

## **Purchasing Card Program for Resident Assistants**

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## **Abstract**

*The Procurement Services Department at the University of Virginia created a successful Purchasing Card program for the student staff members of the University's Residence Life program. Student Resident Assistants perform a variety of functions that require them to make numerous small dollar purchases. The traditional purchasing and payment methods, however, were too cumbersome and administratively costly for this particular purpose. Procurement Services staff worked with the Residence Life Office to explore alternatives that would meet the needs of the University's 240 student Resident Assistants. The result of this collaboration, a modified version of the University's Purchasing Card program, has met the needs of the Residence Life program by enabling student Resident Assistants to do their jobs more flexibly and efficiently while significantly reducing the administrative costs of processing these payments.*

## **Introduction of the Organization**

The University of Virginia, founded by Thomas Jefferson in 1819, is one of the best universities in the United States. *US News & World Report* has ranked the University of Virginia as the best public university for four of the seven years since they began ranking public universities. Among all colleges and universities, the University has always ranked within the top 25 in the nation. The University of Virginia is noted for the architectural beauty of the historic Rotunda and Lawn, the heart of the “academical village” designed by Thomas Jefferson, and for a tradition of academic excellence. Many of the University’s programs such as Law, Business, Medicine, Architecture, and English have ranked among the top ten in the country over the past decade or so. The 19,000 students attending the University work within a true meritocracy and live by an Honor Code unique among American universities. Each student is exposed to the widest spectrum of disciplines – from arts and athletics to humanities and technology.

The Residence Life Program at the University of Virginia generates and maintains an environment in University Housing that facilitates the physical well being of students and emphasizes opportunities for personal and intellectual growth, self-governance, social and cultural activities, and informal interaction with faculty members. The Residence Life Program is a model of student, faculty, and staff cooperation and collaboration.

## **Statement of the Problem**

The approximately 240 student Resident Assistants at the University of Virginia need to make a number of small dollar purchases in the course of carrying out their responsibilities for planning and implementing a variety of activities for the students living in the University's residence halls. The traditional methods for making these purchases, however, were not well-suited for this need. These methods ranged from creating standing purchase orders with local vendors, direct billings from vendors, using petty cash funds, and Resident Assistants using their own funds and seeking reimbursement from the University. Each method required a different administrative process and a check to be cut either to a vendor, to a custodian to replenish a petty cash fund, or to reimburse the Resident Assistants. In all of these cases, documentation had to flow from the Resident Assistant to the Residence Life Office and then to Procurement Services before payment could be made. With over two-thousand small dollar transactions, many for less than \$20, the administrative time required to process this volume of transactions was intensive and hundreds of lost and incomplete invoices had to be resolved each year. The traditional processes also created a financial burden on some Resident Assistants when they had to use their personal funds to cover the expense and seek reimbursement after the fact. The attempt to train Resident Assistants to use four different purchasing methods was also time consuming and often frustrating for all concerned.

## **Design**

The Purchasing Card Administrator and other members of the Procurement Services staff met with the Residence Life Office to discuss ways to streamline the procurement process for student Resident Assistants. The University Purchasing Card program had proven to be a very successful method of making small dollar transactions with a minimum of administrative processing costs, but this program was only available to full-time faculty and staff. A decision was made to try to modify this program so student Resident Assistants could participate in it. Procurement Services staff worked with American Express to modify the existing card for use by students. The transaction and monthly spending limits were lowered, the number of vendors with which the card could be used was significantly restricted, and certain types of purchases would automatically be blocked. Procurement Services staff drafted policies and procedures to govern this new program. These policies and procedures had to be submitted for the approval of state officials because no other college or university in the Commonwealth of Virginia had done anything like this before.

### **Implementation**

The Purchasing Card program for Resident Assistants was implemented on a trial basis but the program was so successful it quickly became permanent. Working with both the Residence Life Office and American Express; Procurement Services staff created and continues to maintain a list of approved vendors from which Resident Assistants can make purchases. The Purchasing Card Administrator continues to negotiate with new vendors to accept the card. Cards were ordered for the Resident Assistants and each card was linked to the approved vendor list, so the cards would only work with the approved

vendors. A special application, card agreement and training manual were developed and the Purchasing Card Administrator administers an annual training session prior to Resident Assistants receiving the card. The Residence Life Financial Manager reconciles each cardholder's monthly statement. The Purchasing Card invoice is automatically paid each month by Procurement Services and documentation is retained in Residence Life Office for four years. Procurement Services performs an annual compliance review of Resident Assistants' credit card transactions. At the end of each school year, Resident Assistants turn their card into the Residence Life Financial Manager for disposal and the Purchasing Card Administrator cancels all cards.

### **Benefits**

This program has provided a productivity improvement for both Procurement Services and the Residence Life Office and eliminated the financial burden on Residence Assistants. Use of the Purchasing Card has reduced the methods for purchasing goods and services for Residence Life events from 4 to 1. This has significantly reduced staff time required and direct costs to process reimbursement and payment requests. One payment to a Purchasing Card vendor takes considerably less time and cost compared to numerous transactions to several different vendors. It eliminates the time spent researching missing invoices and documentation. The Purchasing Card contract offers "rebates" to the state based upon the volume of transactions processed which generates overall cost savings. It has also simplified and improved audit and compliance reviews.

### **Retrospect**

Procurement Services' decision to allow the students in the Residence Life Program to use the Purchasing Card not only has made the procurement process more effective, but also resulted in a standard that could benefit other higher education institutions. The Purchasing Card for Residence Life programs lends itself for easy implementation by other Universities and Colleges if a Purchasing Card Program is already in use.