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PROCUREMENT SERVICE CENTER

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Procurement Card Handbook

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About the PSC Commercial Card Program

The University of Colorado Procurement Card is administered by the Commercial Card Program, a unit of the Procurement Service Center (PSC). The PSC is part of University of Colorado System Administration and provides Purchasing and Payables Services for the University's campuses (Boulder, Colorado Springs, and Denver) and System Administration.

The Procurement Card is a Visa, issued to a specific individual, through US Bank. The card is used by authorized University of Colorado (CU) staff, faculty, and students, and by designated affiliate fiscal staff to purchase small-dollar items (maximum of $5,000) for university use. The authorized cardholder is able to purchase directly on behalf of CU, thereby allowing tax-exempt use. Transactions are paid by CU to the bank.

The Commercial Card Program provides support to campus departments participating in the Commercial Card Program through:

- Dissemination and interpretation of applicable university and state policies;
- Taking appropriate action for procurement card violations and application of consistent consequences for such violations;
- Assistance in the establishment and maintenance of the departmental procurement card program; and,
- Provision of management information regarding the program.

Who May Participate in the Commercial Card Program?

Employees and non-employees may participate in the program. If the applicant (Cardholder Approving Official or Expense System Delegate) is not an employee, the sponsoring department must first obtain a POI #, Type 15 (Security Access), from the HRMS System for that individual.

Commercial Card Program: Process

The departmental procurement card program comprises the process and participant procedures described below:

Purchase

The authorized Cardholder within the department uses his or her card to purchase needed goods or services and submits the associated vendor receipt and/or other documentation, either in the Expense System or to the cardholder's delegated preparer. Transaction information is downloaded into the Expense System from Visa. Notifications about the transactions are emailed to Cardholders and Approving Officials (AO).

Expense System Processing

The Cardholder/Delegate updates information and prepares monthly expense reports in the Expense System. The Cardholder submits the expense reports to the Approving Official (AO).

Approval

The AO reviews the monthly expense report for possible violations, takes the appropriate action if violations are found, and approves the report. Expense System information from approved expense reports is downloaded into the Finance System.

Filing

The monthly expense reports and images of their related documentation are retained in the Expense System.

Transactions that predate the current expense system should be kept in accordance with the University of Colorado Administrative Policy Statement (APS) ?Retention of University Records?.

Attachments:
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Program Management

Forms

There are a number of forms relevant to the Commercial Card Program [1].

Following is a list, in alphabetical order, of Commercial Card Program forms and their purpose:

- **Approving Official Application/Update.** Used to authorize a new Approving Official to review and approve cardholder transactions and documentation.
- **Cardholder Application - Procurement Card.** Used to establish a new Cardholder with a Procurement Card. For more information on setting up a new account, see Section 4 - The Procurement Card.
- **Cardholder Update.** Used to change Cardholder information (dollar limts etc.) or to notify PSC Commercial Card Administration that a card should be cancelled (when a Cardholder leaves the department or will no longer perform purchasing functions).
- **Violation Notification.** Used to notify a Cardholder and PSC Commercial Card Administration of a violation of Procurement Card policies. This form is signed by the AO, faxed to PSC Commercial Card Administration, and retained in the department's files with the applicable Statement of Account.

Tools

Among the management tools available to enhance the Commercial Card Program are email notifications and reports from the Expense System; information and documentation on the PSC web site; and the staff of PSC Commercial Card Administration.

Email Notifications

For information on email notifications, see the Expense System Email Table [2].

Reports

For information on the reports, see the Expense System Learning Resources [3].

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Roles and Responsibilities

Cardholder

The role of a Cardholder is to make purchases in accordance with the regulations established by the University, as well as all federal and state rules to ensure accountability to the public and fairness to vendors.

Cardholders are responsible for:

- Completing required Procurement Card Cardholder training and certification, Fiscal Code of Ethics training, and Procurement - Purchasing and Contract Management training;
- Ensuring that the policies of the Commercial Card Program are followed, as well as other university policies, state fiscal and procurement rules, and the Procurement Code of Ethics;
- Obtaining the documentation required for their transactions;
- Submitting the monthly expense report;
- Protecting the card at all times to prevent unauthorized use, and not sharing or authorizing others to use the card;
- Immediately reporting a lost or stolen card to the bank. The University is liable for all charges incurred on a lost or stolen card until the time that it is reported as such to the bank. However, fraudulent charges can and should be disputed. If the bank is able to recover fraudulent charges, monies will be credited to the Cardholder's account; and,
- Notifying the Commercial Card Program and the Approving Official of transfer or termination.

Delegate

A Cardholder may have one or more delegates who can work in the Expense System on behalf of the Cardholder. Only the Cardholder can submit expense reports.

The person processing Procurement Card Transactions in the Expense System (Cardholder or Delegate) is responsible for:

- Attaching any required transaction documentation to the monthly expense report;
- Ensuring that each transaction has a valid SpeedType, Expense Type (Account), and Business Purpose;
- Ensuring all source documentation that must be kept on paper is retained within the department (images of all attached documentation are retained in the Expense System); and,
- Notifying the Commercial Card Program and the Approving Official of transfer or termination.

Approving Official

The Approving Official (AO) is the individual assigned to a Cardholder to ensure compliance with procurement card policies and with university/state fiscal and procurement rules by reviewing the transactions on no less than a monthly basis. A Cardholder cannot function as his or her own Approving Official.

The AO plays a critical role in ensuring the integrity of the procurement card program at the departmental level.

AOs are responsible for:

- Completing required Procurement Card Approving Official training and certification, Fiscal Code of Ethics training, and Procurement - Purchasing and Contract Management training;
- Monitoring transactions of assigned Cardholder(s) for appropriateness of purchase;
- Ensuring adequate transaction documentation, as identified in Section 5 - Documenting Transactions, and including explanation of business purpose for unusual purchases;
- Identifying possible violations of assigned Cardholder(s);
- Taking appropriate action if violations are found (see AO Specific Responsibilities & Required Actions, later in this section);
- Ensuring expense reports are submitted by the cardholder within 30 days of the transaction date;
- Approving expense reports within 45 days of the submission date;
- Notifying the Commercial Card Program of changes in departmental program participants.

Note: The Cardholder is ordinarily asked to sign any Violation Notification forms issues to him or her. However, if the AO is uncomfortable asking the Cardholder to sign a Violation form, the AO can send the form to PSC Commercial Card Program with just the AO's signature, or the violation can be reported confidentially to the Commercial Card Program

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AO Specific Responsibilities & Required Actions

The AO must review assigned Cardholders' transactions for possible violations. If a violation in card use or program process is suspected or discovered, the AO must take the appropriate action as outlined below.

AO Responsibility - Ensure transactions have the required documentation.

Transactions must be supported by the documentation required, as identified in Section 5 of this Handbook.

AO Required Action - If lack of documentation is an isolated incident...

If required documentation is lost, or if the merchant did not provide documentation, the Cardholder should contact the merchant directly to request it.

If the required documentation cannot be obtained, the Cardholder must explain the situation in the Comments field in the Expense Report.

If lack of documentation is a chronic problem for this Cardholder...

Cardholders should attach any required receipts to an expense report or provide the receipts to their delegate in sufficient time to be able to submit the report within 30 days of the

transaction date. If the department has set a stricter policy, the department policy will be followed.

The AO will complete a Violation Notification form and provide it to the Commercial Card Office for Cardholders who do not turn in documentation within 30 days unless there is specific and reasonable cause for the lack of documentation. This specific and reasonable cause must be documented in the comments section of the expense report.

Upon receipt of a Violation Notification form, the Commercial Card Office will notify the Cardholder that he or she has 10 business days (or less, depending on AO request) in which to submit all overdue receipts, and the Cardholder may be issued 50 violation points. If overdue receipts are not turned in within the requested time frame, the Cardholder's card will be suspended until all overdue required documentation is submitted.

AO Responsibility - Review and approve all expense reports.

On a monthly basis, the AO will review expense reports for all assigned Cardholders who made purchases. The AO will take any appropriate actions for violations or approve the expense reports.

AO Responsibility - Notify Commercial Card Administration of changes in department participants.

The AO will notify PSC Commercial Card Administration if program participants leave the department, or if new participants are to be added to the departmental procurement card program.

If an individual needs to be added to or deleted from the departmental procurement card program...

To add participants: New Cardholder - The AO will submit a Cardholder Application (CA) to PSC Commercial Card Administration.

To delete participants: Delete Cardholder - The AO will fax a Cardholder Update form [4] to PSC Commercial Card Administration. The AO will then ensure that the card is destroyed.

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The Ordering Process

Selecting the Merchant

The following questions should be asked before selecting the merchant:

- Does the Procurement Service Center have an established vendor for use in procuring the needed good or service?
- Is there a University Price Agreement for the good or service?
- Is there a How to Buy guide in the Commodity Listing [5] for this commodity?
- If there is neither an established vendor nor a University Price Agreement, does the vendor offer a discount to the University?

Placing the Order

Orders can be placed in person, by phone, via fax, by mail, or via the internet.

When placing an order, make sure:

- The purchase is tax exempt. The vendor may need the University's Tax Exempt Certificate [6].
- The merchant gives the University any applicable discounts;
- You give your name as it appears on the card;
- You give accurate delivery information; and,
- You request documentation showing description and cost of each item.

If the vendor requests a "billing address," the vendor is trying to match the information on file at the bank with the information the Cardholder gives. You can verify Cardholder billing address in the Expense System by looking under Profile > Expense Information.

Security Considerations

The University is liable for all charges incurred on a lost or stolen card up to when it is reported as such to the bank. However, fraudulent charges can and should be disputed. If the bank is able to recover fraudulent charges, monies will be credited to the cardholder's account. The Procurement Card should not be shared with other people because this activity allows the University's bank to withdraw any fraud or other protections otherwise provided for the credit card.

Additionally, please follow these guidelines:

- Be very careful to whom you give your credit card. Don't give out your account number over the phone unless you initiate the call and you know the company is reputable. Legitimate companies don't call you to ask for a credit card number over the phone.
- Never respond to emails requesting your credit card information or to emails that ask you to go to a website to verify personal (and credit card) information. These are called "phishing" scams.
- It is not advisable to include your 16-digit card number on email correspondence. This is not secure, and Commercial Card Administration, for example, does not need the account number to research your account.
- Never provide your credit card information on a website that is not a secure site. To know if a site on the internet is secure, browsers will display a closed padlock in the

status bar, located at the very bottom of the web browser.
- If you have to fax an order, don't include the three-digit security code from the back of the credit card.
- If you don't recognize a charge, call Commercial Card Administration for guidance as soon as possible. You may be advised to either dispute the charge with the bank or have the card blocked and a new card number issued.
- Pay attention to emails you receive from Commercial Card Administration because they contain important information to help departments manage their program.
- Be sure to notify Commercial Card Administration, via the Cardholder Update form, of any changes to the Cardholder's phone # or work email address, so the bank can contact the Cardholder in the event they suspect suspicious activity on the card.
- Always notify Commercial Card Administration, via a Cardholder Update form [4], if a card needs to be cancelled. The card should then be destroyed. The AO is always notified when a card is closed; Commercial Card Administration should be contacted if the AO does not receive notification of the closure.
- If you are contemplating a procurement that involves IT services, you should contact your campus IT department to discuss sensitive data issues.

Documenting Transactions

Valid source documentation from the merchant is required for the following transactions:

- Every transaction totaling more than $25; and,
- Every transaction for an official function meal, regardless of dollar amount.

Source documents must include the following information:

- Vendor identification (Merchant Name);
- Date of purchase;
- Description and quantity of each item purchased (this information may be handwritten on the receipt);
- Cost per item (if available);
- Total cost of order;
- Cardholder name and/or card number; and,
- Explanation of purchase (if this is an unusual purchase for the specific department).

Other applicable required documentation for a transaction may include: Official Function form, furniture waiver, etc.

Examples of source documents may include any of the following or any combination of the following:

- A receipt and card transaction slip from the merchant;
- A packing slip showing total cost of order and/or item cost;
- Order forms for dues, subscriptions, registrations or similar items;
- Vendor invoice (cannot be issued in the name of an individual, e.g., "University of Colorado, Jane Doe" is acceptable, but "Jane Doe, University of Colorado" is not

acceptable): this does not require that the legal name of the University be used; or,
- An email confirmation from the merchant.

Combinations of documentation are allowed in order to complete the requirements of valid source documentation as discussed in the previous paragraph. Please note that the transaction notification emails generated by the Expense System are not valid source documentation, nor are the popup windows that appear next to some transactions in the Expense System.

Business Purpose

For all transactions, a brief explanation of how the purchase benefits the University must be included in the monthly procurement card documentation (i.e., either on the receipt or the monthly statement). In addition, the following documentation must accompany the source documentation.

Sensitive Expense

A more detailed explanation should be included for sensitive expenses such as official functions, recognition gifts, etc. For example, decorations are purchased for a reception; the type of event and for whom the event was held should be briefly noted on the receipt, such as "retirement reception for Professor Smith."

Sponsored Projects

Explanation must include how the purchase complies with the requirements of the sponsor's funding.

Gift Funds

Explanation must include how the purchase adheres to the gift restrictions.

Additional Forms and Approvals

If the PSC Procedural Statement Sensitive Expenses requires additional approvals or forms related, such forms and approvals must be included in the monthly procurement card documentation.

Note: In the event that required vendor documentation is lost or not obtainable, the Cardholder must explain the situation in the Comments field in the Expense Report.

Inspecting the Goods

Goods need to be inspected upon receipt by the department. If there are any problems with the order, the department must contact the merchant immediately.

Returns and Exchanges

Arrangements need to be made directly with the merchant before shipping an item for return. If a replacement item is sent, the merchant would credit the returned item and charge a new transaction, unless there is an exchange of like items, e.g. exchange of different colors. Cash should never be refunded - that would be a merchant violation to issue it and a Cardholder violation to accept it.

If there is a problem with an order or if goods are returned or exchanged, keep sufficient documentation of the transaction, including names, dates, and conversation results. This information may be needed for a formal dispute. (See next page on disputes.)

Disputes

If a credit is unobtainable by working directly with the merchant, and 60 days has not elapsed from the end of the cycle following the transaction date, a formal dispute can be recorded with the bank in the following scenarios:

- Unauthorized charges, including unauthorized phone or mail order charges;
- Difference in dollar amount authorized and amount charged;
- Duplicate charges;
- Actual Cardholder transaction that Cardholder is challenging for some other reason;
- Account not yet credited in the Expense System but where the vendor has issued a credit voucher, or said that they will issue a credit;
- Merchandise not received;
- Merchandise returned;
- Defective merchandise;
- Unrecognized charges (if fraud is suspected, immediately call the bank to report the charge, and have the card closed and reissued); or,
- Altered charges.

The dispute process involves the following steps:

- The Cardholder calls the bank to report a disputed charge. The bank then determines if the charge is a disputable item.
- If the charge is disputable, the bank faxes a form to the Cardholder to return with an authorized signature.
- The bank immediately issues a credit for the dispute, pending correspondence with the merchant.
- Both the charge and the credit need to be processed in the Expense System.

Declined Transactions

If an attempt to purchase was made with the Procurement Card and the transaction was declined, contact US Bank Customer Service (1.800.344.5696) for information. (The

Cardholder will need the last 4 digits of their University of Colorado Employee Identification Number).

The most common reasons for a declined transaction are:

- Cardholder did not activate the card (Cardholder should now do so);
- Cardholder has reached one of his or her transaction limits (to change the limits on the card, fill out a Cardholder Update form [4]);
- Vendor is classified under a merchant category code (MCC) that is blocked from use (Cardholder should ask vendor to identify the company's MCC then contact Commercial Card Administration with that information);
- Vendor asked for the billing address and the information provided by the Cardholder does not exactly match that on file with the bank (Cardholder should verify his or her billing address). **Note:** In this case, the decline will only show up with the merchant and not with the bank, so the merchant should be contacted directly.
- On phone orders, vendor has incorrectly noted the card number and/or expiration date (Cardholder should verify information); or,
- The transmission between the vendor and the bank is down (vendor should try again later).

Attachments:
Video:
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Groups audience:
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The Procurement Card

Types of Procurement Cards

The University offers these choices in Procurement Cards:

CU Procurement Card

The standard revolving card, in which the cycle limit is refreshed monthly, on the 25th of each month.

Managed Spend Card

A non-revolving card with a finite credit limit and defined ending date.

Obtaining a Procurement Card

To obtain a Procurement Card, fill out the Cardholder Application and fax to PSC Commercial Card Administration. You may also need to complete the Approving Official Application/Update [7] if the Approving Official is not currently serving as an AO to other Cardholder(s).

The applicant should receive his or her Procurement Card within 10 business days after passing the following online courses: Procurement Card Cardholder training, Fiscal Code of Ethics training, and Procurement - Purchasing and Contract Management training.

Card Controls and Liability

Controls on the Card

Each Procurement Card is set up with the following control parameters:

SpeedType

Each Card has a SpeedType - identifying a general or auxiliary or development fund - associated with the Cardholder's department.

Maximum dollar amount per transaction

The department determines the maximum dollar amount that each Cardholder can spend in a single transaction. The maximum per-transaction limit allowed for any Procurement Card is $5,000.

Credit limit

The department determines the maximum dollar amount that can be spent by each Cardholder during a cycle (or during the entire period of a Managed Spend Card). The cycle begins on the 25th of the month and ends on the 24th of the following month.

Card Expiration date

Used for the Managed Spend Card to indicate when the card expires. The Managed Spend Card is not renewed if the expiration date has elapsed.

Merchant Category Codes

Each Procurement Card is further set up to exclude specific Merchant Category Codes (airlines, vehicle rental agencies, liquor stores, gas stations, etc.).

Liability Issues

The department is liable for all charges made on Procurement Cards assigned to their Cardholders.

Charges on Lost or Stolen Cards.

The department is liable for all transactions made on a lost or stolen card before it is reported lost or stolen to the issuing bank. Fraudulent charges should be disputed - the bank will make an effort to recoup those charges and credit back the cardholder.

Sponsored Project Charges.

The department is liable for all transactions reallocated to sponsored project funds, including any charges that are unallowable according to the terms of the specific grant/award.

Appropriate Use of the Card

These are the questions that should be considered before making a purchase:

- Is the purchase appropriate for the University and does it have a valid business purpose?
- Is the purchase allowable on the Procurement Card?
- Does the purchase follow sponsored project guidelines (if applicable)?

Is the purchase appropriate for the University and does it have a valid business purpose?

The purchase should meet the Tests of Propriety [8]. Particular attention should be paid to the following items:

- Official Functions
- Expenditures for alcoholic beverages
- Break Room equipment
- Conferences
- Donations
- Employee appreciation events and gifts
- Employee food and related consumables
- Flowers and fruit baskets
- Gifts or tokens
- Fund raising expenses
- Employee recruitment
- Parking
- Political expenses
- Retirement parties
- Tickets to events

Is the purchase allowable on the Procurement Card?

There are several types of purchases that are specifically prohibited on the Procurement Card. See Violations and Prohibited Transactions, later in this section.

Does the purchase follow sponsored project guidelines (if applicable)?

The purchase of goods and services for sponsored projects must comply with:

- The overall intent of the award;
- The specific detail of the sponsor's regulations; and,
- University of Colorado policies and procedures.

Additional guidance for sponsored project expenditures is provided by the appropriate campus

sponsored project and accounting offices.

Attachments:
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Violations and Prohibited Transactions

Prohibited Transactions

CASH

Cardholders cannot use the Procurement Card to obtain cash, such as money orders or traveler's checks. Cardholders are not to receive cash as a credit for the return of an item.

CASH-LIKE TRANSACTIONS

Cash like transactions, such as gift cards, are only allowable if purchased in accordance with the PSC Procedural Statement: Recognition and Training and by following all guidelines of the PSC Procedural Statement Study Subject Payments.

DOCUMENTATION FAILURE

Failure to provide, within 30 days of the transaction date, the required receipt or sufficient documentation:

Cardholders are required to provide receipts for each purchase, unless the transaction amount is $25 or less and is not for an official function. If the Cardholder is unable to obtain a valid receipt, they may add a comment to the report, explaining why the receipt was unobtainable. Multiple missing receipts may result in a violation.

FOREIGN COMPANY PURCHASES

Procurement Cards may be used to make payment to foreign companies only for purchase (not rental) of the following goods and services:

- Supplies and other tangible personal property
- Services performed entirely outside the U.S.

INAPPROPRIATE PURCHASES

All purchases on the Procurement Card must follow the PSC Procedural Statement Sensitive Expenses [9] and (if appropriate) Official Functions [10]. Departments contemplating purchases of official functions, gifts, flowers, alcohol, memberships, contributions, and/or other sensitive items should refer to those policies for clarification.

LIQUOR STORE PURCHASES

Cardholders cannot use the Procurement Card to purchase alcohol or other items at liquor stores.

NON-MANDATORY PRICE AGREEMENT VENDOR.

Cardholders are not to use the Procurement Card to purchase items otherwise covered by a mandatory price agreement. For a list of goods/services covered by such agreements, see the Commodity Listing [5].

Office furniture is covered by a mandatory price agreement per Colorado statute and therefore is a procurement card violation except in the following situations:

- Office furniture from Colorado Correctional Industries (CCi);
- Other office furniture if a written waiver has been provided by the Purchasing Agent for the specific furniture transaction.

For more information about furniture purchases, see How to Buy Furniture [11].

PERSONAL PURCHASES

Cardholders must immediately report any inadvertent personal purchase to their AOs and must immediately either reimburse the University or arrange for a credit transaction from the merchant. Documentation shall include proof of reimbursement by employee or credit by merchant.

Card abuse/employee fraud

Personal purchases not reported by Cardholders to their AOs immediately may be considered Suspected Fiscal Misconduct and may result in termination and possible prosecution. Any suspected fiscal misconduct or abuse of the card for personal purchases must be reported immediately to both PSC Commercial Card Administration and the CU System Department of Internal Audit.

PHONE CARDS/LONG-DISTANCE AND PAY-PHONE CALLS

The purchase of telephone calls is prohibited where there is no billing available from the merchant itemizing the calls.

PRE-PAID PARKING OR METER KEYS

Cardholders are not to use the Procurement Card to purchase Pre-Paid Parking or Meter Keys unless they are purchased directly from the University.

SHARING THE CARD

Cardholders shall not share their cards or card numbers with other individuals for use. Only the designated Cardholder is allowed to use his or her Procurement Card.

SPLIT PURCHASES

Under University Procurement Rules and State of Colorado Fiscal Rules, it is prohibited to split a purchase in order to circumvent Procurement Card limits. A split purchase is defined as:

- The purchase of a single item costing over $5,000 (including shipping) with the purchase being divided (split) into more than one transaction; or,
- The purchase of a group of items totaling over $5,000 (including shipping) for a single purchase need. A single purchase need identifies a group of items that are similar enough in nature to be purchased from a single source and that are all known to be needed at the time of the first purchase transaction. Purchases cannot be different delivery locations, differing functionality of the items, etc. For example: a Cardholder shall not purchase two $2,700 computers from a single source using two separate transactions if both computers are known to be needed at the time of the purchase (and, therefore, the total purchase need is known to be $5,400).

Exceptions

- The single purchase need maximum limit of $5,000 does not apply to purchases from University departments. For example: It is acceptable for a department to place orders exceeding $5,000, using multiple transactions, with internal campus vendors (CU Imaging Services, CU Continuing Education, etc.).
- Multiple conference registrations or training classes are not considered to be violations under the split purchases policy. Rather, event registration fees are considered to be the total of the individual registration fee. For example: It is acceptable for a Cardholder to register six people (six individual registrations), at $1,000 per registration, using six different transactions.

TAX ON PURCHASES

Cardholders are required to inform each merchant of the University's status as a tax-exempt organization. Taxes being charged consistently on a Cardholder's transactions may indicate the Cardholder is not letting vendors know that the University is tax exempt.

TRAVEL AND TRAVEL-RELATED EXPENSES

The purchase of most travel-related expenses for both employees and non-employees is prohibited on the Procurement Card. This includes:

- Airfare;
- Meals while in travel status;
- Car Rental; and,
- Lodging.

Exceptions

- Cardholders may use the Procurement Card to pay for conference/event registration fees. Registrations that include a lodging deposit as part of the registration may be purchased on the Procurement Card. Separate charges for lodging - that is, lodging that

is not included on the conference registration form - cannot be paid on the Procurement Card.
- Cardholders may use the Procurement Card to purchase ground transportation for groups or for individual non-employees. This includes taxi services, shuttle services, bus passes, vehicle and driver services, other transportation services, and parking.
- Cardholders may use the Procurement Card to purchase lodging from University of Colorado-owned facilities for either employees or non-employees.
- Cardholders may use the Procurement Card to purchase restaurant meals if the meal is part of an Official Function and is in accordance with the PSC Procedural Statement Sensitive Expenses.

UNALLOWABLE SPONSORED PROJECT PURCHASES

Cardholders are not to use the Procurement Card to purchase any items that will be charged to a sponsored project unless those items are in accordance with the terms of the specific grant or contract.

UNSUBMITTED TRANSACTIONS

All transactions are required to be assigned to a report and submitted to an Approving Official within 30 days of the transaction date. The Commercial Card Office will run a report once a month of all unsubmitted charges and issue violations accordingly.

Violation Points

All departmental procurement card program participants - Cardholders, Delegates, and Approving Officials - are required to know and follow Commercial Card Program policies, including those defining program violations and their consequences.

Department Review for Violations

It is the responsibility of the AO (sometimes with the assistance of the department's delegates) to review transaction documentation in order to identify possible violations in card use. This review must be conducted for all transactions in each cycle period.

- With the exception of Unsubmitted Transactions, If the AO determines that a violation has occurred, he or she must issue a Violation Notification form to the Cardholder. The form must be signed by the AO, faxed to Commercial Card Office, and retained in the department's files. Unsubmitted transaction violations will be issued directly by the Commercial Card Office.
- If the AO feels uncomfortable asking a Cardholder to sign the Violation Notification form, the AO can send in the form without the Cardholder's signature. AOs (or other University personnel) may also contact PSC Commercial Card Administration directly and confidentially.
- PSC Commercial Card Administration regularly audits transactions for possible violations and requests specific documentation to determine if a violation has occurred.

Consequences: Violation Points

PSC Commercial Card Administration will issue 50 points to the Cardholder for each of the following types of Procurement Card violations.

- Cash Transactions
- Contracts Without an Authorized Signature
- Inappropriate Purchases
- Personal Purchases (Card abuse/Employee Fraud)
- Phone Cards/Long-Distance and Pay-Phone Calls
- Pre-Paid Parking and Meter Keys
- Sharing the Card
- Split Purchases
- Travel and Related Expenses
- Unallowable Sponsored Project Purchases

Other violations may only warrant a violation warning unless chronic abuse is noted by the Commercial Card Administration. If chronic abuse is noted, violation points will be issued. The PSC Commercial Card Administration will use their discretion to determine whether chronic abuse exists and how many violation points will be issued. In severe cases, cards made be immediately suspended or revoked.

- Cardholders with 150 or more violation points will have their cards suspended for a period of six months and will be required to complete Procurement Card Cardholder training before their cards can be reinstated.
- Cardholder points will be eliminated 2 years after the points were assessed.
- Violation points will remain in effect even if the Cardholder transfers to a different department.

Attachments:
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Source URL: https://www.cu.edu/psc/procurement-card-handbook

Links:
[1] https://www.cu.edu/psc/forms-0
[2] https://content.cu.edu/controller/emails/ExpenseSystemEmailTable.xls
[3] https://content.cu.edu/psc/traininghelp/learningresources/expensesystem/reports.htm
[4] https://www.cu.edu/psc/forms/ProcurementCardUpdate.xls
[5] https://www.cu.edu/psc/commodity-listing
[6] https://www.cu.edu/psc/procurement/tax-exempt-status
[7] https://content.cu.edu/psc/purchasing/procurement_handbook.htm
[8] https://content.cu.edu/psc/procedures/PPS/Tests-of-Propriety.pdf
[9] https://www.cu.edu/psc/policies/psc-procedural-statement-sensitive-expenses
[10] https://www.cu.edu/psc/procedures/official-functions
[11] https://www.cu.edu/psc/how-buy-furniture