

UNIVERSITY OF MASSACHUSETTS  
CENTRAL ADMINISTRATION  
PROCARD USERS' GUIDE

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## INTRODUCTION

The purpose of the Purchase Card Program (ProCard) is to simplify the procurement and disbursement process of low-value goods and travel expenses. The Program is designed to streamline routine purchases by reducing processing time and paperwork, eliminating the need for some departmental purchase orders, expediting payments to vendors, and reducing travel reimbursements to employees.

**The Program is NOT intended:**

- For non-capital equipment purchases \$4999.99 and above
- To avoid or bypass appropriate purchasing or payment procedures
- For personal use

Using the purchase card benefits the University, the cardholder and the vendors. Use of the Procard provides better financial and cash management controls over low dollar value procurements. Vendors receive payments more quickly and the cardholder obtains goods and services without unnecessary delays.

## HOW IT WORKS

The purchase card is a special MasterCard credit card. It works in much the same way as your personal credit card except the bills are sent to and paid by the University. Each card has specific spending limits and card controls:

- # of transactions per day
- # of transactions per month
- # single purchase limit
- spending limit per month
- approved merchant category code (MCC)

Each time a vendor enters the cardholder's card number for a purchase, an electronic process verifies that the purchase is within these limits. All transactions are approved or declined by the vendor based on the verification results. Limits are set at the department level on the Card Application form.

The cardholder purchases directly from the vendor, either in person or by phone, mail, on-line or fax. Certain vendors or commodities have been "blocked" from usage in the program. (See Restricted Commodities)

Purchases are charged to the cardholder's department and each cardholder is responsible for reviewing, reconciling, and submitting the monthly statement issued by the bank with the transaction log.

## CONTRACT COMPLIANCE

Using the ProCard to facilitate low-dollar purchases does not exempt the cardholder from complying with the use of University contract suppliers. To maximize vendor competition and volume discount purchases, departments shall make use of Campus, University, State, and MHEC publicly bid contracts whenever practicable.

The list of current contract vendors may be found as follows:

State Contracts: <https://www.ebidsourcing.com/>

MHEC Contract: <http://www.mhec.net/>

## HOW TO APPLY FOR A CARD

Any University employee who regularly makes purchases on behalf of his/her department and has the approval of the department head is eligible for a purchasing card. There will, however, be a one-month probation period for new Central Administration employees before an employee may apply for a purchasing card. This probation period may be waived on a case-by-case basis. Central Administration will start quarterly training for cardholders new to the Procard Program or those who want to stay up to date with the rules and regulations.

The employee must request an application form from the department head and complete the cardholder information section. The application is then returned to the department head who will fill out the necessary information regarding credit limits and other card controls. The department head will then forward the application to Julie Kenny for processing.

It may take 2-4 weeks to receive your purchase card. Citibank will send the card to Julie who will contact you directly. Before you receive your card, you must sign a Cardholder Agreement and briefly discuss the benefits and responsibilities of carrying the Procard. This time will also afford the opportunity to go over such things as the individual Procard limits, answer questions, and set up an appointment for the next available training session. Each new cardholder is required to attend this training session.

Purchase cards are automatically renewed every two years. The renewal card will be sent directly to Julie Kenny 30 days prior to the expiration date on the card. She will send the card to the cardholder. The cardholder should cut up the expired card and dispose of it.

## CARDHOLDER RESPONSIBILITIES

Purchase cards are issued for the exclusive use of specific individuals. Only the cardholder is authorized to use the card. Exceptions may be made in certain circumstances. The cardholder who authorizes another University employee to use the card should understand, however, that he or she is still responsible for charges to the card and to insure that the card is not used inappropriately.

Charges incurred on the ProCard are a University liability. The cardholder should insure that the card is safeguarded from loss, theft or misuse. This means that the card should be carried on one's person or locked in a secure location when not in use.

Purchases made for the University are exempt from MA state sales tax and it is the cardholder's responsibility to ensure that MA state sales tax is not charged. The University's tax-exempt number is printed on the front of the card and a copy of the University's tax-exempt certificate is provided with this user's guide.

All receipts from ProCard purchases must be retained for proof of purchase, reconciliation, and auditing purposes. If a receipt is lost, the cardholder must contact the vendor and obtain a copy. If a copy cannot be obtained, a Missing Receipt Affidavit will be filled out as a last resort. Excessive use of the Missing Receipt Affidavit will result in revocation of the ProCard. In addition to a receipt, food purchased for University functions requires a Business Expense Form.

The Cardholder or designated person is responsible for maintaining a monthly transaction log. All receipts, packing slips, credit card slips, and invoices are to be attached to the monthly transaction log. Transaction logs must be kept in a secure location as the ProCard number appears on the invoice and statements.

Monthly transaction logs should be reconciled against the monthly statement within 15 days of receipt. All incorrect charges or product returns must be resolved promptly with the action taken recorded in the comments section of the transaction log.

Cardholders must not receive cash back for returns or exchanges. Returns or exchanges must be credited to the ProCard account, though a reimbursement check made out to the University of Massachusetts will be accepted in some cases.

If a problem arises with a transaction that the cardholder is unable to resolve directly with the vendor or if an error appears on your monthly statement please contact Julie Kenny as soon as possible.

Cardholders must report a lost or stolen card immediately to both Citibank 1-800-248-4553 and Julie Kenny. (See LOST OR STOLEN CARDS.)

Cardholders must return their cards to their supervisor upon leaving the University or changing departments.

## **RESTRICTED COMMODITIES**

The following restricted items may not be purchased using the ProCard:

- Alcoholic beverages
- Animals
- Anything prohibited by State or Institutional policy
- Carpet
- Cash advances of any type
- Construction, renovations, consultants
- All contractual agreements
- Equipment \$4999.99 and above
- Personal gasoline for personal vehicle.
- Gifts or donations (except memorial contributions in lieu of flowers)
- Gift cards (exceptions for official recognition programs made with prior approval and approval of Human Resources)
- Insurance
- Lease and lease-purchases
- Moving Services
- Office and laboratory furniture \$4999.99 and above
- Personal purchases
- Prescription drugs and controlled substances
- Radioactive and hazardous material
- Reimbursements
- Rentals (except vehicle rentals)
- Services contracts (exceptions can be made with prior approval)
- Split transactions
- Time payments of any type
- UMass Club transactions

## TYPICAL PURCHASES

- Administrative Supplies\*
- Books
- Cleaning Supplies
- Computer Supplies
- Non-capital Equipment under \$5000\*\*
- Maintenance Items
- Office Supplies
- Printing Expenses and Supplies
- Reprints of Journal Articles
- Software
- Conference Registrations
- Institutional Dues and Memberships
- Bottled Water
- Travel Meals, up to Current per diem Rate
- Subscriptions sent to cardholder's campus address
- Food for University Functions (requires Business Expense Form)\*
- Freight Charges/Postage
- Cell Phone Bills
- Airline Tickets
- Lodging
- Vehicle Rental for University Business
- Fuel for State Car or Rental for University Business
- Fast Lane Transponder for University Business

\* See attached Business Expense Policy (BOT Doc. T92-031). In addition, a tip of no more than 15% should be given.

\*\* Non-capital equipment (a cost of less than \$5,000) may be purchased using a ProCard, with the approval of Fund Administrator. Equipment purchased with the ProCard is reallocated to the correct non-capital equipment expenditure account (741970 non-capital equipment and 741980, non-capital IT equipment ). The asset will be fed into the Asset Management System. The paperwork for the purchased non-capital equipment must be forwarded to the Asset Manager.

## HOW TO ACTIVATE THE CARD

Sign the ProCard immediately upon receipt.

Upon receiving your ProCard, call Citibank at the number on the back of the card to activate the card. A representative will verify your identity to ensure that you are the proper cardholder. Transactions will reject if the card is not activated prior to use.

## HOW TO USE THE PURCHASING CARD

Prior to making your purchase:

- Check the list of restricted items to ensure your purchase is an allowable item
- Determine if the item can be purchased through contracted vendor
- Be sure that the total amount of the purchase (including shipping) will not exceed your card's applicable limit
- Be sure that you have sufficient budget available for your purchase
- Always let the vendor know that you are making a purchase for the University. This will make the vendor aware you are eligible for any applicable discounts.

Be sure you have any necessary authorization specific to your department to make the purchase.

Purchases in Person:

- Identify yourself as a UMASS employee making a purchase on your MasterCard Purchase Card
- Verify Contract Price
- Emphasize tax-exempt status
- Provide your Purchasing Card
- Obtain sales receipt or packing slip for your records
- Record purchases in monthly transaction log
- Attach receipts and invoice to transaction log
- Some vendors may require a copy of tax exempt form

Purchases by Phone, Mail or Fax:

- Identify yourself as a UMASS employee making a purchase on your MasterCard Purchase Card
- Verify contract price
- Emphasize tax-exempt status. If the vendor requires proof, send or fax a copy of the Exemption Certificate included in your ProCard folder.
- Provide vendor with your name, department, phone number, and delivery instructions
- Provide purchase card number and expiration date
- Confirm the total price of the order including shipping charges
- Request that receipts/invoices be sent with the order
- Obtain name of person taking your order
- Record purchase in monthly transaction log

- Inspect your order when you receive it to verify order accuracy, quality and price
- Attach all receipts to transaction log for reconciliation and audit purposes

## **SALES TAX EXEMPTION**

The University is exempt from paying Massachusetts state sales tax, and, in most instances, from other states as well. It is the responsibility of the cardholder to ensure that sales tax is not charged when making a purchase with the purchase card.

The sales tax exemption number, which is printed on the front of the Purchase Card, must be given to the vendor at the time of the transaction to exempt sales tax.

If you are charged tax you must request a credit from the vendor as soon as you discover the error. You must follow up with the vendor until the credit is received.

If a vendor requests proof of MA state sales tax exempt status, send or fax a copy of the tax-exempt certificate included in your information packet.

## **RECEIPTS**

Each transaction is required to have a corresponding receipt. Receipts include charge slips, cash register receipts, or packing slips. A copy of the renewal notice or the initial subscription request may be used as receipts for subscriptions.

Receipts must include the following information:

- Vendor name
- Description of item purchased
- Transaction date
- Transaction total
- Beginning and expiration dates for subscriptions

If a receipt is lost, the cardholder must contact the vendor for a duplicate receipt.

Citibank charges \$5.00 for each copy of sales draft that is requested.

Original receipts and completed transaction logs should be forwarded to Julie Kenny prior to the close of the next billing cycle. Please do not put tape over the writing on the receipts. Over time this causes the ink on the receipts to be unreadable.

## **RETURNING AN ITEM PURCHASED WITH A PROCARD**

If you purchased the item in person, return the item directly to the vendor and obtain a credit receipt.

Though cash refunds are prohibited, a check reimbursement from the vendor is acceptable in some cases. The check should be made out to the University of Massachusetts.

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

If the purchase was made by phone, mail, or fax:

- Contact the vendor for return instructions.
- Get a return reference number from the vendor.
- Follow University shipping procedures to send the item back to the vendor unless the vendor provides a postage shipping paid return envelope or label.

Attach all return documentation to the monthly transaction log for reconciliation and audit purposes.

Verify that the charge for the returned item does not appear on your monthly statement or that an offsetting credit has been posted to the statement.

## **DISPUTING A TRANSACTION**

The cardholder is responsible for follow-up with the vendor in the event of erroneous charges, disputed items and returns within 15 days of receiving Citibank's cardholder statement. Disputed billing can result from failure to receive goods, misuse, fraud, defective merchandise, duplicated charges, incorrect amounts or unprocessed credits.

The vendor should always be contacted first in attempting to resolve disputes.

If the issue cannot be resolved, please contact Julie Kenny immediately with supporting documentation.

All disputed transactions must be submitted to Julie within 50 days of the monthly cycle date.

## RECORDKEEPING

The cardholder or designated person is responsible for maintaining a monthly transaction log. All sales receipts, packing slips, credit card slips, and/or invoices should be attached to monthly transaction log. The transaction logs should be kept in a secure location because the card number appears on invoices and statements. To increase security, we are requesting that users do not put their full credit card number on their procard log. Please be sure to only use the last six digits from your card (i.e., xxxx-xxxx-xx46-4568). Monthly transaction logs should be reconciled against the purchase card statement within 15 days of receipt.

Any discrepancies should be promptly rectified with “action taken” recorded in the comments section.

Following reconciliation of the monthly statement, transaction logs and supporting documentation should be forwarded to Julie Kenny for audit purposes.

## AUDITS

Purchase card expenditures are subject to audit by internal/external auditors. In addition, post purchase reviews of **all transactions** are conducted by Julie Kenny or designee to determine if items have been purchased, proper records have been maintained, and policies and procedures are being followed.

All original receipts and records will be retained by the University Controller’s Office for a period of 5 years.

## CHARTFIELD STRINGS/ACCOUNTS

Use of the ProCard is restricted to non-appropriated chartfield strings. Purchases against state appropriations are strictly prohibited. Each card is for one account and one chartfield string.

*Administrative (EE) account is 736699*

If a chartfield string is over-expended or inactive, the department has 15 days to notify Julie Kenny with an alternate funding source. The default will only be used when Julie is NOT notified within the 15 day time period.

A reallocation program has been implemented which allows expenditures to be reallocated, which is performed by the Controller’s Office.

## **CANCELLATION/REVOCAION OF CARDS**

In the event that it becomes necessary to cancel a purchase card, the cardholder must surrender the card to the department head who will cut the card in half.

The department head shall provide written notification to Julie Kenny that the card is to be cancelled on a specific date along with an explanation as to why the card is being cancelled. Julie will then submit the necessary forms to inform the bank of the cancellation.

Reasons for cancellation and revocation include but are not limited to:

- Cardholder is no longer employed by department or University
- Cardholder goes on leave without pay
- Cardholder or department decides to discontinue participation in the program
- Purchasing restricted commodities
- Splitting transactions to avoid the single purchase limit
- Failure to use contracted or preferred vendors
- Failure to reconcile individual cardholder account
- Purchases for personal use
- Exceeding cardholder limits or available budget
- Violation of other University purchase policies and guidelines
- Excessive use of the Missing Receipt Affidavit
- Failure to have sales tax removed promptly

If a violation is believed to have occurred, a formal response from Julie Kenny will be issued. The user must respond with a corrective action within 15 day of receiving the warning. If the corrective action is not deemed appropriate or if the user is in violation one other time, the card will be subject to revocation. In extreme circumstances, Julie will review the situation, and possibly withdraw the revocation.

## **LOST OR STOLEN CARDS**

The cardholder must immediately report a lost or stolen card to Citibank at 1-800-248-4553. Representatives are available 24 hours a day, 7 days a week.

Call Julie Kenny at 617-287-4062 and follow-up in writing within 24 hours using the Lost or Stolen ProCard Notification Form.

## FREQUENTLY ASKED QUESTIONS

### **Will the bank do a personal credit check when I apply for a Purchasing Card?**

No. Your personal credit history will not be checked or affected when applying for or using the Purchasing Card because the University is liable for any charges incurred.

### **Why must I give my mother's maiden name on the Purchase Card application?**

This information is requested as a security measure. You will use this information to activate your Purchase Card when you receive it.

### **How do I get my credit limit raised?**

You must have your department head contact Julie Kenny in writing to have any of the controls on your card changed. This includes credit limits, transactions per day, or cycle limits.

### **What if my Purchase Card is declined?**

There are usually three reasons why a purchase may be declined:

- You have reached your monthly spending limit.
- Your charge is over single purchase credit limit.
- The merchant entered the wrong expiration date.

To find out exactly why your purchase was denied, you will need to contact the Citibank customer service department at the number listed on the back of your purchase card.

### **Can I obtain a duplicate charge or credit slip if the original is lost?**

Yes. You should first try to contact the merchant directly. If they cannot provide you with a copy, you may contact Citibank customer service at 1-800-248-4553. There is a \$5.00 charge for each copy, which will be billed to your purchase card.

### **Why do some employees have multiple cards?**

Each card is assigned one chartfield string from which all purchases made on that card are paid. Additional cards may be issued to accommodate employees who must make purchases on different chartfield strings.

## IMPORTANT PHONE NUMBERS

### To report a lost or stolen card (24 hours a day)

Have your account number ready when calling:

**CitiBank – 1-800-248-4553**

Also report the loss to your department and to Julie Kenny:

**Julie Kenny – 617-287-4062**

## TRAVEL

Travel related purchases now allowed include:

- Gasoline, automotive for state vehicles and rentals for University Business. Make sure that the state vehicle license number is written on fuel receipt.
- Automobile rentals
- Hotel Accommodations\*
- Transportation fares (Airline, train, bus tickets)
- Fast Lane Transponders and Tolls for University Business
- Parking
- Meals for ***overnight travel***. The current per diem guidelines apply to meals charged using the Procard.

***\* Personal expenses that appear on invoice for hotel charges must be paid for with traveler's personal funds at time of check out. These charges may include - in-room movies and telephone charges over \$20.00 per trip.***

Daily per diem rate	\$40.00	\$50.00
Breakfast	\$ 7.50	\$ 9.50
Lunch	\$12.50	\$15.50
Dinner	\$20.00	\$25.00

For travel in Boston, New York City, Washington DC, San Francisco, Baltimore, Chicago, Philadelphia and Seattle, the per diem rate is \$50.00

For travel for other cities within the US, the per diem rate is \$40.00

To assist with the determination of which meals were provided during a conference, a copy of the agenda (meeting schedule) must be included with the travel reimbursement request. Travel forms must also include the actual time of departure from the traveler's home or place of business for the trip and time the traveler arrived home (or ended their University business if using personal time while on their trip.)

If certain circumstances, such as unique dietary needs, make it necessary for the traveler to forego the provided meals, the traveler may then claim up to the maximum meal allowance. **In such cases, receipts and a written explanation are required.**

### **Determining Per Diem Amounts**

Per diem is calculated using the traveler's time of departure and time of return. The traveler is entitled to one day per diem for every twenty-four hour period and one half-day per diem for any 12 hour period. For instance, if a traveler left for a trip at 6am on 01/01 and returned at 4pm on 01/04, the traveler would be entitled to 3 days per diem. The traveler would not be eligible for a half-day per diem on 01/04 because it is only 10 hours from 6am to 4pm and therefore does not meet the 12 hour half-day requirement.

The breakdown of the per diem amounts by meal is to be used only to deduct meals that are provided at a conference or were paid as a business/entertainment expense.

### **Business Meals Incurred While in Travel Status**

Per diem may not be claimed for any meals that are reimbursed by the filing of a Business Entertainment Expense Report.

## **INFORMATION FOR BUSINESS MANAGERS**

Each ProCard is initially set up with a speedtype designated by the department. In addition, the default account is 736699.

Each transaction is reallocated to different accounts, depending on the transaction. For example, a transaction for an airline ticket would be reallocated to 737100, the appropriate account for out of state employee travel. Account changes are authorized by the University Controller's Office and by designated ProCard reallocators appointed at departmental level.

Speedtype changes are requested by the Business Manager for each department. These are requested in the "REALLOC CODE" field on the transaction log. If the transaction log is submitted before a transaction is final posted, meaning the transaction is still open and available for changes in Peoplesoft, the new speedtype will be changed on-line. If a transaction has already been final posted and a voucher has been created, a journal entry will be created to make the transfer.

The business manager for each department is responsible for ensuring that the transactions are posted to the proper speedtypes. These changes will be reflected on the monthly reports.

If reallocating to another department's speedtype, prior approval from that department is required. Documentation of the prior approval should be submitted with the monthly procard logs.

## CELL PHONES AND HANDHELD DEVICES

Before purchasing any personal communication devices on the procard, please be sure to review the procurement guidelines. This would include any cost associated with the upgrade of existing equipment that will be auto billed to the Procard. Before the device is purchased, a handheld request form must be filled out, signed by the appropriate staff and then returned to Julie Kenny for placing the order. See below for links:

Personal Device Guidelines –

[http://media.umassp.edu/massedu/controller/personal\\_device\\_guidelines.pdf](http://media.umassp.edu/massedu/controller/personal_device_guidelines.pdf)

Handheld Request Form –

<http://media.umassp.edu/massedu/controller/Handheld%20Request%20Form.pdf>