

# Summary of Purchasing Card Changes

## Procure-to-Pay (P2P) Purchasing Card Compliance Implementation Project

Last updated: 6/19/2017

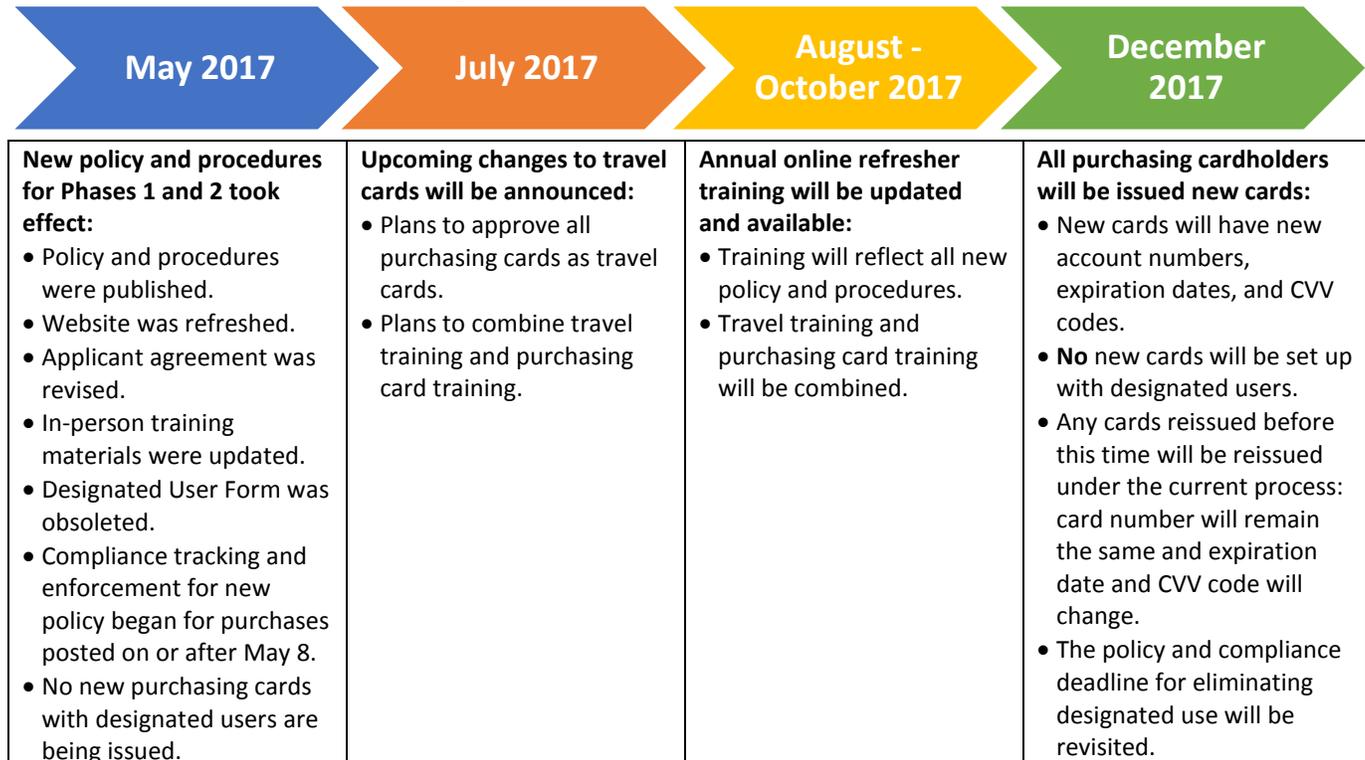
### Why Are Changes Being Made?

- Building a framework for financial internal controls for UW-Madison is essential to protecting the university's resources and reputation, as well as those of its employees.
- Some of the current business practices in the Purchasing Card Program have been out of compliance with UW System and Wisconsin Department of Administration (DOA) rules and also expose the university to unnecessary liability.
- Although employees may have received different direction on acceptable use of purchasing cards in the past, the current direction better aligns with the university's goal of responsible resource stewardship.
- Despite the considerable effort involved with changing the way we, as an institution, do business, it is the right thing to do.

### What Are the Changes?

- There are three primary changes, which are being implemented in phases:
  - **Phase 1:** Instituting a new warning and revocation process for noncompliance with purchasing card policy and procedures.
  - **Phase 2:** Eliminating designated users for purchasing cards.
  - **Phase 3:** Discontinuing use of purchasing cards for internal purchases between UW-Madison units.
- Currently, we are focused on Phases 1 and 2, which are reflected in the timeline below. Phase 3 will require additional time as the Purchasing Services Department evaluates alternative purchasing options and resources.

### What is the Timeline for the Changes?



## Alternatives to Designated Purchasing Card Use

*(Note: Options are in random order.)*

Option	Most appropriate for...	Not necessarily appropriate for...	Notes
Use <b>Shop@UW</b> as a first source for purchases.	Employees who make occasional or frequent purchases of commodities that are available from Shop@UW vendors.	Employees who need to purchase unique or specialty items that are not available from Shop@ UW vendors.	Shop@UW has Customer Service staff to assist with questions during standard business hours: <b>Email:</b> <a href="mailto:shopuw@bussvc.wisc.edu">shopuw@bussvc.wisc.edu</a> <b>Phone:</b> (608) 497-4400
<b>Issue individual purchasing cards</b> to all employees who have a business need.	Employees who: <ul style="list-style-type: none"> <li>• Make frequent purchases,</li> <li>• Need the flexibility to make just-in-time purchases, or</li> <li>• Need to be able to make purchases during non-business hours.</li> </ul>	Employees who: <ul style="list-style-type: none"> <li>• Make occasional or infrequent purchases, or</li> <li>• Do not have a need to make urgent purchases outside of standard business hours.</li> </ul>	This is always a viable option. Although it may result in a temporary spike in the number of purchasing cards on campus, it is still preferable to designated use because each employee is accountable for his or her own purchases. Contact: <b>Email:</b> <a href="mailto:pcard@bussvc.wisc.edu">pcard@bussvc.wisc.edu</a> <b>Phone:</b> (608) 262-3300
Have employees pay with their own funds and <b>request reimbursement.</b>	Employees who: <ul style="list-style-type: none"> <li>• Make occasional purchases of lower dollar amounts,</li> <li>• Have sufficient expendable income to cover the cost, and</li> <li>• Are able to wait the reasonably short timeframe to receive reimbursement (11 days on average).</li> </ul>	Employees who: <ul style="list-style-type: none"> <li>• Make purchases of large dollar amounts,</li> <li>• Do not have adequate expendable income to cover the cost, or</li> <li>• Cannot wait for reimbursement.</li> </ul>	Ideally, this option should only be used on an occasional basis (e.g., for urgent purchases) because employees should not have to regularly pre-fund business-related activities. Purchasers should attempt to use the tax-exempt number but be aware that the vendor may not accept it. Contact: <b>Email:</b> <a href="mailto:stefanie.merucci@wisc.edu">stefanie.merucci@wisc.edu</a> <b>Phone:</b> (608) 265-1123
<b>Issue corporate cards</b> to all employees who have a business need.	Employees who are able to cover the cost of purchases until reimbursed at the end of the card cycle.	Employees who: <ul style="list-style-type: none"> <li>• Make occasional or infrequent purchases, or</li> <li>• Do not have a need to make urgent purchases outside of standard business hours.</li> </ul>	Corporate cards are personal liability cards so this option also requires employees to pre-fund business-related activities. Training on purchasing is advisable prior to using the corporate card. An employee with poor credit may not qualify for a card. Contact: <b>Email:</b> <a href="mailto:pcard@bussvc.wisc.edu">pcard@bussvc.wisc.edu</a> <b>Phone:</b> (608) 262-3300
<b>Have employees create purchase requisitions</b> for purchases.	Employees who: <ul style="list-style-type: none"> <li>• Need to receive and evaluate products before paying for them, or</li> <li>• Have total purchases with the same vendor that exceed \$5,000.</li> </ul>	Employees who: <ul style="list-style-type: none"> <li>• Make infrequent, low-dollar amount purchases.</li> <li>• Need to make urgent purchases that require immediate payment.</li> </ul>	For more information about purchase requisitions, contact Purchasing Services: <b>Email:</b> <a href="mailto:purch@bussvc.wisc.edu">purch@bussvc.wisc.edu</a> <b>Phone:</b> (608) 262-1526
<b>Set up contract blanket purchase orders.</b>	Units that regularly use the same vendors and need flexibility to make just-in-time purchases or purchases during non-business hours.	Units that do not regularly use the same vendors.	For more information about contract blanket purchase orders, contact Purchasing Services: <b>Email:</b> <a href="mailto:purch@bussvc.wisc.edu">purch@bussvc.wisc.edu</a> <b>Phone:</b> (608) 262-1526
<b>Have a limited number of employees make purchases</b> for others.	Units with minimal purchasing needs or with adequate staffing to support larger purchasing needs.	Units without adequate resources or staffing to support the role or that need flexibility to make just-in-time purchases or purchases during non-business hours.	