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
Adopted: 04/11/2016
Last Revision: 2/13/24
Last Reviewed: 2/13/24

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 (OC&P) 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.

This policy and procedures are applicable to Rowan University and governing operations at Rowan University. Employees and students at Rowan University are expected to comply with these policies and procedures when engaging in business on behalf of Rowan University. These policies and procedures shall not apply to organizations that are recognized affiliates of Rowan University but maintain separate corporate status. Such entities are governed by their individual operating procedures, operating agreements, affiliation agreements, and other governance documents and shall be subject to policies and procedures therein.

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.**

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. The card may be used for purchases under $100. 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.
2. P-Cards are the property of Rowan University and are to be used for university business purchases only.
    a. Neglect or abuse of P-Cards may result in cancellation of the card.
    b. Fraudulent use of the card will result in disciplinary action up to and including termination of employment. In addition, the University reserves the right to seek all available legal remedies relating to fraud perpetrated using a P-Card.
3. The University shall not use state funds for purposes that are not permissible under state law. Where necessary to avoid using funds not permissible under state law, the University shall use other available funds to pay for any legally disallowed costs.
4. The University is tax exempt in the states of New Jersey. Accountholders are responsible for ensuring any sales tax charges, that would otherwise be exempt from a purchase, are removed at the point of sale. Failure to request the removal of sales tax from your purchase may be considered neglectful use of the P-Card and may result in corrective action. If tax is added in error, the cardholder should request a credit from the vendor.
5. 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.
6. **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, Cabinet, and IRT, with modified versions 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 Cabinet Card Model allows for an expanded list of allowable codes. This model is designated to the President's Cabinet members only.

iii. The IRT Card Model allows for technology-related purchases. This card is held by Information Resource and Technology (IRT) personnel only.

b. Spend Limits
   i. P-Cards are issued with one of three basic spend limits and is determined by employee title and job description:
      - Level A $4,000.00/month
      - Level B $6,000.00/month
      - Level C $10,000.00/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. Procurement and budget procedures established by the University must be followed.
f. Certain purchases require additional approvals, including but not limited to: Receptions and Entertainment, Technology, and Furniture.

7. Purchase Documentation and Reporting
   a. All P-Card users (Accountholder, Proxy Reconciler, and Approver) must complete P-Card trainings.
   b. The Accountholder will secure and retain receipts that provide complete detail to support each purchase charged to the P-Card over $25.00. All receipts for P-Card purchases should be detailed and itemized and uploaded to Works®. Transactions that do not have a corresponding itemized receipt may 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 three calendar years. Receipts may be stored off-site after three years but must remain accessible for seven years.
   c. The Accountholder must ensure all transactions are fully allocated with the correct Fund, Organization, Account and Program. This must be complete by the ninth (9^{th}) day of every month. Should the 9^{th} fall on a Saturday, Sunday, or University-recognized holiday, allocations are due by 4 p.m. on the last business day before the 9th. Accounts with transactions that are not fully allocated by this date may be suspended. A notice will be sent to the supervisor of the Accountholder.
   d. Once signed off by the Accountholder, transactions are reviewed, approved, and signed off by the Approver.
   e. After individual transactions are reviewed, approved, and signed off by the Approver, they are reviewed for procurement compliance by the P-Card Administrator.
   f. 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 may result in card suspension.
   g. Accounts deemed problematic may be suspended at the OC&P's discretion.
   h. 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 over $100 that can be purchased with a purchase order (excluding memberships, registrations, public notice postings, and job postings).
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 Non-PO payments, honorariums, or contracted professional services, without prior OC&P approval.
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 meals, mileage/gas on personal vehicles, and all other expenses listed on the Account Payable Non-Reimbursable Travel Expense list. Hotel accommodations and transportation purchases are allowable with an approved encumbrance number.
11. Gift Cards.

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