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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 [1] for this commodity?
- If there is neither an established vendor nor a University Price Agreement, does the vendor offer a discount to the University?
- Does the purchase include IT goods or services? If so, first review the Checklist for IT Purchases on the Procurement Card [2].

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 [3].
    - *Exceptions:* Catered events that charge a registration fee. Events that charge an admission/registration fee that include a meal/beverage need to pay sales tax on their food/beverage catering services. Ask the supplier to add sales tax to your invoice. Add a comment to your expense line in Concur and explain you are charging an admission/registration fee and that sales tax applies to the event.
- The merchant gives the University any applicable discounts.
- You give your name as it appears on the card.
- You give accurate delivery information.
- 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 the Official Function form [5].

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 Finance 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);
- 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).

Groups audience:
Procurement Service Center
Right Sidebar:
PSC - Procurement Card Handbook

Source URL:https://www.cu.edu/psc/ordering-process

Links
[1] https://www.cu.edu/psc/commodity-listing [2] https://www.cu.edu/doc/itpcardchecklist-11724pdf [3] https://www.cu.edu/controller/tax/tax-exempt-information [4] https://www.cu.edu/psc/forms/cardholder-update-procurement-and-travel-cards-cu [5] https://www.cu.edu/psc/forms/official-function