Purchase Card Coding

Instruction Documentation



Finance Systems Support

Email - FinanceSystemsSupport@hud.ac.uk

URL -

https://agressoweb.hud.ac.uk/MS7\_Live\_Web/Login/Login.aspx

Training - https://staff.hud.ac.uk/finance/financesystems/training/

Purchase Card Coding

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# Introduction

**Purpose**

Purchase cards are one method of purchasing at the University, preferred time saving process of a purchasing payment. Quick payment to the supplier, most efficient way to purchase lower value goods or services.

**Fraud**

Lost or stolen purchase cards, or if you suspect a fraudulent transaction has occurred, the card holder must immediately contact the bank, card provider. Contact details found on the reverse of the purchase card.

Alert the Treasury Accountant in Central Finance with anything to do with fraud, card limits, any relevant purchase card related details.

Contact your local Anti-Fraud Champion.

Keep cards and PINS safe and secure. The card holder should treat like their own card, safekeeping responsibility down to this individual. Details should never be written down for security reasons, the card should be present at point of sale.

The purchase card is for work purposes only, no personal spend should occur even in emergencies, this is not permissible. Individuals should not benefit from using purchase card e.g. cash back sites, points, etc.

Purchase cards may not be used to avoid preferred or contracted suppliers - ensure spend is line with University’s Procurement Policy.

**Deadlines**

The coder to code transactions as soon as possible. This is an audit requirement of the University to aid identifying fraudulent transactions. Unit4 will send regular timely reminders to the coder if coding task not actioned.

Delays in coding and authorising should not occur. If issues have arisen this should not stop coding the purchase card spend. If for example disputes occur and credits are required, this transaction will be coded to offset this spend.

Transacitons, further spending details enquiries will need to be queried with the bank and only the *card holder* can query these details.

If lateness of coding constantly occurs you may find the card balance is reduced to zero.

The University is the owner of the card and can halt spending if misused or not following procedures.

**Workflow overview** of process steps for purchase cards

**NB**: A coder can never code and approve spend, the approval will escalate to a supervisor if spending on own budget.

# Log in to Unit4

**Before logging into Unit4**

Note: if you have not used Unit4 or require initial training contact FSS support via email to obtain access - FinanceSystemsSupport@hud.ac.uk

To become a Purchase Card Coder on Unit4 **mandatory** **training** must be completed.

By following the URL you can log on to the Live Unit4 system:

https://agressoweb.hud.ac.uk/MS7\_Live\_Web/Login/Login.aspx

Alternatively, via the **Staff Hub** internet page login:

From the tab **‘Online Systems’**, locate the link for ***Unit4****.*

The **Login box** will appear, enter login details and then click the **Login** button.

 

**User name**: the same as your computer, network login e.g. FINALS

**Client**: **H1** is the University company to be used

H1 - (Main Company and always H1 for Purchase Card Coding)

H3 - (UHEL Company)

**Password**: must be at least 6 digits and include a number. If you have forgotten your password, please use the ‘**Forgotten your password**?’ option to reset

This will open a screen like the following *fig 1.1*

The ‘book ends’ menu available on the left of the screen will vary according to your role.



To access your outstanding tasks click the icon in the top right toolbar, circled is the location of the task list.

***fig 1.1***



# Purchase Card Coding Task

* Click on the **task line** rather than the ‘Task Manager’ option.

In the example *fig 1.2* there are several **Purchase Card coding** tasks displayed on the left hand side of the screen.

The first task is the one which is highlighted in blue on the left and further details displayed in the right hand window.

***Fig 1.2***



**NOTICE** **default** Supplier invoice information *fig 1.3*

**Supplier** – Purchase Card Supplier

**Total invoice amount** – GROSS purchase value

**To be approved** – NET amount to budget holder

**VAT amount** – will always show as zero **0.00** until updated

***Fig 1.3***



**NOTICE** **default** import transaction details

**Nominal** = **P9999**, **Subproject** = **FIN999**, **Tax code = 0**, **Description** from statement



* The **Nominal**, **Subproject** and **Description** and **VAT** (Tax code) MUST all be amended from the default values.

# Amending the default coding details

* **Nominal** - used to identify what financial transaction has happened e.g. books, stationery. This MUST be amended from the *default P9999*.

**NB**: never use an **8** code, as this is an income code.

As the **Nominal** is updated the **Tax code** will automatically change, as the nominal inserted has a ‘default, most likely’ tax code setup in the system. These *default* codes may likely require updating.

The **Tax code** on the line detail must be amended in accordance with what VAT should be recorded, record the VAT shown on the receipt of purchase.

**Tax** **code default** **example:**

**Statement ‘Total invoice amount’**

This amount will stay the same.

**NB**: only record UK **£** sterling currency.

**To be approved**

This is the **NET** value which may change depending on VAT coding applied.

**VAT amount**

This value may change depending on if VAT charged.



**P/card coding to ‘P8’ example:**



**To be approved**

Is the **NET** value approved by the budget holder.

For the P/card we want the system to take **VAT OFF** the ‘Total invoice amount’.

**VAT amount**

**P8** coding - the transactions **VAT** amount has changed to include VAT value.

* **VAT** - if **P8** (purchase incl VAT) is used, then in most cases the Tax System should be **S2** *fig1.4.*

**NB**: the only case this doesn’t apply to would be if the **Subproject** **CPK000-01** is used, in this case the Tax Code would be **P8** and the Tax System would be **S1**.

***Fig 1.4***



* **VAT** - if **P3, ‘0’** or **E1** is used, the VAT amount will be **0.00** and the ‘Total invoice amount’ and the ‘To be approved’ figure will remain the **same matching figure** *fig1.5*

***Fig 1.5***

**What is VAT?**

VAT is a tax charged by the UK Government via a business.

VAT is a tax on most goods and services in the UK.

Businesses registered for VAT **must** charge VAT on applicable goods and services they supply.

**What is the VAT rate?**

**VAT rates** charged in the UK depends on the goods or services being provided.

Goods supplied maybe VATable but if the Supplier is not VAT registered, they cannot include VAT on the invoice.

The following guidance refers to the VAT codes used in Unit4 when coding the purchase card transaction.

**NB**: for VAT related assistance direct queries to the University’s **VAT Accountant** in the Central Finance Accounting Team.

**Standard** = Unit4 **P8**

Charge of **20%** -applied to most applicable goods and services such as;

* Stationery, office equipment, catering, confectionery, consultancy services, some subscriptions

**NB**: remember, what does the invoice, receipt show - record what you see, obtain the VAT invoice from the supplier.

**Zero rate VAT** = Unit4 **P3**

Zero rated VAT, goods and services are still taxable, but the rate of VAT charged is **0%** - e.g.

* Books (including e-books) and newspapers
* Basic foods items (excluding catering)
* Passenger transport
* Some forms of printing

**Exempt** = Unit4 **E1**

Purchases that are exempt from VAT are not taxable, so no VAT can be charged. Purchases that are exempt from VAT are usually because it’s considered to be an essential item - e.g.

* Education and training services (provided by an eligible body)
* Financial services (such as insurance)
* Some subscriptions to professional bodies (such as learned societies)
* Royal mail postal charges

To note: special delivery, tracked mail and same day delivery, generally are subject to VAT.

**0 VAT ‘Outside the Scope of VAT’** = Unit4 ‘**0**’

Purchases that are ‘outside the scope of VAT’, transactions that are not subject to VAT and do not need to be recorded on the VAT return - e.g.

* Goods and services supplied by an ‘unregistered’ for VAT supplier
* Charges levied by the Government (such as parking fines, staff wages and pensions, business rates)
* Some Grants can be outside the scope of VAT
* Charity donations

**NB**: VAT on **Foreign Purchases** - can only record **UK** **VAT**, do not record another country’s VAT values.

To record VAT category of *Outside the scope* **‘0’.**

VAT rules can be complicated, **\*obtain the invoice/receipt, record what you see! \***

Further information can be found:

**GOV.UK** -https://www.gov.uk

Free guidance, refer to **BUFDG** - register for VAT E-learning modules: <https://www.BUFDG.ac.uk>

* **Subproject** - identifies which part of the University owns the transaction and is the responsibility of a budget holder. The budget holder will accept or reject this coding transaction.
* **Amend** the default **FIN999-01** to the relevant subproject.

**NB:** if the subproject you require is not listed you will need permission from the budget holder or your school finance office to have access. This approval requires emailing to Finance Systems Support to update access.

**All** purchase card transactions are coded in **H1**, even if using a H3 subproject. The transactions are a system automation journal posting from H1 to H3.

If it is a **H3 subproject** and the tax code is **P8**, check the ‘Tax system’ is **S2**.

This is because when the transactions are moved from H1 to H3 the tax system will be changed to S1 and will enable the recovery of the VAT.

* **Description** - ensure this is **amended** to clearly show what has been purchased.

Suggesting starting with the **Supplier’s name** and then continue with **additional detail** of transaction, the budget holder needs to recognise what has been purchased.

**NB**: only the bank can provide details of the transaction, if the spend not recognisable the card holder only will need to query with the bank.

* **Final check** - before proceeding check that the
* **Total invoice amount** which is the **GROSS** value and matches purchase card statement.
* **To be approved** amount and **VAT amount** matches the details on the receipt and **total** the **GROSS** value.
* **Nominal, Subproject** and the **Description** have all been amended accordingly.



* If everything is correct click on the **Approve** icon in the bottom left corner which will then route the line to the relevant budget holder to review approval.

Review the purchase card coding task list *fig1.6* and if there are more tasks awaiting attention then click on each one and amend the default coding as described.

***Fig 1.6***



**NB**: the payment has already occurred, the task is to confirm the subproject commitment, delays in coding should NOT occur, refer to Introduction – Deadlines (page 3).

# Attaching receipts to Purchase Card transactions

There is an option to attach receipts to each purchase card transaction. This allows the budget holder to be able to view the receipt before an *accept* or *reject* decision is made against the transaction and for audit purpose.

**NB**: valid VAT receipts should be attached to the transaction where applicable.

Once the task is accessed and completed as the coding detail instructions prior, you can attach receipts by clicking on the paperclip in the top right corner.



* The below screen *fig1.7* will open, click on from the lower screen.

***Fig 1.7***



* An additional box will then appear *fig1.8*

***Fig 1.8***



* Under the **Document type** *fig1.9*, click on the drop-down arrow and select **Purchase Card Receipt**.

***Fig 1.9***



* Select **Upload** and locate where you have stored the receipt to attach *fig2.0*

***Fig 2.0***



* Once you have selected the correct file and clicked **Open**, then click **Save**.

The image of the receipt will display *fig2.1*, you can **close** the pop up box by the **small x**.

***Fig 2.1***





Once a receipt is attached, the paper clip will then shade blue to show an attachment is added to the transaction.

* Once all the details are updated and completed on the purchase card coding task you can click **Approve.**

This task will then enter workflow and the budget holder will be able to view the image of the receipt to aid understanding of the approval task.

# Purchase Card Coding – Splits

* **To process splitting Subproject, Nominals or VAT**



* When the coding task is open click icon in the bottom left corner.



* The screen then opens and the **Advanced mode** will now show **Simple mode**.



* When the screen opens, code the **first** transaction line as usual and ensure that the **Nominal**, **Subproject** and **Description** are amended from the default values.



* Click icon near the bottom of the page.



The system will add another coding line beneath the first one.

* On the **new row** complete the **Nominal**, **Subproject** and **Description**.
* Next enter the **GROSS** amount to be coded to the new subproject.

The amount on the line above will change automatically to reflect this amendment.

* Enter the correct **Tax code** either **P8** for standard VAT or **P3, 0,** or **E1** for0.00 value.

*Fig2.2* the Tax code and the Tax System from the original line will copy to the new line. Ensure the Tax Code and Tax System are correct.

If **P8** is used, then in most cases the Tax System should be **S2**.

***Fig 2.2***



Split row can also be used if only part of the transaction is vatable and part of it isn’t *fig2.3*

***Fig 2.3***



* Once the breakdown is completed, click on **Simple Mode** in the bottom left corner to return to normal view.



* Once all the details are updated and completed on the purchase card coding task click on **Approve.**



* **Success** message to alert that this task will now escalate the budget holder. Click **OK** to close.

