

ETSU PROCARD MANUAL

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I. THE PROCARD PROGRAM

Procurement and Contract Services is responsible for managing the procurement card program. For assistance, contact the Procard Administrator at 439-4741.

The Procard program streamlines the purchasing process for low-value purchases less than \$5,000, including shipping and handling. The program utilizes the US Bank Mastercard procurement card as the payment-processing medium.

When placing an order with a vendor, Cardholders use their Procard in lieu of ETSU purchase orders.

University employees who are issued a procurement card are provided the ability to make purchases on behalf of their department or unit up to the spending limits imposed by the card. Cardholders are expected to make sound business decisions in the best interest of the university, perform their duties competently, and comply with the policies and procedures. The department head, however, retains ultimate responsibility for purchases with procurement cards and the administration of the program in his or her department. The department, therefore, is expected to make reasonable efforts to select appropriate employees as Cardholders and ensure that these employees use the card in a proper manner and in compliance with university policies.

Charges are accumulated monthly and charged to a "default" index and account code or are reallocated to different index and account codes. Then data is transmitted to the Banner Financial System

II. DEFINITIONS

- Agency** East Tennessee State University is the agency in the relationship between US Bank and the University for Procard services.
- Purchasing Card** The Purchasing Card (Procard) is a Mastercard credit card issued by US Bank that works similarly to a personal credit card, except the charges are billed directly to the University. The Procard contains the cardholder's name and "East Tennessee State University." The University's tax exempt numbers are embossed on the face of the card.
- Cardholder** An employee of the University who is approved by his/her department head to use the Procard to execute purchase transactions on behalf of the University. Cardholders are expected to make sound business decisions in the best interest of the University, perform their duties competently, and comply with this guideline and related policies and procedures.
- Card Issuer** US Bank is the card issuer in the relationship between East Tennessee State University and the bank and is primarily responsible for issuing Mastercard purchasing cards to University-approved employees, billing the University for all purchases made

on the cards, and collecting payment from the University on behalf of the merchants.

Merchant/Vendor	A retailer, or any other person, firm, or corporation that, according to a Merchant Agreement with the bank or Mastercard, agrees to accept credit cards when properly presented.
Department Head	University official who must approve employee's request for a Procard. The department head is expected to make reasonable efforts to select appropriate employees as cardholders and ensure that these employees use the card in a proper manner and in compliance with University policies. Report any questionable purchases to the Procard Administrator. Report suspected fraud to University Internal Audit. The department head agrees to notify Procurement and Contract Services immediately of the termination or transfer of a cardholder. If the department head is the cardholder; then, the next level of authority must notify Procurement and Contract Services in accordance with the previous sentence.
Verifier	An employee within each department/college who is approved by his/her department head to be responsible for verifying that all charges against the cardholder's account are substantiated by supporting documentation, reallocation of charges are made to department index/account codes, and the documentation is retained within the department for audit purposes. If possible, the verifier should be an employee other than the cardholder and is normally an administrative associate or office coordinator. Depending on the size of the department and with department head approval, the cardholder and verifier may be the same person.
Approver	An employee within each department/college who is in a position of authority and can objectively question any and all cardholder purchases and be actively involved in the business management aspect of the department. The approver is responsible for the final independent review and approval of Procard transactions and receipts. Typically, this position is a department head, business manager, principle investigator, or the next level of authority to the cardholder. A cardholder may have more than one card approver. If an approver, principal investigator, or administrator is also the cardholder, then the cardholder cannot be his or her own approver. The next level of authority must provide independent review and transaction approval.

Procurement Card Administrator	The University's official who coordinates the Procard Program for the University and acts as the University's intermediary in correspondence with the card issuer.
Merchant Category Code (MCC)	A numeric code designating a grouping of one or more individual merchant/vendor who sell similar merchandise. It is an industry-provided code that categorizes all suppliers based on the goods and services sold.
US Bank Access Online	A web-based software program that provides users on-line access to transaction information via the Internet to analyze data, attach and approve receipts, enter notes, analyze reports, change budget index/account codes and approve monthly cardholder transaction. US Bank Customer Service - Card Service Center - The Card Service Center provides assistance to cardholders and card administrators 24 hours a day, 365 days per year. Call 1-800-344-5696.

III. PROCEDURES

A. Description

Procards are only issued to University employees, in the employee's name. Procards are not transferable between individual employees. Each Procard is assigned to a specific employee, department, and a default Banner index number. Department cards are prohibited except for Facilities Management and Public Safety.

B. Types of Procards

- 1) Basic card for supplies, some services and approved employee/student airfare and registrations.
- 2) Student group/team travel card.
- 3) Study abroad card.
- 4) University department owned vehicle card.

Once a transaction has been uploaded into Banner and charged to an index, the charge will not be transferred to another index number. Exceptions can be made for unusual circumstances as approved by the Associate Vice President Financial Services.

C. Authorized Purchases

1) Supplies and Services

Supplies and services, except those described in section III.D, can be ordered directly from vendors. The credit card processor at the point of sale should automatically decline any transactions outside the established parameters. A more extensive list of what purchases can be made using the Procard can be found at this link: [Procard Reference Sheet](#)

2) **Shipping Address**

All shipments must be to university addresses. Under no circumstances are shipments to go to a home address.

3) **Expenditure Limit**

The expenditure limit for this program is \$4,999.99 for each transaction including shipping. Purchases of like or similar nature are not to be split in order to bypass the bid limit of \$10,000. Splitting purchases to avoid the single transaction limit is not allowed. Failure to comply with these requirements may result in the Cardholder and department losing their Procard privilege.

4) **Examples of erroneously splitting orders to avoid bidding:**

(Order A) Furniture Inc.	11/06/19	Desk chair	\$2,600
(Order B) Office Budget Furniture Co.	11/06/19	Desk	\$3,900
(Order C) Furniture Inc.	11/06/19	Bookcase	<u>\$4,400</u>
		Total	\$10,900

(Three orders for similar items totaling \$10,000 or more. This should be bid.)

(Order A) Furniture Inc.	11/06/19	Desk chair	\$2,600
(Order B) Office Budget Furniture Co.	11/09/19	Desk	\$3,900
(Order C) Furniture Inc.	11/10/19	Bookcase	<u>\$4,400</u>
		Total	\$10,900

(Three orders for similar items on three different days totaling \$10,000 or more. This should be bid.)

These are similar items and should not be split into multiple orders. The bid limit is \$10,000 including estimated shipping costs. Orders should not be split to avoid the bid process.

5) **Examples of erroneously splitting orders to avoid the single purchase limit:**

(Order A) Furniture Inc.	11/06/19	Desk chairs	\$3,570
(Order B) Furniture Inc.	11/06/19	Desks	<u>\$6,930</u>
		Total	\$10,500

Orders should not be split to avoid the single purchase limit of less than \$5,000. Departments should not allow the vendor to process two separate transactions to keep the dollar amounts less than the single purchase limit or the bid limit.

The combining of Procards within a department to exceed the bid limit or single purchase limit is not allowed.

D. Restricted Purchases

The following may not be obtained with the Procard:

1. **Personal purchases or cash withdrawals**
2. **Entertainment expenses**

3. **Advertisements:** Exceptions: Some vendors require a credit card be used for placing advertisements, either personnel or marketing. If this is the case, place the ad in eBucs, the University's electronic purchasing system, using the Advertising-Employment form or Advertising-Marketing form respectively. This allows the advertising requests to route to either Human Resources (personnel ads) or University Relations (marketing ads) for proper approval. Advertising - Marketing and Display to be placed on the web can be approved by an email from University Relations. The credit card information goes in the secure Billing section of the eBucs cart.

When the eBucs requestor receives notification that the order has been issued, the Cardholder can place the advertisement with the vendor. **The approved ad copy attached to the order must be used when placing the advertisement.**

The eBucs purchase order number or a copy of the purchase order should be included in the Procard supporting documentation. A Banner purchase order number will not be issued when a procurement card is used on a purchase order.

4. **Contracts or licensing agreements** (including software): **NOTE: Do not sign vendor contracts or licensing agreements. These should be sent to the Procurement Office by submitting a requisition with the contract/agreement attached using eBucs, the University's electronic purchasing system. The contract/agreement will be reviewed for language unacceptable to ETSU and the State of Tennessee.**
5. **Maintenance & service agreements**
6. **Printing & copying**
7. **Identity Products**
8. **Carpet**
9. **Animals**
10. **Fees** (for example, accreditation fees)
11. **Insurance of any sort**
12. **Gasoline:** Note: Special Procards can be issued for gasoline and maintenance of university owned vehicles only. Contact the Procard Administrator for additional information (see exhibit 1).
13. **Rental of vehicles of any sort**
14. **Pagers, cell phones or telephones of any type**
15. **Flowers, gifts, gift certificates or gift cards:** Exception: Flowers for an approved University event or activity are allowed. Procard records should be documented accordingly.
16. **Computers of any sort** (see exhibit 2)
17. **Personal computational devices** (see exhibit 2)
18. **Alcohol** (190-200 proof denatured or alcoholic beverages): Note: 190-200 proof denatured alcohol can be requisitioned from ETSU Central Receiving using eBucs
19. **Apps for personal computational devices** (See exhibit 2)

Any use of the Procard for unauthorized transactions may result in disciplinary action including, but not limited to, the loss of Procard privileges, suspension or termination. Employee may be held personally liable for any misuse of Procards assigned to them.

E. Sanctions for Misuse of Procard

First Offense:

- Cardholder, with copy to department Approver, receives an email warning from Procard Administrator.
- If funds were spent inappropriately, Cardholder must provide proof that funds were reimbursed.

Second Offense:

- Cardholder, with copy to department Approver, receives an email warning from Procard Administrator.
- Department Head (e.g., Dean, Director, and Vice President) is notified.
- If funds were spent inappropriately, Cardholder must provide proof that funds were reimbursed to the University.
- Cardholder must attend mandatory Procard training. If training is not attended or proper documentation is not provided, the Procard will be immediately terminated or frozen for a month.

Third Offense:

- The Procard is terminated. Cards for the entire department may also be suspended. In the event that the Cardholder used the Procard to make a personal purchase, the Tax and Revenue Services Office will make a determination as to whether taxable income should be assessed. Department Head (e.g., Dean, Director, and Vice President) is notified. In addition, the incident will be reported to the Cardholder's department head for the pursuit of potential disciplinary action in accordance with applicable University policies and State statutes.

F. Sanctions for failure to review Cardholder Monthly Purchases:

First Offense:

- Cardholder, with copy to department Approver, receives email warning from Procard Administrator
- Provide screenshot of US Bank Access Online transaction approval for missed months and the current month's

Second Offense:

- Cardholder, with copy to department Approver, receives email warning from Procard Administrator.
- Department Head (e.g., Dean, Director, Vice President) is notified.
- Card Approver and Cardholder must attend mandatory Procard training together.

Third Offense:

- The card use is terminated. Cards for the entire department may also be suspended. Department Head (e.g., Dean, Director, and Vice President) is notified.

G. Sanctions for Fraud

In the event that any Cardholder used the Procard to make a fraudulent purchase, card privileges will immediately be terminated and the Tax and Revenue Office will make a determination as to whether taxable income should be assessed. The incident will be

reported to Human Resources, Public Safety, Internal Audit and Legal Counsel, along with the Cardholder's department head. In addition, termination of employment will be pursued and the filing of criminal charges in accordance with applicable University policy and State statutes.

H. Allowed Purchases

In addition to general and specialized supplies the following are allowed and may be obtained with the Procard:

1. Food purchases

- a. Remember ETSU is tax exempt.
- b. Food purchases for officially sanctioned University functions can be made with University funds.
- c. Sodexo is the University's food service contractor.
- d. Sodexo must be used for all food purchases \$300 or more held in the D.P. Culp Center.
- e. Functions catered by Sodexo should be entered in eBucs using the Sodexo Custom Orders form. Requisitions should be entered before the event occurs or a Procard used.
- f. Documenting Food Transactions - Every food purchase (including drinks and bottle water) must be documented with the following information:
 - i. Date and time of function.
 - ii. Where the function will take place.
 - iii. The purpose or reason for the function.
 - iv. Attendees – be specific as to whether guests, students or just ETSU employees are in attendance.
 - v. See Exhibit 7 for food documentation form.

2. Hazardous materials

3. Radioactive materials: Note: Each order requires prior approval by the Radiation Safety Officer

4. Membership Dues & Subscriptions:

Memberships/subscriptions may not be paid for an individual as personal memberships or as personal subscriptions. Memberships necessary to maintain or enhance an employee's professional status are considered the responsibility of the employee.

- a. Duplicate memberships and subscriptions should be evaluated with the intention of eliminating unneeded duplicate memberships/subscriptions per institution.
- b. Faculty and staff memberships in civic organizations (for example, Lyons Club and Rotary Club) cannot be paid for with University funds.
- c. Home addresses are not to be used for memberships or subscriptions, ETSU department addresses only.**

5. Postage

6. Shipping services (Fed-Ex, UPS, etc.)

7. Limited Travel (see section IV)

- a. Airfare
- b. Registrations for conferences, meetings, training, etc.

8. Rental of products (only if no contract is signed)

9. Reprints and submission fees

10. Software (with prior approval by Information Technology Services, see exhibit 2)

- a. Exception: No Microsoft products or license agreements allowed on Procard. A more extensive list of what purchases can be made using the Procard can be found at this link: [Procard Reference Sheet](#)

I. [Applying for a Procard](#)

The Procurement Card Enrollment Form is used to request a Procard. This form can be accessed at: [Procard Enrollment Form](#)

Each Cardholder will complete a Procard Cardholder Agreement form.

Legitimate charges made on the Procard are a University liability (not a personal liability to the individual). Employees should ensure that Procards are adequately safeguarded from loss or misuse. See section V for procedures to report lost cards.

There will be no credit reference checks on the personal credit of the employee for the University Procard, nor will the use of the Procard have any effect on the employee's personal credit rating.

Each employee designated to receive a Procard for the first time must attend a user training session before receiving a Procard. Training is provided by the Procurement Department. After completion of the training, the employee will receive a Procard issued by US Bank. Procards will only be issued to permanent full time and permanent part time employees.

The Cardholder whose name is on the Procard is responsible for all charges placed on the card.

J. [Canceling a Procard](#)

The Procard Administrator is to be notified by the Cardholder or their supervisor upon termination for any reason, including retirement. First Horizon VISA paper Procard records are to be sent to the Procard Administrator for a final audit unless an audit of the records has been recently conducted. US Bank Procard records will be reviewed electronically at US Bank Access Online. Supervisors are responsible for ensuring that these procedures are followed.

Cardholders or supervisors of Cardholders changing departments must contact the Program Administrator to cancel their Procard(s). If appropriate to the new position, the process for requesting a new Procard will be followed.

In addition to termination or changing departments, the Procard Administrator will cancel Procards upon the request of the President, Vice Presidents, Deans, Budget Managers, Directors or Department Heads.

The Cardholders' records are to remain in the department. Records must be kept for five years in addition to the current fiscal year (see exhibit 5). Records in the US Bank Access Online will be maintained by the system. Records must be kept where they can be accessed for auditing purposes if requested.

K. [Grants](#)

The responsible departmental employee who processes the grant charges and transactions completes the Procurement Card Enrollment Form. The Principal Investigator of the grant must be one of the approvers of the request. Grant Accounting must approve the issuance of a Procard for each grant account. The Procard may be in the name of the P.I., or the person who does the actual buying with P.I. approval. Forms can be accessed: [Procard Enrollment Form](#)

In some cases, Grant Accounting may request copies of transactions and their backup. This is necessary for Grant Accounting to invoice for some grant accounts.

If the Procard cardholder is the principal investigator, the transactions will have to be approved by the department chair or the next level up.

L. Foundation

Procards may be issued for Foundation accounts. Foundation Accounting must approve requests for Foundation Procards. Forms can be accessed: [Procard Enrollment Form](#)

IV. TRAVEL

A. Employee and Student Travel

The Procard can be used for travel expenditures in limited circumstances per ETSU Board of Trustees, General Travel policy. Procards can be used for the payment of registration fees and airfare. **This applies to ETSU employees, College of Medicine residents and ETSU students only. Non-ETSU individuals are not included (guest speakers, candidates for employment, students from other schools, etc.).** (See exhibit 3 for "Employment Travel At-A-Glance".) The Procards for student group/team travel follow different guidelines (see IV.B).

1) Registration fees

Conference/workshop registrations, booth/exhibitor fees, classes and training as well as CME/CEU credits are allowed to be paid with the Procard. Registrations that include separate charges for food, entertainment, spouses, etc. cannot be put on the Procard. Registrations which have these additional charges should be submitted through the regular travel authorization and reimbursement process. The Cardholder cannot put the entire amount on the Procard with the intent of reimbursing the account for the disallowed charges.

2) Airfare

Airline tickets are allowed on the Procard for employees, College of Medicine residents and ETSU students traveling coach or economy class. Travel insurance or flight protection insurance is not allowed. Package deals are not allowed on the Procard. Boarding fees, comfort seats and seat selection fees are allowed on the Procard. Accounts Payable will deduct inappropriate or non-employee charges placed on the Procard from the travel claim amount. If the disallowed amount is greater than the travel claim reimbursement, the traveler will be expected to reimburse the University.

See Employee Travel on Procards At-A-Glance for a complete list of charges that are and are not allowed (see exhibit 3). See also [Employee Travel on Procards](#)

3) Procard monthly limits:

Because airfare is not assessed against the individual Procard card limit, it is not necessary to raise the monthly limit on a single Procard to cover the cost of travel. Airfare will pull from the University's corporate level account.

4) Documentation for Procard records:

When travel charges are made using the Procard, a copy of the travel authorization is to be uploaded with the Procard transaction. These include the airline ticket invoice/itinerary or the registration form and the approved Travel Authorization Request form. The Travel Authorization Request form should be approved before any registrations or travel arrangements are made. The documentation is to be attached to the US Bank Access Online transactions. The monthly Mastercard transactions must be

approved by the appropriate supervisory person through the US Bank Access Online site.

Note: The approved Travel Authorization Request form MUST be included with all Procard airfare and registration charges.

i. Travel account codes:

Airline charges should be allocated to the Banner account code 73210. Registrations on the Procard can be allocated to account code 73110, 73210, 74570 or 74490. All other Procard charges will pull from the supply budget using account code 74570 unless otherwise reallocated.

B. Student Group/Team Travel

A special travel Procard may be requested for team or group travel for student groups. This card can be used for all expenses associated with travel except for charter bus service. Charter bus service must be requisitioned through the eBucs purchasing system. Allowed travel charges for the student group/team travel include airfare, hotels, restaurants, etc. This card is not to be used for general supplies as the charges will pull from student travel account code 73410. A brief training session is required before receiving the travel Procard. Contact the Procard Administrator at 94741 to obtain permission and instructions for getting the student group/team travel Procard.

C. Study Abroad

A Procard may be requested for travel for student study abroad groups. The Procard can be used for travel related activities including airfare, hotels, restaurants, etc. The Dean of the Honors College, and the Chief Financial Officer must approve study abroad Procard requests. The person requesting the study abroad Procard should understand that they are responsible for all charges made on the Procard, including any overdrafts made against the index. A brief training session is required before receiving the study abroad Procard. Contact the Procard Administrator at 94741 to get the correct Procard request forms.

V. DEPARTMENTAL ROLES AND RESPONSIBILITIES

A. Cardholder Responsibilities

- 1) Abide by the Procard manual and University policies and procedures.
- 2) Complete Procard training.
- 3) Proof of identification will be required for Procard pickup.
- 4) Always try to obtain the best possible value for the University with the Procard.
- 5) Keep the Procard in a secure location and keep the Procard number confidential.
- 6) Exercise caution in sharing account information.
- 7) Make sure funds are available before making a purchase.
- 8) Ensure that state sales tax is not charged when making a purchase. The University's and Foundation's tax-exempt number are printed on the face of the Procard. Tax exemption forms are available from the Procard Administrator on request.
- 9) Obtain receipts with detailed information for each Procard transaction. Include any additional documentation required. (See acceptable receipt section V, D, 11) Food purchases require additional detailed information for each purchase, see section III, H, 1 for specific requirement. **A receipt must be obtained for each purchase or transaction.** Receipts are critical to the success and integrity of the procurement card program.
- 10) Electronically attach itemized receipts and detailed transaction documentation for each purchase transaction in the US Bank Access Online system. Smart phones or mobile devices can be used to take pictures of the receipts and supporting documentation to electronically attach them in the bank system. The Procard transaction documentation can also be scanned and attached to the transaction. If there is a missing receipt, complete the Missing Procard Receipt form, see Exhibit 6, and attach to the transactions in US Bank Access Online.
- 11) Review each transaction and make any necessary changes such as reallocation of charges to department, grant or foundation index numbers and account codes. All online reallocation adjustments must be made by the last day of the month for those transactions posted by the 20th of the month.
- 12) Cardholder must review and approve each transaction and attach supporting documentation in the US Bank Access Online before the Account Verifier and Department Approver approves the transactions. In some cases, the Cardholder and the Card Verifier may be the same person.
- 13) Resolve all incorrect charges and product returns with the merchant or vendor as quickly as possible. Record all credits appropriately. If a particular charge or credit does not appear in the transactions, it should be checked against future online transactions. If the charge or credit does not appear within sixty (60) days after the original charge was made, notify the Procard Administrator for guidance (see Exhibit 1).
- 14) Immediately report a lost or stolen Procard to US Bank at 1-800-344-5696 and then report the incident to your department head and the Procard Administrator (see Exhibit 1).
- 15) Upon termination of employment with the University, notify your department head and the Procard Administrator. The Procard Administrator will give direction on what to do with the Procard(s). Ensure that the department head knows the location of all Procard records including both hard copy and digital bank records. Procard records are to be kept on file for five (5) years plus the current fiscal year.

B. Verifier Responsibilities

- 1) The departmental verifier is responsible for verifying receipts with the monthly transactions. If possible, the verifier should be an employee other than the Cardholder and is normally the budget person.
- 2) Can objectively question all Cardholder purchases and be actively involved in the business management aspect of the department.
- 3) Must attend the required Procard training.
- 4) Monitor Procard transactions each month to ensure that purchases comply with the Procard manual and University policies and procedures.
- 5) Log in to US Bank Access Online to verify that all charges against the Cardholder's Procard account are substantiated by proper receipts and supporting documentation. Verify tax has not been charged to any of the purchases. Verifies that the index and account number used for each transaction is correct. Make any necessary changes. Adds notes if needed.
- 6) The next level of authority must provide independent review and approval of each of the Cardholder's transactions and supporting documentation.
- 7) Approve each transaction and receipt in the US Bank Access Online before the department head (or designee) makes the final review and electronic approval.
- 8) Report any questionable purchases to the attention of the department head. Reports actual or suspected fraud to University Internal Audit.
- 9) Ensure the deadline to submit the monthly Procard financial report to the Procard Administrator is met.

C. Approver Responsibilities

- 1) The department head is ultimately accountable for appropriate procurement card use in the department.
- 2) Select and approve employees who are eligible to apply for a Procard.
- 3) Select individual(s) who will be responsible for verifying monthly transactions. The verifier must have access to the bank system and be trained to use the University's accounting system. If possible, the verifier should be an employee other than the Cardholder and is normally the department's budget person.
- 4) Ensure that Cardholders and verifiers abide by policies and procedures governing the procurement card program, as well as University purchasing policies and procedures.
- 5) Ensure First Horizon VISA hard copy records are maintained for 5 years in a secure location within the department.
- 6) The department head (or designee) is normally the approver. The approver must be authorized to approve the expenditure of University funds and should have knowledge of the department's Procard activities. The approver is responsible for the final approval of Procard transactions and has the following responsibilities.
- 7) Log in to US Bank Access Online to review Procard transactions for approval or rejection. Approval indicates that the purchases and the distribution of charges are appropriate. Approve appropriate transactions by the Procurement Office's deadline.

- 8) Electronically reject transactions requiring further processing by the verifier. The approver should include an explanation indicating why the statement was rejected. Approvers should reject transactions when they suspect an inappropriate purchase (that has not been marked as disputed), when they do not have enough supporting documentation to make an informed decision about the appropriateness of a purchase, or when the distribution of charges needs to be changed. Follow up or remedy should occur in a timely manner.
- 9) If the card approver is also a Cardholder, then the Cardholder cannot be his/her own card approver. The next level of authority must provide independent review and approval of each of the Cardholder's transactions and supporting documentation
- 10) Payment to US Bank will be charged to the default index and account code by the monthly deadline regardless of the department approval.

D. Cardholder Activities

- 1) Obtain the Procard balance and available credit by calling the toll free number on the back of your Procard or by accessing the US Bank Access Online before you make a purchase.
- 2) US Bank Access Online System. With the US Bank Mastercard Procard, cardholders can access their information via the US Bank Access Online. Cardholders will have to activate their card via the US Bank Access Online prior to using it. Each cardholder will create their own username and password. The Cardholders can utilize this system to view and approve transactions, and attach their related documentation. See exhibit 9 for instructions.
- 3) Information available via US Bank Access Online includes: Account information such as available balance, transactions, pending transactions.
- 4) **Procard users should tell vendors that ETSU is tax exempt before placing an order. The tax-exempt number is printed on the front of the Mastercard card for both the University and Foundation. Tax exempt certificates are available at vendors' request. Employees may be personally liable for any taxes charged to the Procard.**
- 5) Place orders as needed. A purchase order number is not required. Departments are responsible for monitoring the appropriateness of purchases and insuring the availability of funds. In accordance with approved University policy, any budget account that reflects an aggregate over-run on travel, operating, and equipment at the end of the fiscal year may have the amount of the over-run deducted from the following year's allocation.
- 6) Obtain the total cost of the order from the vendor (including estimated shipping cost) before the order is placed. The total order may not exceed \$4,999.99.
- 7) Instruct the vendor where to deliver materials. It is important that the vendor record on the packing slip your complete name, department name, building, and room number on each order. The only information Central Receiving has concerning where to deliver your goods, are the vendors' packing slips.

Delivery Address to Central Receiving:

Department Name

East Tennessee State University

325 Treasure Ln

Johnson City, TN 37614

- 8) **Note: Under no circumstances are home addresses to be used for deliveries, subscriptions, memberships, etc. Deliveries to a home address is considered theft of University property.**
- 9) An activity log may be maintained to record purchases and credits, but is not required. Some departments may find it necessary to maintain a log for their own informational needs. See exhibit 4 for a sample Activity Log.
- 10) When merchandise must be returned, a credit is to be issued by the vendor back to the Procard on which the charge was made. Refunds are not to be made with cash, gift cards or as a store credit.
- 11) The Cardholder must attach a detailed receipt to each transaction. The documentation for each purchase should include the vendor name and an itemized list of the items purchased and the price of the items.
- 12) If documentation was not received or is lost, the information should be listed on a piece of paper and attached to the transaction. See Missing receipt form, exhibit 6.
- 13) All credits are to be documented.
- 14) The ETSU billing cycle ends the 20th of each month or the last business day before the 20th. A transaction on average takes two to four days to post to your Mastercard account. Items ordered toward the end of the billing cycle may be included on the next monthly billing.
- 15) If a transaction is incorrect or was not made by the Cardholder, the Cardholder has 60 days from the date of the charge to place that charge in dispute with the bank. The Cardholder must first try to reconcile the disputed charge with the vendor before contacting the bank. In most cases, the problem can be settled between the Cardholder and the vendor.
- 16) **All transactions must be approved by the department head, PI or appropriate supervisory individual. Approval means all transactions are appropriate to the needs of the department. Do not send transactions to Accounts Payable or the Procard Administrator in the Procurement office. The Procard records are to remain in the department. This applies to all Procard records including hard copy records from First Horizon (First Tennessee Bank). Electronic records from US Bank do not need to be printed. They are stored in the bank system for 15 years.**
- 17) Someone other than the Cardholder can keep the Procard records, however it is the responsibility of the Cardholder to ensure the records are kept properly. Anyone keeping the records must attend the Procard training.
- 18) The department must keep the First Horizon records for five fiscal years plus the current year (see exhibit 5). Cardholders are to provide their Procard records for periodic audit by the Procard Administrator. Internal Audit and State Audit can also audit records.
- 19) Approval to dispose of First Horizon paper Procard records must be obtained from the University's Records Officer. Obtain approval before destroying any records. The Records Disposal Authorization form can be found at Exhibit 5.

E. Procedures for Handling Discrepancies

- 1) Transaction Amount Is Incorrect: If the transaction amount is different from the price quoted by vendor (excluding freight costs) or if tax is included in amount, Cardholder is to contact the vendor to arrange a credit.

- 2) Transaction needs to be disputed, Cardholder is to contact US Bank and notify the Procard Administrator. (See exhibit 1).
- 3) Transaction that is not yours: Cardholder should contact the vendor to determine if the materials were ordered. If the charge should not have been posted to the Procard, a credit should be requested.
- 4) Transaction from a Non-Approved Vendor or Suspected Fraudulent Charge: Contact Procard Administrator for assistance (see exhibit 1).

F. Internal Controls

Each month the transactions must be verified by cardholder then sent to the assigned approver for final approval. This could be the department head, principal investigator, or appropriate supervisory individual. If the Department Head is the Cardholder, the next higher level must approve the transactions. No one can approve their own transactions. By approving the transactions, that individual is stating that all charges are appropriate and correct. **Failure to obtain proper monthly approval may result in the loss of the Cardholder's Procard privileges.** Attaching the receipts, reallocating the transactions if necessary, and forwarding the transactions for approval must be done before the 21st of the next month.

First Horizon paper records must be kept in the department for five fiscal years (see exhibit 5). **These are official ETSU records, which may only be disposed of in accordance with ETSU Financial Procedures.**

If an item is purchased that you wish to have added to your department's equipment inventory such as a scanning machine or television, contact the Inventory Control Manager (see exhibit 1). Note: printers purchased by Procard cannot be added to inventory (see exhibit 2).

VI. ASSISTANCE

A. Lost or Stolen Card

Contact US Bank immediately at 1-800-344-5696. Then notify the Procard Administrator as soon as possible at 94741 or 94224.

B. Purchase Denied

If a vendor advises that approval has been denied by the credit card system, it is most likely a result of your monthly Procard limit being reached, exceeding the single purchase limit or using a blocked vendor type. The vendor will not have accurate information related to the reason for denial.

The Cardholder should first verify that the monthly limit has not been reached by calling the automated toll free number on the back of the Procard or by looking in US Bank Access Online. If the limit has not been reached the Cardholder should contact the Program Administrator at 94741 or 94224.

VII. EXCEPTIONS

Exceptions to these procedures must be approved by the Director of Accounts Payable

EXHIBITS

CONTACTS

US Bank Cardholder Customer Service

1-800-344-5696 – Card Member Services
Balance update/available credit
To report a Lost/Stolen Card
To dispute a charge

Procard Administrator

McKenzie Roberts
Procurement & Contract Services
Box 70729
439-4741 or 439-4224
robertsmr1@etsu.edu

Travel

Accounts Payable
PO Box 70729
423-439-4224
etsuap@etsu.edu

Inventory Control Manager

Jay Seehorn
Central Receiving
423-439-4364
seehornj@etsu.edu

Procurement Website: www.etsu.edu/procurement

Exhibit 2 – Information Technology Guidelines

INFORMATION TECHNOLOGY SERVICES PROCARD GUIDELINES

In order to aid in compliance with ETSU Computing Standards, which can be found at <http://www.etsu.edu/its/policies/university-computing-standards.php>, the following Procard guidelines are to be followed.

- Software for small dollar amounts can be purchased using a Procard with the exception of Microsoft and Adobe products.
 - All software purchases on the Procard must have ITS approval prior to ordering with the Procard. To obtain ITS approval send an email to the Manager of Computing Technology Services at webbr@etsu.edu.
 - ITS will respond with an email. If your software purchase is approved, proceed with placing your order. Attach the approved email from ITS to your Procard documentation for the software purchase.
 - All Microsoft, Apple and Adobe products must be purchased through eBucs as ETSU has contracts for these products.
- No computers, including desktops, laptops, tablets, etc. are allowed to be purchased on the Procard. These types of purchases must be made in eBucs using the Dell and Apple punch-outs.
 - Personalization of products is not allowed.
 - E-readers are allowed to be purchased on the Procard. Note: a Kindle e-reader is allowed but a Kindle Fire is not allowed. The difference is that the e-reader is considered an electronic book while the Kindle Fire is considered a tablet.
- No phone purchases, cell phones or cell service is allowed on the Procard including Apple, Android, or other.
- No Dell products of any kind are allowed on the Procard. Dell products should be purchased in eBucs through the Dell punch-out in order to receive contract pricing and be reviewed by ITS before purchase.
- Web addresses, internet links, domain names, etc. can be purchased on a Procard but must have ITS approval prior to ordering with the Procard. To obtain ITS approval send an email to the Manager of Computing Technology Services at webbr@etsu.edu. Attach the approved email from ITS to your Procard documentation for the purchase.
- Do not use a Procard to purchase apps for iPads or any other device. The apps are to be purchased through ITS in order to not be charged tax. Send an email to the Manager of Computing Technology Services at webbr@etsu.edu. Note: apps are to be purchased for University owned devices only.
- Printers are allowed to be purchased on the Procard. Any printer purchased with a Procard is NOT tagged by Central Receiving or supported by ITS beyond the initial setup, if help with setup is needed. However, any printer purchased from the CDW-G punch-out in eBucs will be tagged by Central Receiving and supported by ITS for six (6) years.

Exhibit 3 – Employee Travel

EMPLOYEE TRAVEL ON PROCARDS AT-A-GLANCE

Can it be put on the Procard?

Airline Tickets and Travel:	Coach/Economy	Yes
	Students/Graduate Assistants	Yes
	Residents	Yes
	First Class / Business Select	No
	Spouse/Family	No
	Package deals	No
	Travel insurance	No
	Flight protection insurance	No
	Chartered flights	No
	Guests	No
	Candidates for employment	No
	Guest speakers	No
	Shuttle buses/limousines/cabs	No
	Priority boarding	No
	Baggage fees	No
	Boarding Fees / Comfort Seat / Seat Selection	Yes
Registrations/Conferences:	Conference registration	Yes
	Students/Graduate Assistants	Yes
	Residents	Yes
	Workshop registration	Yes
	Booth/exhibitor fees	Yes
	Classes and training	Yes
	CME/CEU credits	Yes
	Entertainment	No
	Spouses	No
	Tours	No
	Banquets/luncheons/dinners (if priced separately)	No
	Meals (if priced separately)	No
Hotels:	Room reservations	No
	To secure a reservation	No
	Hotel charges of any kind	No
Vehicles/Rentals:	Enterprise car rental	No
	Other car rental agencies	No
	Gasoline	No

University Owned Vehicle Procard

Special Procard dedicated to vehicle maintenance, gas and supply items for University owned vehicle. This Procard only must be used for all vehicle related charges

Vehicles – University Owned:	Vehicle repairs	Yes
	Routine service	Yes
	Gasoline	Yes
	Tires	Yes
	Car washes	Yes

Exhibit 4 – Activity Log Sample

ACTIVITY LOG SAMPLE

The Activity Log can help to manage and control the Procard account. Purchases and credits may be recorded on the Activity Log. It can be used to record vendor information when ordering, receipt of delivery and any other information you might need. When the transactions are reviewed, each charge and credit can be verified against the Activity Log for accuracy.

The Cardholder is not required to keep an activity log as an official record.

Shown below is a sample log.

ETSU Procard Activity Log

Cardholder's Name: _____

Department: _____

Procard # (last 4 numbers only): _____ Index #:

Order Date	Vendor/ Contact/ Phone	Description	Charges (or Refund)	Shipping Charges	Date Merchandise Received *
9/11/19	Staples	Stapler	\$32.00		9/13/19
9/12/19	Best Buy/ Pickup	DVD Player for Dr. Smith's art history class	\$95.00		9/15/19
9/13/19	Lowe's/ John Cook 929- 9186	Storage bins returned – size too small	(\$45.00)		9/15/19

Exhibit 5 – Procard Record Retention

PROCARD RECORD RETENTION

Year	Maintain Through
2012-13	6/30/2018
2013-14	6/30/2019
2014-15	6/30/2020
2015-16	6/30/2021
2016-17	6/30/2022
2017-18	6/30/2023
2018-19	6/30/2024
2019-20	6/30/2025
2020-21	6/30/2026
2021-22	6/30/2027
2022-23	6/30/2028
2023-24	6/30/2029
2024-25	6/30/2030
2025-26	6/30/2031

Missing Procard Receipt Form

Company Name: _____

Date of Purchase: _____

Total amount: \$_____

Description of Purchase:

University Procard – last four digits of card: _ _ _ _

Signature of Procard Holder: _____

Date: _____

Food Documentation Form

Date of Event:

Time of Event:

Place of Event:

Number of Students	<input type="text"/>
Number of Employees	<input type="text"/>
Number of Guests	<input type="text"/>
Total number of people at event	<input type="text"/>

Guest(s):

University Personnel:

Name of University sanctioned event or activity

Exhibit 8 –Procard Agreement Form

**East Tennessee State University
Procard Cardholder Agreement**

You are being entrusted with an East Tennessee State University Procard. The Procard is provided to you based on your need to make purchases on behalf of the University. It is not an entitlement nor reflection of title or position. The University shall have the right to cancel my Procard at any time for failure to follow Procard policy or at the request of the proper authority. Your signature below indicates that you have read and will comply with the terms of this Agreement.

1. I understand that I will be making financial commitments on behalf of East Tennessee State University and will strive to obtain the best value.
2. I have read and will follow the policies and procedures outlined in the Procard Manual and University policy, *General Purchasing, Receipt of Materials, and Payment of Invoices*. Failure to comply with this Agreement may result in either revocation of my use privileges or other disciplinary actions, up to and including termination of employment.
3. Under no circumstances will I use the Procard to make personal purchases, either for myself or others. Using the Procard for personal charges will be considered misappropriation of University funds and I am responsible for reimbursing the University for those charges and any fees related to the collection of those charges. I will not have any purchases delivered to a home address, including home addresses for memberships or subscriptions.
4. The Procard is issued in my name. I am considered responsible for any and all charges against the Procard.
5. The Procard is the property of the issuing bank and East Tennessee State University. I understand that I may be periodically asked to produce the Procard to validate its existence and account number.
6. If the Procard is lost or stolen, I will immediately notify the issuing bank by telephone at the number on the back of the Procard. I will also notify the University’s Procard Administrator by telephone at (423) 439-4741, or robertsmr1@etsu.edu
7. I will review the monthly online statement, which will report all purchasing activity during the statement period. Since I am responsible for all charges on the Procard, I will review the statement for accuracy and will electronically verify that all transactions are appropriate and in compliance with University policy. I will be responsible for resolving any discrepancies on the statement by contacting the merchant/supplier. I will then forward charges in Access Online to be approved by the appropriate approving authority in a timely manner each month of activity.
8. I will scan receipts and maintain detailed information for each Procard transaction. It is my responsibility (or designee) to match an appropriate receipt to each transaction online. If I make personal purchases or fail to provide receipts, I authorize the University to withhold the amounts of these purchases from my pay.
9. I will surrender my Procard upon transfer to another department or termination of employment (i.e. retirement or voluntary/involuntary termination).

 Name (Print) Employee Signature Department Employee

 Date Signed

First you will need to activate your card using one of the two methods below:

Method 1: Activating Your Procard by Phone and information needed:

1. Call 1-800-344-5696
2. 16-digit Procard credit card number
3. Work zip code listed in ETSU Faculty/Staff directory at www.etsu.edu
4. Last 4 digits of the cardholders Social Security Number
5. Preferred work phone number
6. Consent for all phone numbers provided to be used to transmit recorded messages, texts, etc.
7. You will be asked to create a Pin

Method 2: Activating Your Procard on US Bank website:

1. Go to US Bank Access online website: <https://www.access.usbank.com>
2. Click on Activate Your Card link and enter required fields.

Next you will need to create your US Bank Access Online Account:

1. Go to US Bank Access online website: <https://www.access.usbank.com>
2. **C**lick on the Register Online link on the Access online website
3. For Organization Short name enter: ETSU
4. Add card number and expiration date for 1 of your cards
5. Click on register this account, do not click on additional accounts. You can add additional cards later.
6. Use your ETSU domain name for your User ID, if it is not long enough add a number(s) to the end to meet required length.
7. User ID has to be at least 7 characters in length.
8. Create your password
 - Must be 12 characters in length
 - Includes 1 uppercase letter, 1 lowercase, 1 numeric, and 1 special character (\$, %, *, &, #...)
 - Do Not include your user name or user ID
9. Follow set up instructions from there

If you have more than one card, you will be able to add additional cards to this one account