



**Administrative Services Department
Procard User Guide**

**Citibank (South Dakota) N.A.
MasterCard**

PROCARD POLICIES AND PROCEDURES

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CHAPTER 1

INTRODUCTION

Welcome to the University of Massachusetts Dartmouth - Procurement Credit Card Program (UMass *Procard*). The *Procard* is a procurement tool, which offers an alternative to the existing University procurement payment process and provides an efficient and effective method to purchase and pay for consumable commodities of a low dollar value, as well as travel expenses, when pre-approved.

This User Guide outlines the benefits of the *Procard* program to you (the cardholder) as well as to your department and the University. It also provides you with the information that you will need to use the card. The *Procard* concept is designed to delegate authority and responsibility, while enabling you to quickly and conveniently make small purchases of approved commodities and travel expenses directly from those vendors that accept the credit card.

The benefits of the UMass *Procard* to you and the University are significant:

Benefits to the Cardholder:

- Eliminates the need for blanket orders for small purchases of consumable supplies.
- Allows you to obtain small purchases of consumable supplies much faster and easier than with the traditional purchase/payment methods.
- Significantly reduces workload related to the purchase and payment of consumable supplies.
- Allows you to be more efficient, thereby enabling you to better focus on the value added aspects of your job.
- Reduces the cycle time from need determination to receipt of order by eliminating the process of adding a vendor into the vendor master file.
- Eliminates the need for out of pocket expenses for travel bookings well in advance.

Benefits to the University:

- Enables Administrative Services and Accounts Payable to focus on more value added activities such as the creation of more improved contracts and the timely processing of invoices and payments.
- Dramatically reduces the number of purchase orders, invoices and checks, resulting in lower associated postage charges.
- Reduces the number of vendors in the University' Vendor File.

The *Procard* is designed to be used for purchases of consumable supplies related to University business only, as well as business travel. *Use of the card for personal purchases is strictly prohibited.* The Administrative Services Department, Accounts Payable Department, and Internal Campus Auditors are responsible for monitoring the effectiveness of the *Procard* Program. If you have any questions regarding the program, or the appropriate use of the *Procard*, please contact the University *Procard* Administrator in Administrative Services at 508-999-8054.

How It Works:

The *Procard* simplifies the process for the purchase and payments of goods. Purchasing authority is delegated to the authorized Cardholder, thus enabling the Cardholder to order materials directly from the supplier. When the goods are received, the Cardholder saves the packing list (or related documentation that is available from the vendor showing an itemized proof of purchase). Within 30 days of the transaction post date the cardholder or designee must reallocate the transactions to the proper account code within PeopleSoft Finance. Once a month, the Cardholder will receive a statement from the bank that lists all the Cardholder’s purchase transactions. The Cardholder will reconcile the documentation to the monthly statement and file within their department for seven years for audit purposes.

The Authorization Criteria:

There are five authorization criteria built into the *Procard* that are checked by the system when the vendor scans the card, or enters the Cardholder’s card number, at the point of sale. The following are the authorized criteria and the Maximum limits (Standards) that have been established by the University for *Procard* use. All transactions are approved or declined (instantaneously) at the point of sale on the *Procard* authorization criteria:

No.	Authorization Criteria	Maximum Limit On card	Is standard Flexible? ²
1	Number of transactions Allowed per day	20	Yes
2	Number of transaction Allowed per month	100	Yes
3	Single purchase limit Per transaction	\$1,000	Yes
4	Spending limit per month	\$5,000	Yes
5	Restrictions built into Card (MCC Code) ³	Travel Expenses	Yes

² Those standards that are flexible can be adjusted downward by the Budget Administrator on the Card Application/Card Change form.

³ MCC Code: Merchant Category Code. See Glossary of Terms, page 28. MCC Group (Travel Include) can be added with appropriate approvals.

The **Budget Administrator**⁴ may increase or decrease the Cardholder's limits. The Budget Administrator may decrease the single purchase limit (currently set at \$1,000) for an individual Cardholder. However, it may be increased beyond the Maximum Limit if justified and approved by the Budget Administrator, the Assistant Vice Chancellor of Administrative Services/ University Controller and/or designee.

Each time a card is used, that counts as a transaction. If the transaction limits established for the card are exceeded, the card will be rejected. The Cardholder may make as many purchases as he/she wishes from the same vendor in a single day, as long as the total of the combined purchases from the vendor does not exceed \$1,000 or 20 transactions. Transactions to the same vendor against a single card for a period of 24 to 48 hours that cumulatively exceed the \$1,000 single purchase limit are considered to be questionable. This is called **Dovetailing**; splitting up transactions in order to get around the card parameters, which is **prohibited**.

See your Card Application/Card Change form for the authorization limits assigned to your card. It is the Cardholder's responsibility to ensure that the limits assigned to his/her card are not exceeded, and that there are sufficient funds in the chart field string (Budget Account) in which the card is tied to.

The authorization process occurs through an electronic system that supports the *Procard* processing services under the University's agreement with the bank. In addition, Administrative Services, Accounts Payable and the Internal Campus Auditor have the capability to view a large selection of daily reports to effectively monitor the use of the *Procard*.

Speed type/Account Codes:

Use of the *Procard* is restricted to non-state appropriated accounts. The Procard may not be used for purchases against **state appropriated accounts**.

Only **one speed type** and **account code** may be assigned to the *Procard*; however, Procard charges may be moved from the card account/account code to other valid campus speed types/account codes by one or more authorized individuals within the department who have been given the proxy role to reallocate expenses in the PeopleSoft Finance system. All Procards are set to be open to reallocation.

Transactions are not posted until a proxy enters the appropriate expense account code or chart field string needed. If the transaction is not approved and posted within a 30 day window, then the charge will post to the default expense account code. **All transactions are to minimally be reallocated to the appropriate account code within 30 days.**

Visit the following web site for help in reallocation:

<http://www.umassd.edu/peoplesoft/jobaids.cfm>. Note that the proxy role must be requested through the Procard Administrator.

⁴ May be increased subject to appropriate justification and approval by either the University Controller or the Assistant Vice Chancellor of Administrative Services.

Default account codes for Procard are as follows:

(Please be reminded that these are used as holding accounts until the transaction is reallocated.)

734291 Procard Supplies

734292 SMAST Expenses

744201 Maintenance Supplies

When you complete your Procard Application form, select one of these three account codes to go with the budget account assigned to the card. Select the account code that best fits the majority of the types of purchases that you usually make that are appropriate for the budget account assigned to your card, excluding those commodities that are on the restricted list (see pages 7-8), Restricted Commodities.

For example, if your supply purchases are usually Administrative Expenses, you would select account code 734291 or 734292. If your supply purchases are usually Facility Operational Supplies & related expenses, you would select account code 744201.

Grant Accounts:

Not all grant accounts are appropriate for *Procard* use. Check with the Office of Research Administration for possible restrictions. Card applications against grant accounts must be approved by the grant accountant. Note that the card expiration date may not exceed the expiration date of the grant account.

Restricted Commodities

The *Procard* may be used for the purchase of most consumable commodities with the exception of those listed below. Use of the *Procard* is currently restricted to the purchase of consumable supplies that are appropriate for the account code assigned to the *Procard*. The *Procard* Program may be expanded to include other types of commodities at a later date. Cardholders will be informed of any changes to policy, as they may occur.

Purchases of restricted commodities; all purchases that are inappropriate for the account assigned to your card, and any purchase that totals more than the approved single limit purchase (including shipping) must continue to be processed in accordance with established purchasing and accounting policies and procedures. Please keep in mind that absolutely no personal purchases are allowed.

The *Procard* **shall not** be used for the following commodities:

- * Alcoholic beverages (*Exceptions for authorized travel cards, see page 21*)
- * Live Animals
- * Carpet or floor covering that is to be installed (area rugs are permitted only if they are CAL 133 fire rated)
- * Cash advances of any type
- * Cellular phones and related monthly charges/Internet service
- * Computers/Laptops, iPad's, and E-Readers at any dollar amount
- * Construction and renovations
- * Contract Agreements of any type that involve a signature
- * Employment ads
- * Equipment (*non-tagged equipment <\$1,000 permitted*)

- * Food/beverages consumed at vendor's location
- * Furniture
- * Gasoline, Automotive
- * Gifts/Donations
- * Insurance
- * Leases & Lease-Purchases
- * Maintenance Service/Repairs
(<\$1,000 auto/tire repairs, equipment, etc. are permitted)
- * Moving Services
- * Office and laboratory furniture
- * Personal purchases of any type
- * Prescription drugs and controlled substances
- * Radioactive and Hazardous Materials
- * Reimbursements of any type
- * Rentals of any type *(Auto rentals and facilities related equipment is permitted)*
- * Services of any type (Maintenance contracts, Repair contracts, Contracts for Services, etc.)
- * Travel of any type (including conference registration, airline, hotel, etc.).
*Most cards have travel-related vendors blocked unless the card has been authorized for travel by the Budget Administrator.
See Page. 22 for adding travel.*
- * UMass Pass Transactions

If you have any questions regarding a restricted commodity, please contact the University Procard Administrator in Administrative Services at x.8054.

BuyWays Vendors

With the implementation of BuyWays and the elimination of the need to use a procard to obtain similar ordering and delivery, the use of the procard for punchout vendors should be limited to emergency, one-time circumstances.

Contract Compliance

While the *Procard* is a procurement tool, it does not signal a change in policy regarding compliance with the use of University contract suppliers. If the desired item is available on an established University, State, BuyWays or MHEC contract, it should be purchased from the contract vendor.

The Administrative Services Department is authorized to bid for, and issue, contracts that will provide the University with "least total cost" arrangements for consumable supplies required from outside vendors. When bidding such contracts, Administrative Services considers not only the vendor's line item pricing for the products but also the vendor's:

- * Ability to provide the necessary quality, delivery and service
- * Overall pricing structure
- * Warranty & service policies
- * Compatibility with University automated systems
- * Financial stability

Contract use assures the “least total cost” for quality products.

Supplier contract pricing and performance are normally based on the University's overall anticipated volume of purchases during the contract period. In order to assure the University community of paying the "least total cost" for goods, and to fulfill the University's obligation to consolidate all of its requirements with the authorized contract supplier(s), *all University departments should attempt to order the required consumable supplies from those suppliers who are authorized contract suppliers to the University (University, MHEC, and State) if the desired items are available on contract. Contact Administrative Services at extension 8072 for contract vendors or you can find them on line.*

Where do I find the lists of contract vendors?

MHEC Contract Vendors: MHEC Website at <http://mhec.net>

State Contract Vendors: Commonwealth's Website at <https://www.commbuys.com/bs0/external/advsearch/advancedSearch.sdo>

University Contracts: Contact Administrative Services at extension 8072.

BuyWays Vendors:

http://www.umass.edu/af/systems/files/jobajds/epro_how_to_look_up_a_vendor_89_v1.pdf

Eluding the use of contracts may realize some savings for you initially but repeated circumvention of contracts dilutes their value, discourages vendors from bidding in the future, and eventually drives prices up to where no discount is offered. This will eventually negate any savings that may be realized from the use of the *Procard* system. Keep in mind that many of the vendors who might offer you a lower price may have bid on, and lost, a State, MHEC, or University contract, and then intentionally try to circumvent contract pricing to gain your business.

If the item is not covered by a contract you may, of course, use any vendor that will accept the *Procard*.

After a contract has been awarded to an authorized contract supplier covering University-wide requirements, Administrative Services will notify user departments of the existence of such a contract.

Departments may furnish to the Administrative Services Department the names and addresses of suggested vendors, together with the product types that they sell for inclusion in future contract bids.

Placing orders and shipping goods

The *Procard* may be used to purchase consumable supplies in person at the supplier site, on-line, over the phone or by mail. Prior to placing the order check with the UMD Administrative Services Department for a list of Contract Suppliers or the product you need to order.

When placing your order, please be sure to provide the vendor with the following information:

- * Identify yourself as a University of Massachusetts Dartmouth employee
- * State that you wish to make a University purchase using a University of Massachusetts designated Purchasing Card
- * **State that the University is tax exempt and give the vendor the University's tax exempt number which is listed on the front of the card (043-167-352)**
- * Provide your name (Cardholder name)
- * Give your Procard Number (located on the front of the card)
- * Furnish the expiration date of your card
- * State the appropriate contract that the purchase is being made against (University, State, or MHEC), if applicable, to insure that you will receive contract pricing
- * State the quantities and descriptions of the consumable supplies that you require
- * Furnish any other information that is necessary to make the purchase
- * Verify the total cost of the purchase with the vendor

Shipping Instructions:

All items purchased using a University Procard MUST be shipped to the University. Under no circumstances shall an item be shipped to a cardholder's home address.

IMPORTANT: Tell the vendor that the address label/packing list that accompanies the package(s) **must** contain the following information:

Packages that **are not sent via U.S. or express mail** are to be sent to the University of Massachusetts Dartmouth, MA, VIA the Central Receiving Department.

- Attn: *
- * Cardholder's Name
 - * The name of the department to which the package belongs
 - * The building and room number

Packages that **are** sent via U.S. or express mail are to be labeled as follows:

University of Massachusetts Dartmouth

- Attn: *
- * Cardholder's Name
 - * The name of the department to which the package belongs
 - * The building and room number
 - * North Dartmouth, MA 02747

Caution:

Address labels/packing lists that do not contain this information will delay the delivery of your goods indefinitely. In order to maintain security of the card, ***under no circumstances should the vendor indicate the cardholder's Procard number on any address labels or packing lists.***

See *Procard* Record Keeping System, page 17, for details on how to record and reconcile cardholder transactions.

Transactions won't go against your Card until vendor Ships:

Please note that, by law, vendors are not permitted to bill your credit card for purchases until the items have been shipped. In most instances your account will be debited within 24 - 48 hours after the vendor ships your merchandise.

Responsibility for Receipt of Goods:

The cardholder is responsible for ensuring receipt of goods and follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.

Make sure you save your documentation:

Upon receipt of your goods, keep the documentation received from the vendor (typically a sales receipt or packing slip) for later reconciliation (see page 17).

Responsibility for Returning Item(s):

Item(s) should be returned directly to the vendor by whichever means the vendor requires. The cardholder is responsible to see that proper credit is posted for any returned item(s) and that evidence of the return is maintained. (See How to Dispute a Transaction, page 12.)

University Campus Store Purchases

The *Procard* may be used for departmental purchases of *consumable* supplies up to \$1,000.00 from the University Store. Purchases can be made over the phone or in person. All orders must be picked up. *The cardholder must be present when picking up a phone order or when making a purchase in person and must present his/her Procard to the sales clerk and sign for the purchase.* Remember that the *Procard* **cannot** be used for *personal* purchases.

When calling in an order or making a purchase in person, please provide the sales clerk with the following information:

- * Identify yourself as a University of Massachusetts Dartmouth employee making a departmental purchase.
- * State your name, department name, and department address.
- * Provide your *Procard* number and expiration date.

- * Indicate that the University is tax-exempt and furnish the tax number listed on the front of the card.

How to Dispute a Transaction

The cardholder is responsible for following up with the vendor for any erroneous charges, disputed items or returns within 15 days of receipt of the cardholder statement. A cardholder may dispute a charge that appears on his/her monthly credit card statement. Disputed charges can result from failure to receive goods, fraud or misuse, altered charges, defective merchandise, incorrect amounts, duplicate charges, credits not processed, etc. The cardholder should contact the vendor first to resolve any outstanding issues. Most issues can be resolved this way.

If the cardholder is unable to reach agreement with the vendor, the next step is to contact the:

Procard Administrator x. 8054
Administrative Services Department
Foster Administration Building

All disputed transactions must be submitted via email to the *Procard* Administrator as soon as possible, there is a **60 day window from the statement date** to dispute the transaction with the bank. Your request will be sent directly to the bank for review. When the bank has completed its investigation, the cardholder will be informed of the outcome and resolution.

Credit Card Administration

How to Activate Your Procard/Authorized User:

You must telephone the bank at the number indicated on the *Procard* to activate your credit card before use. The bank will verify your identity to ensure that you are the legitimate cardholder. The **activation passcode is the last four digits of the cardholder's employee ID** number. Remember that only the Cardholder is authorized to use the *Procard*. You are responsible for all activity against the card and *may not share your Procard with anyone*.

Please be sure to set the 4 digit PIN on your procard prior to disconnecting. Neglecting to do so may error the procard resulting in unauthorized transactions.

How to Acquire a Procard:

Only employees of the University (including student group officers), as designated by the Budget Administrator (the individual who has fiscal responsibility for the card account), and the Reporting Authority (the individual to whom the Budget Administrator reports), may be permitted to receive a *Procard*. An individual may only receive his/her card after a completed Citi® One Card (Procard) Application form has been signed by the applicant, the Dean, Department Head or Vice Chancellor, and the Budget Office, attended a formal *Procard* Training Session, and signed the Cardholder Agreement Form .

The cardholder is expected to read the Procard User Guide and adhere to all University and Procard policies and procedures. Prospective cardholders must be present at cardholder training and may not send a proxy.

Speed type/Account Code:

Each Card Application/Card Change form will bear one speed type number and account code. The speed type number/account code will be that managed and specified by the Budget Administrator, against which all the *Procard* charges will be made.

How to Cancel a *Procard*:

To cancel a *Procard*, the card must be cut in half and sent to the University *Procard* Administrator in the Administrative Services Department along with a written request via email to cancel the card by the cardholder.

Transferring Departments:

When a cardholder transfers departments, the card assigned to their previous department *will be deactivated* and must be cut in half and sent to the University *Procard* Administrator in the Administrative Services Department.

To obtain a procard for the department, a newly completed application will be required. The card application should reflect the new budget and will require signature by the department head.

Renewal of Existing Procards:

A renewal *Procard* will be sent automatically to the University Procard Administrator 30 days prior to the expiration date of the card. The Procard Administrator will forward an online Procard Refresher Training. Once the training has been completed, the Procard Administrator will contact you to schedule a time to pick up your card. All renewal cards will need to be activated by calling the number on the front of the Procard.

How to Report Lost or Stolen *Procards*:

It is the responsibility of the cardholder to **immediately** report a lost or stolen *Procard*. A cardholder must report a lost or stolen *Procard* by phone directly to the bank at 1-800-248-4553 and to the University *Procard Administrator* at x. 8054, at the time of the occurrence.

Verbal reports of lost or stolen *Procards* must be followed up in writing within 24 hours to the University *Procard Administrator*. The cardholder shall also send a copy of the notification to the Budget Administrator as well as to the Reporting Authority who is responsible for the Default Account assigned to the card. (See your Card Application/Card Change form.) **A replacement card will be sent within 48 hours of notification.**

Procard Security:

Only authorized cardholders may use the *Procard*. Cards and card numbers must be safeguarded by the cardholder against use by unauthorized individuals within or outside the University.

Deactivation for non-use

To enhance the security of the University procard and reduce the amount of risk of fraudulent activity, all procards with no activity over a 18 month period will automatically be deactivated.

Deactivated procards may be reactivated within 180 days, after which all cardholders must complete a new Citi® One Card (Procard) Application. The application must be completed and approved by the Department Head, Dean or Vice Chancellor.

Improper use of the *Procard*:

The *Procard* represents the University's trust in you and your empowerment as a responsible employee of the University to safeguard and protect the University's assets. As a cardholder, you assume the responsibility for the protection and proper use of the *Procard*.

The following situations are a few examples of "misuse" of the *Procard*:

Personal misuse categories:

- * Purchases using the card for the sole benefit of the employee.
- * Assignment or transfer of an individual's card to another person.
- * Use of a Procard by a suspended or terminated employee.

Administrative misuse categories:

- * Lack of proper and timely reconciliation of the individual cardholder's account.
- * Use of card in direct violation of acquisition goals (ex: neglecting to use the *Procard* for commodities available through contracts or preferred suppliers).
- * Use of card to purchase restricted commodities.
- * Use of card in excess of assigned cardholder limits, or available budget. Use of the card after the expiration date of a grant or contract, or for purchase(s) that are inappropriate for the account charged.

Consequences of Misuse:

Misuse of the Procard will be handled promptly and uniformly for all cardholders. The following actions will be taken:

- * A formal written warning will be sent to the individual cardholder from Internal Campus Audit, and a copy will be sent to the Budget Administrator assigned to the *Procard* (if other than the Cardholder) and the Reporting Authority (the individual to whom the Budget Administrator reports). The letter will include a warning of *Procard* revocation pending further investigation and/or misuse.
- * Internal Campus Audit will be advised of all instances of personal and administrative misuse, for appropriate action.
- * Depending on the severity of misuse, disciplinary measures may include a reduction in the cardholder's authorization limits, the cancellation of the

Procard, or termination of employment and legal action in accordance with the terms and conditions of the Cardholder Agreement form.

Procard Audits:

To ensure the continued success of the *Procard* Program and to meet audit requirements of the University and various government agencies, periodic post audits will be made of the cardholder's *Procard* account to determine that items purchased have been received, that proper records are being maintained, and that policies and procedures are being followed. The Controller's Office staff, as well as University internal/external, and state and federal auditors will perform these reviews.

In the event a cardholder is contacted by Internal Campus Audit to supply additional back-up documentation, it is solely the cardholders' responsibility, **not support staff**, to promptly gather all information requested and forward the complete documentation within 10 business days.

Tax Exemption (See page 26):

The University of Massachusetts Dartmouth is exempt from paying Massachusetts State Sales Tax (including sales tax on meals). The tax-exempt number appears on the front of each *Procard*. This number must be given to all vendors by the cardholder at the time of the transaction to exempt payment of state sales tax.

If sales tax is billed incorrectly to the cardholder's account, it is the responsibility of the cardholder to dispute the charge with the vendor.

If a vendor requires a tax exemption certificate, it is the responsibility of the cardholder to request the certificate from Administrative Services. If you have a current exemption form on hand, you may send it to the vendor directly.

* Send tax exemption certificate requests to purchasing@umassd.edu

Cardholder Responsibilities

Purpose:

To establish the policies related to the proper use of the UMD *Procard*.

Policy:

1. All cardholders must sign the Citi® One Card (Procard) Application , which has been completed and approved by the Department Head, Dean or Vice Chancellor.
2. All cardholders must attend a mandatory training session.
3. All cardholders must sign and accept the terms and conditions of the University of Massachusetts Dartmouth *Procard* Cardholder Agreement Form.
4. All purchase transactions processed against the *Procard* must be made by the

individual to whom the card is issued. The cardholder is responsible for all activity against the card and may not share his/her *Procard* with anyone.

5. All purchase transactions for non-restricted commodities cannot exceed the \$1,000.00 (cost of goods, including all delivery, shipping and/or special handling charges) transaction limit unless **otherwise authorized.**
6. Purchase transactions may not exceed the daily and monthly transaction limits assigned to the card unless otherwise authorized.
7. Purchase transactions may not exceed the available budget in the account/account code assigned to the card and must be appropriate for that account/account code (See Accounts/Account Codes, pages 6).
8. Purchases must be for the use and benefit of the University. No personal purchases are allowed. If the card is opened to allow travel, no per diem meals can be purchased on the card.
9. It is the cardholder's responsibility to ensure that adequate documentation is maintained for all transactions in accordance with the University record retention policy (see page 17).
10. It is the cardholder's responsibility to safeguard the security of the *Procard*. Should the *Procard* be lost or stolen, it is the cardholder's responsibility to report it immediately to the bank and the University *Procard Administrator* (see Credit Card Administration - Page 12)
11. It is the cardholder's responsibility as an agent of the University to ensure proper use of the University's tax exempt registration number to Vendors, see Page. 26.
12. It is the cardholder's responsibility to attempt to resolve a dispute with the vendor within fifteen (15) days of receipt of a disputed purchase. If a resolution is not possible, the Cardholder should report the problem to the University *Procard Administrator* as soon as possible. **Be advised there is a 60 day window from the statement date to dispute the transaction with the bank.** The *Procard Administrator* will report the dispute to the bank (see Disputing a Transaction, Page 12).
13. Violation of these policies will result in action to be taken at the discretion of the dean, departmental director, or the budget administrator, depending on the severity of the violation, and in accordance with the University's Union and Human Resource policies.
14. *Fraudulent use of the Procard will result in actions being taken in accordance with the procedures established in this User Guide and the Cardholder Agreement Form.*

Manager Responsibilities

Purpose:

To provide Managers of UMD *Procard* with procedures when fraud or misappropriation of assets is suspected.

Procedures:

1. **Be aware of potential fraud.** All employees, particularly administrators and managers should be familiar with the risks and exposures in their areas of responsibility and be alert to any indications of improper activities, misappropriation, or dishonest activity.
2. **Do not accuse or investigate independently.** A manager who suspects fraudulent activity should not accuse any individual directly, investigate the matter personally, or discuss the matter with anyone other than the Controller or Associate Vice Chancellor of Finance and Budget,.
3. **Incorporate any needed additional/revised control procedures.** After receiving a draft or final report of detected fraud, the Office of Finance and Administration in conjunction with the System Internal Audit Department will communicate additional or revised control procedures.
4. **Maintain Confidentiality.** All parties involved in the reporting and/or investigation of fraud must treat all information as confidential. Concerns and/or investigation results will not be disclosed or discussed with anyone other than those with a legitimate need of knowledge regarding the matter.

UMass Dartmouth administrators and managers must establish and maintain proper internal controls to protect UMass Dartmouth resources from misuse. Administrators and managers must be reasonable familiar with the risks and exposures in their areas of responsibility – including Procards and be alert to any indications of the misuse of UMass Dartmouth resources (aka fraud). They must report any case of suspected fraudulent activity in their areas to the Controller, Associate Vice Chancellor of Finance and Budget, Vice Chancellor of Administration and Finance and/or the Associate Vice Chancellor of Human Resources.

Purchase Incentives

There may be times that University purchases may result in cash or cash-like 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 is the responsibility of the cardholder's department to be assured that any monetary or cash incentive reward received as a result of a University of Massachusetts Dartmouth purchase becomes the property of the University.

CHAPTER 2

PROCARD RECORDS MANAGEMENT

Policies and Procedures

Each department may wish to assign an individual to be responsible for record retention, or if a Cardholder so chooses, he/she may be responsible for his/her own records management. It is imperative that all cardholder's records be maintained in the same manner, as outlined herein, for ease of audit and reporting purposes.

The cardholder will maintain adequate documentation to support the legitimate business purpose of all transactions made with the *Procard*. It is required that the Cardholder keep a monthly Card Activity Log of all his/her purchase transactions conducted with the *Procard*, to better track his/her purchases and available budget. Keep in mind that the charges against the card will not be reflected in the Cardholder's budget until 48 hours after the vendor has shipped the goods.

When the Cardholder places an order with a vendor (via telephone, mail, in person), he/she should make a note of the transaction in the Card Activity Log.

Should the person responsible for record keeping elect to deviate from the following procedures, and the Post Audit Review indicate that the *Procard* records file does not have all the applicable cardholder statements and supporting documentation for the cardholder on file in the manner outlined herein, the Auditors will work with the cardholder(s) to insure that the errors are corrected. However, if the Auditors are unable to resolve the issue with the cardholder, the Auditor will make recommendations to the Assistant Vice Chancellor for Administrative Services for appropriate action, which may include a reduction in the Cardholder's spending/transaction limits, or the revocation of all *Procards* in question.

PROCARD RECORD KEEPING REQUIRMENTS

Each department should assign an individual to be responsible for records retention (hereinafter referred to as the *Procard* Records Manager).

The cardholder shall maintain adequate documentation to support the legitimate business purpose of all transactions made with the *Procard*. It is required that the cardholder maintain a monthly Card Activity Log of all his/her purchase transactions conducted against the *Procard*, to better track his/her purchases and available budget. Keep in mind that the charges against the card will not be reflected in the cardholder's budget until 48 hours after the vendor has shipped the goods.

The form below, for the cardholder's use, is the required format of such a Card Activity Log.

UNIVERSITY OF MASSACHUSETTS DARTMOUTH
PURCHASING CARD PROGRAM

CARD ACTIVITY LOG

Department Name: _____

Cardholder Name: _____

Date of Purchase	Vendor Name	Business Justification	Amount of Purchase	Transaction Reallocated

When the cardholder places an order with a vendor (telephone, mail, in person), he/she should make a note of the transaction in the Card Activity Log.

Should a department or cardholder elect to deviate from the following procedures, and the Post Audit team discovers that the *Procard* Records Manager does not have all the applicable cardholder statements and supporting documentation for each cardholder on file in the manner outlined herein, the Post Audit Team will make appropriate recommendations for disciplinary action, which may include a reduction in cardholder transaction limits or the revocation of all *Procards* in question.

A. When the goods are received, the cardholder shall:

1. Retrieve the supporting documentation (Itemized sales receipt, cash register receipt, vendor order form, packing list, etc.).
2. Place the support documentation in a file folder, with the Card Activity Log, and store it in a safe place.

Each month, the cardholder will receive a statement of his/her charges against the *Procard* from the bank. The cardholder can also access their account online at;
<https://home.cards.citidirect.com/CommercialCard/Cards.html>

The University will pay the bank directly and charge the account assigned to your *Procard*.

B. Upon receipt of the cardholder statement, the cardholder shall immediately:

1. Reconcile the statement to the supporting documentation by comparing the receipts, etc., to the cardholder statement.
2. The cardholder shall make note of any discrepancies between what appears on his/her statement and what was actually received. The cardholder should contact the vendor to resolve any outstanding issues (failure to receive goods, fraud, misuse, incorrect amounts, etc.). Most disputes can be resolved directly with the vendor.
 - (a) If the cardholder misplaces his/her supporting documentation (sales receipt, cash register
 - (b) , vendor order form, packing list, etc.), he/she may contact the vendor to request a copy. Under no circumstances may the cardholder approve a statement without first obtaining all the supporting documentation that goes with it.
3. If the cardholder is unable to resolve the dispute with the vendor, he/she shall contact the *Procard Administrator*, Administrative Services, Foster Administration Building ASAP to discuss disputing the charge with the bank.
4. Upon completion of reconciliation, the cardholder shall staple the supporting documentation to the cardholder statement and sign and date it.
5. **Additionally, the statement must be reviewed by the cardholder's supervisor. The supervisor must sign the statement as an indication of review/approval.**
6. The cardholder shall then submit the signed and reconciled statement to the Procard Records Manager.
7. *Should the cardholder fail to submit the reconciled cardholder statement and supporting documentation to the Records Manager (if applicable, many cardholders reconcile their own statement) within 10 calendar days from the statement billing date, the Records Manager shall so inform the Reporting Authority assigned to the cardholder's account for his/her appropriate action. See C. 3, below.*

Missing Receipts

If an original receipt is lost, but a photocopy is available, the photocopy will be accepted only with a written detailed explanation why the original receipt is unavailable. The explanation must be made in writing, signed by the card holder and the approving authority, and attached to the

cardholder's statement.

If an original receipt is lost and a copy is unattainable a receipt affidavit must be completed and signed by the cardholder and the approving authority. It must include a complete explanation of the expense and the reason for the missing receipt. (The cardholder is not permitted to claim more than a total of \$30.00 in missing receipts per instance and/or per day)

In the event of a missing airline ticket, a copy must be obtained by the travel agency or airline. All agencies are required by the Airline Reporting Commission to keep copies of all tickets issued. If the traveler is unable to obtain a copy of the airline ticket, a copy of the itinerary must be included.

The cardholder shall keep track of his/her available BBA and may not over-expend his/her budget nor exceed the spending or transaction limitations assigned to the card.

C. The *Procard* Records Manager shall, at a minimum:

1. Review, briefly, the cardholder statements and supporting documentation to ensure that they are complete.
2. Maintain the cardholder statements and supporting documentation in a designated space in a locked steel filing cabinet.
 - a. A file folder will be assigned to each cardholder for each fiscal year, which will be marked as follows: **Fiscal Year - Credit Card Number (last 4 digits only) - Last Name, First Name**
 - b. The file folders will be filed by Last Name.
3. Submit a memorandum to the Reporting Authority assigned to the cardholder's account if the cardholder does not submit his/her reconciled statement and supporting documentation to the *Procard* Records Manager within 10 calendar days after the statement billing date, or, if the cardholder submits inadequate supporting documentation. A copy of the memorandum must be submitted to the Controller's Office, Accounts Payable Section, and to the Principal Investigator (if other than the cardholder).
4. Maintain all such records in a manner that allows for their timely retrieval, as required by internal and external auditors, and by the Controller's Office.
5. All Procard records are to be archived by the department records manager and put in secure storage for a seven-year period.
6. It is strongly recommended that the records manager reconcile to PeopleSoft, on a weekly basis, each cardholder's transactions. Reference the PeopleSoft 8.9 job aid, Query Procard Information that is found on the PeopleSoft web site, <http://www.umassd.edu/peoplesoft/>

CHAPTER 3

BUSINESS/ENTERTAINMENT EXPENSES

Business Expense Policy

The Business Expense Policy applies to expenses incurred by a duly authorized University of Massachusetts employee or Trustee who incurs expenses in the process of conducting University business.

The following URL contains the link to the Universities Business Expense Policy of which the Procard is subject to.

<http://media.umassp.edu/massedu/policy/FiscalBusinessExpense.pdf>

Allowable Business/Entertainment Expenses:

Takeout Food: Procards can be used for takeout food for meetings and events that are related to University business.

Following are some examples of appropriate use of the Procard for take-out food:

- Groceries purchased from a local store for a seminar.
- Pizza purchased (and delivered) to a department for a group of students.
- Sandwiches and salads delivered (but not served) by a local deli for a business luncheon.

Restaurants: Procards can be used at restaurants for the following types of meetings:

- Employee candidate recruitment.
- Hosting official guests.
- Entertainment of institutional donors.

Alcohol Policy: The Board of Trustee Business Expense Policy states “Purchase of alcoholic beverages is highly discouraged due to the expense of the potential liability involved. However, when written authorization is obtained prior to the event, or when specific campus policies are followed, the purchase may be allowed.” (Trustees Policy, Doc. T92-031, 405.5)

Alcohol consumed at a business meal must be reasonable (generally not to exceed 25% of the total bill) and be served in conjunction with a meal.

The purchase of alcoholic beverages is not allowed on any federal and state grants or contracts. All exceptions required a completed policy exception approval form:

<http://www.umassd.edu/media/umassdartmouth/administrativeservices/procard/exceptionapprovalform.pdf>

Record Keeping Requirements:

- Prior approval of the expenditure through normal administrative channels
- Complete the **Business Expense Form** found on the Accounts Payable website:
<http://www.umassd.edu/media/umassdartmouth/administrativeservices/procard/businessexpenseform.doc>
- A written description of the Business Purpose of the event/meeting
- A list of participants and/or attendees including their title and business relationship attached
- Attach the Business Expense Form to the original itemized receipt

CHAPTER 4

TRAVEL

Most Procards are approved for purchasing only MCC (Merchant Category Code) groups. These cards cannot be used at travel-related vendors as they are blocked. If your Procard has been approved for Travel Expenses, then the Travel MCC group will be included in your card profile. A Procard Application/Change Form needs to be completed and signed by both the card holder and the budget administrator in order to open a Procard for travel.

To review the Travel Policy Guidelines visit the following website:

http://www.umassd.edu/admin_finance/manuals/travelmanual/

Pre-authorized Business Travel

Types of **pre-approved** allowable Travel Expenses include the following:

- Airlines
- Auto rentals
- Conference Registration Fees
- Hotels – Room charges, parking, internet service only
- Travel agencies/services
- Other Travel: Steamship, Boat Rentals, Railroads, Commuter Rail, Taxis, Limousines, Parking Garages

Prohibited Expenses

- Personal meals including room service
- Per diem meals
- Hotel services such as movie rentals, health club charges etc.

Before Traveling the Employee MUST:

1. Complete a Travel Authorization Form requesting for Authority to Travel in PeopleSoft Financials (production) Self-Service Travel and Expense Claims module.

Note: The employee must have access to PeopleSoft Finance. If someone else is entering on behalf of the traveling employee they must have access to enter on behalf of that employee. For more information regarding access to PeopleSoft Finance contact the University Data Custodian (University Controller).

After the Trip the Employee MUST:

1. Process their corresponding Travel Expenses in PeopleSoft Finance (production) Self-Service Travel and Expense module.

Note: All out-of pocket expenses are reimbursed after the trip has been completed and the expenses have been approved.

Record-keeping

- Keep original itemized receipts with the reconciled Procard Statement.
- **Submit to Accounts Payable copies of Procard receipts with the Expense Report.**
- Expenses must be reallocated to the appropriate expense account codes in PeopleSoft Finance within 30 days of the transaction post date.
- The following are several Procard queries available in PeopleSoft Finance:
 - [PO_PCD_POSTED_BY_DEPTID](#) – To view posted transactions by department.
 - [PO_PCD_OPEN_BY_DEPTID](#) – Cards open to reallocate by department.
 - [PO_PCD_TRANS_BY_EMPLID](#) – To view transaction by employee ID.

Non-employee Travel – Visitors to UMass Dartmouth

Procards that have been approved for travel can be used to arrange travel for non-employees.

- Travel for candidates brought in for new faculty or administrative recruitment.
- Travel for visiting speakers and performers.

Limit card use to:

- Airfare
- Ground transportation (shuttle service)
- Basic hotel charges

It is recommended to order tickets directly or use a travel agent.

Record-keeping Requirements for Non-employee Travel

- Log in all payments on your Card Activity Log sheet.
 - Vendor name and reservation confirmation numbers.
 - Include traveler's name, address and purpose of the visit to UMass Dartmouth.
- Attach original receipts to the Procard statement.
- Expenses must be re-allocated to the appropriate expense account codes in PeopleSoft Finance within 30 days of transaction post date.

Student Group Travel

Complete the Following Prior to the trip:

- Complete a Risk and Release Form. Every member of the group traveling must fill out and return a copy of this form to the SAIL Office before the trip.
<http://www.umassd.edu/studentactivities/studentclubs/forms.cfm>
- Complete a Travel Authorization Form.
- Schedule a meeting with the Director of SAIL to receive final approval.
- If any student uses his/her own vehicle to attend the trip, complete a Release of Liability form. http://www.umassd.edu/admin_finance/manuals/travelmanual/

Athletic Team Travel

- The Team Coach MUST Complete a Travel Authorization Form requesting for Authority to Travel in PeopleSoft Financials (production) Self-Service Travel and Expense Claims module for any in-state or out-of state overnight travel.
- The Travel Authorization Form must be accompanied by a Team Roster.
- For same day team travel, one paper authorization with the team roster can be completed and kept in the Athletics department for reference.
- Follow record keeping requirements for employee travel for the coach and non-employee travel for the team.
- If any student uses his/her own vehicle to attend the team event, complete a Release of Liability form. http://www.umassd.edu/admin_finance/manuals/travelmanual/

Reallocating Team Travel Expenses:

Team travel expenses must be reallocated utilizing a split distribution. In other words, the total dollar amount of the transaction will be split between two (2) account codes.

Employee Travel (737100 Out of State/737200 In State): Coaches expenses only, for example the Coaches flight.

Non-Employee Expenses (734241): Team expenses only, for example total cost of flights for the team members.

Research Team Travel

A Procard linked to a grant must be approved for Travel by the Office of Research Administration.

- Follow record keeping requirements for employee travel. If any members of the Research Team are not employees please follow non-employee record keeping requirements for those individuals.

International Travel

International travel is defined as travel outside the United States. University employees must receive appropriate campus approval by the department head/director prior to traveling internationally. If you plan on traveling internationally please contact the bank so that you're Procard can be noted for International Travel.

For more information on Insurance Coverage please see:

<http://www.massachusetts.edu/treasurer/internationaltravelinsurance.html>

Chapter 5

Reallocation

University policy requires that all Procard's be set up to reallocate. Each card must have a proxy assigned who will be responsible for reallocating transactions within 30 days of the transaction post date to the appropriate Expense Account Code and Chart Field String in PeopleSoft Finance. There are no exceptions to this policy regardless if the card is set up to default to a specific account code and chart field string.

Please visit the following link to PeopleSoft Finance to obtain Job Aids for Reallocation

<http://www.umassd.edu/peoplesoft/>

FAILURE TO COMPLY WITH THE PROCEDURES OUTLINED HEREIN WILL RESULT IN PENALTIES, WHICH MAY INCLUDE A REDUCTION IN THE CARDHOLDER'S AUTHORIZATION LIMITS OR THE CANCELLATION OF THE PROCARD.

Appendix

MASSACHUSETTS SALES TAX POLICY

UNIVERSITY OF MASSACHUSETTS

Tax policy 96-1

Sales Tax on Payments to Vendors

NOTE: The University of Massachusetts state sales tax exemption is located on the front of the Procurement Credit Card:

#043-167-352

Scope: This policy addresses which payments to vendors are subject to the sales tax. The 6.25% (current 2009) Massachusetts sales tax applies to tangible personal property (e.g. equipment, furniture, cars, supplies, etc.) to certain utility services, including telecommunications services and meals.

General Rule:

As a general rule, the University is exempt from the Massachusetts sales tax on property and services purchased directly by the University and consumed in connection with University business. The authority for this exemption is contained in M.G.L., Chapter 64H, Section, 6(d), which provides an exemption for sales to agencies of the Commonwealth.

The University must provide the vendor with a Certificate of Exemption (Form ST-2), and a properly completed Exempt Purchase Certificate (Form ST-5).

Sales Tax and Other States:

Jurisdictions outside of Massachusetts (including states, cities, and counties) generally cannot impose their sales tax on the University for Sales shipped to and consumed within Massachusetts because the University does not have sufficient presence in other states to be subject to their tax law. Please note, reciprocal tax exemptions are also available in Rhode Island and Connecticut.

Personal Use:

Use of the University's tax exemption number for personal purchases is strictly prohibited.

GLOSSERY OF TERMS

Budget Administrator	The individual who has fiscal responsibility for the account assigned to the Cardholder’s Procard.
Default Account:	The backup account assigned to each Procard by the Budget Administrator’s Reporting Authority, which will be charged for any inappropriate transactions made against the Procard that are not involved within the specified time frame.
Dovetailing:	The act of making a series of purchases to the same vendor in the same day, the sum total of which exceed \$999, (<i>or the approved amount</i>) to circumvent the approved per transaction limit. This is contrary to established Procard policy and is an audit issue.
Findings:	Instances of non-compliance to Procard policy that are documented by the Post Audit Review team against a Cardholder’s records.
MCC code (Merchant Category Code):	A code that is assigned to each vendor by the vendor’s bank that identifies the general type of product/service that the vendor sells.
Non-State Appropriated Accounts:	Budget accounts not associated with state funding.
Post Audit:	The periodic review of the Cardholder records to further determine the appropriate use of the card and maintenance of records. See ProCard Records Management, page. 17
Post Audit Review Team (PART)	The campus team from Fiscal Services who works with departmental staff to insure compliance with the Procard Policy and who performs the post audit review of cardholder activity and records.
Citi® One Card (Procard) Application:	The form that is completed by the Cardholder, the Budget Administrator, and the Reporting Authority to apply for a Procard or to modify an existing application form. The form is executed after the Cardholder has attended the mandatory Procard training.
Procard Cardholder Agreement Form:	The form that is completed by the Cardholder after the Procard Application form has been submitted to the bank for processing and the Procard Administrator has received the Procard. The Agreement Form must be signed by the Cardholder and filed with the Procard Administrator before the Cardholder can receive his/her Procard.

Procard Administrator:	The individual in the Purchasing Department who is responsible for overseeing the Procard Program, and to whom Procard problems and questions should be directed.
Procard Reallocation:	Enables authorized reallocators to move charges from the card account/object code to other valid accounts/object codes within the domain of the reallocator.
Procard Records Manager:	The individual who is responsible for maintaining departmental Cardholder records (monthly statements and purchase documentation).
Procurement:	The purchasing, leasing, renting, or selling of materials, services, equipment, or construction (as for a government agency).
Reporting Authority:	Usually the individual to whom the Budget Administrator reports. The Reporting Authority is also the individual with signatory authority for the chart field string assigned to the Procard.
Transaction:	Each time the Cardholder uses the Procard that counts as a transaction.
Transaction Limits:	The standard limit that is set on each card is 20 transactions a day, 100 transactions a month, with a total of \$5,000 in transactions a month. The Budget Administrator may choose to increase or decrease those figures when the Procard Application form is executed. Each transaction may not exceed \$999 per vendor, per day. The Budget Administrator may not increase the \$999 figure. To increase the Single purchase limit beyond \$999 or the Monthly Credit limit beyond \$5,000 prior approval must be granted from the Assistant Vice Chancellor, Controller or designee. If any of the limits are exceeded, the card will reject at the point of sale.