



UNIVERSITY OF GUAM
UNIBETSEDÁT GUAHAN
BOARD OF REGENTS

RESOLUTION NO. 15-26

RELATIVE TO AUTHORIZING THE UNIVERSITY OF GUAM
PURCHASE CARD PILOT PROGRAM

WHEREAS, the University of Guam (UOG) is the primary U.S. Land Grant institution accredited by the Western Association of Schools and Colleges (WASC) serving the post-secondary needs of the people of Guam and the region; and

WHEREAS, the governance and well-being of UOG is vested in the Board of Regents (BOR); and

WHEREAS, UOG has created a Good to Great initiative in which some of the goals are to increase efficiency and effectiveness of spending and processing within the University; and

WHEREAS, the Vice President Administration & Finance (VPAF) desires to test the concept of using a credit card as a purchase card to facilitate small purchases at the College of Natural and Applied Sciences (CNAS) as a pilot project to determine if proper controls can be maintained and if efficiencies can be gained through such a program; and

WHEREAS, the VPAF has drafted a proposed Standard Operating Procedure for the pilot program which are submitted for approval of the BOR; and

WHEREAS, after a pilot period of six months or less, a determination will be made as to whether or not the pilot program should be extended.

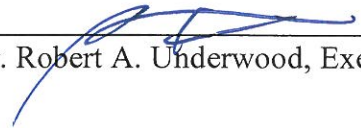
NOW, THEREFORE BE IT RESOLVED, that the Board of Regent hereby approves the Purchase Card Pilot Program and authorizes the University to solicit and take all steps necessary enter into a credit card agreement with a local bank to facilitate the pilot program.

Adopted this 18th day of June, 2015.



William D. Leon Guerrero, Chairperson

ATTESTED:



Dr. Robert A. Underwood, Executive Secretary

**UNIVERSITY OF GUAM
CREDIT CARD PILOT PROJECT**

1. PURPOSE

One of the significant obstacles identified in the Good to Great process has been the processing lag that takes place at the Business Office. There is a manual component to the procedures at the Business Office and with limited human resources the lags develop. Although the Good to Great process has identified the need for some process and technological improvements. Some of these will take significant time and investment to implement. The University has identified the use of credit cards as a tool that might allow for the immediate relief of some of the processing lags. The University had determined that a pilot project should be initiated to test the concept of a small purchase credit card and determine if the potential for process improvements can be realized using the credit card with University controls as a purchase card.

2. LIMITED ISSUANCE

In this pilot project up to three credit cards will be issued to the College of Natural and Applied Sciences (CNAS) for a one year period. If after one year, the expected efficiency gains are realized, the program will be extended and expanded. If at the end of the one year period, it is determined the efficiency gains have not been realized, the program will be terminated.

3. PROCUREMENT REGULATIONS

The Board of Regents has adopted a procedure for small purchases requiring one quotation for purchase of less than \$1,500 in value. Thus, a purchase card threshold of \$250 should be consistent with current procurement practices and regulations.

4. LIMITATIONS ON USE OF CREDIT CARD

- The credit card may only be used for purchases of \$250 or less.
- A purchase may not be artificially divided into two or more segments in order to fall below the \$250 threshold
- The card may be used only for valid University requirements
- The card may be used only on Guam
- The card may be used only by the person whose name appears on the card
- The card may be used only for which an established list price is available for review and verification
- The card may not be used for meals for University employees
- The card may not be used for the purchase of alcohol products
- The card may not be used for any personal purpose.

5. DOCUMENTATION AND REVIEW

The user of the card must submit a document detailing the purchases amounts and item descriptions certifying the amounts were authorized and received within five days from the end of the month. A sample document will be provided to users.

6. BUDGET

The Dean of CNAS will be responsible for ensuring the purchases made under the credit card are within the budget of CNAS.

7. VIOLATIONS

Failure to follow this policy will result in the revocation of use of the credit card and disciplinary action.

8. LOST OR STOLEN CARD

In the event the card is lost or stolen, Administration and Finance must be notified immediately.