

# Utah Tech University Policy

## 222: Purchasing Cards



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### I. Purpose

- 1.1 Utah Tech University (“the University”) administers a Purchasing Card Program for the payment of small-dollar goods and services.
- 1.2 The purpose of this policy is to provide guidance that protects both the University and those who use purchasing cards from fraud and misuse.

### II. Scope

- 2.1 This policy applies to anyone involved with the use of University Purchasing Cards, including cardholders, supervisors, and budget administrators.

### III. Definitions

- 3.1 **Budget Administrator:** The individual who has authority to authorize the use of a specific University budget.
- 3.2 **Business Purpose:** A statement declaring *why* something was purchased.
- 3.3 **Cardholder:** The authorized individual who is issued a University PCard.
- 3.4 **Description:** A statement explaining *what* was purchased.
- 3.5 **Itemized Receipt:** A document provided by the merchant that details each item purchased with associated quantities and costs of each item.
- 3.6 **Purchasing Cards (PCards):** A University issued charge card that allows goods and services to be purchased for the direct benefit of the University.
- 3.7 **Reconciliation:** The process of adding appropriate documentation to each

transaction and allocating it to an available budget index.

3.8 **Supervisor:** Whom the Cardholder directly reports to.

#### **IV. Policy**

4.1 Purchasing Services may issue PCards to individuals who have been given authority to spend University funds. The Director of Purchasing has the authority to accept or deny a request for a PCard for any individual.

4.2 PCards are only issued to active employees or students of the University.

4.2.1 Students who have an active employment status with the University are considered employees for the purposes of this policy.

4.2.2 Students may be issued a PCard to fulfill specific leadership or club responsibilities.

4.2.2.1 A student-issued PCard must be deactivated at the end of each semester. The PCard may be reissued the following semester if the student resumes the same role/position as the following semester.

4.2.3 Faculty, who are on contract, may only use a PCard while they are an active faculty and within their contract dates. All other times the PCard must be deactivated.

4.2.4 Current Cardholders who change positions within the University must submit a new application for a PCard before their card is used for their new position.

4.3 PCards are only to be used for approved University business. Misuse of a PCard may result in a PCard suspension, formal disciplinary action, which could include termination of employment and criminal charges, depending on the severity of misuse.

4.3.1 Business Services is responsible to audit all PCard transactions and address any instances of misuse or noncompliance.

4.4 PCards are considered a form of payment for goods and services and must adhere to Policy 221: Procurement.

4.4.1 Some transactions, such as those related to awards/gifts/prizes, meals, hotels, or entertainment, may require additional information (e.g., attendee lists, more detailed business purpose, etc.).

4.5 PCards may be used for travel expenses. When an expense is directly related to a travel scenario, reference University Policy 223.

#### 4.6 Cardholder Responsibilities

4.6.1 The Cardholder is the only authorized individual who can use their PCard.

4.6.2 The Cardholder must keep their PCard in a secure location to prevent the PCard from getting lost, stolen, or misused.

4.6.3 The Cardholder must protect their PCard account information from being misused.

4.6.3.1 PCard account numbers must never be emailed.

4.6.3.2 Online merchants must provide a secure payment portal to use a PCard for the purchase.

4.6.4 The Cardholder must regularly monitor their transaction history to ensure suspicious activity has not occurred.

4.6.5 The Cardholder must ensure all PCard transactions are Reconciled and submitted for approval.

4.6.5.1 The Cardholder must ensure any travel-related expenses on a PCard are not reimbursed to themselves.

4.6.5.2 Unapproved transactions must be reimbursed by the Cardholder to the University.

4.6.6 The Cardholder, in conjunction with their Supervisor, must notify Purchasing Services before a position change, extended leave, or changes in employment/student status at least 14 days before the status change, or immediately if the status change is within 14 days.

4.6.6.1 PCards must be deactivated during periods of extended leave exceeding 30 days (e.g., FMLA, etc.).

4.6.6.2 PCards must not be used within 14 days of the Cardholder's final date of employment or student status.

#### 4.7 Supervisor Responsibilities

4.7.1 The Supervisor is the only individual authorized to approve the

request for a PCard to be issued to any of their employees.

4.7.2 The Supervisor must ensure their employees are aware of all applicable PCard policies and resources.

4.7.3 The Supervisor is the only individual authorized to request changes to internal restrictions on a PCard (e.g., credit and transaction limits).

4.7.4 The Supervisor must approve all transactions and activity on their cardholders' PCard reconciliation.

4.7.4.1 The Supervisor shall address any unapproved transactions or misuse directly with the Cardholder and involve Purchasing Services, as needed.

4.7.5 The Supervisor, in conjunction with the Cardholder, must notify Purchasing Services of any position changes, extended leave, or changes in employment/student status at least 14 days before the Cardholder's status changes.

4.7.5.1 In the event a Cardholder leaves the University with unreconciled transactions, the Supervisor is responsible for the reconciliation of those transactions.

4.8 Budget Administrators, when different from a Cardholder's Supervisor, must approve the use of their budget as part of the Reconciliation process.

#### 4.9 Prohibited Use of a PCard

4.9.1 The Cardholder must not split any purchase to avoid PCard restrictions, such as PCard transaction limits, or to avoid any potential situations in which a solicitation is required as defined in the University Procurement Policy 221.

4.9.2 The use of a PCard at any internal University entity that accepts credit cards is prohibited (e.g., Campus Store, Campus Dining, University Events, etc.).

4.9.3 Orders placed from merchants that require delivery must be delivered to a University location and not a private residence unless pre-approved by the Director of Purchasing.

4.9.4 PCards cannot be used in lieu of meal per diem when traveling.

4.10 The following items are considered prohibited to be paid for using a PCard:

- 4.10.1 Gift cards, items with face value, or vouchers with a specific stored dollar amount.
- 4.10.2 Alcohol or tobacco products for consumption (e.g., beer, wine, liquor, cigarettes, cigars, etc.).
- 4.10.3 Items that have not been approved by internal University departments that require such approval, such as I.T. related equipment and software, the use of University branding, the use of grant funding, facility remodels, gifts and awards, or purchases that require a signed agreement, as described in University Procurement Policy 221.
- 4.10.4 Sales tax within the State of Utah
  - 4.10.4.1 Cardholders must request to be tax exempt within the State of Utah. If a merchant cannot provide tax exempt status, the Cardholder must provide an explanation why the sales tax could not be removed. When a cardholder requests to be tax exempt and the merchant still charges sales tax, it will not be considered a violation or misuse.
  - 4.10.4.2 Merchants within the travel industry typically do not provide tax exemption (e.g., hotels, airlines, car rental agencies, fuel, etc.). Transactions that include sales tax from these types of merchants do not require additional explanation and will not be considered a violation or misuse.
- 4.10.5 Any item for personal use.

## **V. References**

- 5.1 PCard Guide: Utah Tech Homepage > Administrative Affairs > Business Services > Purchasing > Additional Information > PCard Guide
- 5.2 University Policy 221: University Procurement
- 5.3 University Policy 223: Travel

## **VI. Procedures**

- 6.1 PCard Application Process

6.1.1 Both the individual applying for a PCard and their Supervisor should consider the necessity of a PCard before completing an application to request a PCard.

6.1.1.1 Individuals with PCards should be in positions that frequently purchase goods or services for the University. Individuals may consult with Purchasing Services to understand if a PCard would be recommended for someone in their position.

6.1.2 A PCard Application must be completed and submitted to Purchasing Services. Purchasing Services will review each application and either approve or reject the application.

6.1.3 After approval of the application, Purchasing Services will create the PCard and send it to the Cardholder's Supervisor after the Cardholder has completed initial PCard training.

## 6.2 PCard Transaction Reconciliation

6.2.1 The University requires PCard Reconciliation on every PCard transaction to be completed electronically. Purchasing Services will provide a detailed user guide outlining the Reconciliation process.

6.2.2 All PCard transactions must be Reconciled within the deadlines set forth by Business Services and documented in the Reconciliation user guide.

6.2.2.1 Departments may elect to have their own internal deadlines, as long as they do not extend beyond the deadlines set forth by Business Services.

6.2.3 All PCard transactions must be Reconciled by documenting the Description of the purchase, the Business Purpose of the purchase, and an Itemized Receipt.

6.2.3.1 When a purchase requires additional documentation and/or internal approval, such documentation must be provided as part of the Reconciliation.

6.2.4 The Cardholder should retain all applicable documentation for Reconciliation until after the Reconciliation has been fully approved.

## 6.3 Discovery of Fraudulent Activity

6.3.1 When fraudulent activity is discovered, the Cardholder must immediately notify the PCard's issuing bank.

6.3.2 The issuing bank will investigate and document the fraudulent activity with the Cardholder and may issue a new PCard to the Cardholder.

#### 6.4 PCard Audits

6.4.1 Business Services audits all PCard transactions. The details of the auditing process are made available to all Cardholders in a PCard User Guide, located within the Purchasing Services website.

6.4.2 When PCard policies are violated, Business Services will notify the Cardholder directly of the violation.

6.4.2.1 PCard violations will be documented and may result in a PCard suspension.

### **VII. Addenda – N/A**

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Policy Owner: Vice President of Administrative Affairs

Policy Steward: Assistant Vice President of Auxiliary and Business Services

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