will be posted to PeopleSoft after they are approved within the PCard online system. A backup Approver should be assigned or provided in situations when the primary Approver is not available.

Other responsibilities include:

- Ensuring the transaction represents appropriate university-related business expenses and have proper business justifications
- Ensuring that respective Cardholders and/or Record Keepers review Cardholder transactions promptly
- Ensuring that proper documentation and justification are provided for every transaction within the PCard online system
- Ensuring sales tax is not included on exempt purchases
- Understanding what he or she is approving
- Being accountable for the transaction and willing to defend it
- Monitoring frequency of the Missing Receipt Affidavits in lieu of receipts
- Confirming that all transactions are charged to the appropriate general ledger accounts
- Notifying the UMS Procurement Card Administrator of any known or suspected inappropriate or fraudulent use of PCards
- Receiving notice from Cardholders when cards are lost or stolen
- Notifying the UMS Procurement Card Administrator of any changes to a Cardholders account, including termination and transfers within the University of Maine System, via a *UMS PCard Account Change Request* form.

5. CARD SET UP & MAINTENANCE PROCEDURES

5.1 Obtaining a Purchasing Card

All active UMS employees are eligible to apply for a PCard. To request a PCard, an employee will need to complete the *UMS PCard Application*, obtain the necessary approvals and forward to the UMS Procurement Card Administrator for processing.

All prospective Cardholders must also complete an online PCard training session and quiz and sign *the UMS Purchasing Card Acceptance Agreement* before the PCard will be released.

5.2 Account Setup

To increase the efficiency of setting up the account, upon receiving the card, the applicant will receive the organization short name. The applicant will use this information to log into the online banking system, Access Online, and self register.

Tip! A red asterisk (*) indicates that the field is required.

Tip! The system automatically validates information entered. The system displays error messages with instructions if invalid characters are used.

Tip! Demographic comments are visible to the UMS Program Administrator and any other user with access to the account.

5.3 Credit Limit

Initially, PCards are issued with standard PCard limits of \$500/transaction and \$2,500/month. Permanent higher or lower limits may be requested on the *UMS Purchasing Card Application*.

In the event a credit limit needs to be permanently or temporarily changed following issuance of a PCard, the Cardholder must complete and sign the *UMS PCard Limit Change Request* form, obtain necessary approvals and submit to the UMS Procurement Card Administrator for processing.

5.4 Cardholder Account Maintenance

Whenever any of the information contained on a Cardholder's account changes, a *UMS PCard Account Change Request* form must be completed, approved and submitted to the UMS Procurement Card Administrator for processing. The UMS Procurement Card Administrator will notify the Cardholder when modifications have been made.

5.5 Card Security

It is the Cardholder's responsibility to safeguard the PCard and PCard account number at all times. PCards must be kept in a secure location and should only be used to process transactions by the respective Cardholder. In order to prevent exposure to fraud, the full PCard account number should not be recorded electronically or on paper. If the number must be recorded, it should be truncated to the last four digits.

5.6 Card Access

Under no circumstances should a PCard cardholder allow another individual access to his/her PCard. It is the responsibility of the cardholder to keep his/her PCard in a secure location to which no one else has access.

5.7 Card Expiration

A PCard will expire at the end of the month shown on the card. For example, a PCard with an expiration date on 06/15 will expire the end of June. Active PCards are automatically renewed and a new card issued. Once a replacement PCard is activated, the Cardholder should destroy and dispose of the old card.

5.8 Lost, Stolen or Damaged PCard

If a PCard is lost or stolen, the Cardholder must immediately contact US Bank Customer Service at 1-800-344-5696. Representatives are available 24 hours a day, 7 days a week. The Cardholder should request that the account be closed and a new card to be issued. The new card will arrive within 5-7 business days.

Furthermore, if there are preauthorized charges on the lost or stolen card, the Cardholder should contact the merchant and provide them with the new replacement card information so there is no interruption in service.

Tip! Fraudulent transactions posted within the PCard online system can be disputed up to 60 days from the transaction date. Transactions can be disputed for up to one year by contacting bank directly.

A PCard that is found after it has been reported lost or stolen must be destroyed and disposed of.

If a PCard is damaged, the Cardholder should contact the UMS Procurement Card Administrator. The UMS Procurement Card Administrator will request issuance of a replacement card.

5.9 Transfer within the University of Maine System

Cardholders who transfer to a new position within the University of Maine System and require the use of a PCard as part of their new duties may continue to use the same PCard if the default chartfield combination remains the same. Cardholders who will no longer require a PCard in their new position must surrender their PCard and corresponding supporting documentation to their immediate supervisor. The Cardholder's immediate supervisor must complete a *UMS PCard Account Change Request* form and submit to the UMS Procurement Card Administrator for processing.

Cardholders who transfer to a new position within the University of Maine System and require the continued use of a PCard and the default chartfield combination does not remain the same, the Cardholder must complete and sign a *UMS PCard Account Change Request* form, obtain signature approval by the new supervisor, and if different, the person responsible for the chartfield account, and submit to the UMS Procurement Card Administrator for processing.

5.10 Sabbatical Leave

A cardholder's supervisor must submit a *UMS PCard Account Change Request* form to the UMS Procurement Card Administrator to temporarily suspend a cardholder's account who is on personal leave of absence or sabbatical.

5.11 Separation from the University

Prior to separation from the University, Cardholders must surrender their PCard and corresponding documentation to either their immediate supervisor or the UMS Procurement Card Administrator. Corresponding documentation should include, but not be limited to, all original documentation for any transactions that have yet to be reviewed and/or approved within the PCard online system. It is the responsibility of the supervisor to complete a *UMS PCard Account Change Request* form and submit to the UMS Procurement Card Administrator for processing.

5.12 Card Cancellation

The Cardholder's supervisor should send an email message to the UMS Procurement Card Administrator requesting the Cardholder's account be placed on hold if he/she is leaving the university. It is the responsibility of the supervisor to complete a *UMS PCard Account Change Request* form and submit to the UMS Procurement Card Administrator for processing to close the Cardholder's account.

If a PCard is to be cancelled due to theft or fraud, an email should also be sent to the UMS Procurement Card Administrator regarding the status of the account.

If the PCard is to be replaced due to damage, an email message should be sent to the UMS Procurement Card Administrator.

6. USING THE PCARD

6.1 Activating the PCard

An inactive VISA card will be issued to the Cardholder upon completion of the on-line training, quiz, and signing of the *UMS Purchasing Card Acceptance Agreement*. Follow the instructions provided with the PCard to activate.

Tip! When asked to provide the last four digits of the social security number, enter the last four digits of your employee id number.

6.2 Making a Purchase

The Cardholder must ensure he/she has appropriate written approval before making a purchase with the PCard which exceeds \$125.

The PCard is not to be used for purchases with MaineStreet Marketplace catalog suppliers.

The Cardholder must confirm that the selected merchant accepts VISA. If not, another vendor should be chosen.

When making purchases in person, the Cardholder must sign the original itemized charge receipt and the customer copy. The customer copy must be uploaded as a PDF and attached to the transaction within the PCard online system. The Cardholder should verify that the receipt complies with the requirements for supporting documentation.

The University of Maine System is exempt from State of Maine sales tax. It is the Cardholder's responsibility to ensure that this tax is not charged.

Tip! The State of Maine sales tax exempt number is embossed on the PCard.

PCards may be used to make purchases on the Internet as long as the site is secure. As with other purchases, the cardholder is ultimately responsible for purchases made with their card and, therefore, is also responsible to determine whether an Internet site is the most appropriate method to make a given purchase.

The use of the PCard on PayPal is not recommended for fraudulent reasons. Another means of payment or alternate supplier should be sought. If there is no other means to purchase the required item, make sure you document fully for auditing and communicate with the UMS Procurement Card Administrator.

When making purchases via telephone, the Internet, and mail order, Cardholders should give the merchant the account number embossed on their PCard and direct the merchant to include the following on the shipping label and/or packing slip:

- Cardholder name and phone number;
- University of Maine System;
- Complete university delivery address including building name and room number;
- The words "VISA Purchase"

NOTE: Vendor should not include the complete account number and expiration date on the shipment or packing slip.

Regardless of who receives the shipment, the Cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for supporting documentation.

6.3 Recommended Uses for the PCard

Cardholders are authorized to use the PCard to purchase many business related goods needed to perform their duties as an employee of the university. Transactions placed on the PCard should not conflict with any of the university policies or APLs.

Personal purchases may not be made with the PCard, even if the Cardholder's intent is to reimburse the university. Personal purchases made with the card subject the Cardholder to disciplinary action, up to and including, possible card cancellation, termination of employment, and criminal prosecution.

Suggested Uses for the PCard

- Every-day business related purchases
- Supplies and equipment
- Tools and hardware
- Dues and subscriptions
- Professional Memberships

The university's primary means for procurement is MaineStreet Marketplace, which should be used whenever possible and practical.

6.4 Prohibited

6.4.1 Split Purchases

Cardholders are prohibited from splitting a transaction into two or more transactions to circumvent the monthly and single transaction limits.

6.4.2 Personal Purchases

Cardholders are prohibited from using the PCard for personal expenditures. In the event a personal purchase is made with the PCard, the Cardholder should seek a credit from the merchant for the total of the improper purchase(s) and have the amounts charged to his/her personal credit card.

If a credit is not obtained from the merchant, the Cardholder must reimburse the university immediately via a check or cash. The deposit of the reimbursement must be allocated to the same chartfield combination as the transaction.

In the event that the funds are not reimbursed by the Cardholder, the university may deduct the amount equal to the improper purchase(s) from the Cardholder's salary or from other amounts payable to the Cardholder, even if the Cardholder is no longer employed by the university.

6.4.3 Gift Cards

Gift card means a stored-value or similar instrument issued in lieu of cash or check. For purposes of this manual, "gift card" includes gift certificates.

University Merchandise and/or Personal Reimbursements:

Gift cards may not be purchased for merchandise for the university and/or personal reimbursements.

Employees:

Gift cards may not be purchased as a form of bonus, honoraria, stipend or other means of compensation for employees. These types of payments must be processed through the payroll system.

Institutional Review Board (IRB) Programs and Research Participants:

Gift cards may be purchased for approved Institutional Review Board (IRB) programs and research participants. Research participants means an individual whom an investigator conducts research and obtains data through intervention or interaction with the individual. Approval from the IRB must be obtained prior to the purchase of gift cards.

When gift cards are being purchased with grant funds, the following criteria must be met: (1) the gift card is for research participant incentive payments only and (2) costs for research participant incentive payments are included in the researcher's grant budget and allowable by the terms and conditions of the specific grant. If an employee participates in a human research project, the payment must be made through the campus Human Resources office. If a gift card is given to a non-employee, and the total amount given is \$600 or more in a calendar year, the department must submit an IRS Form W-9 form and report the amount received to Accounts Payable for IRS Form 1099 reporting.

Individual gift cards should not exceed \$50.

Non-Employees and Student Clubs/Organizations:

Use of the PCard to purchase gift cards is prohibited without **WRITTEN APPROVAL PRIOR** to the purchase.

The preferred method of payment is a purchase order, check request or cash advance. If these methods are not available, the PCard may be used to purchase gift cards with **WRITTEN APPROVAL PRIOR** to the purchase.

An *Authorization for the Purchase of Gift Cards/Gift Certifications* must be completed and submitted to the Procurement Card Administrator. All authorizations for the purchase of gift cards with a PCard will require the approval of the campus CBO. Following approval by the Procurement Card Administrator and campus CBO, the purchaser will be notified whether or not he/she can proceed with the purchase.

Following all approvals, the following information must be obtained along with the itemized receipt:

- Completed and legible *Gift Card/Certification Distribution Log*
 - Date of distribution
 - Full name (first and last) of each recipient
 - Recipient's status (i.e. non-employee, student, other)
 - Vendor name and gift card/certificate number
 - Dollar amount of item received by each recipient
 - Reason each recipient received item
 - Method used to purchase (i.e., PCard, check request, etc.)
- Completed IRS Form W-9 when the next card issued will meet or exceed \$600 in a calendar year for the individual to whom the card will be issued. Forward the completed IRS Form W-9 to Accounts Payable with the Gift Card Disbursement Log(s) showing total value of cards issued for IRS Form 1099 reporting.

6.4.4 Hazardous Materials

The Office of Campus Environmental Safety & Health must track the use of hazardous materials. Therefore, the PCard must not be used to purchase hazardous materials, which instead must be purchased through MaineStreet Marketplace.

6.4.5 Travel Expenses

Travel expenses are to be incurred on the PCard on an exception only basis. Travel related expenses must be procured on a UMS Travel Card. In the event travel related expenses must be incurred on a PCard, the Cardholder must contact the UMS Procurement Card Administrator.

In the event that a travel related expense is incurred on a PCard, the related expense must be accounted for as a prepaid expense on a *Travel Expense Report* within Concur and in accordance with APL Section IV-B; Travel and Expense Procedures.

6.4.6 Meal Expenses

Meals are to be incurred on the PCard on an exception only basis. Meal related expenses must be procured on a UMS Travel Card. In the event meal expenses must be incurred on a PCard, the Cardholder must contact the UMS Procurement Card Administrator to allow the transaction to process.

If the PCard is used for meals, the related expenses must be accounted for as a prepaid expense on a *Travel Expense Report* within Concur and in accordance with APL IV-B; *Travel and Expense Procedures*.

Alcohol is not allowed on the PCard regardless of the situation.

6.4.7 Buying Services

The PCard may not be used to obtain services. Services are to be acquired by using MaineStreet Marketplace to create a Purchase Order.

6.4.8 Gasoline/Fuel for Personal Vehicle

The PCard may not be used to purchase fuel for a personal vehicle even with the intent to save the university money. Personal vehicles will be reimbursed mileage and not by actual gasoline/fuel purchases.

The PCard may only be used to purchase gasoline/fuel for university vehicles and equipment when a university gas card is not available.

6.4.9 Sharing of PCard

Cardholders may not share his/her PCard with anyone else, including other members of the campus community for any reason, including allowing the use of the card by another or delegating their purchasing authority to another, either by sharing the physical card or sharing the account number, expiration and security features.

6.5 Unauthorized Card Use

General Types of PCard Violations

The general types of PCard violations include abuse, misuse, negligence, and fraud.

Abuse, misuse and negligence are violations for which no personal gain results.

Fraudulent violations are those in which deception was deliberately practiced for unfair or unlawful gain.

Examples of PCard Violations:

- Allowing another individual to use an assigned PCard
- Any transaction that violates UMS Policy
- Any transaction for personal expenditures
- Any transaction that exceeds the available budget
- Any transaction for fuel for a personal vehicle
- Intra-campus purchases of any sort or for services that can be performed by another on-campus department
- Donations to charitable organizations
- Items for personal use and items for non-university purposes
- Cash advances
- Alcoholic beverages
- Travel and travel-related expenses, such as, food, meal, hotel, car rental, airline, conference fees and bus fare
- Meal expenses
- Payments to individuals and employees
- Gift Cards, except when purchased pursuant to Section 6.4.3
- Prescription drugs and controlled substances
- Hazardous materials and/or chemicals
- Weapons and ammunition

Additional Restrictions and Notes:

- Only the Cardholder whose name is embossed on the PCard is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with this manual and University APLs.
- Pyramiding charges is prohibited (use of multiple transactions to circumvent per transaction limits or \$125 threshold for pre-approval from approver and \$500 threshold for pre-approval from CBO).

Examples of Abuse/Negligence Violations

- Intentionally splitting a purchase to circumvent transaction limits
- Failing to maintain itemized receipts and other documentation, or obtain approvals
- Other breaches of policies and procedures as specified in this manual

Fraudulent Use of the PCard

- Use of the PCard for personal or non-University purchases will result in card termination and the Cardholder may be subject to potential disciplinary action up to and including termination of employment and criminal prosecution. All reports of personal use of the PCard will be referred to the University CFO or CFO's designee to determine which circumstances warrant discussion with Human Resources, Public Safety and General Counsel. General Counsel will determine which cases warrant criminal prosecution.

6.6 Shipping Address

Items ordered with a PCard must be shipped to a university address. Items are not to be delivered to residential or personal addresses of faculty, staff, or others.

6.7 Sales Tax

UMS is exempt from paying State of Maine sales tax on its purchases. It is the Cardholder's responsibility to ensure that the merchant does not charge State of Maine sales tax on the purchase. The Cardholder should advise the merchant about the UMS tax-exempt status before the purchase.

Cardholders can download a copy of the UMS State of Maine Sales Tax Exemption Certificate from the UMS APL VII-E; *Sales Tax*. Cardholders should be prepared to present this certificate to any Maine merchant as a necessary verification of tax-exempt status.

If State of Maine sales tax is incurred, the Cardholder is responsible for obtaining a credit receipt from the merchant. The credit receipt must be signed by the Cardholder and uploaded as a PDF file and attached to the credit transaction within the PCard online system. **RECEIVING CASH OR CHECKS TO RESOLVE A CREDIT IS PROHIBITED. THE VENDOR MUST CREDIT THE PCARD ACCOUNT.**

In the event that a credit cannot be obtained by the merchant, it is the Cardholder's responsibility to reimburse the UMS for said funds. Payment can be made in cash, check or money order made payable to the university. The returned funds should be charged to the same chartfield combination of the original debit so that it will offset the total amount of the expense incurred.

Tip! The State of Maine sales tax exempt number is embossed on the PCard.

6.8 Declined Transaction

The PCard could be rejected at the point of sale. If this occurs, the Cardholder should contact the bank by calling the number on the back of the PCard and explain what happened. The bank will be able to look at the transaction and identify why the PCard was rejected. A PCard may be rejected because the merchant has been coded with a VISA Merchant Category Code (MCC) which is prohibited by UMS policy or the PCard limit may have been exceeded. It is important to determine the cause. The Cardholder should contact the UMS Program Administrator if additional assistance is needed.

If a temporary or permanent increase to limits is needed to process a transaction, the *UMS PCard Limit Change Request* form must be completed, approved and submitted to the UMS Procurement Card Administrator for processing.

6.9 Transaction Credit/Exchange

The Cardholder is responsible for contacting the merchant when merchandise purchased with the PCard is not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or an exchange.

If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant. The credit receipt must be signed by the Cardholder and uploaded as a PDF file and attached to the credit transaction within the PCard online system. **RECEIVING CASH OR CHECKS TO RESOLVE A CREDIT IS PROHIBITED. THE VENDOR MUST CREDIT THE PCARD ACCOUNT.**

If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.

6.10 Disputing a Charge

In the case of a disputed charge, the Cardholder should try to resolve the dispute directly with the merchant. If the merchant does not resolve the discrepancy within 30 days, the Cardholder should dispute the transaction within the PCard online system within 60 days of the transaction date. At that time, the bank will attempt to resolve the issue. Disputes are usually resolved within 60-90 days.

If a credit is issued to the Cardholder's account to offset the disputed charge, the original charge and credit should be reviewed, approved and charged to the same chartfield combination. This will allow the transactions to clear the PCard online system and net to zero in PeopleSoft G/L.

6.11 Vendor Rebate

UMS should take advantage of rebates when offered by vendors. Rebates must benefit UMS, never the individual employee. If the vendor sends a check made payable to the individual Cardholder, the check should be endorsed by the Cardholder and deposited to the UMS account. The rebate should never go to the individual Cardholder.

Rebates to the university in the form of a prepaid debit card should be used for university business only and the use must adhere to university policy. Itemized receipts pertaining to the prepaid debit card must be filed with the respective Cardholder file.

6.12 Email Notifications

Users of the online PCard system can set up reminders of specific events. For example, a Cardholder can get an email message when the account statement is ready. Approval managers have the ability to receive notification when transactions are pending for approval.

Tip! Be sure the profile email address is accurate.

6.13 Online Transaction and Statement Approval

Online transaction and statement approval within the online banking system must be performed by the Cardholder's supervisor or supervisor's designee. Cardholders will not be allowed to electronically approve his/her own transactions. The supervisor's designee cannot be a subordinate of the cardholder.

7. SUPPORTING DOCUMENTATION

7.1 Receipts

All receipts for PCard purchases must be detailed and itemized. Receipts should show all items purchased not just a total amount. Payment-alone signature receipts will not be considered by the external auditor as proof of the purchase if it is not accompanied by the vendor's itemized receipt. All receipts must be signed by the Cardholder and indicate any changes from the Cardholder's default chartfield combination.

In the rare instance that a receipt is not available, the Cardholder must complete the *Missing Receipt Affidavit* form. This form of documentation is meant to be used on an exception basis and not as a regular means of documentation. If a pattern of regular use of the form is detected, the PCard may be revoked. The *Missing Receipt Affidavit* must be uploaded as a PDF file and attached to the transaction within the PCard online system.

7.2 Record Retention

The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the PCard and verifying that the documentation complies with the requirements for supporting documentation.

It is the Cardholders and Record Keepers responsibility to assure that all supporting documentation is attached to each transaction within the PCard online system. Documentation not stored within the PCard online system should be retained for a minimum of 5 years by the Cardholder and/or Record Keeper within the department.

Retention of documentation is subject to periodic review and audit.

7.3 Verification of Individual Charges by Cardholder

Cardholders are accountable for all charges made with their PCards and are responsible for checking all transactions against the corresponding supporting documentation to verify their accuracy and propriety.

The nature of a dispute transaction and the final resolution must be documented. This documentation must be retained.

After the transaction has been checked, the Cardholder must access the PCard online system to update the chartfield combination, if necessary, input transaction comments detailing the purpose of the transaction, upload the supporting documentation as a PDF file, and click reviewed.

If a Cardholder has a Record Keeper, the Cardholder must provide all itemized signed receipts and chartfield combinations to the Record Keeper. The Record Keeper is then responsible for accessing the PCard online system to update the chartfield combination, if necessary, input transaction comments detailing the purpose of the transaction, upload the supporting documentation as a PDF file, and click reviewed.

Electronic review of transactions within the PCard online system must be performed within 14 days of the transaction date. Failure to comply may result in suspense of the card account, or permanent closure.

7.4 Audits

Internal and external auditors will conduct periodic audits of each Cardholder's transactions, monthly statements and other supporting documentation as deemed necessary.

Examples of what may be looked at include:

- Itemized signed receipts attached to transactions
- Multiple charges to the same vendor to circumvent PCard per transaction limit
- Travel related purchases
- Personal purchases
- Unauthorized purchases

8. FORMS

Forms referenced in this document can be found on the MyCampus Strategic Procurement Website.

8.1 Form Approvals

Forms must be completed and signed by the Cardholder. The Cardholder is responsible for obtaining signed approval by the supervisor, and if different, the person responsible for the chartfield combination. The form will then be submitted to the UMS Procurement Card Administrator. The UMS Procurement Card Administrator, if necessary, will obtain the approval of the CBO or CBO's designee. Once all conditions have been approved, the UMS Procurement Card Administrator shall process and notify the Cardholder of modifications, if any, to his/her account.