# UNIVERSITY OF NORTHERN IOWA CARDHOLDER GUIDE

## PROCUREMENT CARD PROGRAM

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UNIVERSITY OF NORTHERN IOWA
PROCUREMENT CARD PROGRAM

I. Introduction

The Procurement Card is a VISA credit card, issued by US Bank/Élan Financial Services showing
the name, University of Northern Iowa and the individual cardholder’s name. The Procurement
Card is designed to provide a more efficient and cost-effective method for departments to purchase
small dollar, commonly used items, specifically transactions less than $5,000. The monthly credit
limit will be determined by the department, Purchasing and Payables/Business Operations and US
Bank, based on departmental need. The maximum credit limit allowed per card will be $5,000,
unless special approval has been obtained from the Purchasing and Payables Manager or their
designee. The monthly credit cycle for the procurement card runs from the 26th of the month to the
25th of the following month. The spending limit resets at the beginning of each new cycle.

The card is a privilege granted to the individual by the University, it is the duty of each cardholder to
ensure the responsible use of University funds. All purchases made using the Procurement Card fall
under the same guidelines as all other University purchases such as with a purchase order or
request for payment. The University will seek reimbursement, including through payroll deduct, for
any inappropriate charges made to the card. Fraudulent or intentional misuse of the card will result
in revocation of the card. Procurement card transactions are audited by the Purchasing and
Payables Services area of Business Operations, and monitored by Internal Audit.

Questions regarding the program should be directed to Molly Rickert, 3-6448 or Kathy Schwanz, 3-
3516.

II. Applying for a New Procurement Card and Other Subsequent Activities

A. Applying for a New Procurement Card

1. Locate the University Procurement Card Application & Agreement on the Office of Business
Operations (OBO) website http://www.vpaf.uni.edu/obo/ or on the Forms Repository. The
application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University
Procurement Card Application & Agreement.
3. Once the form is completed, print the form.
4. Acquire the necessary signatures:
   a. Cardholder signature (required)
   b. Department Head approval signature (required)
   c. Dean/director approval signature (necessary if they are the direct supervisor of the future
cardholder)
5. Make one copy of the signed document, both pages, for personal future reference.
7. Upon approval of the application, an email will be sent to the future cardholder that will
   include a link to the Pro-Card User’s Manual and instructions for access to an online
Procurement Card Program training course delivered through UNI eLearning. The
Procurement Card Program training course must be completed satisfactorily by the
 cardholder prior to picking up the Procurement Card.
8. The applicant will be contacted by Purchasing and Payables/Business Operations when the
   card arrives to set up a time to pick up the Procurement Card in person. The Procurement
Card Program training course must be completed satisfactorily by the cardholder prior to
picking up the Procurement Card. The cardholder will be required to sign the back of the
 card at the time of pick up,
9. Procurement Card Program re-certification is required of all cardholders by satisfactorily
   completing the Procurement Card Program training course annually.
Note: It is the discretion of the department to whom the procurement cards will be issued.

B. Cardholder Transferring to Another Department

Before existing cardholders can transfer their card to another department, they must receive proper approval for use of an existing card in another department. An application and department approval needs to be provided.

Note: The Procurement Card cannot be transferred to another individual.

1. Locate the University Procurement Card Application & Agreement on the Office of Business Operations website or on the Forms Repository. The application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University Procurement Card Application & Agreement.
3. Once the information is completed, print the form.
4. Indicate on top of the application/agreement:
   a. Name of old department and “transferred to” name of new department (i.e. Prior department was Biology – transferred to the Library)
   b. The last 4 digits of your current procurement card number.
5. Acquire the necessary signatures:
   a. Cardholder signature (required)
   b. New Department Head approval signature (required)
   c. Dean/director approval signature (necessary if they are the direct supervisor of the cardholder)
6. Make a copy of the signed document, both pages, for personal future reference.
7. Send original paperwork to Purchasing and Payables/Business Operations, Mail Code 0008.

C. Change of Address of Cardholder

Note: Change of address is important. If your address in the US Bank system does not match what you provide to a vendor, you may be turned down for the purchase.

1. Locate the Pro-Card Change Form on the Office of Business Operations (OBO) website.
2. Indicate “Address Change” in the Type of Change field.
3. Fill in required information.
4. Submit the online form.
5. A notification email will be sent to the cardholder’s Department Head or designee.
6. Purchasing and Payables will make the change and notify the cardholder when complete.

D. Monthly Credit Limit or Single Transaction Limit - Increase or Decrease Request

Cardholders may need a higher monthly credit limit on their card due to more frequent use or large dollar purchases. The monthly credit limit cannot exceed $5,000 unless proper approval is obtained from the Purchasing and Payables Manager or their designee. It must be identified as to whether the increase is a permanent or temporary request. For a permanent request a new application is required. For a temporary limit increase the Pro-Card Change Form is required.

Permanent Change:

1. Locate the University Procurement Card Application & Agreement on the Office of Business Operations website or on the Forms Repository. The application is two (2) pages in length.
2. Type all information on the appropriate line located in the top section of the University Procurement Card Application & Agreement.
3. Once the information is completed, print the form.
4. Indicate on top of application/agreement:
   a. “Credit limit change only”
   b. The last 4 digits of your current procurement card number
5. Acquire the necessary signatures:
   a. Cardholder signature (required)
   b. Department Head approval signature (required)
   c. Dean/director approval signature (necessary if they are the direct supervisor of the cardholder)
6. Make one copy of signed document, both pages, for personal future reference.
7. Send original paperwork to Purchasing and Payables/Business Operations, Mail Code 0008.

Temporary Change:

1. Locate the Pro-Card Change Form on the Office of Business Operations (OBO) website.
2. Indicate “Temporary Limit Change” in the Type of Change field.
3. Fill in required information.
4. Submit the online form.
5. An email will be sent to the cardholder’s Department Head or designee for approval.
6. Once necessary approval has been acquired, Purchasing and Payables will make the change and notify the cardholder when complete. Cardholder should allow for at least one work day for the change to take effect.

E. Cancellation/Termination/Retirement

Purchasing and Payables/Business Operations needs to be notified immediately when a card needs to be canceled, the cardholder is retiring, transferring, or their employment has been terminated. Purchasing will immediately notify US Bank, thereby protecting the university through Visa's Liability Waiver Program. Failure to notify US Bank within two (2) days of learning of an employment status change voids this protection. The employing department is responsible for destroying and discarding the Purchasing Card once the cardholder leaves the university/department. Do NOT send an active Purchasing Card through campus mail.

1. Locate the Pro-Card Change Form on the Office of Business Operations (OBO) website.
2. Indicate “Cancel Card” in the Type of Change field.
3. Fill in required information.
4. Submit the online form.
5. A notification email will be sent to the cardholder’s Department Head or designee.
6. Purchasing and Payables will cancel the card.
7. Destroy and discard the Procurement Card.

III. Procurement Cardholder’s Responsibilities

A. Card Plate and Card Number Safekeeping

The card is the property of The University of Northern Iowa. All cards, when not in use, should be stored in a secure location on campus. Cards should not be carried in the cardholder’s purse or billfold on an ongoing basis because of the possibility of it being lost or mistakenly used in place of a personal credit card.

B. Authorization
In some instances another staff member (secondary user), other than the cardholder, may need to use the Procurement Card. The cardholder must expressly approve the use of the card by the secondary user. No written documentation is required. The cardholder still remains responsible for all purchases made by the secondary user, including retention of receipts and documentation related to the purchase as agreed to in the University Procurement Card Application & Agreement.

C. Internet Transactions

The Procurement Card may be used for purchasing items through the websites of established reputable companies. The Procurement Card may **not** be used for purchases from online auctions (i.e. E-bay, uBid.com, Overstock.com). There is no recourse for items purchased on these websites.

D. Lost, Stolen, or Misplaced Card

Should a card be lost or stolen, the cardholder or the cardholder’s department is responsible for notifying US Bank at 800-344-5696, Purchasing and Payables/Business Operations at 319-273-2162, and UNI Public Safety at 319-273-2712 in the event of local theft.

E. Fraudulent or Unknown Charges

Should a cardholder notice an unauthorized charge on their procurement card statement; the cardholder must notify US Bank at 800-344-5696. The US Bank representative will advise the cardholder of the appropriate procedure to receive credit for the charge. The charge must still be entered on the Procurement Card reconciliation with an account number; the amount will be credited back to the account when the credit is received from the bank.

F. Procurement Card List Serve

In order to communicate urgent or important information to cardholders in a timely manner, the Office of Business Operations requires all cardholders to be enrolled in the Procurement Card List Serve.

IV. Using your Procurement Card

A. Dollar Limitations

The Procurement Card single transaction limit will be $5,000, with departments having the option of setting their limit lower. The monthly credit limit will be determined by the cardholder's department, Purchasing and Payables/Business Operations and US Bank based on departmental need. The maximum monthly credit limit allowed per card per month will be $5,000, unless special approval has been obtained from the Purchasing and Payables Manager, 3-2162 or their designee. Once the card has reached its monthly limit, it will be denied by a vendor. The monthly limit automatically resets per cycle. The cycle for the procurement card is the 26th of the month to the 25th of the following month.

B. Purchase Incentives

In some instances University purchases may result in cash or cash-like value incentives. The cash and/or incentives are the property of the University and may not be used for personal gain. Examples of such incentives include, but are not limited to: rebates, gift cards, two-for-one purchases and spend rewards. The University recommends that
cardholders not participate in these promotional offers. It's the responsibility of the

cardholder to be assured that any monetary or cash incentive reward received as a result of

a University of Northern Iowa purchase becomes the property of the University. If there is a
cash purchase incentive, such as a rebate check attached to the purchase, every attempt

should be made to receive the cash incentive as a credit to the Procurement Card. If credit
to the card is not feasible, then deliver the currency or check to the cashier's office. Refer
to the “Depositing Cash Receipts” quick reference guide under the e-Business website
(http://www.vpaf.uni.edu/ebusiness) for further instruction. The funds should be
deposited to the account which was originally charged. If a purchase incentive is received
in the form of a gift card, retain the gift card within the department and use for future
allowable purchases based on funding. Contact Purchasing and Payables/Business
Operations if further clarification is needed.

C. Procurement Card Returns

Any item that is returned must be returned for credit if possible. If credit to the card is not
feasible, deliver the currency or check to the cashier's office. Refer to the “Depositing Cash
Receipts” quick reference guide under the e-Business website
(http://www.vpaf.uni.edu/ebusiness) for further instruction. The funds should be
deposited to the account which was originally charged. If a purchase return is
received in the form of a gift card, retain the gift card within the department and use for
future allowable purchases based on funding. Contact Purchasing and Payables/Business
Operations if further clarification is needed.

D. Preferred Vendors

Cardholders are asked to make purchases from vendors with which The University of
Northern Iowa holds a contract (preferred vendors). There are two cases in which the

cardholder may use a non-contracted vendor; the item is unavailable from contracted
vendors, or if substantial savings can be found from another vendor other than preferred
vendors. Cardholders may make the purchase from another vendor if they document the
substantial savings. The savings should be documented and sent with the statement. If
using non-contracted vendors, then make the purchase from the lowest priced vendor.

Exclusive Beverage Contract:

UNI must exclusively purchase its beverage products, from PepsiCo. As an individual or
department on campus, you may purchase from PepsiCo directly, or through UNI Catering
or the convenience stores on campus (Biscotti’s at the Redeker Center, 23rd Street Market
at the Commons and Essentials at the Maucker Union), as their products are purchased
directly from PepsiCo. Purchasing from other providers is not allowed.

Office Supplies:

Located in the Physical Plant off Hudson Road, Campus Supply is the University's Vendor
of First Contact for office supplies. Before going out to the local retailer, check with
Campus Supply first. Campus Supply works through a contract with OfficeMax to keep
prices at a minimum. All office items can be found on the OfficeMax/Campus Supply
website. Procurement Card use is required for purchases from the OfficeMax website.

Travel Agencies:

The University has two preferred travel agencies. By booking through one of the two
following agencies you receive all benefits available to University of Northern Iowa business
travelers including discounted airfares, detailed reporting, enhanced security measures and time savings.

**Humble Travel Service, Ltd.**
http://www.humbletravel.com
125 Main Street
Cedar Falls, IA 50613
Phone: 319-277-2202
Fax: 319-266-0974
Email: Arlene@humbletravel.com or johnny@humbletravel.com

**Short's Travel Management**
http://www.shortstravel.com/uni
1203 West Ridgeway
Waterloo IA 50701
Phone: 319-433-0863
Phone: 888-625-0209 direct to UNI representative
Fax: 319-234-2490
Email: uni@shortstravel.com

**Airlines:**
American Airlines, Northwest Airlines and United Airlines offer discounted rates for University employees traveling on University business. These discounts can only be obtained by using the preferred University travel agencies listed above.

E. **Examples of Eligible Charges to the Procurement Card**

_The general rule is that each purchase with the Procurement Card must have a business purpose that benefits the public and the University. Document in detail the business purpose for the purchase for review. Failure to document the business purpose may result in further questions to the cardholder and delay in processing of the journal entry spreadsheet._

1. Airline Tickets (Allowable Travel Expense, but should include a travel authorization form)
2. Conference Registrations – department must provide a copy of the registration form, traveler’s name, trip dates, and conference location (Allowable Travel Expense, but should include a travel authorization form)
3. Express Freight (Federal Express, Airborne Express, UPS etc.)
4. Laboratory supplies
5. Maintenance expenses
6. Office equipment
7. Office supplies – utilization of the University office supply contract

F. **Unauthorized Charges to the Procurement Card**

1. Animals
2. Automotive parts or repairs – this pertains to both personal vehicles and vehicles owned and operated by Motor Pool.
3. Controlled substances
4. Gasoline – unless approved by Motor Pool
5. Interdepartmental purchases
6. Personal items and personal expenses
7. Personal gifts to individual employees (i.e. flowers for a funeral unless foundation funding is available and approved in advance)
8. Purchases involving trade of University property
9. Radioactive materials and hazardous materials
10. Telephones and related equipment
11. Travel expenses such as hotel rooms, meals, car rentals and parking fees (must submit a Travel Reimbursement Form to Accounts Payable) with the exception of certain departments and/or individuals who have been approved on a case by case basis.
12. Weapons and ammunition

G. Sales Tax

*Inform vendors that the University is sales tax exempt!!*

*Sales tax can frequently be avoided by providing or drawing attention to the tax certificate numbers affixed to the card.*

The University of Northern Iowa, as a state educational institution, is exempt from paying state sales tax or local option sales tax on goods or services purchased in the state of Iowa. Payment of hotel/motel taxes is still required. The states listed in Appendix A also grant tax exempt status to the University for goods or services purchased while in their state. As indicated in Appendix A, a form or copy of a letter is usually required. These forms or letters may be obtained by contacting LuAnn Andreessen at (319) 273-3116 or luann.andreessen@uni.edu. If there are inadvertent sales tax charges on the Procurement Card, contact the supplier directly to seek a credit for the tax. The tax exempt certificate can also be downloaded from the Office of Business Operations website below:

http://www.vpaf.uni.edu/obo/purchasing/documents/tax_exempt_certificate.pdf

H. Receipts and Other Supporting Documentation

Supporting documentation of each Procurement Card purchase must be submitted to Purchasing and Payables/Business Operations. As purchases are made throughout the month, the cardholder is responsible for retaining supporting documentation from each purchase. Supporting documentation includes any of the following:

1. Invoices
2. Detailed cash or sales receipt
3. Packing slips with dollar amount
4. Billing statements
5. Conference registration forms
6. Internet confirmations

All supporting documentation must include:

1. Supplier name
2. Amount
3. Date
4. Itemized description of items purchased
5. Airline ticket documentation must include the ticket number

Failure to supply supporting documentation may result in suspension of Procurement Card privileges.

V. Reconciliation and Review Process

The Office of Business Operations monitors procurement card program activity. Purchasing and Payables staff reviews all procurement card transactions prior to processing individual journal entries. *The general rule is that each Procurement Card purchase must have a business purpose that benefits the public and the University. Document in detail the business purpose for the purchase in order for review.* In addition to the standard monthly review,
Purchasing and Payables staff performs an annual review assessing the credit limit levels of each cardholder. The result of this review may be a recommendation for a change in the credit limit of your card. If your credit limit will be affected, you will receive a notice from Purchasing and Payables staff giving you the opportunity to justify your current credit limit.

Step 1 - Upon receiving monthly billing statements, cardholders must reconcile receipts to amounts shown on the billing statements.

Step 2 - It is the responsibility of the cardholder to resolve discrepancies. If there are charges the cardholder wishes to dispute, it is the responsibility of the cardholder to first contact the supplier to seek resolution. If efforts to resolve the problem directly with the supplier fail, the item in dispute is charged to the department account and the cardholder should contact US Bank for procedures to initiate the dispute.

Step 3 - The Procurement Card Journal Entry Form must be completed and submitted along with all backup documentation to Purchasing and Payables by the 18th of the month. The Journal Entry Form can be found in the Forms Repository and must be macro-enabled to function properly. If problems with macros occur, contact the appropriate divisional technical staff for assistance.

Refer to the “Procurement Card Processing” quick reference guide under the e-Business website (http://www.vpaf.uni.edu/ebusiness) for form processing instructions. Cardholders must validate and distribute charges to the appropriate fund/account combination, sign and date the journal entry form, obtain approval from the department head and forward the journal entry form, monthly statements and supporting documentation to Purchasing and Payables/Business Operations – Mail Code 0008. All documentation should be received by Purchasing and Payables by the 18th of the month to be included in the current month’s accounting. All card charges and associated fees are the responsibility of the cardholder’s department.

If documentation is not received by the 18th of each month, then…

Reminder Notice (18th of the month)
Cardholders/reconcilers who have not completed their journal entry spreadsheet by the 18th of the month will receive an email from Purchasing and Payables/Business Operations. This email will remind them that their journal entry spreadsheets were due today.

2nd Notice (Last business day of the month)
The cardholder/reconciler is notified via email that their journal entry spreadsheet was either not received and/or was missing documentation. The email states the journal entry spreadsheet and/or documentation needs to be in our office within one week.

3rd Notice (5th business day of the following month)
The cardholder/reconciler and supervisor are notified via email that their journal entry spreadsheet was either not received and/or was missing documentation. The email states the journal entry spreadsheet and/or documentation needs to be in our office immediately or the procurement card limit may be reduced to $1, thus eliminating any further transactions.

4th Notice (10th business day of the following month)
If the journal entry spreadsheet is not received and audited in our office, the cardholder/reconciler is notified via email that their procurement card limit has been reduced to $1.
The Office of Business Operations maintains original copies of all Procurement Card documents in a central location. The University issues one payment each month to US Bank for the total Procurement Card charges. The University of Northern Iowa Internal Audit Department will periodically review and audit Procurement Card procedures and transactions of departments and colleges. The Internal Audit Department may review some Procurement Card transactions during departmental audits.

VI. Types of Violations and Disciplinary Action

A. Types of Violations

   i. Unallowable purchases (detailed in Section IV, Part F)
   ii. Unacceptable documentation (acceptable documentation detailed in Section IV, Part H)
   iii. Late submission of procurement card journal entry form, monthly statements and supporting documentation (due 18th of each month)
   iv. Unresolved item disputes
   v. Splitting charges to avoid the transaction limits. (i.e. If the transaction limit is set at $1,000, then one $2,000 transaction cannot be split into two transactions to avoid the transaction limit.)
   vi. Violation of Procurement Card Guidelines

B. Disciplinary Action

All cardholders are subject to disciplinary action which may include revocation of the Procurement Card up to dismissal of employment. If the Procurement Card is used improperly, the University of Northern Iowa may deduct from the cardholder’s paycheck or from any other amounts payable to the cardholder, an amount equal to the total of the improper purchases. The University of Northern Iowa may also collect amounts owed to the cardholder after the cardholder is no longer employed by The University of Northern Iowa. If a situation such as this occurs, the cardholder is responsible for the legal fees incurred by the University in such proceedings.

VII. Contact Information

Questions concerning Procurement Card procedures or purchases should be directed to Kathy Schwanz, 3-3516 or Molly Rickert, 3-6448.

Questions or concern regarding policy should be directed to Michelle Sawyer, Purchasing and Payables Manager, Office of Business Operations, 3-5811.
## UNI IS TAX EXEMPT FROM THE FOLLOWING STATES

### APPENDIX A

<table>
<thead>
<tr>
<th>STATE</th>
<th>DOCUMENTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alaska</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>Colorado</td>
<td>Need Iowa form showing vendor name.</td>
</tr>
<tr>
<td>Delaware</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>District of Columbia</td>
<td>Need a copy of Letter of Exemption to vendor.</td>
</tr>
<tr>
<td>Florida</td>
<td>Need a copy of Consumer's Certificate of Exemption.</td>
</tr>
<tr>
<td>Hawaii</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>Idaho</td>
<td>Need Iowa form showing vendor name.</td>
</tr>
<tr>
<td>Illinois</td>
<td>Need Iowa form showing vendor name.</td>
</tr>
<tr>
<td>Indiana</td>
<td>Need Iowa form showing vendor name.</td>
</tr>
<tr>
<td>Kansas</td>
<td>Need completed copy of School or Educational Institution Exemption Certificate.</td>
</tr>
<tr>
<td>Kentucky</td>
<td>Need completed copy of Kentucky Revenue Cabinet.</td>
</tr>
<tr>
<td>Maine</td>
<td>Need completed copy of Permanent Exemption Certificate.</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>Need completed copy of Exemption Certificate to vendor.</td>
</tr>
<tr>
<td>Michigan</td>
<td>Need copy of Michigan Sales and Use Tax Certificate of Exemption.</td>
</tr>
<tr>
<td>Minnesota</td>
<td>Need a copy of Tax Exempt letter from Department of Revenue to vendor.</td>
</tr>
<tr>
<td></td>
<td>The following items are taxable: food, drinks, rental cars and sleeping rooms.</td>
</tr>
<tr>
<td>Missouri</td>
<td>Need copy of Exemption from Missouri Sales and Use Tax on Purchases.</td>
</tr>
<tr>
<td>Montana</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>New Mexico</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>North Dakota</td>
<td>Need copy of Certificate of Exempt Status-Exempt Organization at time of purchase.</td>
</tr>
<tr>
<td>Ohio</td>
<td>Need copy of tax exempt letter from Department of Taxation and Sales and Use Tax Unit Exemption Certificate.</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>Need copy of Tax Exempt letter from the Oklahoma Tax Commission to vendor.</td>
</tr>
<tr>
<td>Oregon</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>Need a copy of Certificate of Exemption to vendor.</td>
</tr>
<tr>
<td>South Dakota</td>
<td>No sales tax.</td>
</tr>
<tr>
<td>Texas</td>
<td>Need a copy of Tax Exempt letter from Comptroller of Public Accounts and Documentation to vendor.</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>Need a copy of Certificate of Exempt Status to vendor.</td>
</tr>
</tbody>
</table>