

June 5, 2015

Finance Circular 15-25



RECTORS, DEANS OF ACADEMIC AFFAIRS, DEAN OF
ADMINISTRATION, DIRECTORS OF FINANCE AND DIRECTORS OF
ACCOUNTING OF THE UNIVERSITY SYSTEM

Office of Finance

PROCEDURE FOR THE USE OF CORPORATE CREDIT CARD FOR THE
BENEFIT OF INSTITUTIONAL RESEARCH DEVELOPMENT

Through Circular 04-13, the Central Office of Finance established the
Procedure for the Use of Corporate Credit Card for the Benefit of the
Institutional Research Development, hereafter Corporate Card Procedure.

Since ten years have elapsed since the issuance of said Circular, we have issued a
new Corporate Card Procedure aligned with current processes.

Sincerely,

Ángel O. Vega Santiago
Director

Jardín Botánico Sur
1187 Calle Flamboyán
San Juan, Puerto Rico
00926-1117

Tel. (787) 250-0000
Fax (787) 764-1971

goc

Appendix

Employer with Equal Employment Opportunities M/M/V/I

pep I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate
translation, to the best of my abilities, of the document in Spanish which I have seen.

**PROCEDURE FOR THE USE OF CORPORATE
CREDIT CARD FOR THE BENEFIT OF
INSTITUTIONAL RESEARCH DEVELOPMENT**

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I, Juan E. Segarra, USCCI #06-067/translator, certify that the foregoing is a true and accurate translation, to the best of my abilities, of the document in Spanish which I have seen.

**PROCEDURE FOR THE USE OF CORPORATE
CREDIT CARD FOR THE BENEFIT OF
INSTITUTIONAL RESEARCH DEVELOPMENT**

Article I Legal Basis

These rules are adopted under the provisions of the General Regulations for the Procurement of Equipment, Materials and Non-Personal Services of the University of Puerto Rico (Certification 30, Series 2008-2009 of the Board of Trustees of the University of Puerto Rico (UPR), hereinafter Procurement Regulations.

Article II Purpose and Application

The purpose of these standards is to establish control and uniformity in the disbursement of public funds using credit cards issued by the financial institutions selected by the UPR in the name of the investigators. This mechanism will serve as an additional tool for these officials to streamline the processes of acquisition of equipment, materials and non-personal services that cannot be procured through the Procurement Regulations. They can also use it for the payment of abroad travel expenses as authorized under the Travel Expenses Regulations of the UPR (Certification 120, Series 1986-1987 of the Council of Higher Education, as amended) and this Procedure.

These rules will uniformly apply to all special funds used by officials of the University of Puerto Rico who participate in projects in benefit of institutional research development. Directors of Offices of Finance should notify the President and Rectors, if applicable, any deviation from these processes.

Article III Definitions

- A. Institutional Credit Account - Credit account established through a contract with the financial institution recommended by the Director of the Central Office of Finance of the University of Puerto Rico to the President of the University of Puerto Rico.
- B. Corporate Credit Cards - Credit margin provided by a financial institution in the name of authorized officials. It will be part of a general credit account of the University of Puerto Rico. The University reserves the right to its issuance and cancellation.
- C. Participant - Investigators who, on behalf of the University of Puerto Rico, are authorized to guard and use the corporate credit card of the University for the benefit of institutional research development.

Article IV General Provisions

- A. The corporate credit card may be authorized to investigators of the University of Puerto Rico to procure equipment, materials and non-personal services that are required for the investigation or authorized trips abroad. Once approved, these officers acquire the status of auxiliary payers and will be covered by the corresponding sureties.
- B. The application for the corporate credit card shall be approved by the appointing authority or its authorized representative in each institutional unit and by the Director of Finance of the Central Administration. The corporate credit card will have a validity of two years from the date of issuance and will not be transferable.
- C. If the program or account ends before the expiration date of the card, it will be the responsibility of the participant to inform the Office of Finance of the institutional unit, who in turn will notify the Office of

Finance of the Central Administration, the cancellation date and will proceed to destroy and return it to the financial institution that issued it.

- D. The expenses incurred by the participant with the corporate card must be in full compliance with the regulations, norms, and guidelines of the agency or institution granting the funds and with the General Regulation for the Procurement of Equipment, Materials and Non-Personal Services of the University of Puerto Rico and the Regulations for Travel Expenses.
- E. The participant will be able to pay the air tickets and accommodation for students and other personnel related to the project. He/She may also pay for educational materials and other materials to students. The costs of transportation and materials above may be incurred if they are authorized and covered in the proposals.
- F. The corporate credit card cannot be used to incur Expenses for the Development of Institutional Relations (Cert. 190, 2002-03 of the Board of Trustees). Nor can be utilized for Expenses for Activities of the University Community (Cert.191, 2002-2003 of the Board of Trustees), or Expenses for the Use of Telecommunications (Cert 192, 2002-03 of the Board of Trustees).
- G. The maximum monthly amount to be charged to the Corporate Credit Card for the Benefit of Institutional Research Development of each investigator will be \$ 10,000. Under no circumstances, the investigator may exceed \$2,999 per transaction. The Office of Finance shall ensure that there is no fractionation in procurement to evade compliance with this provision. Failure to comply with the provisions herein shall be sufficient reason to cancel the credit card to the participant immediately. The use of the Corporate Credit Card shall be subject to the availability of approved federal funds in the research proposal(s) in the line(s) intended for the procurement of equipment, materials and

non-personal services. The travel expenses will not be considered under the maximum allowed here.

- H. For travel expenses, the amount will be determined by the estimated expenses authorized by the Travel Regulations and as authorized in the **Request and Authorization for the Travel Order**.
- I. The corporate credit card cannot be used for personal purchases or other activities that are not authorized by the rules indicated in this Procedure.
- J. As a general rule, no financing charges will be allowed for the use of the credit card. If there are payments with the credit card whose analysis leads to delays in the payment of the card and financing charges, it will be the responsibility of the participant to pay those charges if it is determined that they are undue payments. It will also be the responsibility of the participant if arrears payments or charges were incurred due to delays in the delivery of expense reports or the supporting documents necessary for the pre-intervention of the voucher.
- K. The President of the University of Puerto Rico and the Rectors in their respective units will be responsible for ensuring the faithful compliance with the norms established herein.

Article V Application and Authorization in the Use of the Credit Card for the Benefit of Institutional Research Development

- A. The investigator or official interested in acquiring the credit card will process the **Application and Authorization of a Corporate Credit Card for the Use of Investigators**, duly completed to the Office of Finance of the unit to which he/she belongs.
- B. The official responsible for the Office of Finance of the institutional unit will verify the availability of funds in the account. If applicable, he/she will sign the form and will submit it to the Dean of Administration or the officer authorized

by the appointing authority, for the approval signature, and for its submission to the Central Administration Office of Finance.

- C. Once approved by the Director of the Office of Finance of the Central Administration, it will be sent to the financial institution so that they issue the credit card for the participating official.
- D. The Central Administration Office of Finance will send a copy of the approved document to the institutional unit for information and to keep a record of the approved cards. This report must contain the name of the investigator, the credit card number (last four digits), the effective date and the number of projects associated with the credit card. It will be the responsibility of the unit's Office of Finance to ensure that, for every active card, there is a current project(s) associated with it.
- E. The financial institution will send a monthly invoice to the participant to the postal address indicated in the application. It will also send or make accessible by electronic means, at least once a year, a report with a breakdown of all invoices issued to the authorized investigator. This report shall be sent to the Accounting Office of the institutional unit and the Central Administration Office of Finance.
- F. On or before the fifteenth (15th) day of the closing date of the monthly billing cycle, the participant will file the **Monthly Record of Payments Made through the Corporate Credit Card for the Use of Investigators** along with Model IMC001 - **Proof of Disbursements**, for the processing of payment for the financial institution. The investigator must include all invoices received that support the payment. He/she will include a brief description of the article or items purchased (he/she may refer to the receipt if it contains the description of the purchased items). He/she must also include the date on which the purchase was made, the amount to be paid for the article(s) and the account to which it will be charged.

- G. The participant will be responsible for the selection process of the suppliers. He/she must select the vendor taking into account the experience in previous purchases and the reasonableness of the offered price. The payment record will be supported by original receipts from the purchases and receipts of the financial institution that issued the credit card and any other document that justifies them.
- H. Procurement of equipment will be made in accordance with Articles 15-B and C of the Regulations on Procurement of Equipment, Materials and Non-Person Services of the University of Puerto Rico (Certification 30, Series 2008-2009 of the Board of Trustees), hereinafter Procurement Regulations. For such purposes, it is established that, as a general rule, the procurement of equipment with the credit card is not allowed. Only for some extraordinary reason or outside the control of the UPR, **non-capitalizable equipment can be purchased up to a cost of \$2,999 with the credit card.** In these cases, the participant must make a request to make the acquisition of the equipment indicating the justification of why he/she cannot acquire the equipment using the Procurement Regulations. The Director of Finance of the institutional unit must sign the requisition certifying that in fact, it is not feasible to procure the non-capitalizable equipment through Article 15 of the Procurement Regulations. Said order will be included along with the disbursement voucher.
- I. The participant will be responsible for requesting the official of the institutional unit to code the equipment and to inform him of the property number to include it in the **Monthly Record of Payments Made through the Corporate Credit Card for the Use of Investigators.** For this purpose, he/she must submit evidence of acquisition of the equipment to the property officer no later than five (5) days after receiving it.

- J. Any difference between the invoice and the **Monthly Record of Payments Made through the Corporate Credit Card for the Use of Investigators** should be clarified immediately. The participant will be responsible for providing all information related to the charges made to the Office of Finance of the institutional unit.
- K. Any charges that prevail as unauthorized after analysis with the Office of Finance will be reimbursed immediately. The amount refunded will be entered as less charge to the account from which the check was issued to the financial institution.
- L. The amounts not reimbursed will be considered debt of the participating official. They will be deducted from the salary, balance of ordinary or sickness licenses in the next month until satisfaction of the total debt, as authorized voluntarily by the investigator in the **Requisition and Authorization of the Corporate Credit Card For the use of Investigators**. The documents must be marked with the date of receipt, once the participating officials deliver them so that liability can be established in cases of incurred charges for arrears.
- M. The institutional unit must pay the invoice on or before the expiration date established therein.

Article VI Limitations on the Procurement of Equipment, Materials and Non-Personal Services

- A. The corporate credit card cannot be used to pay for the following items or services.

<u>Description</u>	<u>Expenditure code</u>
Wages, Salaries, Bonuses, Compensations and Employee Benefits	5000-5999
Service Contracts	6200-6299

Public services	6160-6199 and 6390-6399
Animal Care	6329
Patient Care	6328
Laundry Services	6323
Medical Services to Athletes	6326
Child Care	6327
Allowance for People in Puerto Rico	6415
Allowance for Expenses Abroad	6435; 6445; 6475 and 6485
Students' Travel and Allowance in Puerto Rico	6460; 6469 and 8215
Accreditation Expenses	6530-6540
Manuscripts Evaluation	6616
Editing Manuscripts	6617
Books Translation	6615
Costs Related to Land and Buildings and Equipment (except for the provisions of Article V-H)	7000-7799
Scholarships, Stipends, and Equipment	8000-8210 and 8215, 8216 and 8217

B. It can neither be used to obtain the following:

1. Cash money
2. Gasoline for the use of motor vehicles
3. Explosive material
4. Radioactive material
5. Narcotics and other drugs
6. Alcoholic beverages

Article VII Travel Expenses in Official Missions

- A. For the participant to incur travel expenses charged to the corporate credit card, he/she must have previously filed in the Accounting Office the Model MC 005-Requisition and Authorization of Travel Order duly approved by the responsible official in his/her institutional unit.

- B. Upon return from the trip, the participant must file Form EJ 004 - Settlement and Travel Expenses Voucher, with all receipts and expense vouchers, as it is required when the official travels with a trip advance. The liquidation must be filed no later than 15 days after the date of return of the trip.
- C. Authorized or anticipated items through the Travel Order Requisition and Authorization will not be charged to the credit card.
- D. All other existing provisions that regulate travel expenses in missions outside of Puerto Rico will be applicable.

Article VIII Card Cancellation Clauses

- A. The Director of the Central Administration Office of Finance may request the financial institution to cancel the corporate credit card on the recommendation of the directors of the financial offices of the institutional units or if he/she determines that the participant incurs the following faults:
 - 1. If the participant exceeds the amount fixed in this Procedure.
 - 2. If the participant is not processing the reports within the dates established by this Procedure or if he/she is not submitting them adequately.
 - 3. If the participant does not comply adequately with the previously-mentioned rules and regulations of the institution.
 - 4. If the participant incurred the unauthorized expenses as specified in Article VI (A and B) of this Procedure.

If the Director of the institutional unit does not recommend the cancellation of the credit card, he/she must send the participant a written warning. After two warnings, the Director of Finance of the institutional unit will recommend to the appointing authority or his/her authorized representative

to request the Director of the Central Office of Finance to cancel the credit card of the financial institution.

- B. The card will be canceled immediately:
 - 1. If the participant allows the use of his credit card to other people.
 - 2. If the employee is separated from his/her position, resigns or retires.

Article IX Loss or Theft of Corporate Credit Card

- A. In the event of loss or theft, the credit card holder will immediately notify the offices of the financial institution, the Office of Finance of the institutional unit and the Central Administration Office of Finance.
- B. The responsibility for the charges to the credit card will be negotiated in the contract with the financial institution after having informed the loss or theft.

Article X Validity

The Procedure for the Use of the Corporate Credit Card for Institutional Research Development, included in Circular 04-13 of October 30, 2003, and amended as of May 4, 2004, is hereby repealed. This proceeding will be effective as of the date of the approval of the Director of the Central Office of Finance of the University of Puerto Rico.

Approved by



Ángel O. Vega-Santiago, CPA
Finance Director

UNIVERSITY OF PUERTO RICO
Application for the Corporate Credit Card for the Use of Investigators

1. Name of the applicant		
2. Official title		
3. Postal Address	4. Phone	
5. Department or Office		
6. Accounts to be affected:		
Number	Title	Validity
<p>7. I request that you authorize me to use the Corporate Credit Card to make payments directly related to the research. I certify that the information I have provided is correct. I voluntarily authorize the University of Puerto Rico to deduct from my salary or balance of ordinary license charges not authorized by the Office of Finance which I have not reimbursed until it is sufficient to satisfy the debt. I accept compliance with the <i>Procedure for the Use of the Corporate Card for the Benefit of Institutional Research Development</i>.</p> <p>_____</p> <p>Signature of the Applicant Date</p>		

<p>8. I certify that the requested Credit Card is necessary to expedite actions related to the investigation and that are governed by the <i>Procedure for the Use of the Corporate Card for the Benefit of Institutional Research Development</i></p>	
Name of the Dean of the Faculty	
Signature of the Dean of the Faculty	Date
<p>9. I certify that the information on the account(s) is correct and that it has available funds.</p>	
Name of Director of Finance-Unit	
Signature of Director of Finance-Unit	Date
<p>10. I authorize the Applicant to make payments through the Corporate Credit Card, following the provisions of the Procedure for the Procurement of Materials and Non-Personal Services.</p> <p>_____</p> <p>Name of Dean of Administration</p> <p>_____</p> <p>Signature of Dean of Administration Date</p>	

To be completed by the Central Office of Finance

11. Approved	<input type="checkbox"/>
Not approved	<input type="checkbox"/>

Name of Director of Central Office of Finance	

Signature of the Director of the Central Office of Finance	Date

UNIVERSITY OF PUERTO RICO
 DETAIL OF THE PAYMENTS FOR EXPENSES FOR THE BENEFIT OF INSTITUTIONAL DEVELOPMENT
 THROUGH THE USE OF THE CORPORATE CREDIT CARD

 INSTITUTIONAL UNIT

NAME OF PARTICIPANT: _____

LAST FOUR DIGITS OF THE CREDIT CARD: _____

ACCOUNT NUMBER	CODE OF EXPENDITURE	ACCOUNT TITLE	DATE OF PURCHASE OR SERVICE RECEIVED	NAME OF THE SUPPLIER	DESCRIPTION OF ITEM OR SERVICE	AMOUNT	PROPERTY NO. (NON-CAPITALIZABLE EQUIPMENT)	
TOTAL								

I CERTIFY THAT the information provided is correct and that the non-personal items or services listed above are obtained and are used for official purposes as described in certifications 190, 191 and 192 of 2002-2003.

 SIGNATURE OF THE PARTICIPANT

 DATE