

University Purchasing Card

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
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I. PURPOSE

This policy outlines use of the Rowan University Purchasing Card (P-Card) Program, which authorizes employees to make 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 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 departments and personnel who accept responsibility for use of a University issued P-Card.

IV. DEFINITIONS

1. **Purchasing Card Administrator** – OC&P staff member responsible for the creation, cancellation, maintenance and review of all P-Cards and transactions.
2. **Purchasing Card Approver** – University employee responsible for monitoring P-Card transactions and confirming all transactions are appropriate and compliant with University Procurement policies.
3. **Purchasing Card Accountholder** – Employee who has been issued a P-Card or who has been issued a P-Card on behalf of a Department or Division.
4. **Purchasing Card Proxy Reconciler** – Employee who can manage tasks and transactions on behalf of an Accountholder.
5. **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.
6. **P-Card** – University Purchasing Card.

V. REFERENCES

1. Rowan University Policy: [Receptions and Entertainment](#)

2. Rowan University Policy: [Reimbursements for Travel Related University Business Expenses](#)
3. Rowan University Policy: [IT Acquisition Policy](#)
4. All purchases made with a P-Card are subject to all appropriate procurement statutes, regulations and policies as noted on the pages of the OC&P [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

1. P-Card Accountholders should utilize the Banner Finance Module whenever possible and will be responsible for providing justification for each P-Card transaction. The card should be used for emergency purchases and for required business purchases with vendors who do not accept any other form of payment. Failure to follow these guidelines may result in card revocation, as determined by the Senior Director of Contracting & Procurement. P-Card Accountholders are responsible for providing adequate documentation to the Office of Contracting & Procurement to establish vendors in the Banner Finance Module.

P-Cards are the property of Rowan University and are to be used for University business purchases only. The University is responsible for the purchases made with the P-Cards.

- a. Neglect or abuse of P-Cards will result in cancellation of the card.
 - b. Fraudulent use of the card will result in disciplinary action up to and including termination of employment.
2. 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.
 3. Completed P-Card applications must be forwarded to the Purchasing Card Administrator for approval. Cards can be issued in an individual employee's name or in the name of the department according to the specific needs of the department.
 - a. Only full-time, classified employees are eligible for Accountholder and Approver roles.
 - b. If the card is issued in a department's name, the card will become the responsibility of the applicant, who will be designated as the P-Card Accountholder.
 - c. All P-Card Accounts require an Approver. All designated roles and authorities correspond to the University Organizational Chart.
 4. **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, Entertainment, Athletics, Executive and IRT, with modified versions of each available as needed. The models are defined primarily by blocking scheme and spend limit.

- a. MCC Blocking schemes have been developed to govern the use of the P-Cards and determine the card model that is assigned.
 - i. The Standard Card Model allows for specific standard commodity codes.
 - ii. The Entertainment Card Model allows for specific standard and entertainment-related commodity codes.
 - iii. The Athletics Card Model allows for specific standard and athletics-related commodity codes.
 - iv. The Executive Card Model allows for an expanded list of allowable codes that includes entertainment-related purchases.
 - v. The IRT Card Model allows for technology-related purchases only. This card is held by Information Resource and Technology (IRT) personnel.
- b. Spend Limits
 - i. P-Cards are issued with one of three basic spend limits and is determined by employee title and job description:
 1. Level A \$2,000.00/month

2. Level B \$3,000.00/month
 3. Level C \$5,000.00/month
- ii. The OC&P reserves the right to adjust the limits (transaction and monthly) based on the intended use of the P-Cards.
 - c. Purchase transactions may not be split into multiples spends 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.
 - d. All departmental budgets must be taken into consideration while using the P-Card.
 - e. New Jersey State and University procurement and budget procedures must be followed.
 - f. Certain purchases require additional approvals, including but not limited to: Receptions and Entertainment, and Technology.
5. Purchase Documentation and Reporting
- a. 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. Transactions not accompanied by a receipt may require reimbursement at the discretion of the Office of Contracting and Procurement. Accountholder departments are required to retain original credit card receipts for two calendar years.
 - b. The Accountholder must ensure all transactions are fully allocated with the correct Fund, Organization, Account and Program. This must be complete by the ninth (9th) day of every month. Should the 9th fall on a Saturday or Sunday, allocations are due by 4 p.m. on the Friday prior. Accounts with transactions that are not fully allocated by this date will be immediately suspended for thirty days. A second offense will result in a suspension of sixty days. A third offense will result in the cancellation of the account.
 - c. Once signed off by the Accountholder, transactions are reviewed, approved and signed off by the Approver.
 - d. After individual transactions are reviewed, approved and signed off by the Approver, they are reviewed for procurement compliance by the P-Card Administrator.
 - e. Corrective action must be taken for any transaction that is flagged (disapproved) by either the Approver or the P-Card Administrator. Failure to do so will result in card suspension.
 - f. Accounts will be terminated upon the third suspension.
 - g. 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. 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. 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:

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

ATTACHMENT 1

ASSIGNED RESPONSIBILITIES

Office of Contracting & Procurement

1. Provide central administration for the P-Card Program.
2. Receive applications from employees for new P-Card Accounts.
3. Create and maintain account information for each card issued.
4. Close accounts that are lost, stolen, or are no longer needed by departments.
5. Maintain P-Card Account inventory.
6. Maintain a list of P-Card Accountholders and Approvers.
7. Review purchases for compliance with State law and University policies and procedures.

Accountholder

1. Understand and comply with rules for use of the P-Card.
2. For cards issued in a department name, maintain control of the P-Card issued to the department.
3. Report lost or stolen P-Cards to the customer service number listed on the card and the P-Card Administrator.
4. Collect and reconcile charge receipts with P-Card charges.
5. Notify P-Card Administrator of any changes to departmental position and responsibilities as they relate to the P-Card

Approver

1. Review P-Card transactions and allocation within prescribed timeline.
2. Provide expenditure authority for card charges by signing off on transactions submitted by Accountholders.
3. The Dean or Vice President in the Division approves applications for departmental 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. Review P-Card transactions for procurement compliance.
5. Batch 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.
8. Re-evaluates program on an as-needed basis, but not less than annually.

Purchasing Card Company

1. Issuing P-CARDS.
2. Receiving reports of lost and stolen cards.
3. Receiving reports regarding disputed invoices.
4. Provide technical assistance.

ATTACHMENT 2

PROHIBITED USES OF THE P-CARD

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

1. Goods and services that can be purchased with a purchase order (excluding memberships and registrations).
2. Information Technology (Hardware or Software) without prior IRT approval.
3. Furniture without prior approval from Facilities.
4. Personal Charges – even with the intent of reimbursing the University.
5. Goods and services requiring a signed agreement or contract, including stipends, honorariums or contracted professional services.
6. Traveler's Checks or cash withdrawals from ATM machines.
7. 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.
8. Alcohol. Transactions may not be allocated to a State-funded account.
9. Any purchases prohibited by [University Policies](#) or not related to University business.
10. Travel-related purchase including but not limited to: hotel accommodations, transportation, and incidentals.
11. Gift Cards.

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