



LOYOLA UNIVERSITY MARYLAND

— 1852 —

PROCUREMENT CARD POLICY

DIVISION WITH PRIMARY RESPONSIBILITY: Business and Finance

OFFICE FOR ENSURING COMPLIANCE: Financial Services/Accounts Payable

CONTACT OFFICE: Accounts Payable, accountspayable@loyola.edu

EFFECTIVE DATE: May 2, 2016

REVISION HISTORY: N/A

SCHEDULED FOR REVIEW: Annually

POLICY SUMMARY

This Procurement Card Policy (Policy) sets forth allowable and unallowable use of Loyola University Maryland's (Loyola's or University's) procurement card. The Policy also delineates the responsibilities of the cardholder and the approver. Issuance of a procurement card is based on business need. Cardholders must use the card responsibly and in a manner consistent with the University's mission and values.

REASON FOR POLICY

The University's procurement card program has been established to provide a fast and efficient way to make purchases or to pay for travel-related expenses while reducing the time and costs associated with initiating and processing payments for those purchases. The program is designed to replace a variety of processes including petty cash withdrawals, cash advances, local check writing and small dollar purchase orders. All cards are issued at the request of the account administrator of the budget to which transactions are to be charged. Card usage will be routinely audited by Accounts Payable and may be cancelled at any time by the cardholder's supervisor via Accounts Payable or directly by Accounts Payable for non-compliance.

With the exception of office supplies orders placed online at www.StaplesAdvantage.com, the procurement card is a charge card that can be used for purchases from any merchant that accepts Visa as a form of payment. In order to reduce the amount of time spent processing individual payments for small dollar items, the procurement card is to be used as the primary payment method for such purchases and for all travel-related expenses. Office supplies will continue to be billed via a blanket purchase order, issued to the currently approved vendor(s). Reference <http://www.loyola.edu/departments/fcs/purchasing.aspx>. If the University approved vendor has a retail presence, employees must register their procurement card with the vendor to receive Loyola preferred pricing at the store.

Please note that the procurement card is a corporate liability card and, as such, will not be reflected on the cardholder's personal credit history.

STATEMENT OF POLICY

A. LIMITATIONS OF THE USE OF PROCUREMENT CARDS

The University has established a procurement card program as a cost-effective means of transacting University business. This Policy sets forth certain limitations on the use of procurement cards including:

1. Procurement cards are issued by legal name to individual employees who are authorized to purchase travel-related services and/or allowance purchases (see Section B. Allowable Purchases) on behalf of the University, up to pre-approved limits. The card cannot be transferred to, assigned to, or used by anyone other than the designated employee.
2. When more than one University employee from the same department is present at the time of a purchase, the procurement card of the supervisor is to be used for the transaction.
3. Use for personal purchases is strictly prohibited.
4. Procurement cards cannot be used for certain restricted items as indicated in the Unallowable Purchases section of this document.
5. Fraudulent use and/or misuse of the card are grounds for cancellation of procurement card privileges and may lead to disciplinary action, including, but not limited to, termination of employment.
6. Accounts Payable will closely monitor all procurement card transactions.
7. Procurement cards are issued to full- and part-time employees only and cannot be issued to students or temporary employees.

B. ALLOWABLE PURCHASES

All transactions must be for the use and benefit of the University; personal purchases are not permitted.

Examples of purchases which can be made quickly and efficiently utilizing a procurement card include:

1. Dues, memberships, licenses, applications fees
2. Conference and seminar registration fees
3. Airline, hotel, train, and rental car reservations for University related business travel
4. Meals for University approved business
5. Program/office supplies

Purchases made under a grant must comply with appropriate procurement regulations, and, may, therefore, supersede this Policy. Contact the Office of Research and Sponsored Programs or the Controller's Office for assistance.

C. UNALLOWABLE PURCHASES

Examples of purchases which are not permitted to be made via a procurement card include:

1. Personal charges, even with the intent of reimbursing the University. If a cardholder makes an accidental personal purchase on their card, the cardholder should immediately notify Accounts Payable.
2. Any transaction(s) that exceeds the available budget
3. Fuel (except for rental cars or University vehicles)
4. Loyola inter-departmental purchases, with the exception of the campus bookstore and retail dining

5. Items prohibited or regulated by other University policy
6. Any contract, agreement or arrangements whereby the University is required to sign any type of contract or agreement (e.g., leases, independent contractors, consultants, etc.)
7. Payment for services rendered by entities, unless vendor is incorporated
8. Gift cards and/or gift certificates
9. Legal expenses or fees
10. Medical supplies, services or expenses

D. SUSPENDING OR CANCELLING A PROCUREMENT CARD ACCOUNT

Loyola may terminate the right to use a procurement card at any time for any reason. The cardholder must return the procurement card to the University immediately upon request or upon termination of employment. Improper use of the procurement card may result in disciplinary action, including, but not limited to, termination of employment.

A procurement card account may be suspended or cancelled if the cardholder:

1. Has procurement card transactions unprocessed for more than 45 days;
2. Shares his/her card with someone else;
3. Uses the card for personal expenses not incidental to a business trip or for any other charges outside of this Policy;
4. Consistently does not have the necessary receipts; or,
5. Uses the card for any unallowable purchases.

The supervisor/budget manager is authorized to request the cancellation of a card at any time. The supervisor/budget manager must destroy the canceled card. For security reasons, procurement cards may not be sent through intra-departmental (campus) mail. A procurement card must be cancelled if:

1. The cardholder is transferring to a different department within the University;
2. The cardholder is leaving the University; or,
3. The cardholder's position no longer requires use of a procurement card.

E. CARDHOLDER'S RESPONSIBILITIES

It is the responsibility of the individual cardholder to:

1. Determine available funds allowing for items in transit that may not yet appear in MyBudget (e.g., interdepartmental chargebacks, previous procurement card charges, etc.).
2. Abide by all University travel-related policies and procedures which are published on the Procurement website <http://www.loyola.edu/department/fcs/procurement.aspx>. A traveler cannot approve his/her own travel. Procurement cardholders making travel arrangements for individuals other than their direct reports must obtain the approving signature of the traveler's supervisor prior to submitting their monthly statement to Accounts Payable.
3. Place an order with a vendor using a sales tax exemption [certificate](#) where appropriate. When in doubt, cardholders should contact Accounts Payable prior to placing an order. Travelers should contact Accounts Payable before traveling to see if the University holds a sales tax exemption certificate for their destination..

4. Ensure that the receipt of goods is retained that includes the purchase date, vendor name, item(s) description(s), quantity, unit price and total charge.
5. Ensure that travel receipts are retained. All lodging expenses must be substantiated by itemized receipts with information sufficient to substantiate the amount, date, time, place, and business purpose of each expense.
6. Authenticate the validity of all charges by submitting expense reports on a timely basis as defined by University procedures.

Cardholders should immediately report lost or stolen cards or unusual activity on any procurement card to PNC at 1-800-685-4039 or the Accounts Payable Supervisor at 410-617-1357.

If use of the card is found to be in violation of University policies and procedures, the cardholder will be required to return the item(s) or incur the charge(s) as a personal expense(s), and could lose card privileges or face additional disciplinary action, including, but not limited to, termination.

F. SUPERVISOR'S/BUDGET APPROVER'S RESPONSIBILITY

It is the responsibility of the Supervisor/Budget Approver to:

1. Complete a review of the cardholder's monthly reconciliation. The supervisor/budget approver will sign off on the monthly statement and expense log to confirm that all expenses are of appropriate business need.
2. Confirm with cardholder all general ledger account assignments have been submitted on PNC Active Pay by the 5th of the month following the statement close date. See [Important Monthly Procurement Card Dates](#) for specific dates.

DEFINITIONS: None

CROSS-REFERENCED POLICIES AND PROCEDURES:

- Gifts to Employees and Students
- Negotiating and Entering into Contracts or Agreements Policy
- Signature Authorization Policy
- [State Tax Exempt Certifications](#)
- Business Travel Expenses Policy
- Business Expenses Policy