

System-wide Policy: FI0530 - Procurement Cards	
Version: 16	Effective Date: 12/07/2023

SECTION 1. Policy Statement

I. Generally

- A. The University maintains a procurement card program to provide a way for departments to make purchases costing less than \$10,000. The procurement card is a special credit card where the charges are billed directly to the University and paid through the UT System Accounts Payable Office.
- B. The University's procurement card is for official business use only, and individuals must not use the University's procurement card for personal purchases.
- C. Individuals who use a University procurement card must comply with all applicable policies, including, but not limited to, FI0130 (Fraud, Waste, and Abuse); FI0405 (Procurement); and FI0605 (Equipment).
- D. The applicable Chief Business Officer or designee may make exceptions to this policy and its procedures.

II. Responsibility

- A. Individuals, including cardholders, who use the procurement card are responsible for their use of the procurement card.
- B. Department heads are responsible for their department's use of University procurement cards.

III. Procurement Card Program; Eligibility; and Training Requirement

- A. The UT System Administration Accounts Payable Office administers the University's procurement card program.
- B. The UT System Administration Accounts Payable Office will maintain eligibility requirements and has discretion to deny a University employee's request to obtain a procurement card. Campuses and institutes may deny a University employee's request to obtain a procurement card.
- C. UT System Administration Accounts Payable will not provide procurement cards to independent contractors, temporary employees, students, or any non-employee without permission from the Chief Financial Officer.
- D. The University's employees may utilize a procurement card, provided that the employee meets all of the following criteria:
 - i. Maintain active employment status, in good standing;
 - ii. Obtain the approval of their department head and their campus/institute procurement-card coordinator; and
 - iii. Review procurement-card training materials and successfully complete the procurement-card questionnaire (which includes the cardholder agreement).

IV. Suspension and Cancellation

- A. The UT System Accounts Payable Office may cancel a card at any time for any reason.

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- B. In the event it is necessary to cancel a procurement card, the cardholder will e-mail the last 4 digits of the card and the name on the card to the campus coordinator or to ap_cardadmin@tennessee.edu and request that the card be cancelled.
 - i. The University will cancel a card on the same business day that the department or cardholder submits the cancellation request. Departments and cardholders may not request a cancellation date for a future date.

V. Roles

- A. Cardholder: the individual in whose name the procurement card is registered. Cardholders are responsible for every charge on their procurement card.
- B. Verifier: departments must assign someone to verify all departmental procurement card purchases. Whenever possible, the verifier must not be the cardholder.
- C. Department head: the department head will select individuals to be a cardholder and to serve as a verifier.
- D. Campus/Institute/Unit Coordinator: each campus, institute, and unit must select a procurement card coordinator who will be responsible for reporting, card request approvals, and compliance at their campus, institute, or unit.
- E. Program Administrator: the UT System Accounts Payable Office will select one or more individuals to serve as the primary administrator(s) of the University's procurement card program.

VI. Audits and Revocation of Procurement Cards

- A. The UT System Administration Accounts Payable Office will audit procurement card purchases to ensure compliance with applicable University policies, including this policy.
- B. The UT System Administration Accounts Payable Office may cancel a procurement at any time. Further, the UT System Accounts Payable Office may revoke an individual's eligibility to have a procurement card at any time.

VII. Spending Limits

- A. The procurement card administrator will set spending limits for each procurement card. The standard spending limits per card will be \$9,999.99 per transaction and a preset maximum for each monthly billing cycle of \$20,000.

VIII. Refunds

- A. When seeking a refund from a vendor, departments may not obtain cash refunds.
- B. Departments must obtain a refund by:
 - i. (Preferred method) Asking the vendor to refund the charge to the procurement card; or
 - ii. (Secondary method) Asking the vendor to provide the refund via check made payable to The University of Tennessee.

IX. Equipment (Assets)

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- A. Cardholders may purchase equipment valued at less than \$5,000 using the procurement card provided that the cardholder (or designee) creates an asset record in the University’s ERP System, per applicable policies.
- X. **Prohibited Purchases:** The University prohibits the following purchases on a procurement card:
 - A. Amazon Prime Memberships
 - B. Assets (Equipment) valued at \$5,000 or more
 - C. Cash advances
 - D. Cash refunds (refunds for a procurement card purchase must be refunded to the procurement card or the vendor must issue a check made payable to The University of Tennessee)
 - E. Entertainment purchases costing more than \$100 per person, unless the cardholder has obtained pre-approval from the applicable Chief Business Officer
 - F. Gift cards, unless approved by the campus/institute Chief Business Officer
 - G. Motor vehicles (whether or not such vehicle is legal to operate on public streets)
 - H. Payments against contracts, except as allowed by FI0420 (Contracts).
 - I. Personal purchases
 - J. Purchases from other University departments, including University-owned bookstores (for clarity, departments may use procurement cards to purchase from bookstores operated by third-party vendors, such as Barnes and Noble).
 - K. Purchases prohibited by FI0405 (Procurement)
 - L. Store club memberships where the membership is in the individual employee’s name; examples of such memberships include, but are not limited to, Sam’s Club, Costco, and Barnes and Noble (departments may seek written approval from the applicable Chief Business Officer or designee to obtain a store club membership)
 - M. Transactions that violate the University’s bid limit (see FI0405 – Procurement); this prohibition includes splitting transactions which, when totaled, violate the University’s bid limit
 - N. Travel, including airlines, hotels, automobile expenses, and meals. University employees may use a procurement card to pay for conference registrations for online-only (virtual) conferences.
- XI. **Personal Purchases—Requirement to Reimburse the University**
 - A. If an individual makes a personal purchase on a procurement card, the individual must reimburse the University.
 - B. If an individual makes a personal purchase, the individual must notify the UT System Accounts Payable Office as soon as possible via email AP_cardadmin@tennessee.edu. Individuals must also notify their procurement card approver.
 - C. Individuals will repay the University by writing a check made payable to The University of Tennessee and giving the check to their campus business office. Alternatively, the University may deduct the amount from the employee’s pay.

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SECTION 2. Reason for the Policy

This policy addresses the University's procurement card program.

SECTION 3. Scope and Application

This policy applies to all employees who use the procurement card. Further, this policy applies to department heads who authorize their departments to have a procurement card.

SECTION 4. Procedures

See Procedures.

SECTION 5. Definitions

N/A

SECTION 6. Penalties/Disciplinary Action for Non-Compliance

Intentional personal use of a procurement card is theft, which will result in adverse human resources actions (up to, and including, termination of employment). Intentional personal use of a procurement card might also result in criminal charges to the employee(s) involved in personal use.

Failure to comply with this policy and its procedures, and failure to comply with related policies, might result in revocation of procurement card eligibility. If the University revokes an employee's eligibility for a procurement card, the University may impose disciplinary actions on the employee up to and including termination.

SECTION 7. Responsible Official & Additional Contacts

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Subject Matter	Office Name	Telephone Number	Email/Web Address
Policy Clarification and Interpretation	Accounts Payable	865-974-2302	ap_cardadmin@tennessee.edu

SECTION 8. Policy History

Revision 16: November 8, 2023

Revision 15: September 28, 2021