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 (pcard) 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 Supervisors/Approvers. This document was created as a supplement for McCormick users and should be used in conjunction with the Northwestern University Procurement Card Cardholder Guide. If any of these procedures are not adhered to, McCormick Administration reserves the right to revoke a Cardholder’s procurement card.

PROCEDURES TO OBTAIN A PCARD

In order to obtain a pcard, an employee must:

1. Read through and understand the Northwestern University Procurement Card Cardholder Guide.
2. Complete the Northwestern University Procurement Card Cardholder Agreement. This agreement must be approved by the Supervisor/Approver (i.e. the person who will be reviewing and approving the transactions).
4. Send the signed documents to Jackson Lee (Tech L370). After reviewing the forms, McCormick Administration will send them to Accounting Services.
5. Once Accounting Services has received the procurement card, the Cardholder must attend training with Accounting Services in order to pick it up. The Cardholder will be contacted by Accounting Services to schedule this training.

See page 4 for who can and cannot obtain a pcard.

GUIDELINES FOR PCARD USE

Cardholders should only make purchases for their own department. The procurement card is not transferable between departments. Procurement card information must never be shared with others.

The procurement card is not open to all merchants. In the rare instance that a department needs to make a purchase from a vendor with an excluded merchant code category, the Supervisor/Approver should notify Jackson Lee 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 PCard

Cardholders must retain an itemized receipt for EVERY purchase made with the procurement card. Cardholders will also need to complete a transaction log spreadsheet for all purchases. The transaction log must include the following information:

- Date of purchase
- Vendor name
- Requester name
- Description and business purpose of the purchase
- 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) along with 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 website. 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 updated 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 Correction Journals job aid.

Reconciling Your PCard

On a monthly basis, your procurement card must be reconciled. The cycle closes on the 25th of every month. Within two or three days of close, procurement card statements will be available on the PaymentNet website. Cardholders should print the statement and match the transactions on the statement to both 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 with your reconciliation documentation. Please complete within 90 days to avoid a 90 day exception form.

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

This reconciliation should be completed by the 20th of the following month.

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

The Supervisor/Approver should email Jackson Lee (jackson.lee@northwestern.edu) to request cancellation. Once cancelled, the physical pcard 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 pcard. **This should be done one week prior to the Cardholder's last day in a position.**

NON-COMPLIANCE

McCormick has adopted a three strikes policy in regards to non-compliance. All Cardholders and Supervisors/Approvers are expected to follow the Northwestern University and McCormick guidelines for procurement cards, travel/entertainment, and purchasing policies. Anyone not in adherence to these guidelines will receive a “strike.” After three strikes, the pcard will be permanently revoked. Examples of “strikes” include, but are not limited to:

1. Paying with the pcard to circumvent using standard purchasing processes via iBuyNU or established vendors in NUFinancials.
2. Making purchases for transaction types that are not allowed.
3. Sharing the pcard (or its numbers) with others.
4. Lack of original receipts.
5. Repeatedly failing to assign the correct account code and/or chart string before the weekly deadline.
6. Repeatedly failing to provide completed reconciliation information to the Supervisor/Approver by the established monthly deadlines (see Reconciling Your PCard on page 2).
7. Repeatedly paying tax on purchases made with the pcard.
8. Not maintaining complete records for the pcard (see Reconciling Your PCard on page 2).

PAYMENT

Although Cardholders will receive a monthly credit card statement from the bank, the statements are paid electronically by Northwestern University. 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 Program website](#).**

Last Revised: 04/16/15
McCormick School of Engineering
Quick Guide for Procurement Card Do’s and Don’ts

DO’S

Who Can Obtain a PCard?
- 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 not available 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 PCard training session
- Keep your pcard in a 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 (every Wednesday by 5pm)
- Complete correction journal(s) for charges not correctly allocated to a chart string/account code prior to weekly upload
- Complete the transaction log for EVERY purchase
- Complete reconciliation of pcard activity on a monthly basis
- Obtain monthly approval of transaction log, receipts, and statement from the Supervisor/Approver

Procurement Card Do’s for Supervisors/Approvers:
- Attend mandatory NU PCard 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 no sales tax has been charged on the procurement card
- Ensure that if a Cardholder is leaving NU, their pcard 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 PCard?
- 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.)
- Travel (airline tickets, hotels, rental cars, meals, etc.)
- Alcoholic beverages
- Dining (group meals and department outings)
- Deposits for events (catering, hotel reservations, etc.)
- Individual gifts
- Purchases of $5K or more, including capital equipment
- Purchases of any item not allowed by NU policy
- Personal use

Procurement Card Don’ts for Cardholders:
- Use the procurement card to circumvent the standard purchasing process via iBuyNU
- Use the procurement card for transaction types that are not allowed (see Incorrect Uses of Procurement Card above) or not in compliance with NU purchasing policies and procedures
- Share your pcard or pcard numbers with others
- Pay sales tax on purchases
- Discard itemized receipts
- Forget to move charges from default chart string and account code on a weekly basis
- Fail to maintain a transaction log
- Transfer pcard from one department or program to another

Last Revised: 04/16/15
I have read and understand the McCormick Procurement Card Policies and Procedures document.

Sign and deliver original to Jackson Lee (Tech L370).

__________________________________________    ____________________
Cardholder Signature        Date

__________________________________________    ____________________
Supervisor/Approver Signature       Date