



RCUOG PURCHASE CARD POLICY AND CARD HOLDER AGREEMENT

1. PURPOSE

The purpose of this policy is to provide instructions on the proper use of a RCUOG purchase card. This policy augments the RCUOG Procurement Policy's small purchase procedures. All purchase card transactions must comply with RCUOG Procurement policy.

2. BACKGROUND

To improve efficiency of operations, purchase cards may be used for specific, pre-approved purchases that adhere to the RCUOG procurement policy.

3. PROCUREMENT AND APPROVAL AUTHORITY REFERENCES

- Code of Federal Regulations Title 2, Subtitle A, Chapter II, Part 200
- RCUOG Procurement Policy
- BOD Resolution 15-05: Relative to Authorizing the Opening or Closing of Bank Accounts or Credit Facilities at Financial Institutions

4. ISSUANCE OF PURCHASE CARDS

Resolution 15-05 establishes the authority for opening a purchase card account. New purchase card applications require the signatures of both the RCUOG executive director and the chief business officer. The RCUOG executive director has the final authority to approve the issuance of purchase cards.

- a) PI's may request a purchase card once the grant notice of award has been received and the RCUOG service-order form has been approved allowing the grant to be managed through RCUOG.
- b) The purchase card is issued in the name of the card holder and is only to be used by that person.
- c) The RCUOG executive director will use the following criteria to determine when to issue a card:
 - i. The PI/unit provides evidence of accountability and control over the card (e.g., PI/unit has demonstrated adherence to RCUOG policies and documented how they intend to ensure the card's safekeeping);
 - ii. The card is related to purchases necessary to achieve the deliverables in a federal grant;
 - iii. The type and frequency of purchases made are within the guidelines and limitations included in this policy;
 - iv. Purchases regularly require use of a card rather than other available, non-card payment methods.



5. PURCHASE CARD USE GUIDELINES

- a) RCUOG purchase orders must be approved **prior** to using the purchase card. Vendor quotations must be attached to the PO and RCUOG chief business officer must certify funds. The text “PAID BY CREDIT CARD” must be included on the PO.
- b) The single transaction one quote purchase limit is established at a maximum of \$3,000 as stated in the RCUOG Procurement Policy.

LIMITATIONS AND SAFEKEEPING OF PURCHASE CARDS

- a) Purchases shall be made by card holders and shall be limited to purchases of grant related items.
- b) Cash advances shall not be allowed using the purchase card.
- c) Purchase cards shall not be used to purchase personal items.
- d) Items purchased must be immediately available for delivery from the merchant. As a general rule of practice, back ordering is not allowed. Exceptions may be made in writing by the RCUOG executive director.
- e) The card holder is responsible for safekeeping of purchase card under his or her control.
- f) The card holder is responsible and accountable for transactions made using the card and for adherence to this policy and the RCUOG Procurement Policy.

6. RECORD KEEPING / RECONCILIATION REQUIREMENTS

- a) All purchases must be supported by approved purchase order, receipts/invoices and receiving report.
- b) The card holder is responsible for the monthly reconciliation of the receipts with the purchase card statement.
- c) Purchase card records will be audited from time to time by the RCUOG management. Therefore, it is essential that card holders adhere to the recordkeeping guidelines.

Purchase Card Receipts and Transaction Logs

Card Holders must provide one or more of the following to properly document a purchase:

- a) Credit card slips;
- b) Itemized packing slips;
- c) Web confirmation forms;
- d) Completed mail order application/forms;
- e) Invoices.

Transactions must be recorded by the card holder in a Purchase Card Transaction Log/Ledger. Each entry must be approved and co-signed by the card holder. The approved PO number should be recorded next to the purchase card transaction. The Purchase Card Transaction Log/Ledger must be provided upon request to RCUOG.

7. LOST OR STOLEN LOST OR STOLEN CARDS / CANCELING A CARD

If the purchase card is lost or stolen, the card holder must immediately notify the issuing financial institution and the RCUOG chief business officer. University security and the Guam police should also be notified if the cards are suspected to have been stolen. Upon notification to



the financial institution, follow up correspondence must be sent by the card holder to the RCUOG chief business officer (or designee) with the following information:

- a. The names of the card holder and the purchase card account number;
- b. The date of the loss/theft;
- c. If stolen, the date the police was notified;
- d. UOG purchase(s) made on the date the card was lost/stolen and one week prior;
- e. A copy of the current Transaction Log.

A new card will be provided to the card holder following a report of loss or theft.

The card holder must return the Purchasing Card to RCUOG upon:

- a) Termination of employment;
- b) Request by the RCUOG chief business officer or executive director.

8. REWARD POINTS

Any mileage points earned through purchase card transactions will be placed under the control of the RCUOG executive director and will be used to support professional development for RCUOG employees, principle investigators, and/or RCUOG management.

9. RESPONSIBILITY FOR MAKING TIMELY PAYMENT

- a) RCUOG is responsible for making timely payments to the financial institution for purchase card billings.
- b) Card holders are expected to ensure complete documents are submitted to the RCUOG chief business officer in a timely manner to avoid penalties or cancellation of the purchase cards.

10. NON-COMPLIANCE

Card holders who fail to comply with the Purchase Card Policy guidelines may be subject to the following:

- a) Revocation of the purchase card.
- b) Termination of the user's purchase card.
- c) Disciplinary action in accordance with RCUOG policies and procedures. The following are examples of actions that may lead to disciplinary action:
 - i. Use of the card for unauthorized purposes or allowing the card to be used for unauthorized purposes;
 - ii. Allowing the card to be used by another individual or another department.
 - iii. Dividing a purchase to circumvent the procurement policy;
 - iv. Failing to provide receipts and/or acceptable documentation in a timely manner;
 - v. Failing to provide, when requested, additional information about a questionable purchase.

PROCESS

| STEP | RESPONSIBLE PERSON | TASK REQUIRED |
|------|------------------------|--|
| 1 | Card Holder | Following RCUOG procurement policy, attach quotes and/or other necessary documents to RCUOG purchase order abstract. Submit to RCUOG Chief Business Officer for certification of funds and approval. |
| 2 | Card Holder | Once PO is approved, make purchase. Log each transaction in the purchase card transaction log. |
| 3 | Card Holder | Make purchase directly with vendor. Retain all credit card slips and any documents in support of purchase. |
| 4 | Card Holder | Ensure receipt of goods and services and follow-up with vendor to resolve any delivery problems, discrepancies, and damaged goods. Retain all credit card slips, packing slips, web confirmation, etc. |
| 5 | Card Holder | Upon receipt of purchase statement, review and reconcile purchases for any discrepancies. |
| 6 | Card Holder | Forward reconciled purchase statement along with receiving report, invoices, other supporting documentation and payment request to RCUOG. |
| 7 | Chief Business Officer | Receive and review reconciliation from the card holder. If reconciliation is incorrect, return to card holder. If reconciliation is correct, process payment within due date. |

I acknowledge receipt of Credit Card No. _____

Issued by: _____. Expiration date: _____.

I understand the policy and card holder agreement as outlined above. I understand that I am responsible for ensuring this policy is implemented within my unit/program/project accordingly and shall exercise due diligence in the usage of the purchase card.

Received by/date:

Print, sign and date

Department: _____