The Procurement Card Program is intended to streamline and simplify the Purchasing and Accounts Payable functions by eliminating waste and low value activities. The program is not intended to avoid or bypass appropriate procurement of payment procedures (purchase orders for iBuyNU vendors, expense reports, blankets, etc.).

Currently, the procurement card resides outside of the standard, online workflow process that is in place for other purchasing methods. As a mitigating internal control, the Law School has implemented the following procedures for cardholders and reviewers.

This document was created as a supplement for Law School users and should be used in conjunction with the Northwestern University Procurement Card Cardholder Guide. If any of these procedures are not adhered to, we reserve the right to revoke an employee’s procurement card.

**OBTAINING A CARD**

*How to Obtain a Card*

In order to obtain a card, an employee should read through and understand the Northwestern University Procurement Card Cardholder Guide (http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/procurement-cardholder-guide.pdf) and must fill out the Northwestern University Procurement Card Cardholder Agreement (http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/cardholder-agreement.pdf). The form must be approved by the department head (i.e. the person that will be reviewing and approving the transactions) and should then be delivered to the Financial Assistant in order to receive approval from the Director of Finance. The Law School’s Procurement Card Policies and Procedures (this document) will also have to be reviewed and signed by the employee and the designated reviewer prior to sending the Cardholder Agreement to the Procurement Card Administrator.

The Cardholder Agreement requires that a default chart string be selected (“CUFS Billing Account”). This chart string will receive all of the cardholder’s charges if the proper allocation is not made prior to the upload date (see additional information under the “Managing Transactions” section).

Once Accounting Services has received the procurement card, the cardholder will need to attend training with Accounting Services in order to pick up the card.
Who Cannot Obtain a Card

The following employees are not eligible to receive a procurement card:

- Faculty members
- Temporary employees
- Visiting scholars
- Workstudy participants
- Contractors
- Students
- Any employees without an NU employee ID

GUIDELINES FOR CARD USE

Purchasing Rules

Although this list is not exhaustive, the procurement card should not be used for the following types of purchases:

- Personal Use
- Travel and entertainment purposes (meals, airline tickets, hotel accommodations, car rentals, etc.)
- Cash Advances
- Alcoholic beverages
- Any item exceeding the card’s pre-established dollar limits (cardholders are prohibited from “splitting” transactions in order to bypass their established limits)

The procurement card is not transferable and card information should not be shared with others. Cardholders should only make purchases for their own department.

The procurement card is not open to all merchants. Merchant code categories are included or excluded at the discretion of the NU Committee. In the rare instance that a department needs to make a purchase from a vendor with an excluded merchant code category, the supervisor should notify the Manager of Finance and provide the business purpose for the expense. If approved, the Manager of Finance will temporarily lift the exclusion via a request to the Procurement Card Administrator.

CARDHOLDER RESPONSIBILITIES

Managing Transactions

Cardholders must retain an itemized receipt for EVERY purchase on the procurement card. Additionally, cardholders will need to complete the Transaction Log (http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/procard-transaction-log.xls) for all purchases. This includes the following information:

- Date of purchase
- Name of the vendor
- Description of the purchase (please include the business purpose of the expense)
• Chart string and account code to which the charge will be allocated
• Transaction amount

Charges will initially go to the Procurement Card Program account code (75695) for the default chart string that was originally indicated on the Cardholder Agreement. These charges will then need to be allocated to the correct chart string and account code in the PaymentNet system (http://www.paymentnet.jpmorgan.com/) prior to the weekly upload. The weekly upload is completed every Wednesday through an upload journal by Accounting Services. Cardholders can set up an alert in the PaymentNet system to send them an email notification whenever a transaction is posted for their review.

If the chart string and account code allocation is not made before the weekly upload, a correction journal has to be completed in order to post the charge to the correct chart string and account. On a monthly basis, a report with all charges hitting the Procurement Card Program account code will be sent to cardholders. Cardholders should review the report and make correction journal entries as part of the reconciliation process (see “Reconciling Your Account”).

Reconciling Your Account

On a monthly basis, the procurement card account will need to be reconciled. The cycle closes on the 25th of every month. Within 2 or 3 days, procurement card statements will be available on the PaymentNet website. Cardholders should print the statement and match the transactions to their receipts and the transaction log. Also remember that any charges posted to the default chart string and account code will need to be corrected through correction journals and included in your reconciliation documentation.

In the case of erroneous charges, please refer to the Northwestern University Procurement Card Cardholder Guide for further instruction.

After the reconciliation is complete, sign off on the reconciliation as proof of verification, and send the statement, log, all receipts, and, when applicable, the correction journals to the reviewer for their review and signature as proof of approval.

The reviewer is the budget manager of the chart string being charged for the transaction, after correction journals if applicable. If monthly charges affect chart strings under multiple reviewers, then a separate reconciliation will be completed for each reviewer’s charges. Since cardholders should only make purchases for their own department, the need for multiple reconciliations will only occur when a department has multiple budget managers.

This reconciliation should be completed by the 20th of the following month. Please provide the completed reconciliation to the Financial Assistant for review.
For an example of a completed reconciliation, please contact the Financial Assistant.

**Top 9 Do’s for Cardholders**

1. Make vendor aware of tax exempt status (tax exempt ID is embossed on the card)
2. Keep procurement card and card information in a secure location
3. Stay within your transaction limit and your monthly limit
4. Obtain an itemized receipt for EVERY purchase
5. Complete the Transaction Log for EVERY purchase
6. Allocate purchases to the correct chart string and account code on a weekly basis
7. Enter a correction journal for any charges that were not properly allocated to a chart string and account code prior to the weekly upload
8. Complete reconciliation of procurement card activity by the 20th of the following month, including reviewer signature
9. Bring reconciliations to Financial Assistant for review

**REVIEWER RESPONSIBILITIES**

**Top 4 Do’s for Reviewers**

1. Verify that all purchases made are authorized, appropriate, and consistent with the procurement card policies
2. Ensure that the reconciliation is accurate, complete, and timely
   - Itemized receipts have been obtained for every purchase on the transaction log
   - Transaction log and receipts agree with the statement from PaymentNet
3. Confirm that transactions were posted to the correct chart string and account code
   - If charges were posted to the default chart string and account code, a correction journal has been submitted and is included in the reconciliation
4. Verify that no sales tax has been charged on the procurement card
