WILLIAM E. BOEING DEPARTMENT OF
AERONAUTICS & ASTRONAUTICS
College of Engineering

Cardholder Requirements for Monthly Reconciliation

08-2018

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CARDHOLDER RESPONSIBILITY

Procard assignment is a privilege. The department expects that Procard transactions adhere to the Washington State procurement policy. The cardholder is liable for any misappropriation. The cardholder is also responsible for reconciling every transaction prior to submitting for review to the fiscal office and following administrative processes. This departmental policy supplements those in place by UW Procurement.

Use only for UW business purchases only that are allowable, allocable, and appropriate to the project and budget purpose. Any budget requiring approval from budget authority needs all documentation of approval.

Compliance is essential to lower the department's audit risk and honor proper accounting procedures expected as Washington state employees. The penalty for non-compliance will be the confiscation of the card. The cardholder will be given notification only **three times** prior to confiscation.

AA Department Policy does not allow food purchases on Procard. Some exceptions may be made with pre-approval from the Administrator and Chair.

All cardholders are required to submit every transaction on their monthly statement to the ProCard mailbox outside of GUG 211, a minimum of three business days prior to the deadline for campus for review by the fiscal unit. This means that if the campus deadline falls on a Monday at 5:00 PM, the cardholder is responsible for turning in all material by Wednesday at 5:00.

Below is the calendar for ProCard dates. Click here for more information about ProCard cycle and to infer future dates.

2019	Transaction Cycle (starts from the 2nd business day of the month through the 1st business day of the following month)	ProCard Close Date (2nd business day of month)	A&A Deadline (3 full business days prior to close date)	Final Payment Deadline (6 business days from close date)
Jan	Jan 3 – Feb 1	1-Feb	4-Feb	8-Feb
Feb	Feb 2-Mar 1	1-Mar	4-Mar	8-Mar
Mar	Mar 2-Apr 1	1-Apr	2-Apr	8-Apr
Apr	Apr 2- May 1	1-May	2-May	8-May
May	May 2-Jun 3	3-Jun	4-Jun	10-Jun
Jun	Jun 4-Jul 1	1-Jul	2-Jul	9-Jul
Jul	Jul 2- Aug 1	1-Aug	2-Aug	8-Aug
Aug	Aug 2 –Sep 3	3-Sep	4-Sep	10-Sep
Sep	Sep 4-Oct 1	1-Oct	2-Oct	8-Oct
Oct	Oct 2 – Nov 1	1-Nov	4-Nov	8-Nov
Nov	Nov 2-Dec 2	2-Dec	3-Dec	9-Dec
Dec	Dec 2-Jan 2, 2020	2-Jan	3-Jan	9-Jan

**Dates will be updated as more dates are available from ProCard.*

All cardholders are **required** to take the Department of Enterprise Services (DES) training. Click here for more information on the DES training and click here for the FAQs.

BEST PRACTICES

Procard policies recommend completing reconciliation as soon as the transaction is posted in PaymentNet and items are received. Reviewing a transaction within a week of its posting is a great way to keep on top of ProCard review. Make sure to also keep a file of all transaction documentation (see below).

Reviewing Transactions (see page 6)

- Change the budget, the object code, and check the Use Tax box as necessary
- Write Transaction notes that explain the item purchased and its use in your project
- Include (at minimum) this documentation
    - Invoice
    - Packing Slip(s)
    - Approval to use the budget (if you aren't the PI or have Delegated Signature Authority)
- Check cardholder box and click Save
- Print off the report page
- Submit with full documentation* at least 3 full business days before upload

*Full documentation is required when submitting ProCard transactions, unless items have not been received yet

Try not to purchase anything within a week of the deadline, as shipment might not be received in time for review. Consider the vendor's origin and shipping method to make sure you receive the items in time. If transaction posts **AND** the shipment has not arrived, review transaction and note product has not been received yet. **WHEN** the product arrives, bring packing slip to confirm product has been received.

Note About Tax Exempt (M&E)

Any Procard transaction is subject to tax (whether collected by the vendor and paid to the state or the university pays the Use Tax). Therefore, this excludes any Tax Exempt (*aka* M&E) purchases. You can purchase something that could be considered M&E but you can't exclude paying tax on it.

Purchases to Avoid on ProCard

There are several types of purchases that are better achieved through other purchasing sources. Recurring items are better achieved through a Blanket Purchase Order (BPO) instead of ProCard. This will save on processing and documentation requirements. Examples include:

- data storage: Google Drive, iCloud, etc.,
- services involving regular delivery (water, lab coats, etc.),
- other recurring monthly fees,

- Items that can be commonly purchased through ARIBA (McMaster-Carr, Praxair, etc.),
    - If purchases are made through ARIBA, please sign packing slip and bring to GUG 317 (can also be left in mailbox for Nancy, Candy, or Steve)
- Purchases from eBay, and
    - eBay is a third-party seller and sellers can
    - If eBay is the only payment method, continue with purchase
- Food and alcohol - Exceptions require written pre-approval by the chair and administrator.
- Personal purchases.
    - Take steps to avoid using ProCard for personal transactions
        - Save ProCard information for online services but don't use it as default payment method
        - Separate ProCard from other credit/debit cards
    - If any personal purchases were charged to a ProCard, a reversal is preferred over a reimbursement check, as a check requires multiple levels of administrative time (department, banking, reconciliation, etc.)

Do not send any purchases to personal addresses. Always default delivery address to GUG 211. Any purchasing made by the fiscal office will be held in GUG 317.

<u>Fraud & Erroneous Charges</u>

Any charges on ProCard that need to be reversed are still considered two charges. The same goes for any fraud charges that need reversal. Treat these charges as two separate transactions, regardless of the total amount equaling $0.00 ($50.00 - $50.00 = $0.00, but it's still two transactions).

DOCUMENTATION

When you submit your purchases for review, it is **required** to include all documentation at one time. *Exception: You purchased an item and the shipment hasn't arrived.*

Invoice: this document is a statement that shows items purchased, as well as quantity, cost of item, tax, shipping, and source of billing and shipping address if applicable. If the vendor didn't send you an invoice, request one. If you lost the invoice, request a replacement.

Sometimes the "invoice" is in form of a receipt (for example, a Home Depot receipt), especially if it is an in-store pick up of an item. If the invoice is in the form of a receipt, or any size small enough, please tape to an 8" x 11" sheet of paper. Tape only on the corners and don't cover any ink (as tape obliterates the ink). Do not use highlighter.

For vendors who use PayPal, attach PayPal email receipt as well as summary from vendor.

For any transaction that included food (event, meeting, etc.), please include a list of the attendees along with all other required documentation. The departmental policy for meals, refreshments and alcohol purchases can be found here. Food Approval Forms can be found here.

Proof of receiving the items: Verify the goods/services are received in good condition and the order has been completed.

If the vendor included a packing slip:

- write "received" on the packing slip,
- make sure all items have been delivered by placing a checkmark next to each item received, and
- sign your name and date the packing slip when items have been received.

If the vendor did not include a packing slip:

- write "received" on the invoice,
- write "no packing slip included" on the invoice,
- place a checkmark by each item received to verify contents, and
- sign your name and date the invoice when the items have been received.

If you prefer, labels are available from fiscal office in GUG 317.

Budget authority: If you are not the PI or delegated authority for a budget, include approval from the budget authority. This can be a printed email or purchase pre-approval form.

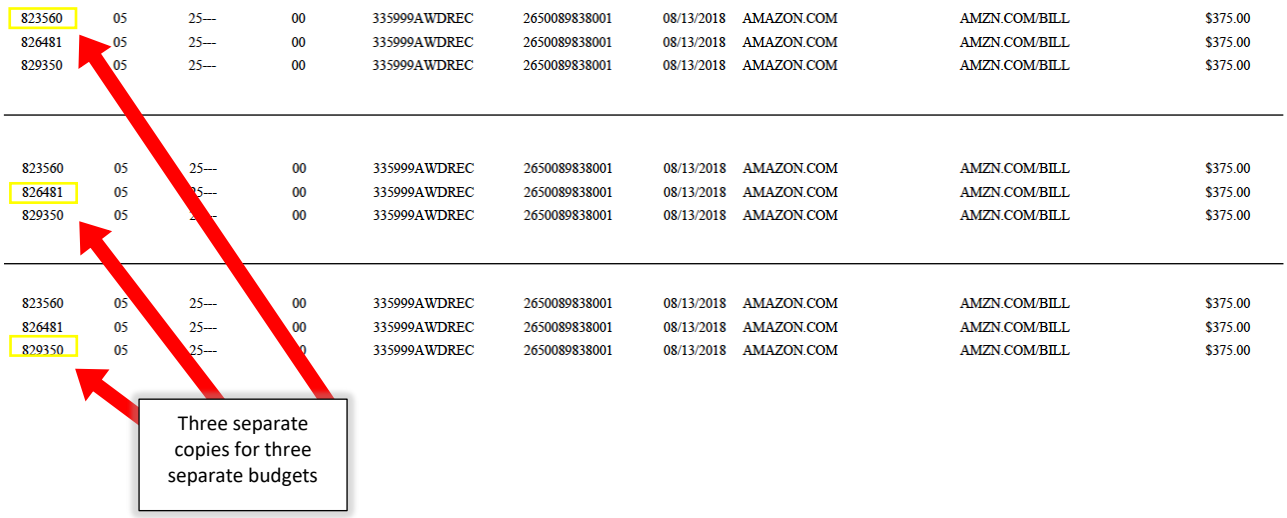
Transaction Detail: Cardholders must turn in a transaction cover page OR use transaction labels (which are available from the department) for every transaction. The transaction detail page from PaymentNet is preferable as it provides full information. Alternatively, you may write the object code, sub-object code, budget number, and PCA coding on invoice.

Transaction Summary Page(s): Every month that a transaction is incurred, the cardholder is required to submit a signed "UW Transaction Detail with Notes Report & Account Codes" report found in PaymentNet.

<u>Creating your Packet</u>

Before turning in your packet to the ProCard mailbox outside of GUG 211, please make sure you include all of the following items:

- Transaction Summary page
    - If you are charging to multiple budgets (let's say 3 different budgets):
        - make three separate copies of the transaction summary page,
        - separate transactions according to the budget they are charged to,
        - highlight ONE budget on each transaction summary page (however many transactions for said budget), and
        - include all transactions for said budget.
        - You should have three separate packets with transactions separated by which budgets they were charged to.
- Transaction Detail page (or labels) for each transaction
- Invoice
- Packing slip
- Budget approval

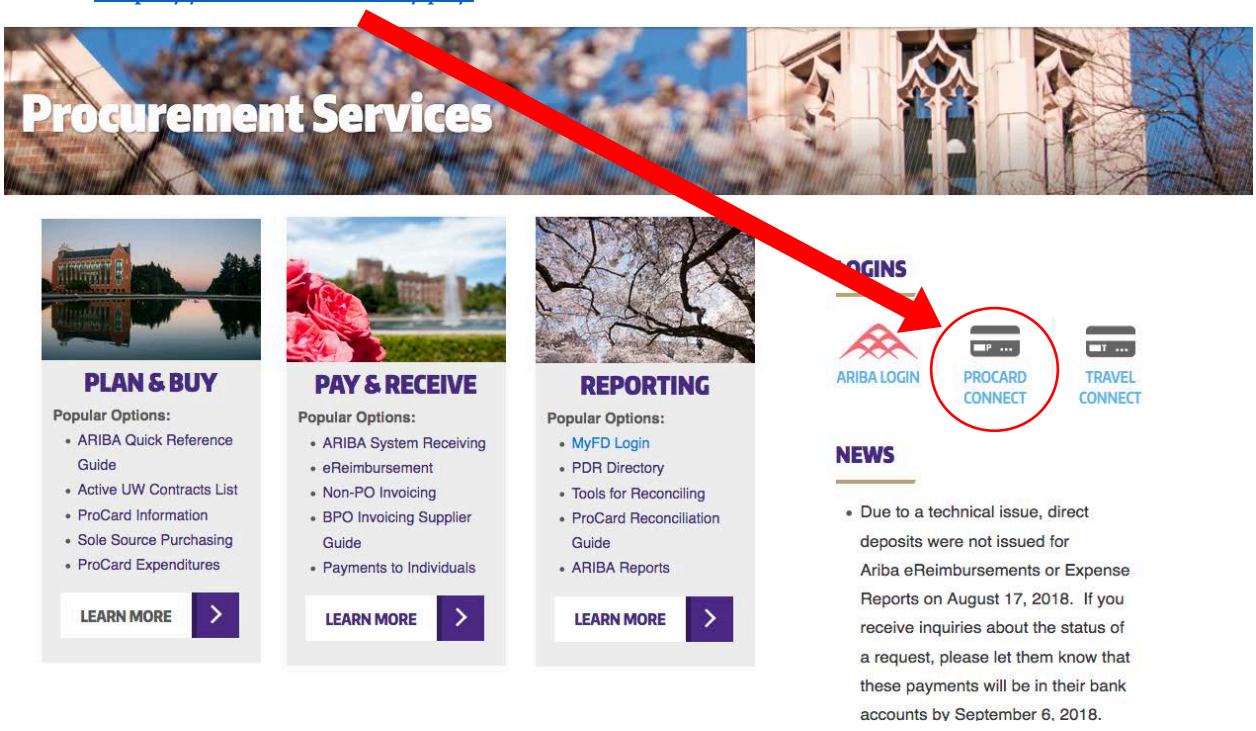


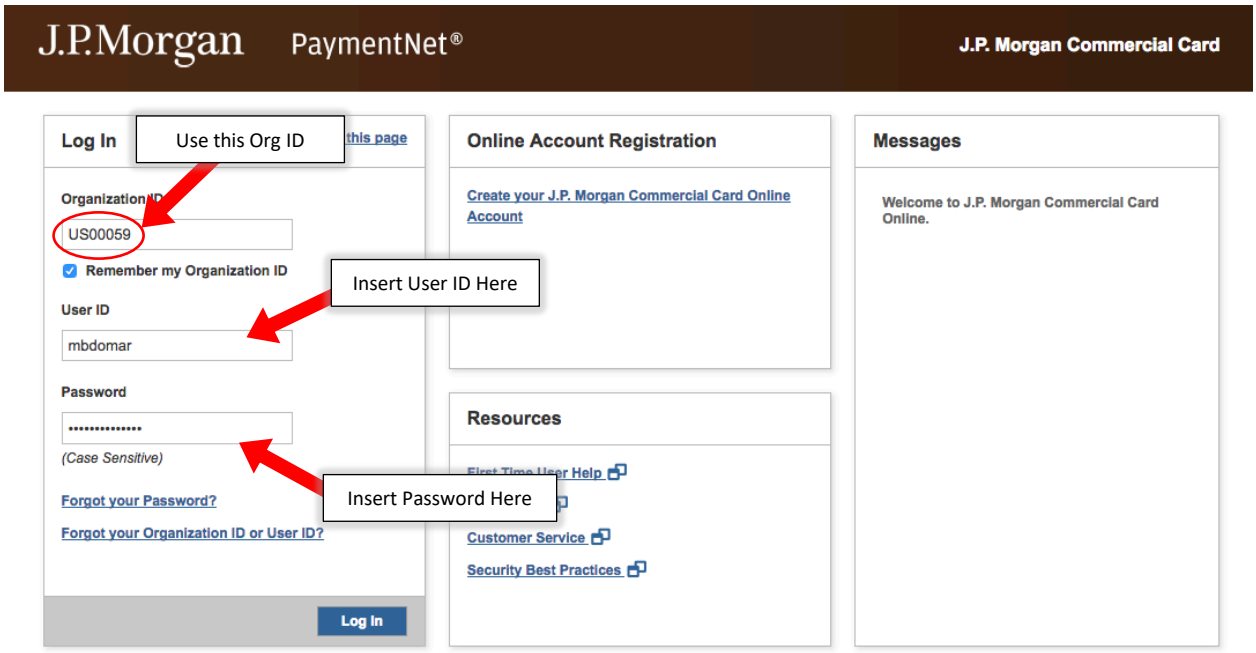
PAYMENTNET HOW-TO

How to Review a Transaction

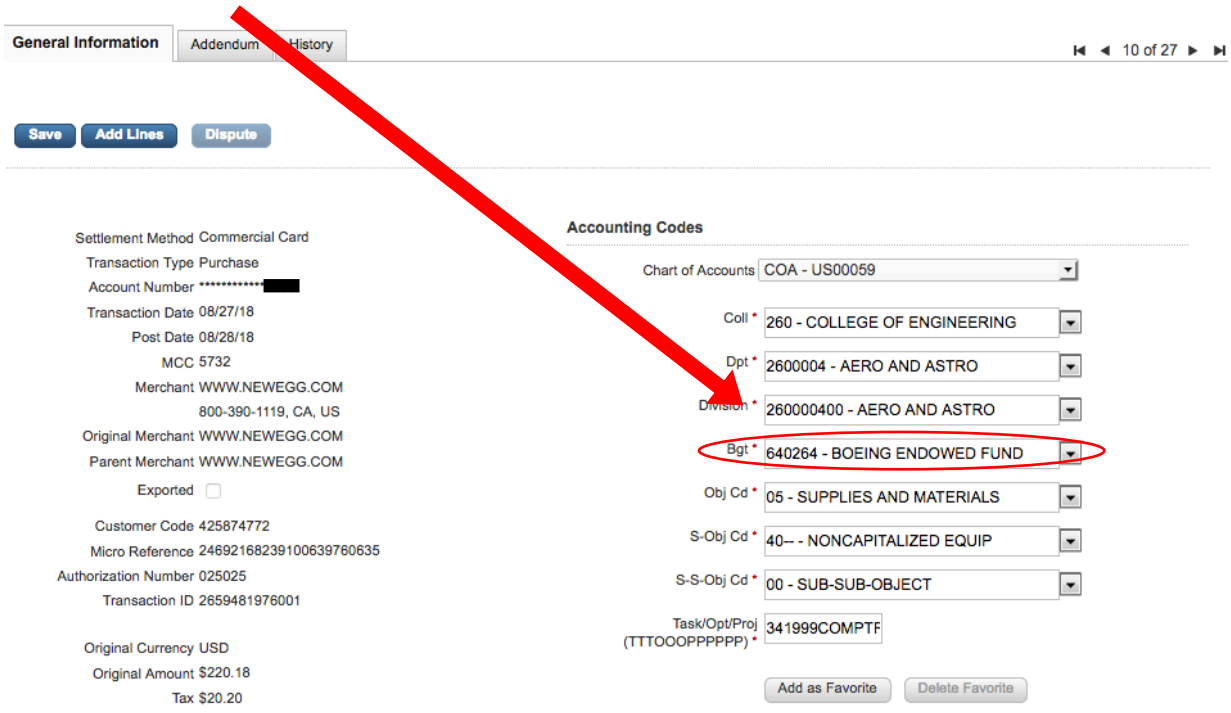
See below on a tutorial for reviewing a transaction in PaymentNet.

- Log into PaymentNet from the Procurement Services page on https://finance.uw.edu/ps/

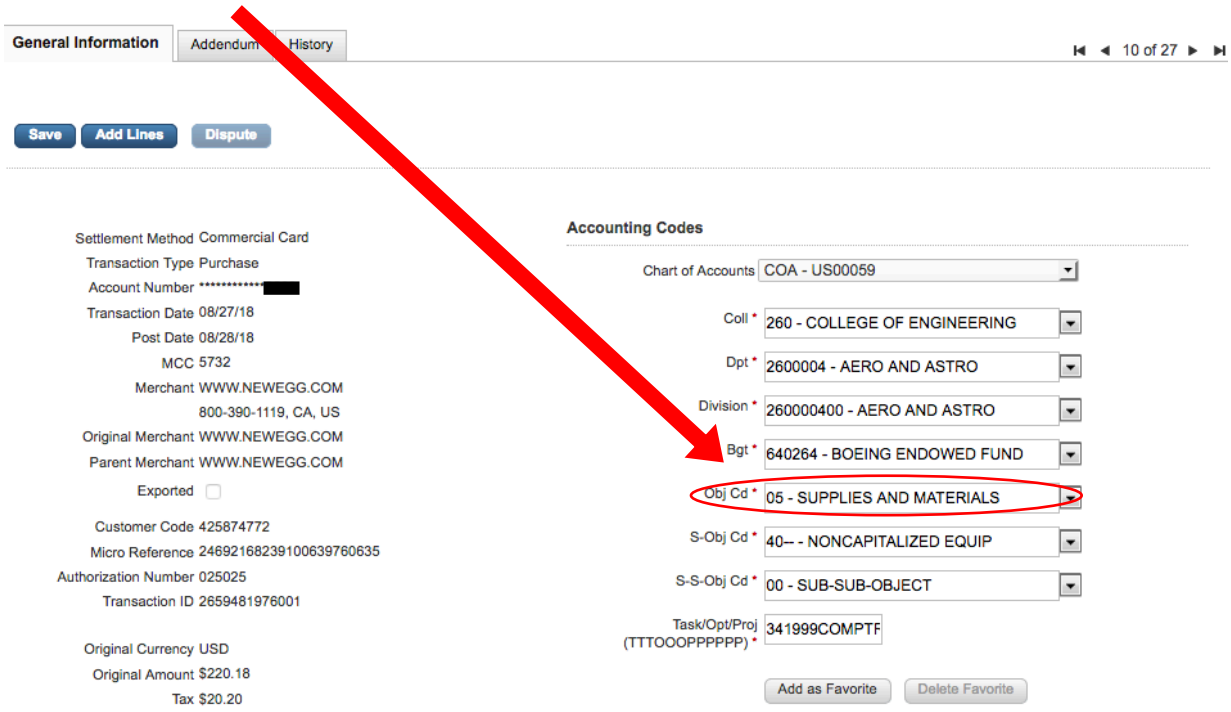




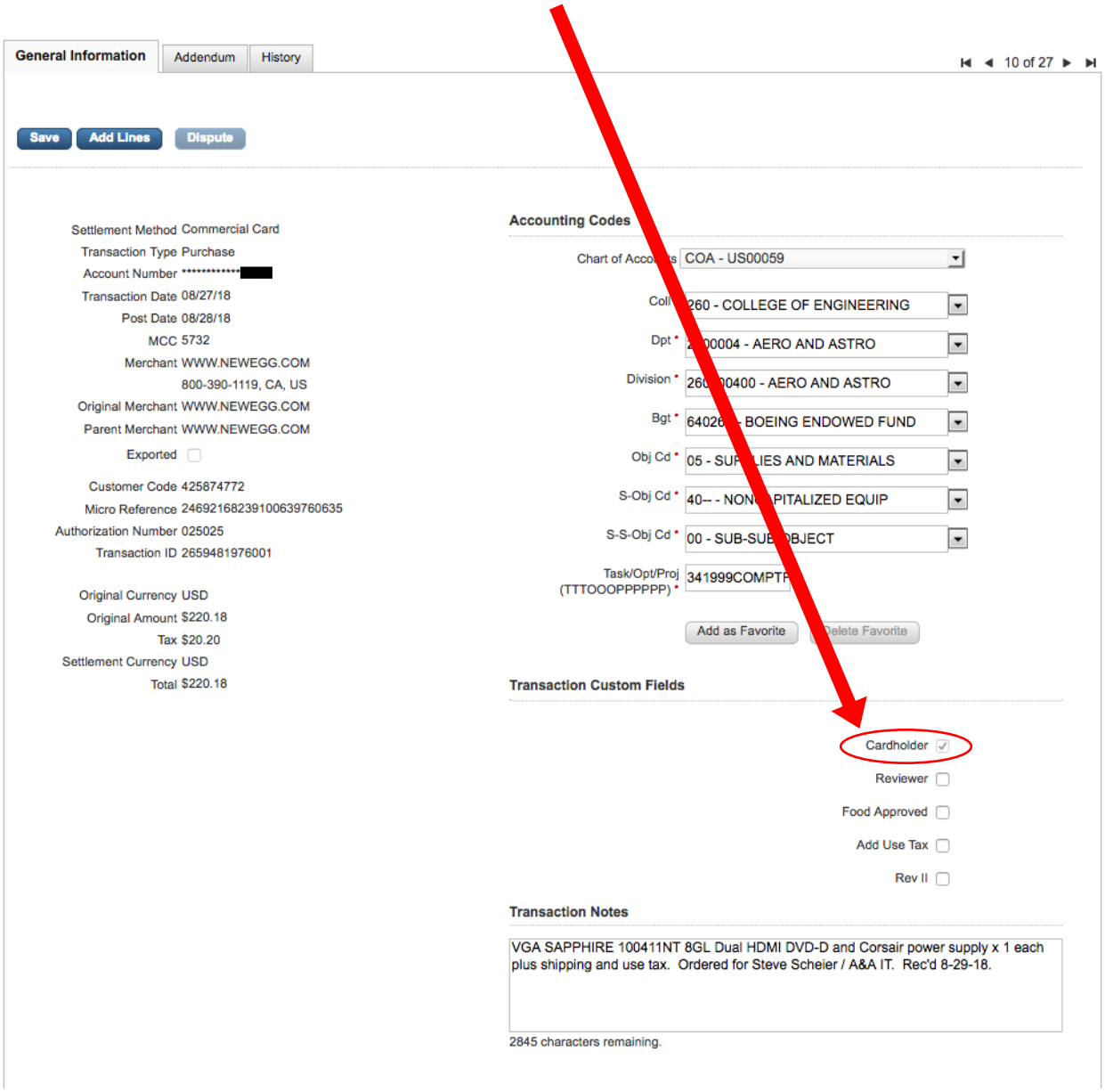
- Budget assignment: Update the transaction with the correct budget



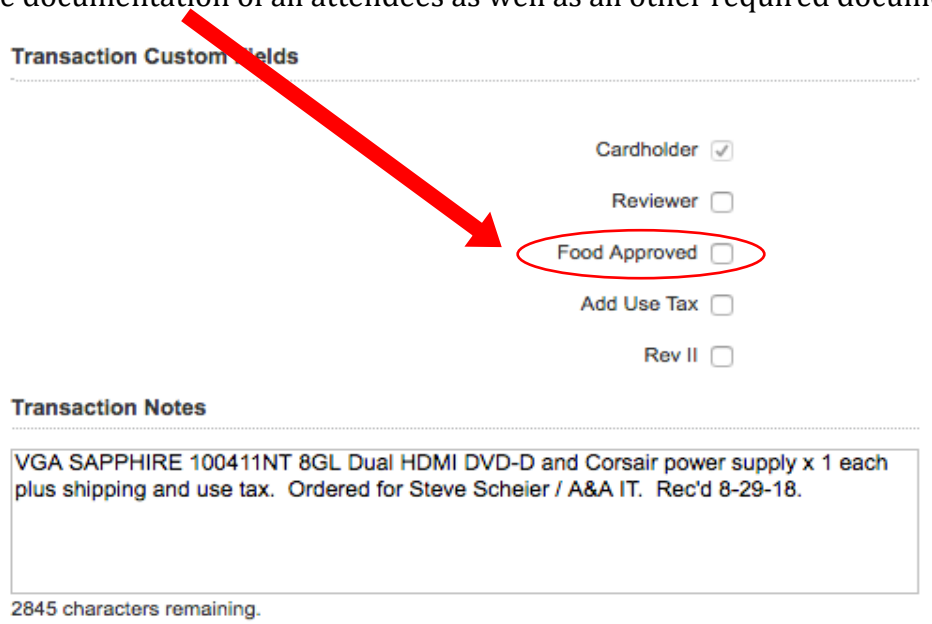
- Object codes: Assign the correct object code when updating the transaction (see page 20 for more information on object codes)



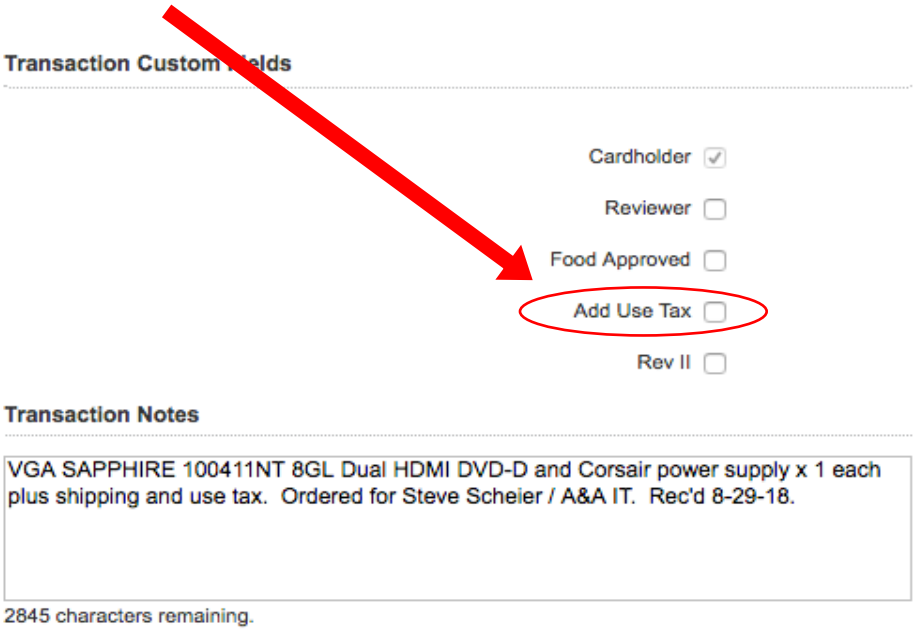
- Cardholder Box: Check box to approve the transaction data



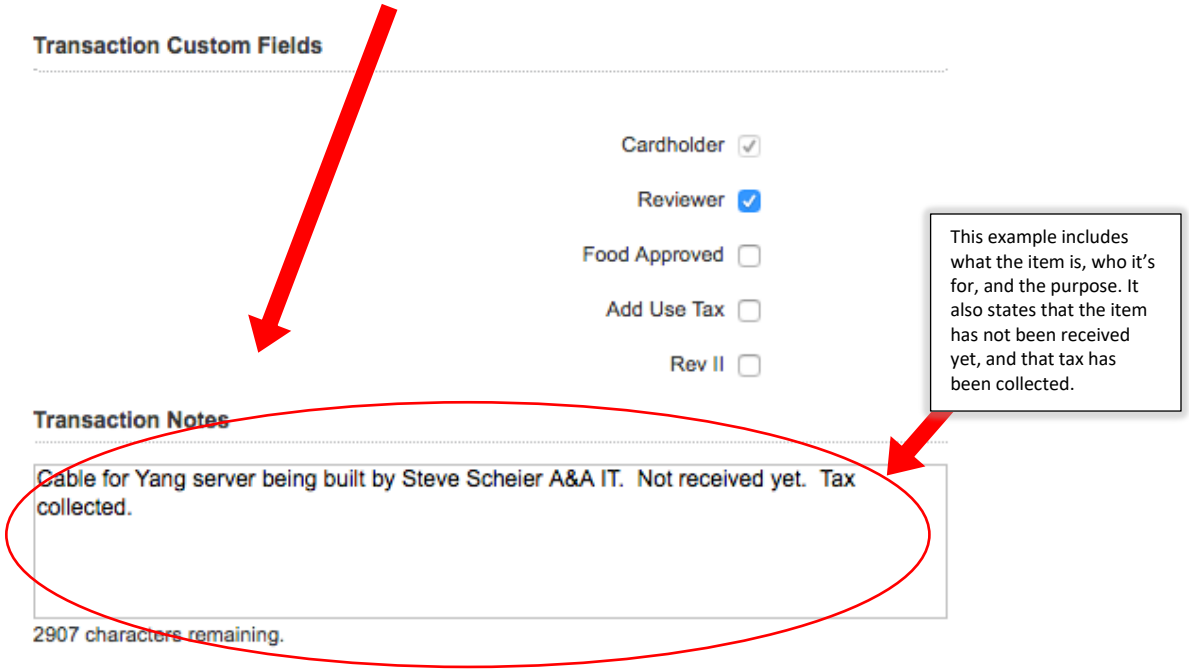
- Food Approvals: Check box if budget is food approved. If not approved, leave unchecked. Attach a pre-approved, pre-signed Ugh iFood Approval Form for non-food approved budgets. For food transactions relating to events or meetings, please include documentation of all attendees as well as all other required documentation.



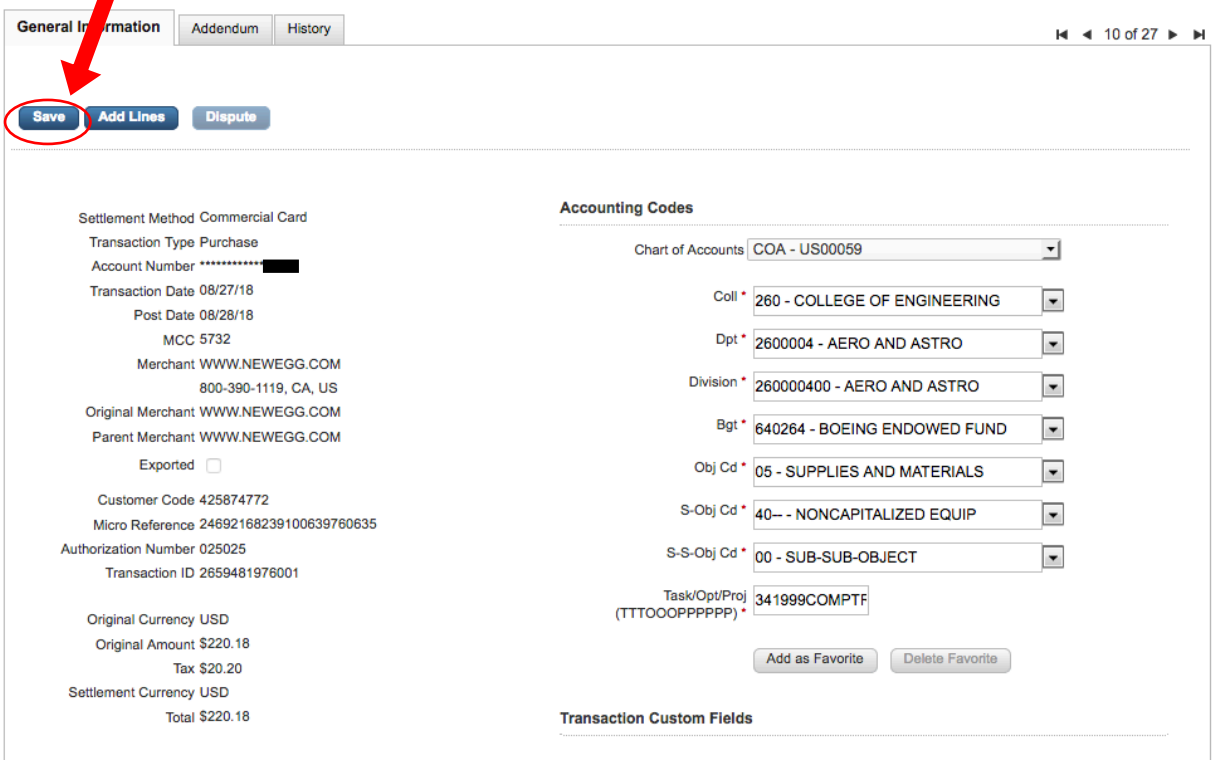
- Use tax: Review invoice to determine if tax was charged (the current Seattle tax rate is 10.1%). Check the "use tax" box on the transaction cover sheet IF the invoice does **not** include use tax. If the tax is applicable and included in the transaction amount, leave box unchecked.



- Transaction notes: Describe the transaction fully – enter item description and business purpose; any information that helps the reconciler/auditor understand what was purchased and why, approvals, and any other relevant information. The department needs full information (instead of saying just "lab supplies," "software," or "hardware," look below for a good example) in case of an audit.



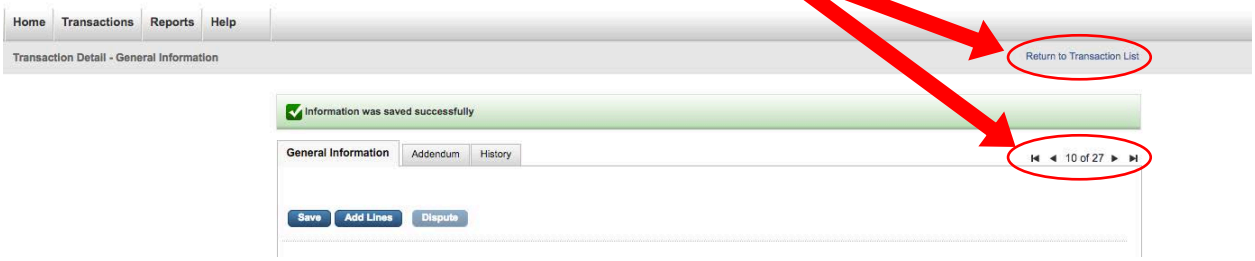
- Save: Click the save button so you do not lose any data that has been updated



- You will see this message

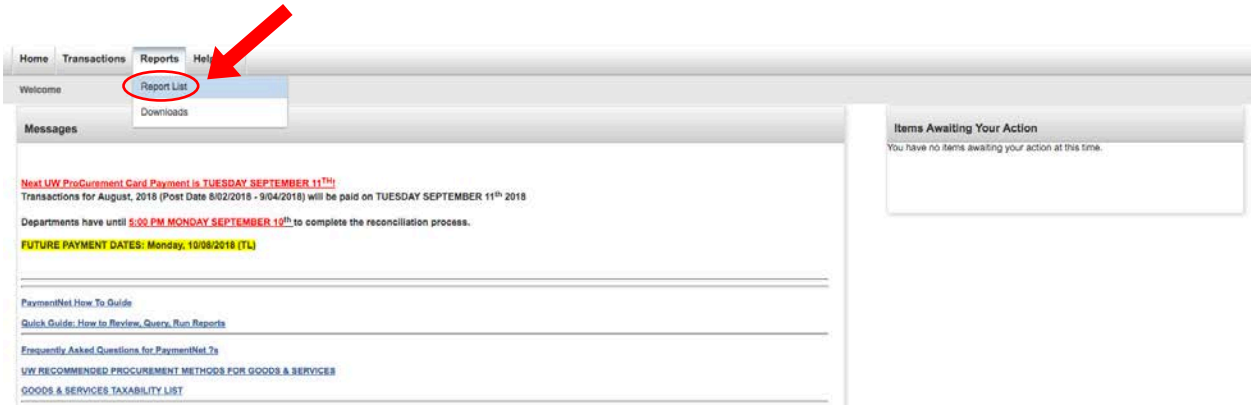
- Print Transaction summary by pressing Ctrl + P (Windows) or Command + P (Mac) or fill out a transaction label

- To go to the next/previous transaction, you can either:
  - Click on the corresponding arrows, or
  - Click on Return to Transaction List

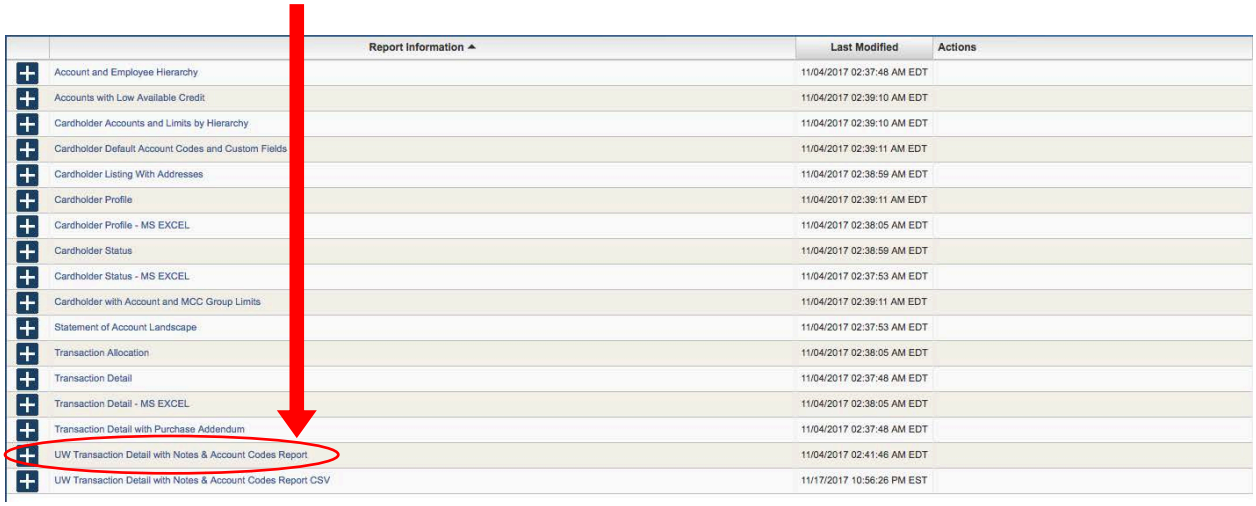


How to Print Out a Report

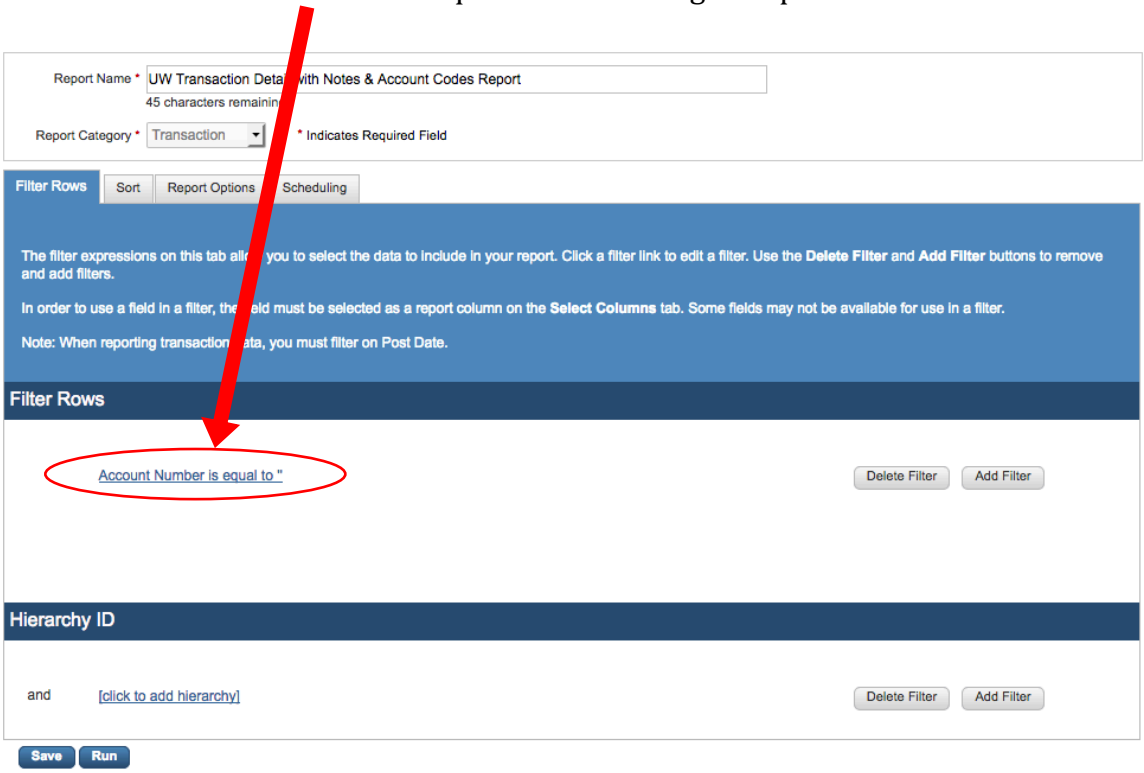
- Log into PaymentNet (follow steps on page 6)
- Hover over Reports on the PaymentNet home page and choose Report List



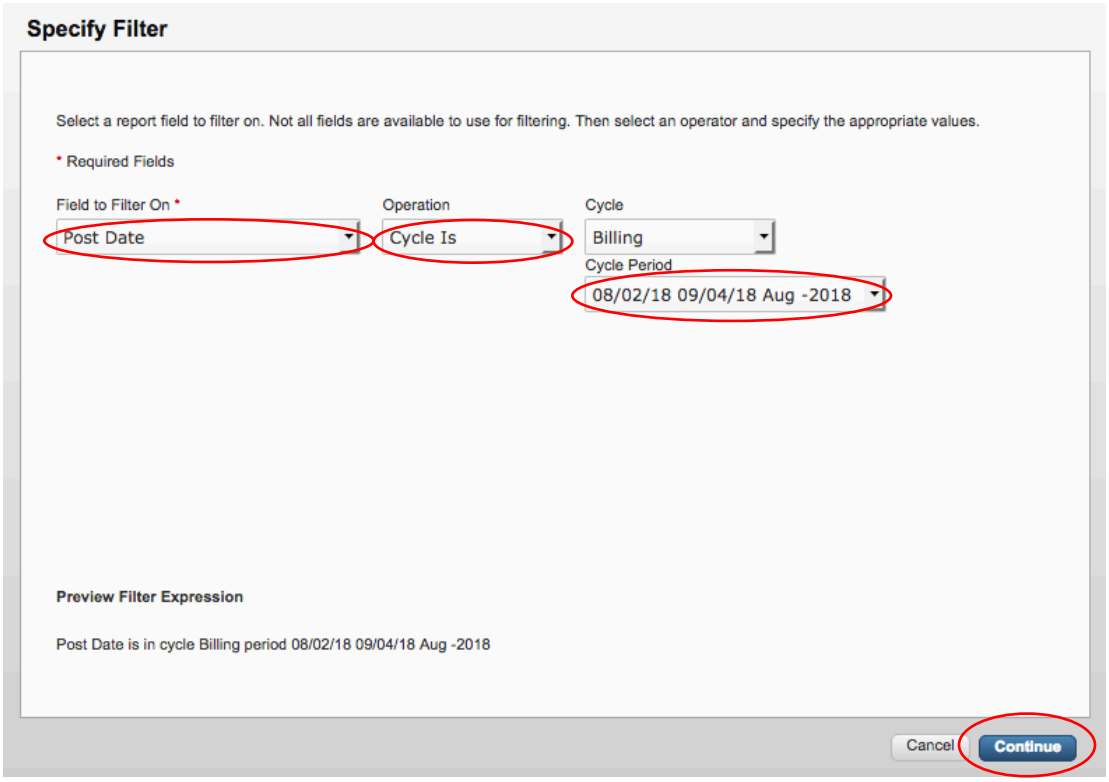
- Choose UW Transaction Detail with Notes & Account Codes Report (second to last)



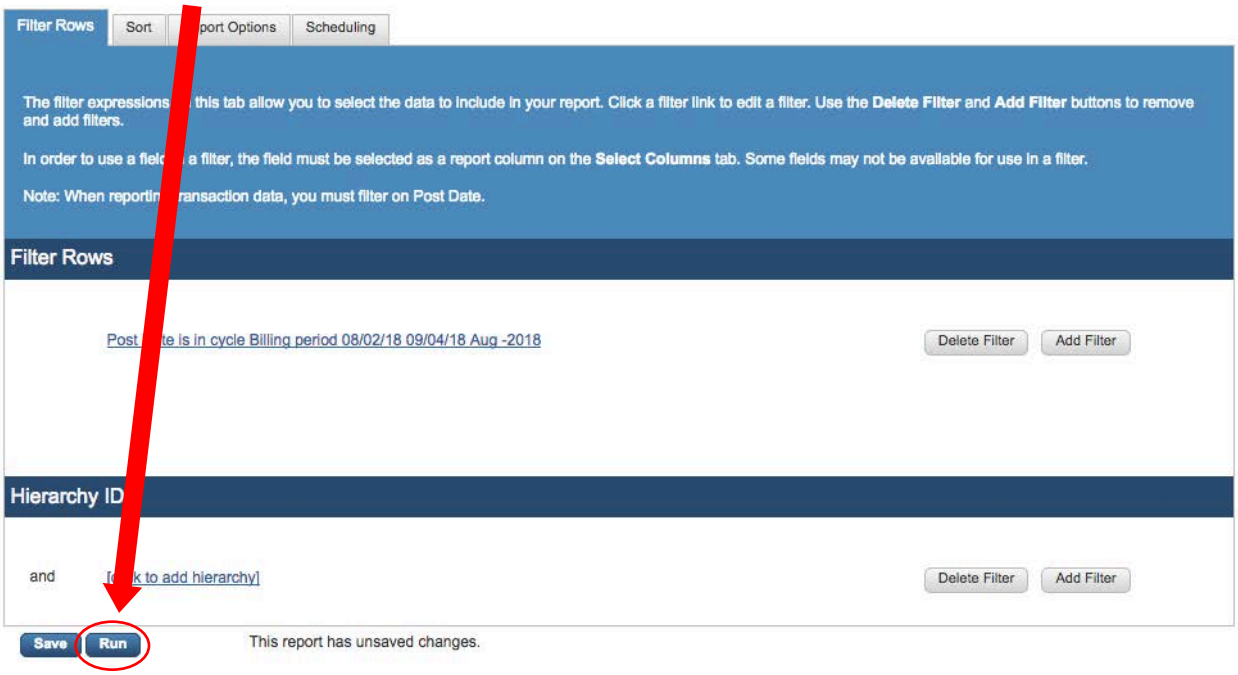
- Click on 'Account Number is equal to"' and change the parameters



- Choose *__Post Date__*, Operation *Cycle Is*, Cycle *Billing*, Cycle Period (*current billing month*), then click Continue

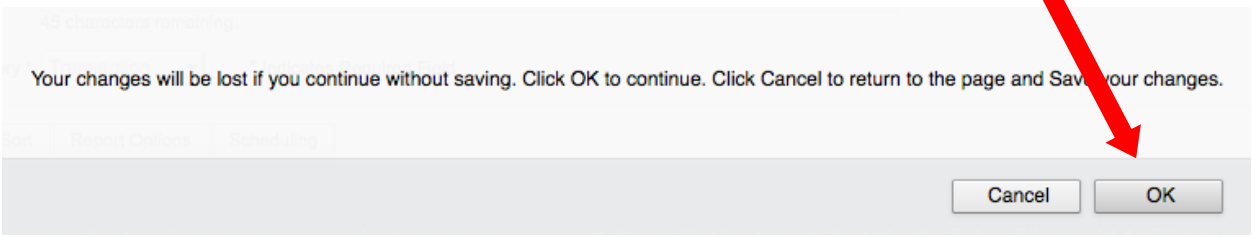


- Click Run to run the report

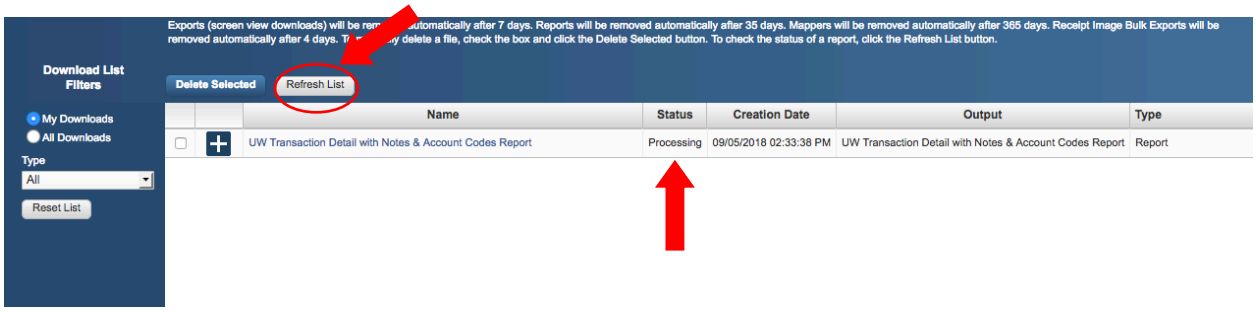


- Once you see the message below, it is almost ready to be viewed. It takes a few minutes for your report to compile.

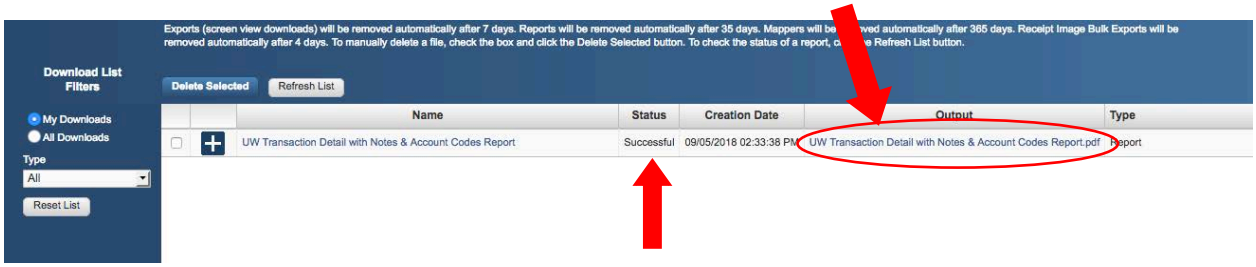
- Hover over the Reports tab again, and this time click on Downloads (you will receive this popup, click OK to continue)



- Once the status of the report has changed from Submitted (or Processing) to Successful, you are ready to view and print (you might have to refresh the list)



- Click on the link in the Output section (not the Name) and open the report



- Check the number of charges in the report against the charges you've reviewed in PaymentNet. Are you missing any?

- Print (double-sided if possible), sign and date the report

- Turn in the report with your documentation to the ProCard mailbox outside GUG 211

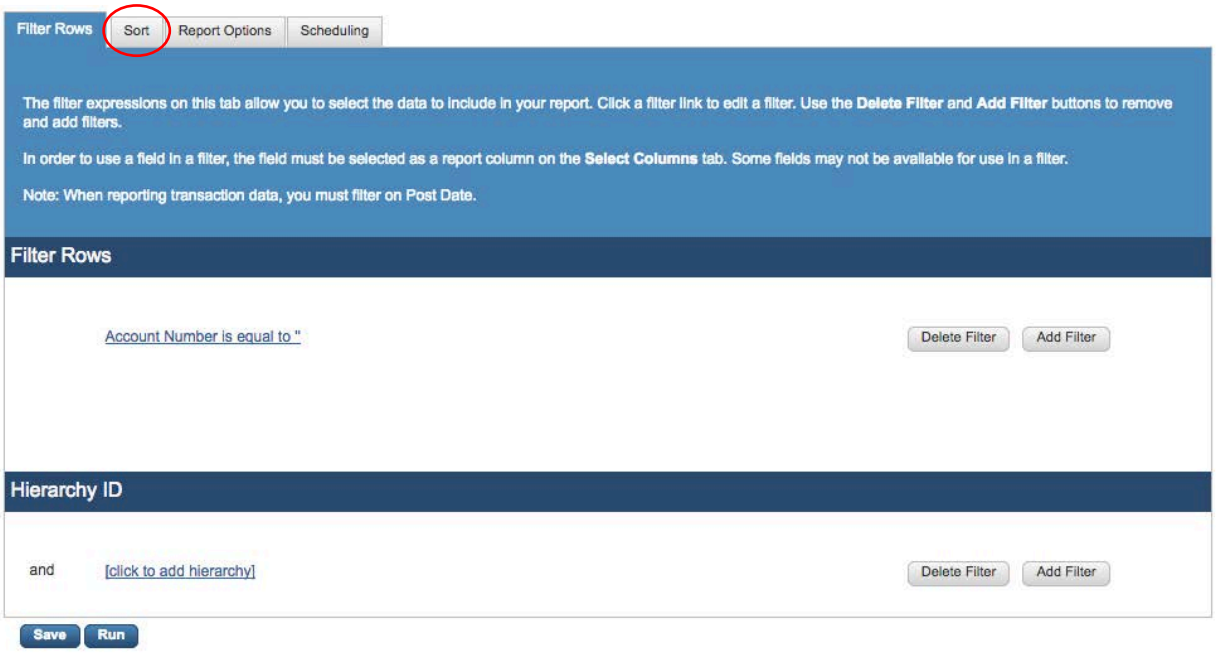
ADVANCED REPORT PRINTING

Sorting by Budget Number

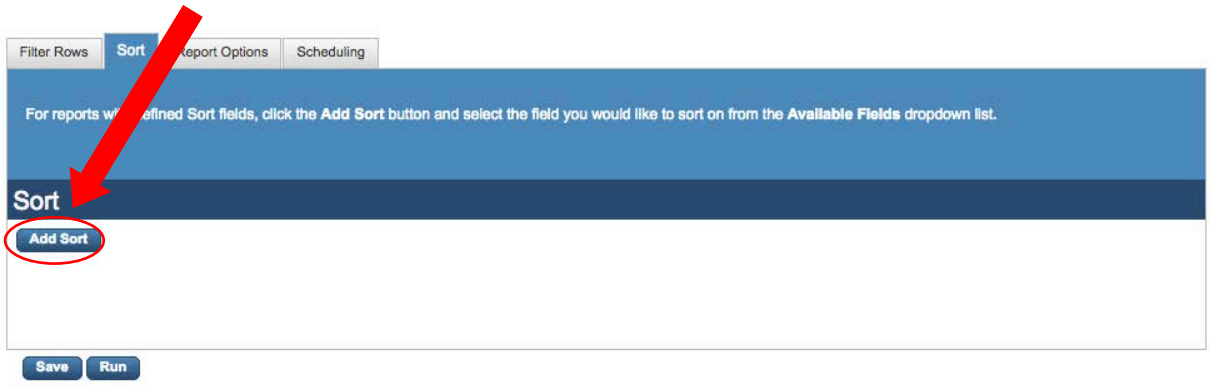
If you charge to a number of budgets, here is the method to show your budgets sequentially on the report:

- Follow the steps above until you're done filtering the parameters (page 12-13); do not click Run

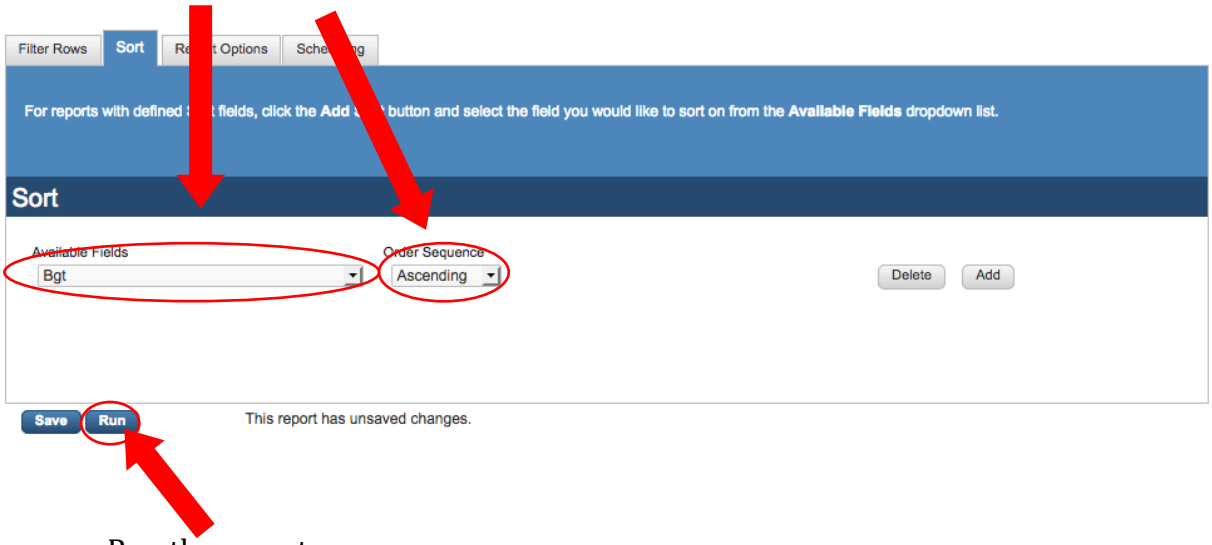
- Click on Sort



- Click on Add Sort



- Under Available Fields, select Budget (Bgt)
- Under Order Sequence, choose Ascending
- It should look like this



- Run the report.

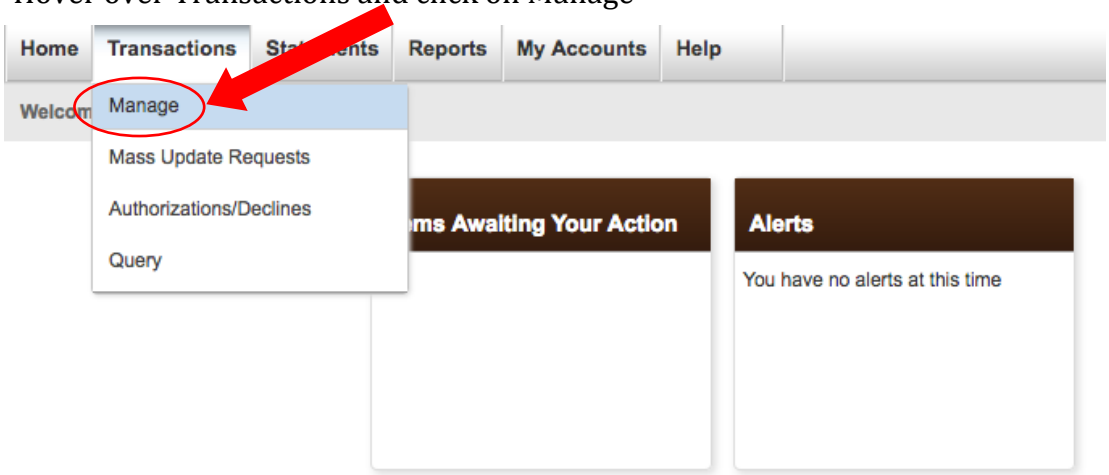
Example of budgets in ascending order; budgets are in ascending order by number.

149410	05	99---	00
149410	05	99---	00
149410	05	99---	00
613279	05	99---	00
613279	05	40--	00
613304	05	99---	00
613304	05	40--	00
632168	05	45--	00

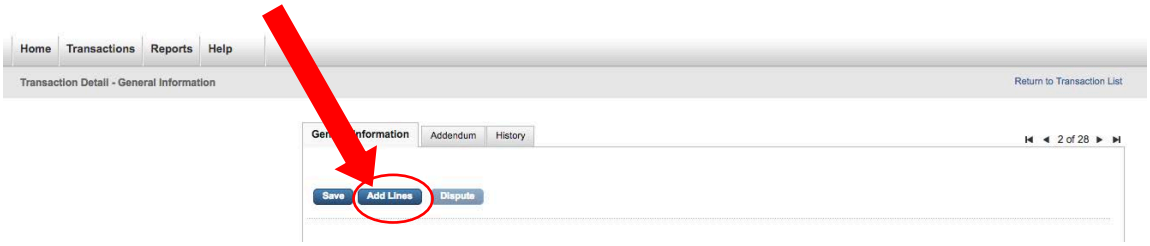
Adding Additional Lines

Whenever a ProCard transaction needs to split between budgets or object codes, you must follow these steps:

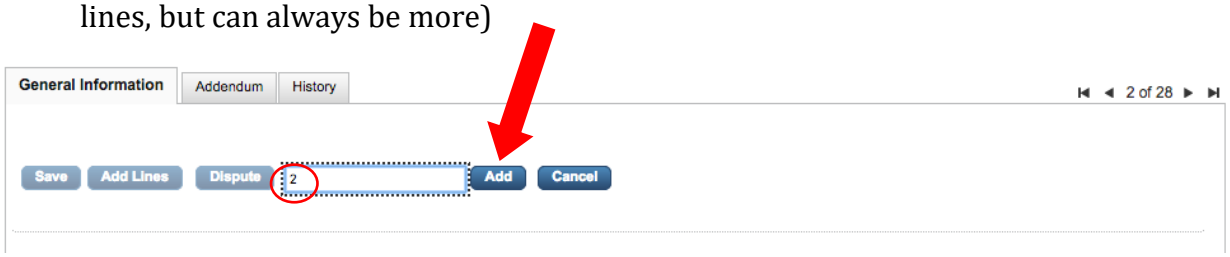
- Log into PaymentNet
- Hover over Transactions and click on Manage



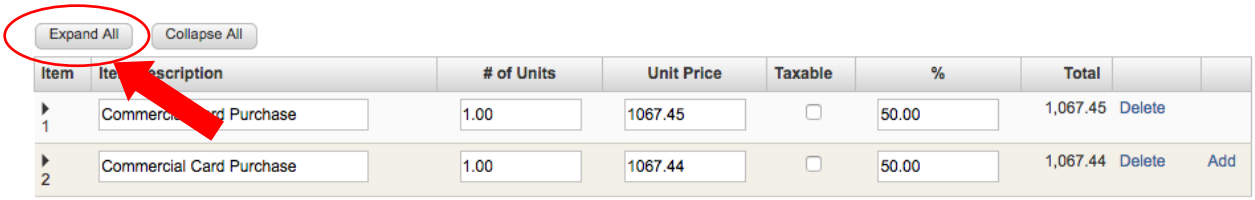
- Click on the transaction you want to edit, then click on Add Lines



- Enter the number of lines you wish to add and click Add (usually the quantity is 2 lines, but can always be more)

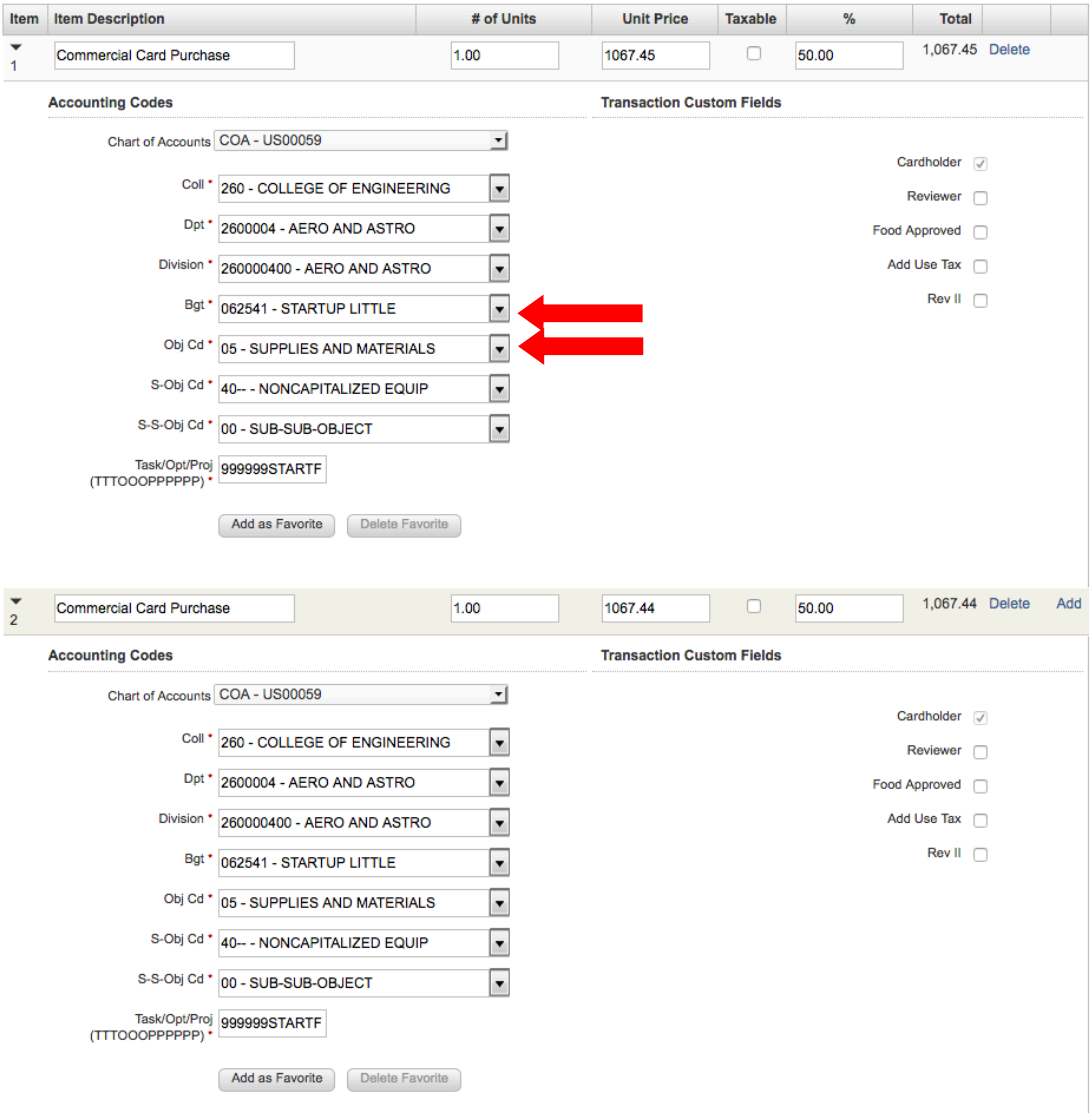


- At the bottom of the page, click on Expand All



- The percentage amount will default to 50% between the two lines, but it can be changed (25/75, 30/70, etc.). You may also manually update by amount.

- When the lines expand, you are able to go into each line and change the budget/ object code accordingly



- Click Save at the top when done

- Expand lines again and print full transaction detail page

OBJECT CODES

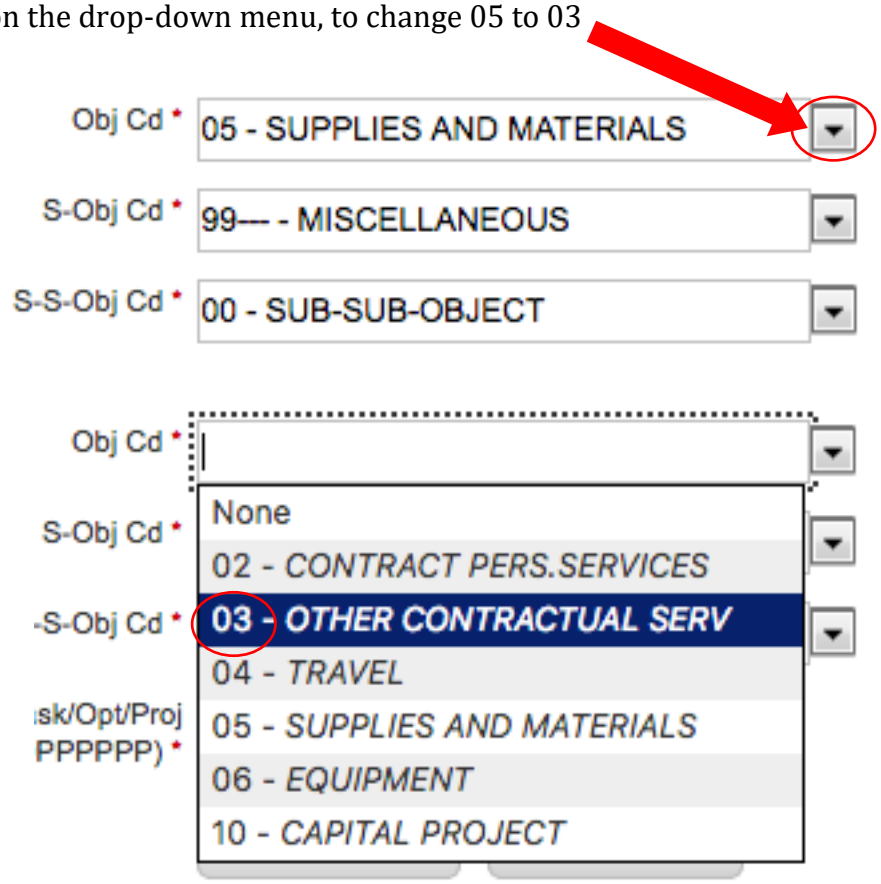
Object codes are six-digit numbers that are used to categorize actual expenses, budgeted amounts for expenses, and encumbrances, into categories that describe the nature of the goods or services purchased.

We code out expenditures to these object codes for UW accountability and management of expenses (what did we spend our money on?), for the University's Annual Report financial statements, (only the major objects-first 2 digits), and for reporting of expenses to the state of Washington (detailed). Our object code numbers (first 4 digits) convert to state codes (letters, not numbers), and expenditures are reporting to the state using the state codes.

How to Change an Object Code

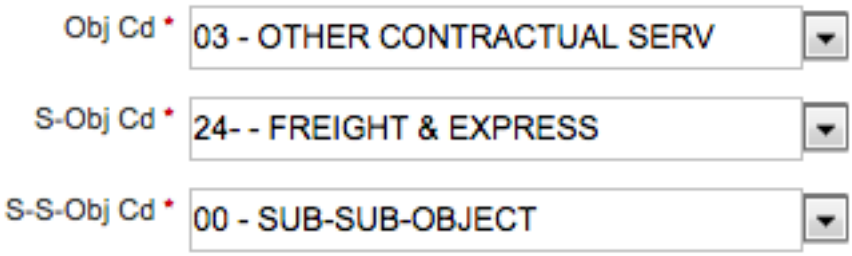
In this example, we're changing the object-sub-object from 05-99 to 03-24.

- Click on the drop-down menu, to change 05 to 03



- Then find the 24

- Now it looks like this



*We don't use sub-sub-object codes in Aero & Astro (return to page 7)

Commonly Used Object Codes

Here are some commonly used codes. See the link below for the full list.

Object Code	Item Description	Taxable? (Add Use Tax if vendor didn't collect tax – see invoice)	Comments
03-24	Freight and Express	No	Use 03-24 when shipping items out or items being returned (from repair for example.) Only time to use another object code is when shipping is part of the vendor's invoice.
03-29	Permits and Licenses	No	Permits to fly plans (FAA,) alcohol serving permits, City of Seattle Fire Permits, etc. fall into this category.
03-30	Memberships and fees	No	Membership and fees are OK. But donations or gifts to the organization isn't. Pay for donations with your personal card.
03-34	Registration for conferences	No	Include a copy of the registration. Also include a summary from the conference site (dates, locations, fee schedule.)
03-77	Food (bought in bulk for a group of people such as a meeting or a celebration)	No as the vendor usually charges tax at the register. If the vendor doesn't charge tax, then yes.	Include who ate at the meal (if a large gathering, include a list of invitees.) Needs pre-approved Food Approval Form unless the Budget is Food Approved. Any department event with alcohol also requires an alcohol serving license (03-29.)
04	Travel	N/A except for conference registrations, see comments	ProCards are not approved if you are in travel status; use personal card and travel reimbursement. This applies to local car rental too. Exception: if the conference is in Seattle and you pay for convention parking.
05-30	Books	Yes	Books, pamphlets and pre-recorded tapes and discs. Publication subscriptions (without membership) is 03-36.

05-31	Chemical and chemical products	Yes	Gas purchases and cannisters (such as Praxair and Airgas) have also been coded 03-87. 05-31 is more appropriate as 03-87 refers to empty canisters. Ethanol is in a restricted class. Use ARIBA for any Ethanol purchase. https://finance.uw.edu/ps/how-to-buy/ethyl-alcohol
05-40	Non-capitalized equipment	Yes	Yes, if vendor doesn't collect; no, if vendor does collect tax. Important to see the invoice. Did vendor collect tax?
05-43	Computer consumables	Yes	Cables, ink, toner, cartridges, flash drives (under $100). Use 05-40 for hard drives, keyboards, monitors, printers, mice.
05-45	Non-capitalized software	Yes	Non-capitalized software under $1M. Include a comment in your Transaction note about when the software was download. Include names of persons or lab for whom multiple licenses were bought.
05-64	Office supplies	Yes	General office supplies (grants: office supplies can't usually be purchased on federal grants; check with the BFA or grant manager.) Consider buying in ARIBA from Kenney
05-99	Misc.	Yes	Check the invoice to see if tax was collected. If yes, no Use Tax is needed. If no tax was collected, check the Use Tax box.

Taxability Grid with link to all object codes page: http://finance.uw.edu/tax/netid/taxability

PCA CODES

The Project Cost Account (PCA) System is a university-wide system that allows UW departments to monitor expenditures, report revenue, payroll and track other financial data. PCA codes are created, set up and maintained by UW departments using FIN, the Financial Accounting System used at UW.

PCA allows departments to:

- Develop and maintain a project coding structure, called the Chart of Accounts, in FIN for financial data
- Define budget and/or organization level PCA default coding to insure consistent coding of financial transactions based on projects, principal investigators, equipment or other parameters
- Assign PCA codes for CTI's, ISD's, ProCard, CTA, requisitions, journal vouchers and other financial transaction records
- Extract transaction details with PCA codes from MyFinancial.desktop (MyFD)