THE UNIVERSITY OF SOUTHERN MISSISSIPPI

GULF COAST RESEARCH LABORATORY

Procurement Card Program

Policies and Procedures

Updated February 25, 2011

For Full version please visit
http://www.usm.edu/procurement/procurement.html

THE UNIVERSITY OF SOUTHERN MISSISSIPPI
PROCUREMENT CARD PROGRAM

The Procurement Card Program offers the university and GCRL a 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 $5000 per transaction) for both commodities and services.

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 Office of the Controller put forth individually to pay for that order is reduced.

If you wish to obtain a procurement card, please complete the Procurement Card Application and return to Dale Fremin or Cathy Gemmill.

Procurement Card Voucher Monitoring and Processing Procedures

Primary Contact:	Dale Fremin Box 5118 Phone: 872-4277 E-mail: dale.fremin@usm.edu
Secondary Contact:	Cathy Gemmill Procurement Manager Box 5118 Phone: 872-4245 E-mail: cathy.gemmill@usm.edu

The billing period for the procurement cards is from the first to the last calendar day of the month.

Procurement and Contract Services has implemented a new software program that will be used to manage the P-card program at Southern Miss and coastal locations. The program is called "Resolve" and will allow cardholders to manage their accounts online while also reducing the paper flow and manual entry work.

The program requires that cardholders/proxies attach their receipts electronically in one of two ways; by scanning the receipt into the program or by faxing the receipt to an 866 number which will handle converting the receipt to a PDF and e-mail it to a pre-determined e-mail address so that it can be uploaded to your voucher.

Upon receipt of the overall account statement, Accounts Payable will remit payment to Regions for the entire balance.

Getting Started

The department must complete the following steps to participate in the Procurement Card Program.

1. Designate a cardholder to act as a liaison for the department by dealing with the cardholders, vendors or merchants, Procurement Services, Visa and the contract. This individual will be responsible for all aspects of the procurement card program within the department, such as uploading receipts in Resolve and assigning budget strings to transactions, and filing and retaining cardholder statements and all supporting documentation for future audits.
2. Define documentation and process flows associated with procurement card transactions.
3. Prepare a filing system to accommodate the following items:
    a. Monthly statements
    b. Supporting documentation
    c. Copies of cardholder agreement
    d. Copies of cardholder application

    The documents may be requested by auditors or other official persons and must be readily accessible.
4. Attend a participant training program. At a minimum, the cardholder must attend the training to be familiar with the processes involved with the procurement card. These sessions provide an overview of the program, policies and procedures, etc. Please contact our office to schedule this training session. The cardholder/proxy will also be required to attend Resolve training to learn how to process the transactions in the Resolve program.
5. Complete the Cardholder Application and submit to Purchasing.
6. The card holder and the department head must both read and sign the Cardholder Agreement.

Challenges to Be Aware Of

The following is a list of guidelines for avoiding problems and obstacles often faced during card use. 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/letter, if needed. If sales tax is charged, contact the merchant and request a refund immediately.
2. An **itemized original receip**t is required for documentation of purchases. A packing slip is not sufficient and will not be accepted.
3. 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, and signatures of the cardholder and his or her supervisor. The copy of the Missing Document Affidavit that is provided on this web site may be printed and used.
4. If the cardholder will be unavailable for an extended period of time and will not be able to process transactions in Resolve in a timely manner, arrangements must be made for another individual to verify the charges and process them.
5. 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:

1. NO Procurement Card transaction may exceed five thousand dollars ($5000) unless special permission is granted by Procurement and Contract Services.
2. State contract items SHALL NOT be purchased using the Procurement Card
3. NO personal use of the Procurement Card will be authorized or allowed.
4. NO ATM cash withdrawals will be allowed on the Procurement Card.
5. 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.
6. Telephone orders must be invoiced ONLY at or after date of shipment. A telephone order log SHALL be maintained by the cardholder.
7. Procurement Card purchases are exempt from state and local taxes.
8. All purchases are to be made WITHIN THE LIMITS set by the available budget authority.
9. NO equipment over $1000.00 or special inventory items regardless of price shall be purchased with the card. (See list of "Special Inventory Items" below) unless prior approval from Procurement and Contract Services is granted.
10. The Procurement Card SHALL NOT be used for travel **(i.e. Registration Fees)**. The only exemption is car rental with state contract vendors.
11. The Procurement Card SHALL NOT be used for Entertainment Expense. Please refer to the Entertainment Policy on the *Accounts Payable* site.
12. The cardholder must obtain **itemized transaction receipts** from the merchant for each use of the card.
13. The cardholder should ensure that the prices paid are fair and reasonable.
14. All items purchased are required to be for bona fide university purposes.
15. Gifts, incentives, or awards are now allowable purchases on the procurement card.

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.

RESOLVE

The University implemented the Resolve P-card Management system in July of 2010 to help cardholders manage their p-card transactions online, as well as, to improve the functionality of processing those transactions to the G/L each month. All cardholders at USM are required to process and manage their P-card transactions with this tool.

Cardholders are required to attend a training session to learn how to use the Resolve program prior to making purchases with their cards.

The disadvantage of the old paper based system of managing p-card transactions was that it required manual entry of all transactions to the G/L. With Resolve, cardholders can assign expense accounts to each transaction and once all approvals have been met, the charge is posted to the G/L automatically.

As mentioned earlier, the billing cycle for all purchases with a University issued P-card is from the first to the last day of each month. The Controller's office sets a date each month for all financial transactions from the prior month to be entered so that the prior month can be closed in SOARFIN. Procurement Services will generally set the deadline to manage all p-card transactions in Resolve approximately two (2) days prior to the deadline established by the Controller's Office. This is necessary to allow time to resolve budget check issues of transactions that post late in the billing cycle. The Controller's Office generally sets the deadline for the close of financials on or around the 7th or 8th of the month, therefore, the deadline for P-card transactions will generally be around the 5th of each month. Once the Financial Close date is known, the P-card Administrator will send an e-mail to all cardholders notifying them of the deadline to have all prior month p-card transactions managed in Resolve.

There are three (3) processes that have to be completed in Resolve for every p-card transaction. (1) Expense Account(s) have to be assigned; (2) receipt(s) and any other required forms have to be uploaded; and (3) the budget authority, Procurement, and SPA (if a grant expenditure) must approve the transaction. All of these things should be accomplished prior to the deadline established to manage the prior month's transactions in Resolve. Online tutorials are available for cardholders who may need a refresher of how to manage or approve a transaction in Resolve.

It is important to understand that until an expense account is assigned and a receipt has been attached, the transactions will not move to approvals so that it can be approved by the appropriate people. Therefore, you should not wait until the last minute to assign accounts and upload receipts, as it may not give approvers time to approve the transaction before the deadline. It is also important to understand that while you can log in and upload receipts, as well as, approve transactions after the close process has been run, you cannot assign an expense account after that point because the system expenses the transaction to your default budget string when we run the close process. The only way to correct the expense account at that point is with a paper voucher, which is required.

Because of continuing issues with Cardholders managing their transactions in a timely manner, the following procedure will be followed at the close of each month.

1. After the close process is run in Resolve, the P-card Administrator will run reports to determine what cardholders have pending transactions. Those reports will include the un-expensed transactions report (lists transactions that did not get assigned an expense account prior to close), the missing receipt report (lists all transactions that did not have a receipt attached), and an unapproved report (lists all transactions that are missing one or more approvals). Those reports will be merged to match transactions that have one or more issues. All denied transactions will also be reviewed to determine if pending issues are still there as well.
2. A ***P-cardholder Non-Compliance Form*** will be generated for each cardholder that has one or more transactions on the reports listed above. The issues will be identified on the form, as well as, the action that will need to be taken by the cardholder to resolve the issues, along with a date by which those issues must be resolved. (Generally no more than one (1) week from issue of the form to the cardholder).
3. Once the date to resolve the issues has passed, the P-card Administrator will generate the reports again to see if any issues remain and if so, what cardholders still have outstanding issues.
4. Cardholders with issues outstanding after the deadline to resolve them will have their card suspended (disabled) until such time as all issues are resolved. Cardholders that have their card suspended on several occasions may lose the use of the card permanently.

Prohibited Purchases

The following purchases are prohibited with the Procurement Card:

- Gasoline
- Travel related expenses (except car rental through state contract vendor)
- Purchases over $5,000 without prior Procurement & Contract Services' approval
- Cash Advances
- Radioactive, explosive or other hazardous material
- Items for personal use
- Alcoholic beverages
- Gifts to employees
- Items on back order
- State contract items without prior approval from Procurement & Contract Services
- Door prizes
- Gift baskets

Allowable Purchases

The following purchases are allowable with the Procurement Card:

- Admission or entry fees for student trips
- Auto rentals (state contract vendors only)
- Commodities
- Equipment rental
- Freight/shipping charges
- Memberships
- Postage/post office box rental
- Reprints (journals)
- Services
- Software, provided you are not signing a License Agreement
- Space rental at conferences/conventions
- Subscriptions/Publications

Frequently Asked Questions

What types of items are considered equipment?
Please see the Special Inventory Items on page 5 of this document. However, if there is some question as to whether what you are buying is or is not equipment; we recommend that you contact Property or Procurement for a concise answer to this question.

What items are available on the state contract?
Click this link http://www.dfa.state.ms.us/Purchasing/StateContracts.html to see all items that are available.

Can I buy food or drink on the procurement card?
Yes, however, prior email approval as well as the Food Purchase Form must be completed and submitted with the itemized receipt. Also, food can ***only*** be purchased for official university purposes. (See the University Snack Policy)

Can I use my procurement card to buy stamps or to mail a letter from the United States Post Office?
The procurement can be used at any Federal Post Office to purchase stamps, mail packages or purchase box rentals. The Postmaster will not allow a Visa card to be used as a method of payment for postage that is to be applied to a postage meter.

Can I use the procurement card to purchase software?
Yes, software can be purchased using the procurement card. However, software license agreements cannot be purchased on the card.

Can I pay for film processing with my procurement card?
An exception has been made by the Office of Procurement and Contract Services to allow cardholders to use the procurement card to pay for film processing.

Can I purchase jump drives or key drives?
Yes. These items are not considered equipment by Property Accounting.

Can I buy subscriptions to scholarly journals? How about single, back issues?
Yes, you can buy a subscription if it is being used for official University business. You can also purchase single back issues of any journal.

Can I use the card to make copies and obtain binding services?
Yes, but **ONLY** after getting approval from University Communications. All copy and printing services **must** be approved by University Communications. You are also required to use the Copy Center for such work if they are capable of meeting your requirements.

Can I pay to place a job advertisement in a scholarly journal?
Yes, but **ONLY** if the vendor does not accept purchase orders. Be sure the Affirmative Action Officer reviews the ad and notifies our office when they approve the information. Email the procurement card administrator for **prior approval before** the ad is placed.

Can I use the card to pay for memberships in professional organizations?
Yes, but only if the membership promotes advancement of the University's mission.

Can I use the card to pay for gas?
No, the procurement card **cannot** be used to purchase gas. All university owned vehicles must have a Fuelman card associated with it. This card must be used to fuel these vehicles. If a rental vehicle is used, the individual must pay for the gas and be reimbursed through the Travel Office.

Who do I contact with questions about my Resolve?
Dale Fremin or Cathy Gemmill in Purchasing will be able to assist you. You may reach Dale at 228-872-4277 or email her at dale.fremin@usm.edu .You may reach Cathy at 872-4245 or email her at mailto:cathy.gemmill@usm.edu.

Who should I contact if the card is stolen or lost?
To report a lost or stolen card, immediately call (800) 335-8427. As soon as possible, you should contact the Procurement Card Administrator in the Purchasing Department.

How can I obtain a Visa Procurement Card?
You must follow the steps in the Getting Started at the beginning of this manual. The application can B e found on In-touch or obtain an application in the purchasing department. Fill out and return to the purchasing department for processing. Once the application is approved and the card is received you will be notified to come to the purchase department for additional instructions.

What do I do if a vendor charges sales tax?
The cardholder is responsible for obtaining a credit from the vendor for the amount of the tax. A tax exemption letter can be found on In-Touch. If there is a problem obtaining a credit for the tax charged, please contact Procurement for assistance.

When are the transactions due in Resolve?
The billing cycle for all purchases with a University issued P-card is from the first to the last day of each month. The Controller's office sets a date each month for all financial transactions from the prior month to be entered so that the prior month can be closed in SOARFIN. Procurement Services will generally set the deadline to manage all p-card transactions in Resolve approximately two (2) days prior to the deadline established by the Controller's Office. This is necessary to allow time to resolve budget check issues of transactions that post late in the billing cycle. The Controller's Office generally sets the deadline for the close of financials on or around the 7th or 8th of the month, therefore, the deadline for P-card transactions

will generally be around the 5th of each month. Once the Financial Close date is known, the P-card Administrator will send an e-mail to all cardholders notifying them of the deadline to have all prior month p-card transactions managed in Resolve.

What is needed with the transactions in Resolve?
Itemized invoices/receipts should be uploaded in Resolve. If a receipt is not itemized, you will need to indicate on the receipt what was purchased. Signature reports should be printed at the end of each month, receipts stapled to them, and you should file them away. Do not sent to Procurement and Contract Services

What do I do with my original receipts after I have uploaded them into Resolve?
Signature reports should be printed at the end of each month, receipts stapled to them, and you should file them away. You will eventually be audited by the Internal Audit Department and should be able to produce both receipts and signature report. Do not send to Procurement.

What do I do if I was charged more than once for the same order?
Notify the vendor and have them issue a credit for the duplicate order. You will need to show both charges. When the credit is issued, you will need to show it on the next month's voucher.

Will my account remain open if I do not use the card?
If you have 12 months of inactivity the card is automatically canceled on the 13th month.

What do I do if I lose a receipt or do not receive one with my order?
If you do not receive a receipt with your order or if the receipt is lost, you should try to obtain one from the vendor. If you are unable to obtain a receipt, complete the Missing Document Affidavit

What account code(s) should I use?
A complete listing of available account codes has been provided on the Office of the Controller website.
A short list of commonly used codes can be found on In-Touch.

Where can I print tax exemption information?
A link to the Tax Exemption Certificate is provided on the In-Touch page of the GCRL Website at www.usm.edu/gcrl/intouch

How will the Receiving Department know where to deliver my items if there is no purchase order associated with the delivery?
Contact Martha Brown in receiving to notify her that you will be receiving a package. You may reach Martha at 872-4290 or by email at martha.brown@usm.edu.
Make sure the vendor includes the following information to ensure the Receiving Department can properly deliver the goods:

- Your name
- Identify the item as a "Procurement Card Purchase"

Can I purchase from international vendors?
Yes

Other Information

Spending Limit – This is the total dollar limit for a billing period for a card. The limit set by the university is $20,000

Single Transaction Limit – The single transaction amount of $5,000

Special Inventory Items

The following items may **NOT** be purchased with the procurement card:

A. Equipment with a cost of $1000 or More
B. EXCEPTIONS to the $1000 rule (Can NOT be purchased on p-card):

1. WEAPONS
2. CAMERAS and CAMERA EQUIPMENT WITH A COST OF **$250 or More**
3. TWO WAY RADIO EQUIPMENT
4. TELEVISIONS WITH A COST OF **$250 or More**
5. LAWN MAINTENANCE EQUIPMENT
6. CELLULAR TELEPHONES
7. MAJOR COMPUTER COMPONENTS:
   - PRINTERS AND MULTI-PURPOSE MACHINES WITH A COST OF **$250 or More**
   - HARD DRIVES **$250 or More**
   - CPU's
8. CHAIN SAWS
9. AIR COMPRESSORS
10. WELDING MACHINES
11. GENERATORS
12. MOTORIZED VEHICLES

C. Former Exception Items Now Only Subject to the $1000 Rule (if less than $1000 you may use p-card):

1. RECORDERS
2. IPODs
3. MP3 PLAYERS
4. TYPEWRITERS
5. APPLIANCES (AIR CONDITIONERS, REFRIGERATORS, MICROWAVES, ETC...)
6. VCR'S
7. STERLING SILVER
8. SCANNERS
9. DICTATING EQUIPMENT
10. ANTIQUES
11. MODEMS

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 Camille Anderson in Property Accounting or Cathy Gemmill in Purchasing.