

# ROWAN UNIVERSITY POLICY

**Title:** *University Purchasing Card*

**Subject:** *Contracting and Procurement*

**Policy No:** FIN: 2016:05

**Applies:** *University-Wide*

**Issuing Authority:** *Senior Vice President for Finance and Chief Financial Officer*

**Responsible Officer:** *Senior Director of Contracting & Procurement*

**Adopted:** *04/11/2016*

**Last Revision:** *08/15/2018*

**Last Reviewed:** *08/15/2018*

## I. PURPOSE

This policy outlines use of the Rowan University Purchasing Card (P-Card) Program, which authorizes employees to make business purchases using a University-issued credit card to benefit and support the University's mission of education, research, and public service.

## II. ACCOUNTABILITY

Under direction of the Senior Vice President for Finance, the Senior Director of the Office of Contracting & Procurement (OCP) shall implement this policy. The Provost, Senior Vice Presidents, Vice Presidents, Deans, Department Chairs and Department Directors shall ensure compliance with the policy.

## III. APPLICABILITY

This policy applies to all authorized University personnel who accept responsibility for use of a University issued P-Card.

## IV. DEFINITIONS

- A. *Purchasing Card Administrator*** – OCP staff member responsible for the creation, cancellation, maintenance and review of all P-Cards and transactions
- B. *Purchasing Card Accountholder*** – Employee who has been issued a P-Card
- C. *Purchasing Card Proxy Reconciler*** – Employee who can manage tasks and transactions on behalf of an Accountholder
- D. *Purchasing Card Approver*** – University employee responsible for monitoring P-Card transactions and confirming all transactions are appropriate and compliant with University Procurement policies
- E. *Purchasing Card Delegated Approver*** – University employee who has been granted by an Approver the same P-Card authority, including all itinerant tasks and responsibilities
- F. *Merchant Category Code (MCC)*** – A four-digit number assigned to a business by credit card companies to classify the business by the type of goods or services it provides

**G. P-Card – University Purchasing Card**

**V. REFERENCES**

- A. Rowan University Policy: [Receptions and Entertainment](#)
- B. Rowan University Policy: [Reimbursements for Travel Related University Business Expenses](#)
- C. Rowan University Policy: [IT Acquisition Policy](#)
- D. All purchases made with a P-Card are subject to all appropriate procurement statutes, regulations and policies as noted on the pages of the OCP [website](#). **Purchases made on a P-Card outside the guidelines of the above policies may not be approved and may become the responsibility of the Accountholder.**

**VI. POLICY**

- A. Rowan University Purchasing Card (P-Card) Program has been established to provide an alternative method for authorized business purchases that benefit the University's mission of education, research and public service. The P-Card should only be used as a supplement for items that are not available through the Purchase Order process, the Banner Finance Module, in extreme emergencies or with vendors who do not accept any other form of payment.
- B. P-Cards are the property of Rowan University, and are to be used for University business purchases only.
- C. P-Card Accountholders will be responsible for providing justification for each P-Card transaction. Failure to follow these guidelines and policy may result in card revocation, as determined by the Senior Director of Contracting & Procurement.
- D. All items purchased with the P-Card are the University's property. Only the Office of Contracting & Procurement has the authority to obligate the University for the purchase of goods and services. Any purchases made outside this policy become the sole liability of the individual making the purchase.
- E. Neglect or abuse of P-Cards will result in cancellation of the card. Fraudulent use of the card will result in disciplinary action up to and including termination of employment.
- F. Rowan University receives various discounts from numerous vendors for products and services. The use of P-Cards, in many cases, voids discounts and tax exempt status. Accountholders are responsible for ensuring any sales tax charges, that would otherwise be exempt from a purchase, are credited back to the University.
- G. The Accountholder must ensure all transactions are fully allocated with the correct Fund, Organization, Account and Program. This must be complete by the tenth (10<sup>th</sup>) day of every month. Accounts with transactions that are not fully allocated by this date will be immediately suspended until the task is complete.
- H. Completed P-Card applications must be forwarded to the Purchasing Card Administrator for approval. Cards will be issued in an individual employee's name.
  - 1. If the card is issued with the intended use of supporting the purchasing needs of a department, college or division, the P-Card's safety and usage remain the sole responsibility of the employee whose name is listed on the card.
  - 2. All P-Card Accounts require an Approver.
  - 3. University "GRANTS" are not eligible for P-Card program participation.
- I. General P-Card Controls  
A combination of intended use, employee responsibilities/regular job duties, MCC blocking schemes, card limits and transaction limits are all taken into consideration when determining the proper card model assigned

to each P-Card. Card models are Standard, Executive and IT, with modified versions of each available as needed. The models are defined primarily by blocking scheme and spend limit.

1. MCC blocking schemes have been developed to govern the use of the P-Cards and determine the card model that is assigned.
  - a. The Standard Card Model allows for specific commodity codes, but does not include travel or entertainment purchases.
  - b. The Executive Card Model allows for an expanded list of allowable codes that includes travel and entertainment purchases.
  - c. The IT Card Model allows for technology-related purchases only. This card is held by Information Resource and Technology (IRT) personnel.
2. Spend Limits
  - a. P-Cards are issued with one of four basic spend limits:

• Standard	\$500.00/transaction	\$2,000/month
• Modified Executive	no transaction limit	\$3,000/month
• Executive	no transaction limit	\$5,000/month
• IRT	no transaction limit	\$5,000/month
  - b. The OCP reserves the right to adjust the limits (transaction and monthly) based on the intended use of the P-Cards.
3. Purchase transactions may not be split into multiple transactions to avoid the single transaction limit. Such activity is illegal and constitutes improper use of the card and will be subject to P-Card suspension and/or termination.
4. All departmental budgets must be taken into consideration while using the P-Card.
5. New Jersey State and University procurement and budget procedures must be followed.
6. Certain purchases require additional approvals, including but not limited to: receptions and entertainment, travel and technology.

**J. Purchase Documentation and Reporting**

1. The Accountholder will secure and retain receipts that provide complete detail to support each purchase charged to the P-Card. All receipts for P-Card purchases must be detailed and itemized and uploaded to Works®. Transactions that do not have a corresponding itemized receipt will become the liability of the Accountholder. The University must be reimbursed by the Accountholder for all purchases over \$25.00 that are not accompanied by a valid receipt. Accountholders are required to retain original credit card receipts.
2. The Accountholder must ensure all transactions are fully allocated with the correct Fund, Organization, Account and Program. This must be complete by the tenth (10<sup>th</sup>) day of every month. Accounts with transactions that are not fully allocated by this date will be immediately suspended until the task is complete.
3. Once signed off by the Accountholder, transactions are reviewed, approved and signed off by the Approver.
4. After individual transactions are reviewed, approved and signed off by the Approver, they are reviewed for procurement compliance by the P-Card Administrator.
5. Corrective action must be initiated within five (5) business days for any transaction that is flagged (disapproved) by either the Approver or the P-Card Administrator. Failure to do so within the allotted period of time will result in card suspension.

**K. Errors regarding incorrect billing may occasionally occur with the P-Card. When errors are found on a statement, it is imperative that the problem be resolved in a timely manner.**

1. The University has limited time (notification period) from the date of the statement to notify the bank of a disputed transaction. If the Bank is not contacted within the notification period, however, fraudulent charges may become the liability of the Accountholder's Department.

2. For non-fraudulent or disputed transactions, Accountholders should attempt to resolve the billing issue with the vendor. If the issue cannot be fully resolved, the P-Card Administrator should be contacted as soon as possible.

**ATTACHMENTS:**

- A. Attachment 1 - Assigned Responsibilities
- B. Attachment 2 - Prohibited Uses of the P-CARD

## **ATTACHMENT 1 ASSIGNED RESPONSIBILITIES**

### ***Office of Contracting & Procurement***

1. Provides central administration for the P-Card Program.
2. Receives applications from employees for new P-Card Accounts.
3. Creates and maintains account information for each card issued.
4. Closes accounts that are lost, stolen, or are no longer needed.
5. Maintains P-Card Account inventory.
6. Maintains a list of P-Card Accountholders and Approvers.
7. Reviews purchases for compliance with University policies and procedures.

### ***Accountholder/Proxy Reconciler***

1. Understands and complies with rules for use of the P-Card.
2. Reports lost or stolen P-Cards to the customer service number listed on the card and the P-Card Administrator.
3. Collects and reconciles charge receipts with P-Card charges.
4. Notifies P-Card Administrator of any changes to departmental position and responsibilities as they relate to the P-Card.

### ***Approver/Delegated Approver***

1. Reviews P-Card transactions and allocation within prescribed timeline.
2. Provides expenditure authority for card charges through online approval within Works by signing off on transactions submitted by Accountholders.
3. The Dean or Vice President in the Division approves applications for Department P-Cards.
4. The Chief of Staff or Provost approves applications for cards issued to Vice-Presidents and Deans.

### ***P-Card Administrator***

1. Administers and oversees the program.
2. Processes P-Card applications and change requests.
3. Receives original cards from bank; distributes cards to Accountholders.
4. Reviews P-Card transactions for procurement compliance.
5. Batches all approved transactions within a billing cycle to ensure correct allocation and reconciliation.
6. Serves as liaison to bank for official communications and resolution of issues and concerns.
7. Reviews Merchant Category Codes quarterly.
8. Re-evaluates program on an as-needed basis, but not less than annually.

### ***Purchasing Card Company***

1. Issues P-Cards.
2. Receives reports of lost and stolen cards.
3. Receives reports regarding disputed invoices.
4. Provides technical assistance.

## **ATTACHMENT 2**

### **PROHIBITED USES OF THE P-CARD**

P-Cards will not be used\* for the purchase of:

1. Information Technology (Hardware or Software)
2. Furniture without prior approval from Facilities
3. Personal charges – even with the intent of reimbursing the University
4. Goods and services requiring a signed agreement or contract, including stipends, honorariums or contracted professional services
5. Traveler's checks or cash withdrawals from ATM machines
6. Purchases presenting significant potential risk or exposure to liability for the University. For example: items or services that represent special health, safety, occupational or environmental risks or arrangement whereby the University is required to sign any type of agreement or contract.
7. Alcohol
8. Any purchases prohibited by [University Policies](#) or not related to University business.

\*At the discretion of the OC&P, individual cards may be approved for specific purchases as described in section D.1.c.