NIU PROCUREMENT CARD and DECLINING BALANCE CARD BUSINESS PROCEDURE

1.0 Overview

1.1 Purpose

This document provides an overview of Northern Illinois University’s procurement card and declining balance card program (PC/DBC) and outlines University-wide policies and procedures for all card holders at Northern Illinois University. Cooperation and compliance with the stated policies and procedures is required, and will contribute to Northern Illinois University’s ongoing efforts for cost savings, risk minimization and efficiency, plus other benefits associated with the Card Program. Policies will be reviewed and revised periodically to reflect current University needs.

1.2 Program Scope and Objectives

The PC/DBC program enables authorized employees to use the card for authorized University expenses only. Program policies and procedures apply to all Northern Illinois University employees participating in the card program.


Procurement Services is responsible for PC/DBC policy development to ensure compliance with applicable regulations. Controller’s Office is responsible for the administration and implementation of PC/DBC policies and procedures, including approval of policy exceptions. Both departments will work collaboratively to make necessary policies changes as required by changes in governing laws or organizational needs.
1.3 Procurement Card Process Overview

The following is a summary of the PC/DBC process:

<table>
<thead>
<tr>
<th>Card Issuer (Bank of America)</th>
<th>Program Administrator (Controller’s Office)</th>
<th>Card Holder (Employee)</th>
<th>Approving Manager for Card Holder</th>
<th>Proxy Reconciler (Employee)</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>➢ Issues cards</td>
<td>➢ Issues cards</td>
<td>➢ Uses card for business purposes that adhere to this policy only</td>
<td>➢ Approves new card holders</td>
<td>➢ Verifies, allocates and reconciles transactions for card holder, as needed and designated (limited time period)</td>
<td>➢ Authorizes card charges</td>
</tr>
<tr>
<td>➢ Sends card statement</td>
<td>➢ Submits card requests</td>
<td>➢ Verifies, allocates and reconciles transactions</td>
<td>➢ Approves Proxy Reconciler</td>
<td>➢ Responsible for reporting suspected policy violations</td>
<td>➢ Fulfills orders</td>
</tr>
<tr>
<td>➢ Bills the University</td>
<td>➢ Provides training on procedure</td>
<td>➢ Approves and reviews monthly transactions</td>
<td>➢ Approves and reviews monthly transactions</td>
<td>➢ Responsible for discipline in cases of violations</td>
<td>➢ Receives payment from Bank of America</td>
</tr>
<tr>
<td></td>
<td>➢ Distributes cards</td>
<td>➢ Responsible for reporting suspected policy violations</td>
<td>➢ Must be the Card Holder’s direct manager or higher (See section 3.3.1.1)</td>
<td>➢ Responsible for discipline in cases of violations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➢ Handles related questions and reporting</td>
<td>➢ Must be the Card Holder’s direct manager or higher (See section 3.3.1.1)</td>
<td>➢ May not be direct subordinate of card holder</td>
<td>➢ May not be direct subordinate of card holder</td>
<td></td>
</tr>
<tr>
<td></td>
<td>➢ Maintains relationship with card issuer</td>
<td>➢ Authorizes card charges</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>➢ Conducts random monthly reviews of transactions and approvals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>➢ Updates Merchant Category Codes (MCC) and reviews existing ones for appropriateness</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4 PC/DBC Benefits

➢ Convenience

• Empowers card holders to make purchases directly from suppliers
• Offers a simple and easy-to-use payment method
• Allows for online approvals
• Maps charges to designated general ledger accounts
• Enables automated reporting tools

➢ Efficiency

• Reduces costs by diminishing number of purchase requisitions, purchase orders, petty cash transactions and other time-consuming procurement activities
• Diminishes paperwork associated with expense reports, purchase requisitions, purchase orders, invoices, vouchers and paper checks
• Streamlines Accounts Payable operations with fewer paper checks to process
2.0 PROGRAM STRUCTURE

2.1 Program Contacts

For questions related to the Card Program or to submit feedback, please contact:

- **PROGRAM ADMINISTRATOR:** P-Card@niu.edu

- For lost or stolen PC/DBCs and/or 24-hour assistance and support on your Visa Card, immediately contact: Bank of America Merrill Lynch Customer Service; 888-449-2273

- **PROGRAM MANAGERS:** Contact when Program Administrator is unavailable.
  
  Kathy Marshall; kathymarshall@niu.edu; 753-1504 or Shyree Sanan; ssanan@niu.edu; 815-753-2105

  **Note:** Requests for exceptions to P-Card policies are to be routed through a Program Manager.

3.0 CARD ISSUANCE AND USAGE

The PC/DBC, whether a regular credit card or a declining balance (i.e., debit card) is a card issued to employees who make business-related purchases on behalf of Northern Illinois University. The card has features similar to a personal credit card or debit card, such as:

- Accepted wherever Visa is accepted
- (Procurement card) Has a monthly credit limit
- (Procurement card) Has an individual transaction limit
- Has a monthly statement of charges

- (Declining balance card) May be used to access cash from ATMs. Subject to daily cash transaction limit of $500
3.1 Eligibility

A Northern Illinois University member of staff or faculty, who is responsible for departmental purchases, is eligible to receive a PC/DBC with approvals from the Approving Manager.

Potential card holders include:

• Administrative assistants
• Business managers
• Facility and security administration
• Technology support services
• Project leaders

Multiple purchasing cards may be issued within a cost center. Individual employees may hold only one procurement card and/or one declining balance card, which may have either single or multiple cost centers allowed, based on the card holder’s responsibilities.

3.2 Enrollment

All information and approvals must be completed, or the form will be returned to the requestor.

3.2.1 To receive a PC/DBC, card holders will submit the Procurement Card holder Application Form, Attachment A to this procedure, or the Declining Balance Card Application form, Attachment G to this procedure. The necessary approvals are obtained by the potential card holder, who then submits the application to the Procurement Card Administrator for processing. The potential card holder is responsible for choosing a Proxy Reconciler and for obtaining the necessary approvals for the Proxy Reconciler Application form, Attachment B to this policy.

3.2.1.1 PCs must be approved by the requestor’s Division Head and the Vice President of Administration and Finance. Uses for the cards are listed in the table 3.3.3

The card holder will complete the Procurement Card Application Form, Attachment A. The applicant is responsible for obtaining all required approvals.

The Proxy Reconciler will complete the Proxy Reconciler Application, Attachment B, including all required approvals. The Proxy Reconciler may not be a direct subordinate of a card holder.

The Approving Manager will complete the Approving Manager Application, Attachment C, including all required approvals. The PC Approver must be the card holder’s immediate manager, or higher. The immediate manager may delegate an approver, who may not be a direct or indirect report of the card holder, nor anyone over whom the card holder may have influence.

When the card arrives, the Program Administrator will contact the card holder. The card holder will receive the card after receiving training.

Along with the PC/DBC Card holder and Proxy Reconciler application forms, the potential card holder must submit the PC/DBC Approver Application Form, Attachment C to this procedure.

3.2.1.2 Declining balance procurement cards must be approved by the requestor’s Division Head and the Vice President of Administration and Finance, then will be granted by need and exception only. Examples for suitable use of declining balance procurement cards are capital projects and consistent student activities, e.g., Athletics (See Attachment E) and International Study Abroad Programs (See Attachment D).
A declining balance card may be requested by a current procurement card holder or by an employee not currently managing a procurement card.

The card holder will complete the Declining Balance Card Application Form, Attachment G. The applicant is responsible for obtaining all required approvals.

The Proxy Reconciler will complete the Proxy Reconciler Application, including all required approvals.

The Declining Balance Card Approver must be the card holder’s immediate manager, or higher. The immediate manager may delegate an approver, who may not be a direct or indirect report of the card holder, nor anyone over whom the card holder may have influence.

A declining balance card may allow transactions that are prohibited on the procurement card. Any deviations will be stated on the individual department’s declining balance card process. See Attachments D and E for examples.

When the card arrives, the Program Administrator will contact the card holder. The card holder will receive the declining balance card after receiving training, as with the standard procurement card.

3.2.2 Requirements of the Athletics department, the Study Abroad department and the Grants Fiscal department may differ from this procedure. DBC holders should read both their departmental DBC requirements and the respective attachments to this procedure: Attachment D, Study Abroad; Attachment E, Athletics; Attachment F, Grants Fiscal.

Enrollment is summarized in the table to follow:

<table>
<thead>
<tr>
<th>Step</th>
<th>Process Step Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Approving Manager receives request</td>
<td>Approving Manager reviews and approves the application</td>
</tr>
<tr>
<td>2</td>
<td>Program Administrator verifies request</td>
<td>Program Administrator reviews and verifies the request form to ensure the information and authorizations supplied are correct, then applies for a PC/DBC through issuer.</td>
</tr>
<tr>
<td>4</td>
<td>Program Administrator distributes cards to card holders at training, after all Certificates of Completed training are signed</td>
<td>Program Administrator sends link to card policy and other relevant information to card holder</td>
</tr>
<tr>
<td>5</td>
<td>Program Administrator updates records</td>
<td>Program Administrator records training date, confirms that signed Card holder and related certificates are on file, and notes that card holder has received the PC/DBC.</td>
</tr>
</tbody>
</table>

3.3 Training

3.3.1 The Procurement Card Administrator will contact the card holder when the PC/DBC arrives and will schedule training. The card holder is responsible for attending the training, as the card will not be distributed until training is completed. New card holders must complete mandatory card program training prior to receiving their PC/DBC. In addition, the new card holder’s Approving Manager and Proxy Reconciler must be current on their respective training in order for the new card holder to receive the card. The Procurement Card Administrator will contact the Approving Manager and Proxy Reconciler to schedule the necessary training.
Training is performed in-person only at this time. Once all training is completed, the card holder receives the PC/DBC.

PC/DBC holders must attend training under the following requirements:

- To obtain the initial card, the card holder will sign the Certificate of Completed training form
- Annually, upon the anniversary of receiving the PC/DBC
- Every three (3) years, upon renewal of the PC/DBC

Proxy Reconcilers and Approving Managers must attend training at the same intervals as the Card holder. At the initial training, the Proxy Reconciler and Approving Manager will sign the Certificate of Completed training form.

Failure to attend training will result in removal of PC/DBC privileges until the training is received.

Every three years, the PC/DBC renews. Renewal of the card requires refresher training, which may substitute annual refresher training.

3.4 Allowed and Prohibited PC/DBC Rules

PC/DBC are Northern Illinois University’s property issued in an employee’s name, bearing Northern Illinois University liability. Therefore, the PC/DBC will be used exclusively for qualified University-related purchases. **PC/DBC may not be used for personal purchases.** The card holder named on the PC/DBC is the ONLY person authorized to use the card or account number. This is not a departmental card. Violations will result in, at a minimum, removal of PC/DBC privileges, with maximum violations resulting in employment-related actions, and for use of the PC/DBC for personal purchases, reimbursement of the purchases by the card holder to the University.

All products or supplies purchased must be delivered to the University’s Central Stores Receiving or a Northern Illinois University Conference Center (e.g. Naperville, Rockford, etc.). NO purchase may be delivered to an employee’s home.
Applicable purchase categories are summarized in the table below:

<table>
<thead>
<tr>
<th><strong>Allowed Procurement Card Purchases</strong></th>
<th><strong>Prohibited Procurement Card Purchases</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Training and conference registration</td>
<td>• Employee airfare and employee rental vehicles</td>
</tr>
<tr>
<td>• Memberships and subscriptions</td>
<td>• Payment for labor or services, except when required for EMERGENCIES. Collection of certified payroll after the emergency is MANDATORY.</td>
</tr>
<tr>
<td>• Books and publications; reference materials</td>
<td>Exceptions to this allowance, are any involving the use of personal protective equipment (PPE) and where certificates of insurance are needed. Examples include, but are not limited to:</td>
</tr>
<tr>
<td>• Non-network-related PC accessories</td>
<td>--Hot/Electrical Work</td>
</tr>
<tr>
<td>• Small Package Shipments, copy and small print services</td>
<td>--Chemical Work</td>
</tr>
<tr>
<td>• Facilities equipment and services, only under EMERGENCY circumstances. If the equipment qualifies as capital goods, all asset management requirements apply</td>
<td>--Biological Work</td>
</tr>
<tr>
<td>The P-Card holder is responsible for all documents related to the emergency, including obtaining Certificates of Insurance from the supplier(s)</td>
<td>--Radiological Work</td>
</tr>
<tr>
<td>The P-Card holder is also responsible for all communication to departments affected by the emergency.</td>
<td>--Heavy equipment, both purchase and rental, except for EMERGENCIES</td>
</tr>
<tr>
<td>• Stationery and office supplies</td>
<td>--Concerts and artists</td>
</tr>
<tr>
<td>• Office Furniture (under $500)</td>
<td>--Carnivals</td>
</tr>
<tr>
<td>• Charges that do not change (e.g., water bills) Can include copiers if the IT charges are eliminated (after contract settlement)</td>
<td>Any transaction for the following:</td>
</tr>
<tr>
<td>• Capital assets* (see equipment form instructions in section 4.7.2)</td>
<td>• Licenses (software, hardware)</td>
</tr>
<tr>
<td>• Student or University Guest train, bus or airline tickets</td>
<td>• High risk services or products, i.e., those that bear potential harm to persons or property</td>
</tr>
<tr>
<td>• Transactions requiring acceptance of the supplier’s terms and conditions, except for those products or services explicitly prohibited</td>
<td>• All entertainment expenses</td>
</tr>
<tr>
<td>• 50 series funding</td>
<td>• Purchases from the University Bookstore</td>
</tr>
<tr>
<td>• 04 funding (with approval from Roger Maas)</td>
<td>• Cash withdrawals</td>
</tr>
<tr>
<td>• Employee ground transportation (not rental vehicles)</td>
<td>• Personal gifts and purchases, or gifts of sentiment, except for purposes of recognition of benefit to the University, as to be determined by the President’s Office only</td>
</tr>
<tr>
<td>• Food and grocery items required for departmental operations (Any food purchases require the number of attendees and relationship to NIU be included in documentation)</td>
<td>• Alcohol</td>
</tr>
<tr>
<td>• State licenses</td>
<td>• Advertising, such as for position posting or promotion of an event</td>
</tr>
<tr>
<td></td>
<td>• Carpeting and furniture over $500</td>
</tr>
<tr>
<td></td>
<td>• Gift cards or phone cards</td>
</tr>
<tr>
<td></td>
<td>• Deposits</td>
</tr>
<tr>
<td></td>
<td>• Auctions (e.g., eBay, Craig’s List)</td>
</tr>
<tr>
<td></td>
<td>• Products or services purchased under contract</td>
</tr>
<tr>
<td></td>
<td>• Business with NIU departments</td>
</tr>
<tr>
<td></td>
<td>• Professional services and fees</td>
</tr>
<tr>
<td></td>
<td>• Promotional goods and items intended to be “giveaways” or prizes.</td>
</tr>
<tr>
<td></td>
<td>• Hardware and software (see attachment H)</td>
</tr>
<tr>
<td></td>
<td>• Office nameplates &amp; official nametags</td>
</tr>
<tr>
<td></td>
<td>• Rental Vehicles</td>
</tr>
<tr>
<td></td>
<td>• Hotels</td>
</tr>
<tr>
<td></td>
<td>• Restaurants and meals for events (use NIU Food Services for needs)</td>
</tr>
</tbody>
</table>

* Hardware and software (see attachment H)
*Additional Allowable DBC categories are summarized below:

- Cash withdrawals, subject to daily cash transaction limit of $500
- Hotels, for students or University guests only
- Rental vehicles for any travel
- Restaurants, including any required deposits

For exceptions to the above guidelines and special arrangements based on a department’s business needs, please contact Kathy Marshall, kathymarshall@niu.edu, 753-1504; or Shyree Sanan; ssanan@niu.edu; 815-753-2105. Documentation of approved exceptions should be kept with P-card paperwork.

3.5 Credit Limits

Individual procurement card credit limits will default to $5,000 per transaction and $10,000 per month. Card holders may request approval from the Approving Manager to increase credit limits in order to allow a one-time, specific transaction that will be higher than the transaction and/or monthly limit. With the Approving Manager’s written (email is acceptable) agreement, the Card holder may request the limit increase from the Program Administrator, with full details of the need generating the request. The Program Administrator will increase the limit to allow the purchase, then will revert to the default limit within twenty-four (24) hours. See 3.7, Exceptions.

Card holders will need to submit a request via email to initiate approvals of credit limit exceptions.

Once a DBC has been funded, limits to DBCs may be adjusted only per agreement of the Card Program Managers and the DBC Approving Manager.

3.6 Exceptions

3.6.1.1 Ad hoc authorizations by the Program Managers can be approved for credit limit extensions.

3.6.1.2 Exceptions to purchases for prohibited purchases, or travel or entertainment requirements may be placed by the Procurement Services card holder, with appropriate approvals, only when no other solution is practical. Such exceptions are granted only to address student-related needs.

3.6.1.3 Card holders must submit requests for exceptions in advance on a requisition form, except in emergencies. If the PC/DBC is used to cover products or services needed in an emergency, the requestor is to forward the requisition within twenty-four (24) hours to Procurement Services. If the requisition is not received within that time, the requestor may lose card holder privileges for no less than six (6) months.

3.6.1.4 No stringing, i.e., splitting of the purchase to avoid exceeding procurement bid limits, will be allowed.

3.7 Exception Processing

3.7.1 Exceptions may be requested by the card holder for credit limit extensions, one-time purchases of prohibited products or services, or other justified University reasons. Upon determination that an exception is required, the Program Administrator obtains the following information from the card holder:

- Card holder name
- Last four digits of account number
- Cost center
• Transaction amount
• Supplier name
• Business justification
• With approval from the Program Manager, the Program Administrator submits the necessary information to the issues that will allow the exception. Effective start and end dates must be included. At the end of the effective exception period, the issuer will automatically return the card to the original status. The Program Administrator runs a monthly report of exceptions and sends it to the Approving Manager and to Internal Audit Compliance.

**EXCEPTIONS SHOULD NOT BE ASSUMED BY THE CARD HOLDER.** The Illinois Procurement Code, the NIU Accounting and Finance policies, and the Illinois State Finance Act will determine whether exceptions will be allowed.

3.7.2 If a transaction is blocked at the time of purchase, card holders should follow these steps:
1. Access the Bank of America Works system to determine the reason for the decline;
2. Contact Bank of America for information, if none can be found on Works. If no information, or insufficient information is provided by the Bank, then;
3. Contact the P-Card Administrator.
4. If the decline is determined to be erroneous, then contact the Program Administrator as Step 1.

When a card holder receives notification regarding a “declined” transaction, he/she must send an email to the Program Administrator including:
• Card holder Name
• Transaction Amount ($)
• Reason of Decline (if known)
• Last four digits of account Number
• Supplier Name
• Business Justification
• Cost Center
• Date of Decline

If card holder does not receive a timely response, he/she should contact the Program Manager.

3.7.3 Transactions; Receiving
All products must be sent to Central Stores for receiving and distribution. NIU Conference Centers (e.g. Naperville, Rockford, etc.) may have different receiving locations.

**4.0 CARD HOLDER MAINTENANCE RESPONSIBILITIES**

Card holders are required to review monthly statements and reconcile all purchases with transaction receipts. Once the statements are reconciled, card holders must obtain signature approval from their Approving Manager for all purchases.

4.1 Card holders are required to:

• Retain receipts and backup documentation for all transactions of any amount. Receipts must include amount charged, date, supplier, product or item purchased, and any other charges relevant for the transaction. *A summary invoice or shipping document is not acceptable and will be considered a violation of this policy.*
• Receipts and any other transaction records will NOT show the full PC/DBC number. The card holder is responsible for redacting all instances.
• Card holder will not pay individual supplier invoices, if such invoices are submitted to them. The card holder will notify the Program Administrator and Program Manager of any invoices received by suppliers.

• Verify monthly charges for accuracy against purchase receipts
• The University is NOT subject to tax. The card holder is responsible for ensuring no taxes are charged to the card, and for obtaining a refund if sales tax is charged. If charges are made outside of the state of Illinois, it is the Card holder’s responsibility to contact Accounts Payable Services to determine if the University is tax exempt in the specific state, and, if necessary, request tax exempt documentation from Accounts Payable Services.
• If the card is used for international transactions, and no receipt is available, the Card holder is responsible for clear, concise, comprehensive explanations of all charges.

• Provide transaction details corresponding to each transaction to provide Approving Manager with additional information for approvals
• Review statements
• Forward reconciled statements to Approving Manager for approval
• Submit a pdf version of the reconciled statements to the Program Administrator each month.

Each card holder is required to maintain the PC/DBC card statements and all associated receipts for three (3) years, in addition to creating pdf versions and submitting them to the Program Administrator

If the card holder does not perform the reconciliation within two (2) business days, of the month-end, he/she may face temporary card suspension until the reconciliation is completed.

If a card holder is going on an extended leave of absence across multiple billing cycles, he/she is responsible for notifying the Program Administrator in advance to avoid monthly reconciliation delinquency notifications.

4.1.1 Approving Managers are required to:

• Monitor PC/DBC use within cost center to ensure compliance to University policies
• Review monthly PC/DBC statements in detail
• Identify any questionable or ambiguous charges and notify card holder as appropriate
• Approve all transactions and monthly statements in a timely manner
• Address PC/DBC usage violations with card holder, including cooperation with the Program Administrator in necessary reviews and removal of the card holder’s privileges, if required cooperating with disciplinary actions that will result from violations

4.1.2 Proxy Reconcilers are required to fulfill all requirements of Card holders, as described in the table, Section 1.3, and in this section, 4.1

4.1.3 Proxy Reconcilers may not be a direct subordinate to PC/DBC holders.
The table to follow summarizes monthly transaction review.

<table>
<thead>
<tr>
<th>Step</th>
<th>Owner</th>
<th>Process Step Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Issuer</td>
<td>Provides monthly statement to card holder</td>
</tr>
<tr>
<td>2</td>
<td>Card holder</td>
<td>Receives monthly statement from the issuer and reviews the statement for accuracy against receipts</td>
</tr>
<tr>
<td>3</td>
<td>Card holder</td>
<td>Disputes inappropriate charges with supplier or issuer</td>
</tr>
<tr>
<td>4</td>
<td>Approving Manager</td>
<td>Receives, reviews and approves reconciliation</td>
</tr>
</tbody>
</table>

4.2 Audits

Card holders may be selected for random audits by the Program Administrator, University internal auditors, and external auditors contracted by the Illinois Auditor General’s Office, in order to ensure policy compliance. In most cases, card holders will be asked to provide appropriate documentation to support transactions within the audit time period. See Section 8.2 for actions related to violations of the PC/DBC policy.

4.3 Disputed Items

Card holders are responsible for resolving any statement discrepancies with the supplier and/or issuer to ensure corrections and/or credits are made on a timely basis. Any disputes should be identified and explained to the Approving Manager and the Program Administrator during the monthly reconciliation process.

4.3.1 If a dispute involves the return of a purchased item, card holders are responsible for arranging all returns directly with the supplier.

4.3.2 If a dispute remains unresolved after thirty (30) calendar days, card holders should report the dispute to the Bank of America. The dispute must be advised to Bank of America within sixty (60) days of the transaction. The Program Administrator will work with the card holder and Bank of America only to assist in unresolved disputes.

4.4 Changing Card Profile or Status

4.4.1 Card holders are responsible for notifying the Program Administrator of any profile changes to their accounts, including:
  - Name
  - Cost center
  - Address
  - Cancellation
  - Permanent credit limit increases or decreases
  - Termination from the University

4.4.2 All changes require a revised card holder Form submitted by the card holder. This form must contain the card holder’s updated information and must be approved by the cost center Approving Manager, Division Head and Vice President of Administration and Finance.
4.4.3 Each card holder is responsible for relinquishing his/her PC/DBC upon transfer, resignation, termination or voluntary cancellation of the card. When a card is cancelled, the card holder must return the PC/DBC cut in half to the Program Administrator. If a card holder is terminated, the card must be relinquished to the Approving Manager as part of the exit process.

4.4.4 Extended inactivity for a 12-month period may result in cancellation of a PC/DBC. Prior to cancellation, card holders will be contacted by the Program Administrator to assess the business need for a PC/DBC.

4.5 Lost or Stolen Cards, Fraud

4.5.1 Card holders are responsible for notifying the issuer and the Program Administrator immediately upon discovery of a lost or stolen card. Card holders should report card loss or theft immediately to the issuer.

4.5.2 To minimize risk, card holders will not lend cards or give card information to anyone. Card holders are responsible for protecting their cards and passwords at all times.

4.5.3 Card holders are also required to notify the issuer and the Program Administrator of any fraudulent or unapproved purchases not made by the card holder. Any misuse or violation of the PC/DBC usage guidelines will result in investigation and may lead to employment action up to and including termination of employment, depending on the severity of the circumstances.

4.6 Renewals

All PC/DBCs expire three years after the issue date. Before receiving renewed cards, card holders are required to complete a refresher training course and re-sign the Certificate of Completed training form.

4.7 Transaction Allocation

4.7.1 Any journal entries that need to be processed through General Ledger please e-mail along with the completed P-Card journal form to journalentries@niu.edu.

4.7.2 All equipment purchases (account code beginning 88) require a P-Card Equipment Form, Attachment I. Equipment purchases constitute items that are $100 or more in value and have a life expectancy of 2 or more years.

- The equipment form must be filled out, uploaded into the Bank of America Works system, and attached to the transaction, similar to the receipt upload process.
  - To upload the form, the user will complete the form in excel and either print the completed form to PDF, or print and scan the form to a PDF.
- If an equipment transactions is signed-off without the equipment form attached, the completed equipment form will be emailed to Asset Management Accountant, Alicia Anderson, aanderson10@niu.edu.

5.0 PROGRAM MAINTENANCE

5.1 Status Change Processing
Card holders can initiate account changes for any of the following reasons: cancellation, cost center change, name change, credit limit increase/decrease or address change.

<table>
<thead>
<tr>
<th>Type of Change</th>
<th>Card holder Responsibilities</th>
<th>Program Administrator Responsibilities</th>
</tr>
</thead>
</table>
| Card holder Profile   | Notifies Program Administrator of any changes to account (e.g., name, cost center, Approving Manager, address, credit limit) | • Notifies issuer of changes  
• Documents request for replacement card  
• Records changes in issuer’s database |
| Transfers/Cancellations | Submits form to relinquish PC/DBC                                                             | • Notify issuer of changes and request a new card, if transferring  
• Record changes in profile |
| Renewal               | • Completes card holder refresher training  
• Re-signs Certificate of Completed training form                                               | • Checks for extended inactivity within last 12 months  
• Schedules and conducts card holder refresher training |

The Program Administrator will periodically review the suppliers and MCC for continued appropriateness. All suppliers no longer deemed appropriate for use by card holders will be removed by the Program Administrator.

5.2 Terminations and Transfers

Card holders are responsible for relinquishing their PC/DBC upon transfer, resignation, termination, voluntary or involuntary cancellation of the card. When a card is canceled, the Program Administrator receives the PC/DBC cut in half and stores the associated documentation. The Program Administrator then submits a cancellation request to the issuer. All changes are recorded in the user information database.

If a card holder is terminated immediately, the card is to be obtained by the Approving Manager and submitted to the Program Administrator. The Program Administrator submits a cancellation request to the issuer.

On a regular basis, the Program Administrator cross checks Human Resources termination records and issuer reports with the user information database to confirm all appropriate cancellations have been processed.

The Program Administrator also runs regular reports to identify accounts that have been inactive for more than 12 months. The Program Administrator will contact the identified card holders to confirm the business need for a PC/DBC. If no business need is identified, the unused PC/DBC is canceled.

5.3 Disputed Items

The Program Administrator maintains a record of any disputed items that remain unresolved after two billing cycles. For any reported disputes, the Program Administrator works with card holders and the issuer to reach resolution.

5.4 Lost or Stolen Cards, Fraud
If a card is lost or stolen, the Program Administrator works with the card holder and the issuer to issue a new card. As part of program reviews, the Program Administrator obtains card reports on fraudulent charges for designated billing cycles for management review. Additionally, it is important to notify the issuer of a lost or stolen card, following up promptly with a written notice.

5.5 Renewals

Visa PC/DBC expiration dates are automatically set to three (3) years after the issue date. The Program Administrator periodically runs card expiration reports to ensure the receipt of renewal cards.

Prior to issuance, the Program Administrator checks for extended inactivity within the last 12 months. Card holders with inactive PC/DBCs are contacted to validate the business need for card issuance. The Program Administrator schedules training with all active card holders at the time of renewal.

6.0 RECORD RETENTION

Departments are to keep statements, receipts, and any other backup documentation for three (3) years, in addition to creating pdf versions.

Electronic statements and receipts will be collected by the Program Administrator quarterly from the card holders for retention and periodic auditing by the Program Administrator. The Program Administrator will send email reminders for documentation submission. All files will be stored electronically for a total of seven (7) years.

7.0 AUDITING CARD ACTIVITY

7.1 Internal Audit Requirements

Card holders are randomly audited for policy compliance by the Program Administrator, Internal Audit and external auditors. If a card holder is selected for a random audit by the University’s Internal Auditors card holders will be notified with detailed instructions. An audit is a review of expenditure for adherence to policies and for the existence of supporting documentation.

Card holder selection criteria may include:
• High transactions
• High frequency
• Numerous ambiguous transactions with no supporting comments from reconciliation (e.g. gift certificates, consumer products, questionable suppliers)
• If a card holder holds both a PC and DBC
• Non-compliance with card usage guidelines

Card holders will be audited for:
• Compliance with Approving Manager review and timely approval of monthly statements
• One-time expenditures over designated credit limit, which requires business justification and appropriate approvals
• Non-compliant suppliers
• Possible misuse (e.g. personnel awards, cash withdrawal)
• Record maintenance (e.g. statements, receipts)
In addition to individual audits, the Program Manager and Administrator will review purchase decline reports to analyze the frequency and root causes of declined transactions. Policies and procedures will be reviewed periodically to incorporate business needs of high volume declines, as appropriate.

8.0 Violations

Triggers for misuse investigations:

• Failure to comply with monthly reconciliation procedures
• Single transactions above credit limit without approvals
• Illegal or fraudulent use of procurement card
• Use of card for personal expenses

Degrees of violation:

• High—illegal or fraudulent use of PC/DBC, and failure to comply with audit request procedures
• Medium—travel and entertainment charges, personal charges, cash withdrawals or transactions beyond assigned credit limit
• Low—improper use of Merchant Category Codes (MCC), failure to reconcile monthly statements, or improper documentation retention

Steps for misuse investigations (dependent on the degree of violation):

1) Suspension of PC/DBC during investigation
2) Card holder and Approving Manager are notified of suspected misuse and temporary suspension
3) Program Administrator requests appropriate receipts and reviews documentation from card holder with bank statements
4) Program Administrator reviews expenses and conducts meeting with card holder and Approving Manager to understand purchase requirements
5) Pending findings, notification report is sent to Human Resources
6) Card holder receives appropriate disciplinary action.
7) Disciplinary action may include:

• Reimbursement to the University if personal charges are made to the PC/DBC
• Criminal prosecution
• Payment of a fee to the University by the department where violation occurred to cover the administrative cost of processing the violation
**PROCUREMENT CARD HOLDER APPLICATION FORM**

<table>
<thead>
<tr>
<th>Card holder Name (Last, First, Middle)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIU Employee Number</td>
<td></td>
</tr>
<tr>
<td>Department Name</td>
<td></td>
</tr>
</tbody>
</table>

**Work Address (line 1)**
(List building and room number)

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
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<table>
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<tr>
<th>NIU Phone Number</th>
<th>NIU Email Address</th>
</tr>
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</tbody>
</table>

**List default Cost Center and Fund Code for your P-Card**: *

**List any additional Cost Center(s) and Fund(s) for your P-Card if applicable**: *

List your single purchase limit (standard is $5,000) Any limits requested greater than the standard must have written justification from Division head.

| $ |

List your monthly spend limit (standard is $10,000) Any limits requested greater than the standard must have written justification from Division head.

| $ |

**Specify your P-Card Managing Approver:**
(Must be direct manager or higher)

**Specify your P-Card Proxy-Reconciler:**
(May not be direct subordinate)

**Most recent P-Card training date:**

<table>
<thead>
<tr>
<th>Card holder’s Signature:</th>
<th>Date:</th>
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</tbody>
</table>

**V.P. Administration & Finance (new card ONLY) and Division Head must sign for approval of the above Card holder:**

<table>
<thead>
<tr>
<th>V.P. Administration &amp; Finance (new card ONLY): Sarah McGill</th>
<th>Division Head Name (please print):</th>
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<table>
<thead>
<tr>
<th>Signature of V.P. Administration &amp; Finance:</th>
<th>Signature of Division Head:</th>
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**BY SIGNING THIS FORM, YOU AGREE TO ADHERE TO THE NORTHERN ILLINOIS UNIVERSITY PROCUREMENT CARD/DECLINING BALANCE CARD BUSINESS PROCEDURE**

**Completed forms, with all signatures, are to be sent to Controller’s Office Lowden 208**

**INTERNAL USE BY CONTROLLER’S OFFICE ONLY:**

<table>
<thead>
<tr>
<th>Setup in Works:</th>
<th>Card Order Date:</th>
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<table>
<thead>
<tr>
<th>P-Card Administrator Approval:</th>
<th>Date:</th>
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<table>
<thead>
<tr>
<th>Card ID #:</th>
<th>Training Date:</th>
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<table>
<thead>
<tr>
<th>Setup HR:</th>
<th>Welcome Sent:</th>
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</tr>
</tbody>
</table>
# PROCUREMENT CARD/DECLINING BALANCE CARD  
## PROXY RECONCILER APPLICATION FORM

**Dept P-Card/DBC Proxy Reconciler Name**  
_Last, First, Middle_  

<table>
<thead>
<tr>
<th>Title</th>
<th>NIU Employee Number</th>
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</tbody>
</table>

**Department Name**  

**Work Address (line 1)**  
(List building and room number)  

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
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<table>
<thead>
<tr>
<th>NIU Phone Number</th>
<th>NIU Email Address</th>
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</tbody>
</table>

List Cost Center(s) and Fund(s) Code that you will be a Proxy Reconciler for*:  

Will be Proxy Reconciler for the following Card holders (may not be a direct subordinate of card holder):  

**Most recent P-Card training date:**  

**Proxy Reconciler Signature:**  

<table>
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<th>Date:</th>
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</table>

**V.P. Administration & Finance (new application ONLY) and Division Head must sign for approval of the above Proxy Reconciler:**  

<table>
<thead>
<tr>
<th>V.P. Administration &amp; Finance (new application ONLY):</th>
<th>Division Head Name (please print):</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:sarah.mcgill@niu.edu">Sarah McGill</a></td>
<td><a href="mailto:division.head@niu.edu">Division Head</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature of V.P. Administration &amp; Finance:</th>
<th>Signature of Division Head:</th>
</tr>
</thead>
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</table>

*Form must contain AT LEAST ONE authorized signature for each Cost Center Listed.  
If Division Head signature does not satisfy requirement, provide below:*  

<table>
<thead>
<tr>
<th>Authorized Cost Center Signer Name (please print):</th>
<th>Authorized Cost Center Signature (If Applicable):</th>
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<th>Date:</th>
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</table>

**BY SIGNING THIS FORM, YOU AGREE TO ADHERE TO THE NORTHERN ILLINOIS UNIVERSITY PROCUREMENT CARD/DECLINING BALANCE CARD BUSINESS PROCEDURE**  

Completed forms, with all signatures, are to be sent to **Controller’s Office Lowden 208**  

**INTERNAL USE BY CONTROLLER’S OFFICE ONLY:**  

<table>
<thead>
<tr>
<th>P-Card Administrator Approval:</th>
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</table>
**PROCUREMENT CARD/DECLINING BALANCE CARD**  
**APPROVING MANAGER APPLICATION FORM**

<table>
<thead>
<tr>
<th>Dept P-Card/DBC Approving Manager Name</th>
<th>(Last, First, Middle)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>NIU Employee Number</td>
</tr>
<tr>
<td>Department Name</td>
<td></td>
</tr>
<tr>
<td>Work Address (line 1)</td>
<td>(List building and room number)</td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>NIU Phone Number</td>
<td>NIU Email Address</td>
</tr>
</tbody>
</table>

List Cost Center(s) and Fund(s) Code that you will be a Approving Manager for:

| Will be Approving Manager for the following Card holder (Must be direct manager or higher of card holder): |

Most recent P-card training date:

| Approving Manager Signature: | Date: |

V.P. Administration & Finance (new application **ONLY**) and Division Head must sign for approval of the above Approving Manager:

| V.P. Administration & Finance (new application **ONLY**): Sarah McGill | Division Head Name (please print): |
| Signature of V.P. Administration & Finance: | Signature of Division Head: |
| Date: | Date: |

*Form must contain AT LEAST ONE authorized signature for each Cost Center Listed. If Division Head signature does not satisfy requirement, provide below:*

| Authorized Cost Center Signer Name (please print): | Authorized Cost Center Signature (If Applicable): |
| Date: | |

**BY SIGNING THIS FORM, YOU AGREE TO ADHERE TO THE NORTHERN ILLINOIS UNIVERSITY PROCUREMENT CARD/DECLINING BALANCE CARD BUSINESS PROCEDURE**

Completed forms, with all signatures, are to be sent to Controller’s Office Lowden 208

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**INTERNAL USE BY CONTROLLER’S OFFICE ONLY:**

| P-Card Administrator Approval: | Date: |
| Setup in Works: | Training Date: |
| Setup HR: | Welcome Sent: |
International Affairs/Study Abroad Student Travel Declining Balance Card (DBC) Process

- **YOU MAY NOT USE THE STUDENT TRAVEL DBC FOR PERSONAL BUSINESS**
- **IMPORTANT: ALL STATE OF ILLINOIS TRAVEL GUIDELINES APPLY TO NORTHERN ILLINOIS UNIVERSITY (NIU) DBCs**
- **MISUSE OR FRAUDULENT USE OF THE CARD WILL LEAD TO DISCIPLINARY ACTION AND MAY RESULT IN TERMINATION OF EMPLOYMENT AND POSSIBLE PROSECUTION.**

### BEFORE TRAVEL

#### Travel Advance Request

- Submission of travel information/documents should be gathered and turned in to International Affairs/Study Abroad Office Business Manager or designated Study Abroad management. International Affairs will compile travel advance requests appropriately. During this process, departure and return dates, travel location, number of students attending the program and any other individuals traveling, estimate of amount needed and basis for the amount requested, and contact person while the Program Director is traveling will need to be provided.
- A complete and authorized Travel Advance Request must be finalized and submitted to the Procurement Card Administrator at least ten (10) business days prior to the date the DBC is needed.
- No more than one DBC may be issued at any given time to an individual.
- Travel must be well-coordinated to make sure the proper amounts are loaded onto each DBC.
- If your travel plans include two destinations with no return to the Northern Illinois University campus in between, please submit as one whole trip on one advance.
- To calculate the amount to be requested on the advance card, you will work with International Affairs and the Study Abroad Office to review the study abroad program budget and number of students on the program.
- Distribution of the DBCs will be requested by the authorized International Affairs employee to the Procurement Card Program Administrator, who will send the cards to the individual DBC holder after completion of training. Once a DBC is issued by the Procurement Card Program Administrator, it must remain in the card holder’s possession. It may not be loaned, and the card holder will be held accountable for all charges.
- The effective dates of the card are one day prior and one day after the dates of the travel application, unless approved in advance by International Affairs.
- Cards have no funds assigned until a fund requisition is approved.
- The DBCs, if needed, can be used to reserve hotel rooms in advance of the trip. **The hotel agreement must be under review and negotiation, with the DBC used only to hold rooms.** If this is necessary, contact the Study Abroad Office Business Manager to obtain the DBC approval. The Business Manager will submit the request to the Procurement Card Administrator for submittal to Bank of America.
- The program travel list should only include eligible students, and those authorized to accompany the students on the program. It is not acceptable to pay for spouses, children, friends, etc. with University funds. The travel list must match the travel party turned into the NIU Study Abroad Office.

### DURING TRAVEL

- Keep all *detailed* receipts. Without detailed receipts, the card cannot be reconciled and failure to reconcile all expenses will result in denial of future DBCs. Make sure to retain the itemized receipt and the credit card slip.
- All credit card receipts must show “PAID.” Receipts such as the ones slid under your door at hotels that state “TO BE SETTLED TO” will not be accepted.
- DBCs may be used for cash withdrawals, if previously approved by the Program Manager. A maximum of $1000 per day may be withdrawn.
• For purchases made in the United States: Illinois state sales tax is not allowable on DBC. In an event where tax exemption is not obtained in the State of Illinois, the card holder will need to either get a credit from the vendor or deposit the funds back into the account. Deposit of funds will be part of the travel documentation. Additionally, NIU is a state sales tax-exempt agency. It is the traveler’s responsibility to make sure that they have the appropriate tax-exempt form to provide to the vendors they use during travel, if they are in the United States.
• Use a spreadsheet or receipt book for cash expenses where a formal receipt is not practical. (i.e. country of travel receipts are not available)
• Non-Travel Specific Purchases – While traveling, the Northern Illinois University-issued procurement card may be used for products allowed on the Procurement Card policy.
• Prohibited P-Card items (e.g. alcohol, travel and entertainment expenses, etc.) apply to the DBCs.
• Upon return from the travel, DBC purchases must be reported to the International Affairs Business Office.

POST TRAVEL
• All travel expenses must be turned into International Affairs within ten (10) business days of return from a program. You will not be authorized to receive or use the DBC until you have turned in the previous documentation.
• Travel Advance Reconciliation
  o Travel advance reconciliations must be filled out by the traveler or his / her designate upon return.
  o The reconciliation must be turned in with all original detailed receipts to the International Affairs Business Manager.
  o The DBCs’ credit limit will be reduced to zero by notice of the International Affairs Business Manager advising the Procurement Card Program Administrator.
• Travel Reimbursement Form
  o Expenses paid with personal funds should be claimed on a travel reimbursement form and normal reimbursement procedures must be followed.

OFFICE PROCEDURES – International Affairs, Study Abroad Office, & Procurement
 o Distribution of the DBCs will be made by the Procurement Card Administrator only when approved by the Study Abroad Office.
 o Cards may not be loaned and card holder will be held accountable for all charges.
 o Cards have no funds assigned until a fund requisition (study abroad travel advance) is approved.
 o Upon completion of a program, the card will be returned to the Procurement Card Program Administrator, who will then cancel the card with the issuer and destroy the card.
 o International Affairs will code all transactions from the reconciliation and receipts turned in to print out the Works Allocation report.
 o Appropriate signatures will be on the reconciliation report. These include the Program Director, Business Manager, and Associate Vice President of International Affairs, as appropriate.
 o International Affairs will review and approve or dispute all charges monthly and will enforce all other related policies and procedures, including the Procurement Card Program policy to ensure the card programs proper operation.
 o International Affairs will participate in all audits and enforcement of program rules.
 o International Affairs will document any exceptions to department, university or state travel rules, as appropriate.
Northern Illinois University Procurement Card and DBC Business Procedure

ATTACHMENT E

Athletic Department Team Travel DBC Process

- **YOU MAY NOT USE THE TEAM TRAVEL DBC FOR PERSONAL BUSINESS**
- **IMPORTANT: ALL STATE OF ILLINOIS TRAVEL GUIDELINES APPLY TO NORTHERN ILLINOIS UNIVERSITY (NIU) DBCs**
- **MISUSE OR FRAUDULENT USE OF THE CARD WILL LEAD TO DISCIPLINARY ACTION AND MAY RESULT IN TERMINATION OF EMPLOYMENT AND POSSIBLE PROSECUTION.**

**BEFORE TRAVEL**

**Travel Advance Request,**

- Submission of travel information/documents should be gathered and turned in to the Athletics Business Office (ABO) as you start your travel planning. Your Athletics Business Office Account Technician will process hotel agreements and compile travel advance requests appropriately. During this process your Account Technician will need to know departure and return dates along with number of travelers. They will also need any rental car reservation requests. A spreadsheet of these needs will be sent to you at the beginning of your season to help prepare the advance paperwork, as requested by the Sport program.
- A Travel Advance Request must be finalized at least five (5) **business days** prior to departure to ensure all appropriate signatures are in place prior to departure (budgetary, compliance, sport administrator, as appropriate).
- No more than one DBC may be issued at any given time to an individual.
- Travel must be well-coordinated to make sure the proper amounts are loaded onto each team’s DBC.
- If your trip includes two destinations with no return to the Northern Illinois University campus in between, please submit as one whole trip on one advance.
- To calculate the amount to be requested on the DBC, make sure to estimate all travel costs with the exception of airfare. This amount should include non-local rental vehicles, group lodging / group lodging taxes, parking, fuel, entry fees and group meals.
- Cards have no funds assigned until a fund requisition (team travel advance) is approved.
- The effective dates of the card are one day prior and one day after the dates of the travel application, unless approved in advance by the Associate Athletic Director – Business Operations.
- Cash needs (e.g., laundry, bus tips) will be handled by department petty cash and will be available one business day prior to departure.
- The DBCs, if needed, can be used to reserve hotel rooms in advance of the trip. If this is necessary, contact the ABO to obtain the DBC approval. The ABO will submit the request to the Procurement Card Administrator for submittal to Bank of America.
- The team travel list should only include eligible student-athletes, coaches, managers, trainers and athletic administrators. It is not acceptable to pay for spouses, children, boosters, friends, etc. with University funds. The travel list must match the travel party turned into the NIU Athletics Compliance Office.

**DURING TRAVEL**

- Keep all **detailed** receipts. Without detailed receipts, the card cannot be reconciled and failure to reconcile all expenses will result in denial of future DBCs. Make sure to retain the itemized receipt and the credit card slip.
- All credit card receipts must show “PAID.” Receipts such as the ones slid under your door at hotels that state “TO BE SETTLED TO” will not be accepted.
- NIU is an Illinois state tax-exempt agency. It is the traveler’s responsibility to make sure that they have the appropriate tax-exempt forms for the vendors they use during travel.
Illinois state tax is **not allowable** on the DBC. In an event where tax exemption is not obtained in the State of Illinois, the card holder will need to either get a credit from the vendor or deposit the funds back into the account. Deposit of funds will be part of the travel documentation.

- As a tax-exempt organization, no sales tax should be charged to Northern Illinois University, including out-of-state sales tax. It is the responsibility of the card holder to obtain either an exemption from the state in which travel is occurring, or the card holder must ensure no sales tax is charged to the card.

- Use department issued receipt book for cash expenses where a formal receipt is not practical. (i.e. laundry, bus tips)

- Non-Travel Specific Purchases – While traveling, the Northern Illinois University-issued procurement card may be used for products allowed on the Procurement Card policy. Examples:
  - Repair of a student golfer’s club
  - Replacement of an athlete’s shoes, needed to compete during the trip

- Prohibited P-Card items (e.g. alcohol, travel and entertainment expenses, etc.) apply to the DBCs.

- Upon return from the trip, procurement card purchases must be reported to the Athletics Business Office.

**POST TRAVEL**

- All travel expenses and the DBC must be turned into the ABO within ten (10) business days of return from a trip or before your next trip, whichever comes first. You will not be authorized to receive or use the DBC until you have turned in the previous trip’s documentation to the Athletics Business Office.

- The DBC will be held by the ABO until the end of the academic year, at which time it will be held by the ABO in a secure location, e.g., a safe. The DBC is returned to the Procurement Card Program Administrator upon changes in personnel. The Administrator will then deactivate the card and destroy it.

**ATHLETICS BUSINESS OFFICE PROCEDURES**

- Distribution of the DBCs will be requested by the authorized ABO employee to the Procurement Card Program Administrator, who will send the cards to the individual DBC holder. If the DBC holder does not also hold a procurement card, the DBC holder must attend Procurement Card training before receiving the DBC. Once a DBC is issued by the Procurement Card Program Administrator, the card must remain in the card holder’s possession. It may not be loaned, and the card holder will be held accountable for all charges.

- The ABO will code all transactions from the reconciliation and receipts turned in to print out the Works Allocation report.

- Appropriate signatures will be on the reconciliation report. These include the traveler, the sport Administrator, Compliance Office, and the Director of Athletics, as appropriate.

- The ABO will review and approve or dispute all charges monthly and will enforce other related policies and procedures, including the Procurement Card policy, to ensure the card program’s proper operation.

- The ABO will cooperate fully in all audits and enforcement of program rules.

- The ABO will document any exceptions to university or state travel rules, as necessary.

- The ABO will manage hotel agreement contracts with each sport program for those hotel agreements that do not flow through the normal requisition process. The Associate Athletic Director – Business Operations will consult with the NIU Legal Department, as needed, to manage this process.

**Exception for Entertainment**

The DBC is **not** to be used for entertainment expenses without prior approval. The DBC’s purpose is to facilitate necessary travel expenses only, and entertainment is not considered a necessary expense. Any entertainment is to be planned in advance by the ABO, submitted on a travel advance and sent to Accounts Payable Services at least five (5) days in advance for Finance review and approval or rejection. If approved, the entertainment will be purchased by Athletics.
If the purchased entertainment is made impractical due to unforeseen obstacles, e.g., inclement weather during an outdoor event, the Athletics traveler may use the DBC to purchase alternate entertainment if the alternate entertainment (1) is for the same or fewer number of participants as the original entertainment and (2) is either lower, or no more than five percent (5%) higher in cost than the original entertainment.

In addition to following the receipt and reconciliation process for other DBC transactions, the ABO must illustrate the results of obtaining a credit for the original entertainment. The documentation may include statements from venues, emails between the parties, or similar. The ABO is to include the receipts for credit in their Works files. The credit receipts and all other documentation associated with the credit, whether granted or not, must be in the ABO’s transaction file.
Northern Illinois University Procurement Card and DBC Business Procedure
ATTACHMENT F
NIU PROCUREMENT CARD BUSINESS PROCEDURE
SPONSORED PROGRAMS ADMINISTRATION

Northern Illinois University allows the use of procurement cards, or P-Cards, to make purchases per the requirements of the Procurement Card Policy. Principal Investigators (PIs) may also request the ability to use P-Cards to make purchases on sponsored grants and contracts (hereinafter referred to as ‘grants’). In some circumstances, e.g., travel, a declining balance card (DBC) may be requested. See the Procurement Card Policy Business Procedure for additional information about which card is best.

Principal Investigators requesting use of sponsored funds (Fund 44) for a P-Card or a Declining Balance Card must review, sign and return the appropriate request form to their Grant Administrator for review. If approved, the Grant Administrator will send the form to the Procurement Card Administrator to allow the appropriate grant or contract number to be used on the P-Card and/or Declining Balance Card. The Grant Administrator will also notify the Investigator that they may begin using their Card.

Failure to follow this procedure could result in the transfer of Card charges from the sponsored award to the department default cost center or termination of Card privileges on sponsored awards.

All NIU P-Cards/Declining Balance Cards must follow the NIU Procurement Card Business Procedure.

The following applies when using a P-Card/Declining Balance Card for grant charges:

- The Principal Investigator must contact their Grant Administrator by e-mail prior to making the purchase
- Grant purchases must be made in accordance with the restrictions and terms and conditions of the grant
- The P-Card/DBC cannot be used to charge departmental costs to a grant account
- The grant account cannot be used as a clearing account for P-Card/DBC purchases
- When placing an order against a grant account, the “received date” must be within the grant performance period
- A direct benefit must be shown for all card purchases made against a grant account
- The Investigator must utilize receipts imaging in the Works software so the Grant Administrator may view the details of the transaction
- A P-Card/DBC purchase may be transferred to a grant if the purchase has received prior approval from the Grant Administrator
Northern Illinois University

Check: Requesting New Card: [ ]  Purchase Request: [ ]

Request For Declining Balance Card (DBC)

<table>
<thead>
<tr>
<th>Card holder Name (Last, First, Middle)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td></td>
</tr>
<tr>
<td>Department Name</td>
<td></td>
</tr>
<tr>
<td>NIU Employee Number</td>
<td></td>
</tr>
<tr>
<td>Work Address</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>State</td>
</tr>
<tr>
<td>NIU Phone Number</td>
<td>NIU Email Address</td>
</tr>
</tbody>
</table>

List default Cost Center and Fund Code for the DBC (Include Grant number, if applicable)*:

List any additional Cost Center(s) and Fund(s) for your DBC (Include Grant number, if applicable)*:

Approving Manager (direct manager or higher):

Proxy Reconciler (may not be direct subordinate):

Most recent P-Card training date:

Number of Faculty/Staff: [ ] Number of Students: [ ]

Amount requested for travel/project (for purchase request):

Purpose of Expenditure:

Destination(s), if purpose of DBC is travel:

<table>
<thead>
<tr>
<th>Departure Date:</th>
<th>Travel Return Date:</th>
</tr>
</thead>
</table>

Contact Name while in travel:

Contact's NIU phone number in travel:

Project Name and Number (if DBC is to be used for projects):

Cardholder Signature: [ ] Date: [ ]

V.P. Finance & Administration and Division Head must sign for approval for a new DBC:

Division Head Signature: [ ] Date: [ ]

*Form must contain AT LEAST ONE authorized signature for each Cost Center listed. If Division Head signature does not satisfy requirement, provide below:

Authorized Cost Center Signer Signature: [ ] Date: [ ]

**BY SIGNING THIS FORM, YOU AGREE TO ADHERE TO THE NORTHERN ILLINOIS UNIVERSITY PROCUREMENT CARD/DECLINING BALANCE CARD BUSINESS PROCEDURE**

Completed forms, with all signatures, are to be sent to Controller's Office Lowden 208.

If this is a NEW DBC application, please send the completed form to Controller's Office, Lowden 208. If this a PURCHASE REQUEST TO AN EXISTING DBC, please send the completed form to your department Business Office. Please keep a copy of this application for your records.

V.P. Administration & Finance Signature: [ ] Date: [ ]

P-Card Administrator Approval: [ ] Date: [ ]

Setup in Works: [ ] Card Order Date: [ ] Card ID: [ ] Training Date: [ ]

Setup in HR: [ ] Welcome Sent: [ ]

If this is a NEW DBC application, please send the completed form to Controller's Office, Lowden 208. If this a PURCHASE REQUEST TO AN EXISTING DBC, please send the completed form to your department Business Office. Please keep a copy of this application for your records.

V.P. Administration & Finance Signature: [ ] Date: [ ]

P-Card Administrator Approval: [ ] Date: [ ]

Setup in Works: [ ] Card Order Date: [ ] Card ID: [ ] Training Date: [ ]

Setup in HR: [ ] Welcome Sent: [ ]
RESEARCH ASSOCIATE P-CARD EXCEPTION

AND

TECHNOLOGY PURCHASES

- RESEARCH ASSOCIATE EXCEPTION
  - Research intense units will designate a P-card holder, or holders, to have a permanent “research exception.”
    - The P-card under the research exception will have no restrictions on IT purchases (see below), reagents, chemicals, and the like, within the standard limitation (e.g. $5,000 single transaction limit).
    - The research unit is to email Jerry Blazey and P-Card Administration (P-card@niu.edu) requesting the exception for the card holder(s). Upon approval, the exception will be noted and maintained by P-Card Administration.
  - The research P-Card purchases will be reviewed on a quarterly basis to ensure compliance with the intent of the restrictions exception.

- TECHNOLOGY PURCHASES ON P-CARD
  - The items listed below must be approved by the local IT manager, or if not available, the Information System Manager, prior to expensing on the P-Card:
    - Printers, desktop and laptop computers, servers, network equipment (including routers), switches, firewall, and access points), external drives, backup devices, and software.
    - Note: Software renewal and maintenance charges do not require IT approval prior to expensing on the P-Card.