McCormick School of Engineering
Procurement Card (ProCard) Policy and Procedure

OVERVIEW

The Procurement Card Program is intended to streamline and simplify the purchasing process for specific types of transactions. The program is not intended to avoid or bypass appropriate use 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. To provide control, McCormick has implemented the following procedures for cardholders and reviewers. This document was created as a supplement for McCormick users and should be used in conjunction with the Northwestern University Procurement Card Cardholder Guide (http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/procurement-cardholder-guide.pdf). If any of these procedures are not adhered to, McCormick Administration reserves 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 must read through and understand the Northwestern University Procurement Card Cardholder policy. They must also complete the Northwestern University Procurement Card Cardholder Agreement (http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/cardholder-agreement.pdf). This agreement must be completed and approved by the department supervisor (i.e. the person who will be reviewing and approving the transactions). 2) The McCormick Procurement Card Policy and Procedure document (this document) must also be read and signed. Send the signed documents to Mary Scripps (Tech, L370). 3) Once reviewed by McCormick Administration the forms will be sent to Accounting Services. Once Accounting Services has received the procurement card, the cardholder must attend training with Accounting Services in order to pick up the card. The cardholder will be contacted by Accounting Services to schedule this training.

Who can Obtain a Card
See page 4.

GUIDELINES FOR CARD USE

Purchasing Rules

The procurement card is not transferable from department to department and card information must 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 a 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 Mary Scripps and provide the business purpose for the expense. If approved, a temporary lift of the excluded category will be submitted via a request to the Procurement Card Administrator.

See page 4 for a list of correct and incorrect uses of the procurement card.
CARDHOLDER RESPONSIBILITIES

Managing Your Card

Cardholders must retain an itemized receipt for EVERY purchase made on the procurement card. Additionally, cardholders will need to complete the Transaction Log spreadsheet for all purchases. The transaction log includes the following information:

- Date of purchase
- Name of the vendor
- Requested by
- 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
- Signature of supervisor/approver

For audit purposes receipts and any backup documentation must be kept on file for eight years.

Charges will always default to the Procurement Card Program account code (75695) as well as the chart string that was originally indicated on the Cardholder Agreement. Weekly, you will need to move charges to the correct account code and chart string using the PaymentNet system (http://www.paymentnet.jpmorgan.com/). You should proactively move the charges before the weekly upload, which is completed every Wednesday at 5pm by Accounting Services. Wednesday mornings you will receive an email reminder from Accounting Services that charges must be moved by 5pm.

If the correct chart string and account code allocation is not made before the weekly upload, a correction journal must be completed in order to post the charge to the correct chart string and account. Correction journal information must be logged on the transaction log. See the Project Café job aid for Correction Journals.

Reconciling

On a monthly basis, your procurement card must 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 on the statement to the receipts and the transaction log (this is a three way match). Please remember that any charges posted to the default account code will need to be moved to the correct account code through a correction journal and included in your reconciliation documentation. Please do this in a timely manner to avoid 90 day journals.

After the reconciliation is complete, sign off on the transaction log as proof of verification. Send the statement, log, all receipts, and, when applicable, the correction journal information to your Approver/Supervisor. The role of the Approver is to carefully review and sign the materials as verification of their approval. The card holder is responsible for maintaining a file of statements and approved reconciliations.

This reconciliation should be completed by the 20th of the following month. If the Approver is not receiving monthly reconciliations from staff, run the Cognos GL008 by the default account code (75695) and drill down on each transaction to see the cardholder name and vendor.

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

The Approver/Supervisor should send an e-mail with the cardholder name to Mary Hallissey (m-hallissey@northwestern.edu) and Mary Scripps (Mary.Scripps@northwestern.edu) to request cancellation. Once canceled, the physical card should be sent in a sealed envelope through interoffice mail to Mary Hallissey (619 Clark St Room 110, Evanston) as Accounting Services must properly dispose of the card. **This should be done one week prior to employees last day in a position.**

**NON-COMPLIANCE**

McCormick has adopted a three strikes policy in regards to non-compliance. All cardholders and reviewers are expected to follow the NU and McCormick guidelines for procurement cards, travel/entertainment and purchasing policies. Anyone not adhering to these guidelines will receive a “strike.” After three strikes the card will be permanently revoked. Examples of “strikes” include:

1. **Using the card to circumvent the standard purchase process via iBuyNU or established vendor in NUFinancials.**
2. **Making purchases for types of transaction that are not allowed, per the list mentioned above.**
3. **Sharing the card (or its number) with others.**
4. **Lack of original receipts.**
5. **Repeat failure to assign the correct account code and/or chart string by ProCard upload deadline.**
6. **Repeatedly failing to provide completed reconciliation information to supervisor/approver by established deadlines (see Reconciling on pg. 2).**
7. **Repeatedly paying tax on purchases made with the ProCard.**
8. **Not maintaining complete records for the card (see reconciling above).**

**PAYMENT**

Although cardholders will receive a monthly credit card statement from the bank, the statements are paid electronically by NU. The department/program should NOT pay monthly statements via purchase orders. This will result in double payment to the bank.

Please see additional resources on the procurement card website: [http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/](http://www.northwestern.edu/financial-operations/controller/accounting-services/procard/)
McCormick School of Engineering
Quick Guide for Procurement Card Do’s and Don’ts

DO’s
Who Can Obtain a Card?
- Financial Assistants, Lab Managers, Program Assistants, Directors and Administrators as deemed necessary.

Correct uses of Procurement Card:
- Conference Registration
- Association Memberships
- Subscriptions (magazines, professional journals, etc.)
- Low dollar/risk transactions that are not allowed through iBuyNU.
- Emergency Purchases
- Small Catering Needs (box lunches, food trays, if applicable include attendee list)

Procurement Card Do’s for Cardholders:
- Attend mandatory NU ProCard training session.
- Keep your card in a safe secure location.
- Obtain itemized receipts for EVERY purchase.
- Make sure the vendor is aware of your tax exempt status.
- Allocate transactions to the correct chart string and account code on a weekly basis (must be completed every Wednesday by 5pm).
- Complete the transaction log for EVERY purchase.
- Complete reconciliation of procurement card activity on a monthly basis (match receipts with monthly statement). This will eliminate the need for 90 day journals.
- Obtain monthly approval of transaction log, receipts, and statement (from PaymentNet) by supervisor or designee.
- Complete correction journal/s for any charges that were not correctly allocated to a chart string or account code prior to the weekly upload.

Procurement Card Do’s for Reviewer/Approver:
- Attend mandatory NU ProCard training session.
- Verify that purchases are authorized, appropriate and consistent with all procurement card and NU purchasing policies.
- Ensure that reconciliation is accurate, complete and timely.
  - Itemized receipts have been obtained for every purchase on the statement.
  - The transaction log and receipts match the statement from PaymentNet.
- Confirm that transactions were posted to the correct chart string and account code.
  - If the charges were posted to the default chart string and/or account code confirm that a correction journal has been properly submitted.
- Verify that no sales tax has been charged on the procurement card.
- Ensure that if an employee is leaving NU their card is in your possession one week before appointment end date.
- For audit purposes all receipts/backup must be kept on file for eight years.

DON’Ts
Who Cannot Obtain a Card?
- Faculty
- Temporary Employees
- Work-Study Students
- Visiting Postdocs, Scholars, and Fellows
- Contractors

Incorrect Uses of Procurement Card:
- Purchase of any item that can be purchased through iBuyNU (i.e. supplies, computers, toner, printers, etc.).
- To reserve or purchase any travel and/or entertainment (meals, airline tickets, hotels, rental cars, etc.). Alcoholic Beverages.
- Dining (group meals and department outings)
- Not to be used for deposits for events (catering, hotel reservations, etc.).
- Individual Gifts
- Purchases of $5K or more, including capital equipment.
- Purchasing any item not allowed by NU policy.
- Purchases for personal items.

Procurement Card Don’ts for Cardholders:
- Using the Procurement card to circumvent the standard purchase process via iBuyNU or an established vendor in NUFinancials.
- Using the Procurement Card for types of transactions that are not allowed (see list below under Incorrect Uses of Procurement Card) or do not follow the NU purchasing policies and procedures.
- Sharing your card or card numbers with others.
- Being charged tax for a purchase.
- Not obtaining itemized receipts.
- Not moving charges from default chart string and account code on a weekly basis.
- Not maintaining transaction log.
- Card is not transferable from one department or program to another.
I have read and understand the McCormick Procurement Card Policy and Procedure document.

Sign and deliver original to Mary Scripps (Tech L370).

__________________________________________  ______________________
Cardholder Signature  Date

__________________________________________  ______________________
Reviewer Signature  Date