



**Limited Purchase Check
Procedures and User Guide**

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Overview

Limited Purchase Checks (LPCs) may be used by departments for small dollar purchases up to the limit printed on the face of the check. These checks are prepared by the ordering department and are delivered to the vendor. Improper use of the Limited Purchase Check program will result in withdrawal of the privilege to use this means of making small dollar purchases and may result in disciplinary action for fraudulent use.

Requesting LPCs

Departments must prepare a Limited Purchase Check Requisition in Wolverine Marketplace. The requisition must have a complete Limited Purchase Check Request form as found in the Purchasing Forms showcase on the Shopping Dashboard of Wolverine Marketplace. The LPC Requisition will be forwarded through the Wolverine Marketplace approval process. Once approved, the requisition will be forwarded to the Purchasing Office.

You will need the following information to complete a Limited Purchase Check Request form:

- **Index** – You will need the Index (Banner Account) that will be charged for checks that clear the bank.
- **Quantity** - The number of checks requested. You can request up to five (5) checks at a time.
- **LPC Picker Up** – Designate the individual(s) who are authorized to pick up the checks from the Purchasing Office. (See Picking Up LPCs)

Each requisition will be reviewed by Purchasing to verify the following:

- There are no outstanding checks for the indicated Index. An outstanding check is any check that has been issued and has not been used.
- There are no outstanding violations for the indicated Index. (See LPC Violations)

If either of the above are outstanding, your LPC order will not be processed until both are resolved.

There is a \$1.00 per check charge for each issued LPC check to cover administrative costs. This fee will automatically be charged to the index used on the LPC requisition.

Picking Up LPCs

All blank checks must be picked up in person from the Purchasing Office. The individual who submitted the LPC requisition will be notified via email when the checks are ready to be picked up. Blank LPCs will not be sent through intercampus mail for any reason.

The person who picks up the checks must have a photo ID, be listed as a Picker Up on the LPC requisition, and sign for receipt of the checks.

If someone other than the individual(s) listed on the LPC requisition need to come pick up the checks, please have the Responsible Party of the Index that requested the checks send an email to lpc@uvu.edu before the individual comes to pick up the checks.

If the person who comes to pick up the checks is not listed as a Picker Up on the LPC requisition, or the Purchasing Office has not been notified by the Index Responsible Party, the checks will not be released to that individual. No exceptions.

Accountability and Security for LPCs

Each LPC is tied to a specific Banner Index. The Responsible Party over the designated Index is responsible for all expenditures made with LPCs tied to their Index. The Responsible Party, and any individual designated by the Responsible Party to be responsible for LPCs, is called a check custodian.

The check custodian may give a single check for immediate use to another individual. The recipient should promptly return the check copies and original receipt to the custodian. Every custodian must thoroughly review this Guide. The custodian is responsible to verify that checks given to other individuals are used according to University policy and procedures. Accountability begins when the custodian receives the checks and ends when they return remaining checks and applicable documentation.

Limited Purchase Checks are highly negotiable and should receive the same precautionary measures as cash. Check custodians must retain all unused checks in a secure place, out of sight, and the checks must not be counter-signed until issued. If a check is lost or stolen, the department must notify Purchasing immediately. In case of theft, the department should also notify University Police.

Using LPCs

Limited Purchase Checks can be used for a variety of purchases, except those listed under Prohibited Uses of LPCs. Purchases can be made up to the dollar limit printed on the face of the check. All purchases must comply with the Appropriateness of Expenditures policy (Policy 204) and other University policies. The check custodian is responsible to verify that University policy and procedure is properly adhered to and that proper approval is obtained prior to using an LPC. The original, top half of each check packet should be separated from the lower half and given to the vendor.

Note: The University is exempt from Utah state sales tax. Individuals should not pay Utah state sales tax on any purchase. UVU's tax exempt number is printed on each check for reference, but it is the check issuer's responsibility to ensure that no Utah state sales tax is paid on any LPC transaction.

Each check must include the following information:

- Date
- Pay To The Order Of: Payee
- Amount (\$50.36)
- Amount spelled out (Fifty dollars and 36/100—)
- Name of the individual issuing the check (write this in the Driver's License Number field)
 - If a vendor requires a Driver's License Number to be written on the check, the name should be written below the Driver's License Number.
- The signature of the individual issuing the check and an authorized signature (obtained by Purchasing prior to the release of check stock).

The lower half of each check packet is for internal documentation use only and should not be given to the vendor. Below is a sample of the lower half of the check packet.

Requisition Number <u> P0999999 </u>	Index Number <u> 111111 </u>
Purpose of this purchase: _____	

Name of event, if applicable: _____	
If food was purchased, who ate it? Circle all that apply. Students Faculty/Staff Guests Donors	
STUB TO DEPARTMENT CANARY COPY TO PURCHASING	
2532	

This lower half of the check packet must be filled out and include a description of the items that are being purchased as well as the business purpose for the purchase. Some purchases require additional approval (e.g. Executive approval) according to the Appropriateness of Expenditures guidelines and Policy 204. An LPC Approval Form, which can be found on the Procurement Services website, can be used to simplify this requirement and the approval process.

Prohibited Uses of LPCs

Limited Purchase Checks cannot be used for the following purposes:

- Preparation, signing, and presenting a Limited Purchase Check for an amount greater than the limit on the face of the check.
- Using more than one check to pay for a single purchase.
 - A single item or group of items that cost more than the limit printed on the face of the check cannot be divided among two or more Limited Purchase Checks.
- Restricted purchases or special procurement items such as:
 - Advertisements for personnel recruiting
 - Alcoholic beverages
 - Capital equipment
 - Cash advances
 - Cash Awards or Prizes
 - Cash
 - Clothing
 - Computers, including desktops, laptops, Macs, and tablets (computer accessories are acceptable)
 - Consultants
 - Donations
 - Fabricated Equipment
 - Fines, late fees, or penalties, including parking tickets
 - Furniture of any kind
 - Gifts (Gifts for employees in accordance with the Employee Appreciation and Recognition policy (Policy 211) are acceptable)
 - Guest lecturers
 - Honorariums
 - Hotels, Motels, Housing, or other Lodging (including deposits and holds)
 - Independent contractors
 - Loans
 - Memberships
 - Monogrammed items
 - Individual Performers or Speakers
 - Personal purchases
 - Printers
 - Repair or alterations of University physical facilities
 - Reimbursements to employees or other individuals

- Scholarships/fellowships
 - Services provided by University faculty, staff, or students
 - Stipends
 - Telephones or other telecommunications devices or service (including cell phones)
 - Travel, including reimbursements, for University employees or guests
 - Tuition
 - Upgrading capital equipment
 - Vehicle rentals
- LPCs cannot be used for electronic check payments, online or over the phone.
 - Any expenditure prohibited under the Appropriateness of Expenditures Policy (Policy 204).
 - LPCs cannot be used for items which are restricted under a campus standard.

Returning Documentation

The copies of the check packet should be distributed as follows:

- The original check to the vendor.
- The Purchasing copy should be attached to the original receipt or invoice with all related documentation and then forwarded to Purchasing within five (5) business days from the date the check is issued to a vendor.
 - If the check is used to purchase a product/service that requires approval by someone other than the responsible party over the Index, attach a copy of the prior approval.
 - The returned documentation will be reviewed by Purchasing to verify that University policy and procedures, including those contained herein, were followed. If clarification is needed, a memo will be issued to the department. If checks were used improperly, a violation notification will be sent, see LPC Violations.
- The Department copy should be retained by the department.

LPC Violations

If a department does not follow the procedures documented in this guide, a violation may be issued to the expending Index. Violations are either repairable or unrepairable. Repairable violations are administrative or documentation issues that can be corrected by providing the proper information to Purchasing, such as:

- Failure to return the check copy to Purchasing.
- Failure to submit original receipts or other appropriate supporting documents.
- Failure to state the business purpose for meals, refreshments, recruiting, or entertainment expenses as described in this Guide.
- Failure to receive required prior approvals for food or other purchases.
- Failure to ensure the transaction is tax exempt.
- Failure to return unused LPCs at the end of the fiscal year.

Unrepairable violations are issues that cannot be corrected, such as:

- Checks written for an amount greater than the limit printed on the face of the check.
- Checks written for an amount that is greater than the amount of the transaction as evidenced by a receipt or invoice.
- Check copies not matching the amount written on the original check and cleared through the bank.
- Splitting a transaction across multiple checks or other payment methods (P-Card, Requisition, etc).
- Checks used for a prohibited purpose. (See Prohibited Uses of LPCs)
- Any misuse of a Limited Purchase Check violating the University's policies.

Forfeiture of Privileges

Multiple unrepaired violations will result in the removal of the privilege to use Limited Purchase Checks as a means of making small dollar purchases according to the following schedule:

- 1st violation will result in a notification being sent by Purchasing regarding the improper use of LPCs.
- 2nd violation will result in a three (3) month probation from the LPC program. All unused checks must be returned immediately. If checks are not returned, the privilege to use the LPC program may be removed completely.
- 3rd violation will result in a twelve (12) month probation from the LPC program. All unused checks must be returned immediately. If checks are not returned, the privilege to use the LPC program may be withdrawn.
- 4th violation will result in full removal of the privilege to use this program. All unused checks must be returned immediately.

If after twelve (12) months no further violations occur, then previous violations will be purged. At the discretion of Purchasing, check custodians may receive one-on-one training after which violations will be removed. Removing violations via training is not available for repeat offenders.

End of Fiscal Year Requirements

All Limited Purchase Checks, used and unused, must be returned at the end of each fiscal year. A memo will be issued by the Purchasing Office indicating the date by which all checks must be returned. Failure to return outstanding checks by the deadline stated will result in a \$25 stop payment fee per check being charged to the index listed on the request.

Spoiled Check Procedure

A check can be “spoiled” when a check is mutilated or typographically incorrect. If a check is spoiled, all check parts (original, Purchasing, and department copies) must be marked as “SPOILED” across the signature block. The original and Purchasing copies of the spoiled check should immediately be delivered to the Purchasing Office. The custodian should keep the department copy of the check for their records.

Stop Payment Procedure

From time to time a department might need to request a Stop Payment on an issued check. This would happen if a blank check is missing; a vendor notifies the custodian or department that a check has been lost, stolen, or otherwise cannot be recovered; or if a fully prepared and signed check is lost or stolen before it is released to a vendor. A stop payment is not required if the check or its remains are in the custodian’s possession (see Spoiled Check Procedure). Notify Purchasing immediately if a stop payment needs to be issued.

Other Policies and Procedures

- The check number should appear on all receipts and other documentation related to the purchase.
- The University, as a state agency, is exempt from Utah sales and use taxes. Do not pay these taxes.
- Departments and other operating units are accountable for promptly depositing cash refunds into University accounts. This money may not be used to supplement petty cash funds. All reimbursements for expenses made with LPCs should be deposited at the Cashiers Office using the Index tied to the check and the Account code 720535. A copy of the deposit form should be turned into Purchasing along with the check copy.
- When returning unused check stock, do not write “void” or in any other way damage the use of the check.
- Fraudulent use of Limited Purchase Checks will result in the loss of the privilege to use this means of making small dollar purchases, and may also result in disciplinary action up to and including termination of employment and full restitution to the University for all related, sustained losses. Fraudulent use includes:
 - Forging an authorized signature or signing a Limited Purchase Check without authority.
 - Using the Limited Purchase Check for personal purchases.
 - Returning goods purchased with the Limited Purchase Check for cash without fully reimbursing the University.
 - Accepting refunds for goods or services purchased with the Limited Purchase Check without fully reimbursing the University.
- Exceptions to any of the procedures found in this Guide may be approved by Purchasing.