



Purchasing Card Use and Account Management Procedure

Procedure # 3013.2

Rev.: 1

Effective Date: May 8, 2017

Related Policy: [UW-3013: Purchasing Card Policy](#)
Functional Owner: Accounting Services, Division of Business Services
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I. Procedure Statement

The UW-Madison purchasing card is for UW-Madison business purchases only. There are specific procedures that govern its use, including those for working with vendors, obtaining appropriate supporting documentation, handling returns, reviewing transactions, and generally managing the purchasing card account.

II. Who is Affected by This Procedure

Employees who are assigned a purchasing card; site managers; Divisional Business Office staff; the Division of Business Services Purchasing Card Program Manager; Purchasing Services staff.

III. Procedure

A. Things to consider before using a purchasing card: In many cases, the purchasing card may not be the best or most appropriate method of payment. The cardholder should consider the following before making a purchase with the card:

- 1. Card limits:** Know the limits for the card. The cycle credit limit and single purchase limit can be obtained from the Purchasing Card Program Manager. Do not exceed the single purchase limit by splitting purchasing transactions.
- 2. Best-judgment purchase limit:** The best-judgment purchase limit at UW-Madison is \$5,000. Purchases that exceed the best-judgment purchase limit must be coordinated through UW-Madison Purchasing Services. The purchasing card may not be used to make purchases that exceed this limit.
- 3. Contracted vendors:** Use the Purchasing Services [contract vendor directory](#) to identify contracted vendors and negotiated discount pricing. Purchases from non-contracted vendors may require additional justification. Contact [Purchasing Services](#).

4. **ShopUW+:** Whenever possible, purchase items from UW-Madison’s contracted vendors via ShopUW+. Check the online supplier catalogues for the item(s) needed prior to using the purchasing card with a non-contracted vendor. Using ShopUW+ guarantees contract pricing and tax exemption. More information can be found at [ShopUW+ Essentials](#).
5. **Vendor’s eligibility to do business with UW-Madison:** A vendor’s eligibility to do business with UW-Madison is contingent upon its compliance with state statutes. Several vendors have been deemed ineligible by the State of Wisconsin because they are not compliant with our state tax laws or affirmative action employment requirements. The cardholder must not conduct business with vendors on either of the [ineligible vendor lists](#).
6. **Alternate methods of making internal purchases:** While many internal vendors (e.g., DoIT Tech Store, campus catering, campus libraries, campus printing services) accept payments by credit card, the purchasing card should not be used for purchases between UW-Madison units. Vendors pay a transaction fee for all purchases made with a credit card. Departments should instead use the [Inter Departmental Billing Form](#) or other internal billing method for payments to other campus units in order to avoid these credit card processing fees.
7. **Purchases that require special approval or special handling:** Some products and services require special approval or special handling and may not be purchased without adhering to requirements found in [UW-3043 Exceptions/Approvals/Special Handling Policy](#).
8. **Frequently questioned purchases:** For additional information on items or services allowed to be purchased with the purchasing card, refer to the list of [Frequently Questioned Purchases](#). Some of the items on this list are allowable and some are not. Read the whole explanation before determining if the card can be used.

B. Making a purchase:

1. Determine the appropriate vendor for the materials or services needed. See section A, 3-5.
2. Provide the purchasing card information to the vendor (e.g., account number, expiration date, Card Verification Value [CVV] number).
3. For the “Bill to” address, provide the vendor with the address currently on file with U.S. Bank (typically, as submitted on the card application). Do not use generic campus addresses (e.g., 21 North Park Street).
4. For the “Ship to” address (if the purchase requires a shipment of materials), provide a campus address. If the purchase must be shipped off campus (e.g., shipping to a remote work location), the cardholder must provide a reasonable justification in the supporting documentation.
5. Provide the vendor with the appropriate [tax-exempt information](#). (**Note:** UW-Madison is exempt from state sales and use tax for purchases made from vendors in Wisconsin and in other states with which we have tax treaties.) If sales tax is paid in error in an amount greater than \$25, contact the vendor to obtain a refund. Document the date and action taken on the supporting documentation for the charge.
6. Ask whether the vendor offers educational or governmental rates or discounts.
7. Obtain required vendor documentation or receipts for all transactions regardless of the dollar amount. Required vendor documentation includes at least one of the following:

- i. Invoice (a packing slip is acceptable if an invoice is unavailable)
- ii. Confirmation screenshot or email
- iii. Itemized cash register receipt
- iv. Registration form with pricing detail
- v. Service agreement with pricing detail

Note: If supporting documentation has been lost or destroyed, contact the vendor for a copy. If a copy cannot be obtained from the vendor, complete a [Missing Receipt Form](#).

8. Obtain other supporting documentation, when required:
 - i. For documentation requirements for travel: see the [travel section](#) of the [Business Services policy and procedure index](#).
 - ii. For documentation requirements for business meals and events: see [UW-3039 Business Meals](#).
 - iii. For documentation requirements for gift cards: see [UW-3027 Gift Card Policy](#).
9. Ensure appropriate receipt of materials and services and follow up with vendors to resolve any discrepancies.

C. Returning or requesting a refund for goods or services: When returning an item or requesting a credit for services bought with the purchasing card, the cardholder should request that the credit be issued to the card used for the purchase. Cardholders may not accept a refund in cash or in-store credit to be used for another purchase. Since no new authorization is required, credits may be posted to closed purchasing card accounts.

Note: If the original purchase was coded to a capital equipment account code (series 46XX), contact property@bussvc.wisc.edu and the [Department Property Administrator](#).

D. Transaction Reconciliation: Purchasing card transactions are reconciled in the Shared Financial System (SFS). Transactions are loaded into SFS daily and can be reconciled daily. Transactions must be reconciled within 30 days of the transaction posting date. Detailed instructions are available in the [Purchasing Card Reconciler Business Process Guide](#). See below for a summary of the purchasing card transaction reconciliation process.

1. Purchasing cardholders receive an email notification from SFS when a transaction(s) has posted to their account.
2. Cardholders are required to provide a business purpose and supporting documentation for each transaction prior to finalizing their verification.
3. Verify the transaction and notify the Approver (site manager).

E. Unique Considerations during Transaction Reconciliation: Some transactions require additional information/supporting documentation to adhere to policy.

1. **Capital Equipment Fabrication Materials:** Capital equipment components and materials for capital equipment fabrications must be reported to UW Madison Property Control. Allocate the expenses to Account Code 4670 and reference the appropriate Asset ID number within the documented business purpose. Contact the [Department Property Administrator](#) or property@bussvc.wisc.edu if you have questions.
2. **Relocation Expenses:** When reconciling an expense related to employee relocation (e.g., moving costs, airfare, temporary lodging), for tax reporting purposes, the

transaction must be allocated to account codes 2880, 2881 or 2883 and the new employee's Employee ID must be entered in the *Comment* field.

3. **Fraudulent/Disputed Transactions:** Fraudulent/disputed transactions must be reconciled the same as any other purchasing card transactions. It is recommended the fraudulent/disputed transaction be left on the purchasing card account's default funding string to eliminate additional allocation requirements once the expected, subsequent credits post to the account. Supporting documentation and a documented business purpose are required. Cardholders may attach any relevant supporting documentation or simply create an attachment acknowledging the fraudulent/disputed transaction and any actions taken. The business purpose can be used to identify the transaction as fraudulent or disputed and to document any other pertinent information the cardholder has about the situation.

Note: See Section III.G. below for procedural steps to address unrecognizable transactions.

- F. **Assigning a Proxy Reconciler:** Purchasing cardholders may request to add a Proxy Reconciler to their profile in the Purchasing Card Module to assist in transaction reconciliation. The Proxy can provide the business purpose(s) and supporting documentation; however, the cardholder is ultimately responsible for verification of each transaction. Proxy Reconcilers must be university employees but cannot also be assigned to an Approver (site manager) role. To add or remove a Proxy Reconciler, complete and submit the [Account Update Request Form](#).

- G. **Timeliness of Purchasing Card Transaction Reconciliation:** Cardholders and site managers are required to reconcile transactions within 30 days of the transaction posting date.

1. If a cardholder has a purchasing card transaction that is not fully approved after 15 days, an automated email reminding the cardholder of the pending transaction will be sent. Emails will continue to send daily until the transaction is fully approved or system closed, including those transactions that have been previously verified by the cardholder, but have not been approved by the site manager. Site managers do not receive reminder emails; therefore, it is the cardholder's responsibility to either forward the email to their site manager or utilize the Notify Approver(s) button on the Reconcile Statement page of the Purchasing Card module.
2. After 30 days, a process will run to "System Close" any purchasing card transactions that have not been fully approved and transfer the transaction(s) to WISER. "System Closed" transactions will be tracked by the Purchasing Card Program Manager and treated as non-compliance. Compliance measures will be taken for repeat offenders.
3. Cardholders and site managers are required to complete the reconciliation process and provide the required receipts and supporting documentation for "System-Closed" transactions.
 - i. The Purchasing Card Program Manager notifies the cardholder, site manager and Divisional Business Office of "System-Closed" transactions. The email notification includes the Purchasing Card Post-System Close Reconciliation Form referencing the details of the "System-Closed" transaction. The following steps must be completed within 14 days of receipt of this form.
 - ii. The cardholder provides a justification for missing the reconciliation deadline and signs the form, acknowledging the policy requirement. The cardholder provides the required business purpose and supporting documentation for

the "System-Closed" transaction in the Purchasing Card module. The cardholder forwards the form to the site manager via email.

- iii. The site manager provides a justification for missing the reconciliation deadline, reviews the provided supporting documentation and business purpose in the Purchasing Card module, and attaches the form to the "System-Closed" transaction in the Purchasing Card module.
- iv. The Purchasing Card Program Manager reviews the "System-Closed" transaction to verify reconciliation is complete within 14 days.

H. Following up on unrecognizable or disputed transactions: It is the cardholder's responsibility to follow up on any unrecognizable transactions that post to the account. To do this, the cardholder must first determine if business has been conducted with the vendor in the past:

1. If yes, the cardholder should contact the vendor to see if they are able to explain the charge or clear up any discrepancies. If the vendor is unwilling or unable to rectify the situation, the cardholder must file a dispute through U.S. Bank by contacting U.S. Bank Customer Service at (800) 344-5696. The disputed amount(s) will be credited back to the cardholder's account on a subsequent statement.

Note: Per U.S. Bank, transactions must be disputed within 90 days of the transaction date.

2. If no, the cardholder must contact the U.S. Bank Fraud Investigation Unit at (800) 523-9078. The bank will initiate a fraud claim and send a fraud form to be completed by the cardholder. The fraudulent amount(s) will be credited back to the cardholder's account, the account will be closed, a new account will be opened, and a new card will be sent directly to the cardholder.

Note: Per U.S. Bank, fraud must be disputed within 60 days of the transaction date.

See section III.E.3. for procedural steps to reconcile fraudulent/disputed transactions.

- I. **Updating account information:** To update account information (e.g., demographic information, credit limits, default funding), the cardholder must complete the [Account Update Request Form](#), obtain the appropriate approvals, and route the form to the Purchasing Card Program Office.

Note: Cards cannot be transferred from one individual to another or from one department to another (e.g., in the event of an employee transfer).

- J. **Renewing a purchasing card:** Purchasing cards automatically renew every four years provided the cardholder has successfully completed required annual refresher training. Renewed cards are mailed directly to the cardholder at the address on file at U.S. Bank, at the end of the month prior to expiration. Cards remain active until the end of the month in which they expire.

- K. **Warning and card revocation:** If, as a result of an audit or monitoring, a transaction is found to violate UW-Madison Purchasing Card Policy or Procedures, the following will occur:

1. If the cardholder has not had a violation within the previous one-year period, the cardholder will receive a written warning from the Purchasing Card Program Manager. A copy of the written warning will also be sent to the site manager, the divisional Chief Financial Officer, the Controller, and the Assistant Vice Chancellor for Business Services. The written warning will remain on file in the Purchasing Card Program Office for one year. One year from the date of the communication, the warning will be expunged.
2. If the cardholder has two violations within a one-year period, all purchasing cards issued to the cardholder will be revoked. After one year, the employee may reapply for a purchasing card. If the application is approved, the employee will be required to attend purchasing card training. During the one-year revocation period, the former cardholder is ineligible for all roles associated with the purchasing card program, including being an authorized user of a Department Purchasing Card or serving as a purchasing card site manager.

IV. Contact Roles and Responsibilities

- A. **Cardholder:** responsible for complying with purchasing card policy and procedures and managing the purchasing card account.
- B. **Site manager:** responsible for reviewing all assigned card activity and serving as the liaison between cardholders and the Purchasing Card Program Manager.
- C. **Purchasing Card Program Manager:** responsible for overseeing the Purchasing Card Program at the campus level, providing training and resources for cardholders and site managers, and collaborating with campus leadership and program stakeholders to continuously review and improve the program.

V. Definitions

- A. **Access Online:** U.S. Bank's web-based transaction management tool used by the Purchasing Card Program Manager to maintain the purchasing card program at UW-Madison and by purchasing cardholders to manage account settings.
- B. **Department Property Administrator (DPA):** an individual in a department or division who serves as the liaison between that department or division and Property Control for all matters regarding capital equipment.
- C. **ShopUW+:** a ShopUW+ is an efficient way to make business purchases and carries commonly used items such as lab supplies, office supplies, computer hardware, and Maintenance, Repair and Operations (MRO) supplies.
- D. **Site manager:** the individual who manages purchasing cards at the departmental level. The site manager is responsible for reviewing all card activity and acting as the main communication link between cardholders and the Purchasing Card Program Office). Cardholders who are unsure who their site manager is should contact pcard@bussvc.wisc.edu.

VI. Related References

- [UW-3013: Purchasing Card Policy](#)

VII. Revisions

Procedure Number	3013.2
Date Approved	May 8, 2017
Revision Dates	May 8, 2017 July 13, 2018 - Updated deadlines for filing disputes and claiming fraud. August 14, 2019 - Updated links due to Business Services web redesign. August 15, 2019 - Added procedure for requesting sales tax refund (previously noted in Procedure 300.5). September 20, 2019 - Updated Warning/Revocation section to include ineligibility for use of Department Card and site manager role if purchasing card is revoked. July 9, 2020 - Increased tax tolerance level from \$5 to \$25; decreased warning life from two years to one year. January 19, 2021 – Updated Procedure Number to 3013.2 from 300.2 December 11, 2021 – Update procedure to reflect SFS - Purchasing Card Module implement