

DEPAUL UNIVERSITY



Procurement Card (ProCard) Requirements

Category: Financial Affairs

Responsible Department: Procurement Services

Responsible Officer: Executive Vice President

Effective Date: 6/18/2021

Policy Summary

This policy outlines the requirements and responsibilities associated with the university Procurement Card program.

Scope

This policy affects the following groups of the University:

- Executive Officers
- Full-Time Staff
- Part-Time Staff
- Full-Time Faculty
- Part-Time Faculty
- Cost Center Owners

This policy affects those with responsibility for managing funds related to the ProCard program - cardholders, approvers, expense entry delegates, cost center owners and other managers.

Policy

Overview

The University Procurement Card (ProCard) is a corporate liability credit card, provided to employees with a valid business need to provide them with the flexibility to quickly and easily obtain goods and services. The ProCard is the preferred method of payment as it streamlines purchases to improve efficiency and reduce administrative costs.

Types of ProCard Users

- **Cardholder:** The cardholder is the person to whom the card is issued and whose name is embossed on the front. Cardholders can delegate system edits to an expense entry delegate, but not the responsibility.
- **Approver:** Approvers review and approve transactions submitted by cardholders. The approver is generally the cost center owner or project manager of the budget that is incurring the charge. In some cases, multiple approvers may exist on a single transaction (e.g. multiple cost centers, special purchasing categories). Approvers may delegate their approval role if they so choose, but that delegation cannot result in the approval of their own transactions.
- **Expense Entry Delegate:** An Expense Entry Delegate is an individual who has the ability to make segment edits, document transactions and attach receipts to transactions on behalf of the cardholder. Once the Expense Entry Delegate submits the transaction for approval, the cardholder is notified that the transaction has been submitted and can choose to review details.

Cardholder Eligibility

All employees are eligible to enroll in the program provided the employee has a legitimate business need and approval from their manager. Part-time employees may receive a card only if they also have a regular work schedule (generally greater than 15 hours per week). All applications for a ProCard are subject to approval from Procurement Services.

To apply for the program, the [ProCard Application Form](#) is required and must be signed by both the potential cardholder and their line manager. The cardholder must have a background check on file with the Office of Human Resources or submit to have one conducted per the [Criminal Background Checks](#) policy. Prior felonies of a financial nature may disqualify the user from ProCard eligibility.

Once all forms have been approved, cardholders must attend a training session before the card will be issued. Training covers usage of the card, policy requirements and the online system. There will be an annual training re-certification process for all cardholders and approvers.

Cards not used in over year may be cancelled without prior notice if there is not sufficient justification for the inactivity.

Use of the ProCard

The ProCard is only authorized for legitimate business expenses and cannot be used for personal expenses. If personal expenses occur on the card, the cardholder must reimburse the university within 14 days of the transaction. Repetitive and/or egregious personal expenses may be subject to the violations section of this policy.

In some instances, specific processes or other payment methods may be more appropriate or required. Details of these other processes and policies that users should be aware of can be found in the [Prohibited and Special Purchasing Processes](#) policy.

Examples include, but are not limited to:

- Catering
- Computer and tablet purchases
- Gifts and gift card purchases
- Sales taxes
- Software licensing
- Stationery
- Transactions between University departments (internal to DePaul)
- Used equipment

Cardholders are responsible for protecting the ProCard, as they would any university asset. It should not be left in unsecured areas when not in use nor should the card, or number, be shared with others.

Spend Limits

ProCards have a limit of \$3,500 per transaction and \$10,000 per monthly cycle by default. Department management can lower these default amounts at any time by contacting Procurement Services. Permanently increasing the amounts above these limits requires approval from the Cardholder's line manager and Procurement Services.

Transactions may not be split into multiple purchases to circumvent these limits. For temporary increases, contact Procurement Services with the desired limits and justification for the increase.

Documentation Requirements

All transactions (including credits, refunds, transaction fees, disputed transactions, etc.) must be documented in the "Description" field of the Expense Module with a clearly stated business purpose (e.g. why the expense was needed to further DePaul's business).

Travel (hotels, car rentals, conferences, transportation, etc.) also requires the dates of the trip or event. Meals and entertainment must include the name, title, and organizational affiliation for each attendee, whether or not an attendee is a university employee. The additional substantiation is not required for entertainment expense which includes only university personnel or for events which are related to prospective (e.g., recruiting) or current students, marketing, fundraising, public events, or public service functions. These items can be documented within the submission.

Receipt Requirements

Transactions under \$25 that are charged to cost centers (e.g. operating, gift) do not require a receipt. All project transactions (e.g. grants, capital) require receipts regardless of amount. If a receipt is required, it must be itemized and legible, obtained directly from the vendor (a credit card statement or summarized credit card slip will not suffice). Please note, even if a receipt is not required, an Approver may still request an itemized receipt or other supplemental support, at their discretion, to substantiate the business purpose and validity of the charge.

Once the transaction has been submitted in the Expense Module, the receipt stored online becomes the official record and is the responsibility of Financial Affairs in accordance with the [Records Retention Schedule](#). Upon submission, the hard copy of support that was submitted may be destroyed.

If a transaction requires a receipt and the receipt is inadvertently lost, it may be considered as non-compliant with this policy. Cardholders must then make an attempt to obtain a copy of the receipt from the vendor. If a copy cannot be obtained, the [Missing Receipt Form](#) must be filled out and attached as backup. Missing Receipt Forms are subject to approval by the Cardholder's line manager.

Review and Approval of Transactions

All transactions must be submitted by Cardholders and reviewed/approved by Approvers within 30 days of the transaction's post-date. However, it is recommended that transactions be reviewed and approved as soon as possible to facilitate documentation of an accurate business purpose, reduce the incidence of lost receipts and facilitate early detection of fraud. Repeated late submission, or approval, will be considered an instance of non-compliance with this policy.

Individual departments may implement unit-specific approval procedures, which must be in writing and consistent with this policy. In the event of any conflict between local unit procedures and this policy, the terms and requirements of this policy will govern.

Cardholders must review segments to ensure the expense is appropriately classified, document the transactions in line with the requirements in this policy and attach any relevant documentation (receipts, additional information, etc.). Cardholders are responsible for compliance with university policies. Transactions must then be submitted to the Approver for review and approval.

If a Cardholder submits a transaction that is specifically for the Approver's individual use (e.g. airfare, phone bill), the Approver must add their line manager as an additional Approver on the transaction. If Cardholders routinely incur charges on their Approver's behalf, please contact Procurement Services, as alternative approval routing can be configured for this specific scenario.

Approvers must review and understand all transactions to ensure that they are legitimate business expenses and appropriate to be charged against their budget. This includes reviewing segments, documented business purpose, receipts and other attachments.

If an Approver does not believe a transaction is in compliance, they must take one of the following actions to rectify the transaction so it can be approved, as all transactions must eventually be fully approved:

- The concern is corrected (e.g., business purpose is restated, segment corrected, more legible receipt attached)
- The Cardholder reimburses the university, if it is a personal purchase
- The Approver or line manager documents the issue and takes appropriate action if it is repetitive
- Progressive discipline is taken for egregious or repeated instances of non-compliance in line with Human Resources policies

In cases of suspected fraud contact Internal Audit or the misconduct reporting hotline via phone at (877) 236-8390 or submit a report online at depaul.ethicspoint.com. Allegations of fraud are protected by the university's [Reporting Misconduct and Non-Retaliation](#) policy.

In addition to review by Approvers, all transactions are subject to audit by Financial Affairs prior to completion. Transactions are systematically selected for audit and reviewed by Financial Affairs to ensure the Cardholder's submission is compliant with this and other policies.

Leaves and Terminations

If a cardholder goes on leave, the line manager is responsible for notifying Procurement Services so the card can be temporarily suspended. Procurement will monitor the transactions and submit them on behalf of the cardholder so that the Approver can enter a business purpose, segments and receipts prior to approving the transaction.

Line managers must notify Procurement of any employees with a ProCard who transfer to other departments or retire so the card can be cancelled. Cardholders who transfer departments will have to reapply if they will need a ProCard in their new position.

Employees and/or their Line managers are responsible for returning/collecting any receipts or other documentation when an employee leaves the institution or department. The card should be destroyed.

Lost/Stolen Cards and Disputed Transactions

To report a ProCard lost or stolen, contact the bank as soon as possible at (800) 685-4039. The university and the department may be held liable for any charges made on the card if it is not reported in a timely manner.

Transactions that the cardholder does not recognize must be disputed with the bank within 60 days.

Violations

Procurement Services, Financial Affairs, Compliance & Risk Management and other offices regularly conduct reviews of ProCard transactions. These reviews may look for compliance with this and other policies. Where findings of non-compliance are repetitive and/or egregious in nature, a variety of consequences can occur, including but not limited to:

- Requirement to re-attend training
- Card suspension
- Card termination
- Reimbursement of inappropriate spending
- Disciplinary action, up to and including termination

Additionally, three documented instances of non-compliance during a fiscal year will result in a six month suspension of ProCard privileges. Approval and recertification will be required to obtain a new card after a suspension.

Exceptions

Any exceptions to this policy must be approved by the Director of Procurement Services.

Procedures

Information relating to using the ProCard, the online system and reporting tools available to departments can be found in the [ProCard Handbook](#) or the [Procurement website](#).

Divisional Collaborations

None

Contact Information

Procurement Services

procurement.depaul.edu

(312) 362-7510

procurement@depaul.edu

Appendices

ProCard Website

- <http://financialaffairs.depaul.edu/procurement/procard/procard.htm>

How to Buy Guides

- <http://financialaffairs.depaul.edu/procurement/howtobuy/howtobuy.html>
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History/Revisions

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