

THE UNIVERSITY OF SOUTHERN MISSISSIPPI PROCUREMENT CARD PROGRAM

The Procurement Card Program offers the university a new way of doing business by providing Visa credit cards to end users in the departments. The cards provide an easy, familiar purchase method that will greatly improve customer service by reducing order time for small dollar purchases (under \$1000 per transaction).

The program is expected to lower the overall administrative costs for processing small dollar purchases from ordering through payment. For every purchase that is made using the card, the processing time and effort the department, Purchasing, and Financial Affairs put forth individually to pay for that order is reduced.

If you wish to obtain a procurement card, contact Cathy Gemmill (phone: 228-872-4277).

Procurement Card Voucher Monitoring and Processing Procedures

Primary Contact: Cathy Gemmill
Extension 24277
Email: Cathy.Gemmill@usm.edu

Secondary Contact: Lance Fulcher
Extension 24245
Email: Lance.Fulcher@usm.edu

The billing period for the procurement cards is from the first to the last calendar day of the month. Regions will require two days processing time after the last day of the month to prepare account statements. The overall account statement will then be mailed to Accounts Payable. The memo statements (individual department statements) should be accessed electronically. You may access your statement by going to this link <https://www.inetracer.com/istatement/istatement.asp>. Also, you will receive an email on the first of the month notifying you that your statement is available. If you need assistance in getting this set up, please contact Cathy Gemmill.

The designated department contact will review the memo statement and verify that he or she has receipts for all charges posted. The department is responsible for submitting a completed Credit Card Voucher form to Purchasing. A copy of this form and instructions for completing it will follow. Within 5 days of receipt of the memo statement, the department contact will forward the following to Cathy Gemmill in Purchasing: a completed [Credit Card Voucher form](#) (approved and signed by an approved expenditure authority), an original receipt for each charge, and the original copy of the memo statement. The department is to maintain a copy of the voucher form for its records. Credit Card Voucher forms can be downloaded from the [Financial Affairs web site](#).

Upon receipt of the overall account statement, Accounts Payable will remit payment to Regions for the entire balance. Upon receipt of the department's completed Credit Card Voucher form, Purchasing will review the voucher and its attachments and verify that no sales tax was charged, the memo statement is attached, an original receipt for each purchase is attached, and the expenses are allowable. Charges to the department will be processed from the bottom section of the Credit Card Voucher form that was completed by the departmental contact.

Challenges to Be Aware Of

The following is a list of guidelines for avoiding problems and obstacles often faced during card use or during voucher processing. Failure to follow these guidelines may result in delayed processing or issuance of a Violation Notice.

1. Purchases on the Procurement Card are exempt from sales tax. It is the cardholder's responsibility to remind the merchant at the point of sale that he or she is using a University Procurement Card that is exempt from state sales tax. Contact Purchasing to obtain the sales tax exemption number. If sales tax is charged, contact the merchant and request a refund.
2. An **itemized** original receipt is required for documentation of purchases. A packing slip is not sufficient.
3. The correct commodity code should be written on each receipt. The Commodity codes can be found on the InTouch homepage.
4. If a merchant does not provide a receipt, the cardholder should request one. If the cardholder is unable to obtain a receipt or a receipt is missing for any other reason, a Missing Document Affidavit must be completed and attached to the copy of the Credit Card Voucher submitted to Purchasing. The [Missing Document Affidavit](#) must include a list of every item purchased on the receipt, an explanation of why the receipt is missing, signatures of the cardholder and his or her supervisor, and it must be **notarized**. The copy of the Missing Document Affidavit that is provided on this web site may be printed and used.
5. If the cardholder will be unavailable for an extended period of time and will not be able to submit the Procurement Card Voucher in a timely manner, arrangements must be made for another individual to verify the charges and submit the voucher to Purchasing.
6. All items on receipts **must** be identifiable. Provide a description of any items that are indicated on the receipt by a stock number, model number, or any other coding that does not readily identify the item purchased

Audit of Departmental Records

Please note that all departments will be subject to random and surprise audits from the University's Internal Audit Department and/or the Office of the State Auditor.

The following points are closely scrutinized during audits:

1. The card must be physically secure when not in use.
2. A telephone log must be maintained for all telephone orders.
3. If a cardholder allows another person within the department to use the card, the cardholder **must** sign the original receipt above the other person's signature.
4. Evidence of reconciliation of card purchases to monthly budget reports must be provided.
5. Submission of receipts by departments to Purchasing is reviewed for timeliness.

Use of the Procurement Card

Following are the minimum conditions/instructions/limitations required for all transactions utilizing The University of Southern Mississippi Small Purchase Procurement Card:

NO Procurement Card transaction may exceed one thousand dollars (\$1000.00) with point of sale terminals or fifty dollars (\$50.00) with manual sale receipts.

State contract items SHALL NOT be purchased using the Procurement Card.

NO personal use of the Procurement Card will be authorized or allowed.

NO ATM cash withdrawals will be allowed on the Procurement Card.

Only in-stock, immediate delivery items may be purchased. NO BACK ORDERS ARE ALLOWED. Verify that phone orders are in stock and ready for immediate shipment.

Telephone orders must be invoiced ONLY at or after date of shipment. A telephone order log SHALL be maintained by the cardholder.

Procurement Card purchases are exempt from state and local taxes.

All purchases are to be made WITHIN THE LIMITS set by the available budget authority.

NO equipment over \$999.99 or special inventory items regardless of price shall be purchased with the card. (See list of "[Special Inventory Items](#)" below.)

NO services or rentals are to be purchased with the card.

The Procurement Card **SHALL NOT** be used for travel and entertainment expenses.

The cardholder must obtain itemized transaction receipts from the merchant for each use of the card.

The cardholder should ensure that the prices paid are fair and reasonable. All items purchased are required to be for bona fide university purposes.

If any of the policies or conditions of Procurement Card use are not met, a Violation Notice may be issued to the cardholder. Copies of an issued Violation Notice will also be forwarded to the vice president of Business and Finance, the Internal Auditing Department, the Purchasing Department, and the cardholder's supervisor. The Violation Notice serves as a first time warning; if another violation occurs on a particular card, the card may be revoked.

Special Inventory Items

The following items may not be purchased with the procurement card, regardless of price:

1. Weapons
2. Two-way radio equipment
3. Lawn maintenance equipment
4. Cellular telephones
5. Chain Saws
6. Air Compressors
7. Welding Machines
8. Generators
9. Motorized Vehicles

The following items may not be purchased with the procurement card if the cost of the item is 250 dollars or more:

1. Cameras and camera equipment
2. Televisions
3. PDAs (hand held computers)
4. Major computer components
 - a. Printers and multi-purpose machines
 - b. External hard drives
 - c. CPUs

The preceding list is general and subject to change. If you have any questions about whether an item would be considered a special inventory item, please contact Lance Fulcher in Procurement Services.