

LAFAYETTE
COLLEGE
Procurement Card (P-Card) Policy
Effective December 2019

1. Introduction

The Procurement Card (P-Card) program is designed to assist Lafayette College faculty/staff in purchasing goods and services more efficiently and effectively by direct purchasing or placing approved web related orders when purchase orders are not a practical or efficient option. The limit for a single P-Card purchase is less than \$5,000.00 unless authorized by the Procurement Office.

2. Purpose

Having a P-Card is a privilege that comes with responsibilities. It is intended to be used by authorized faculty/staff for authorized purchases. Only the Cardholder who is issued the P-Card may use it. Lafayette College bears the liability for all outstanding charges on the P-Card (unless the P-Card is used inappropriately); therefore, it does not affect the authorized P-Card users' personal credit ratings.

The program decentralizes small dollar purchases, and is designed to streamline the purchasing and payment process for travel-related and small dollar purchases by reducing expense reimbursements, cash advances, and small dollar check requests, while providing greater spend transparency.

The P-Card is not a personal credit card and must be used ONLY for Lafayette College business-related purchases. Misuse could result in consequences listed in Section 10.

3. Program Guidelines

3.1 Appropriate Usage

P-Cards may be used only for official College business, and in strict accordance with all other applicable College policies. Cardholders and departmental reviewers/approvers shall ensure the appropriateness of transactions and compliance with all relevant laws, rules, regulations, departmental procedures, College policies, and the College's mission.

3.2 Program Oversight

The P-Card program has been established by the College's Vice President of Finance and Administration. Administration of the program will be coordinated through Procurement, as part of the Finance and Business Office.

3.3 Roles and Responsibilities

Departmental P-Card roles and responsibilities must include proper separation of duties so that one person does not have sole access to complete a financial transaction. Each cardholder is to be established with a designated reviewer. This appropriate separation of duties requires a minimum of two people to sign-off on a transaction via monthly reconciliation reviews. Cardholders are responsible for providing all necessary documentation. Cardholders may be held personally liable for unsupported transactions.

3.4 Program Benefits

- Decreased transaction processing costs associated with travel and small dollar purchases
- Increased purchasing and AP process efficiency by replacing paper-based process with electronic solutions
- Improved transparency
- Enhanced departmental flexibility, budget tracking and reporting capability

3.5 Compliance

P-Card purchases are subject to review/audit by the Finance and Business Office, external auditors, and possibly the State or Federal government (depending on funding source).

4. Who Is Authorized to Receive a P-Card

Any full time Lafayette College faculty/staff member who is authorized by their department head or division head to obligate Lafayette College funds for their department. The P-Card is issued by a bank selected by the Finance and Business Office.

5. How to Apply for a P-Card

Each applicant must have a Banner FOAPAL (account code) that can be assigned as a "default code". The P-Card will be issued in the individual's name. The actual process is listed on the Purchasing Card (P-Card) Procedure Documentation. The application should include Cardholder and approver signatures.

6. Cardholder Spending Limits and Authorized Uses

P-Cards are only to be used for purchases that do not require a purchase order.

- 6.1 The Cardholder can make a single transaction purchase of less than \$5,000 and a monthly total transactions limit of \$10,000
- 6.2 The Cardholder must not split orders so that the amount for each order meets the “less than \$5,000” threshold
- 6.3 The P-Card may be customized to the Cardholders’ account by the use of control mechanisms
 - 6.3.1 Per transaction limit
 - 6.3.2 Monthly total limit
 - 6.3.3 By commodity code
 - 6.3.4 A temporary limit increase for specifically approved purchases may be changed temporarily upon the Cardholder’s request, with proper documentation justifying the reason for the change request, approval of the dept. head/budget manager, and Procurement Office or Assoc. VP of Finance approval. Adequate notice must be given with the exception request to allow for review
- 6.4 Cardholders may make charges on behalf of others in their department, but the Cardholder is ultimately responsible for getting the approval prior to making the purchase

6.5 Authorized Uses.

Typical authorized purchases would include the examples provided below; however reference the authorized purchases listed in the Procurement Card (P-Card) Procedures for a more detailed list. All purchases are subject to approval of department’s budget manager/designated approver and must comply with all applicable College policies, procedures and applicable laws.

- Dues, memberships, licenses, application fees
- Business travel and related expenses (hotel, meals, auto rental, airline, rail)
- Conference and seminar registrations
- Books, publications, periodicals, subscriptions, newsletters.
- Small dollar purchases of supplies, parts, and equipment
- Peripheral electronics (cords, flash drives, chargers, etc.)
- Services customarily used by departments

6.6 Unauthorized uses.

Typical unauthorized purchases would include the examples provided below; however reference the unauthorized purchases listed in the Procurement Card (P-Card) Procedures for a more detailed list.

- Any transaction that exceeds the Cardholder's available budget.
- Any personal purchase, even with the intent of reimbursing the College.
- Any transaction specifically prohibited by other College policies, or prohibited in the Controller's Office Expense Reimbursement Policy, <https://finadmin.lafayette.edu/wp-content/uploads/sites/133/2019/02/Expense-Reimbursement-Policy-Lafayette-College.pdf>
- Fines
- Purchases prohibited by a Grant (reference [Office of Research and Sponsored Programs site](#) and Grant manual)
- A transaction whereby the College is required to sign any type of contract or agreement (e.g., lease, independent contractor, and consultant).
- Gift Cards
- Purchases that represent significant risk or liability to the College for items or services with special health, safety, occupational, or environmental risks (e.g., radioactive material, animals, ammunition, weapons, controlled substances)
- Capital Equipment
- Computers, software, telecommunications equipment, mobile devices (including tablets, iPads, laptops, cell phones)
- Contractual services that must be signed by one of the College's contracting authorities, and/or where an existing contracted services agreement is in place (e.g. pest control services, cleaning services, snow removal)
- Copiers
- Entertainment
- Fixed assets
- Flowers (exception: HR and Development)
- Office parties (such as retirements or showers)
- Gasoline and petroleum products (exception: is approved for rental vehicles for business travel)
- Maintenance contracts
- Office furniture (must contact facilities)
- PayPal accounts
- Health care and medical (exception: Athletics Training and Health Unit)
- Tobacco
- Vehicles
- Alcohol (exception: Dining Services; if compliant with expense reimbursement policy)
- Donations

7 Responsibilities

7.1 Cardholder Responsibilities

Each Cardholder is responsible for the proper use of their P-Card. Use of a Lafayette P-Card for personal purchases is strictly prohibited.

- Complete an initial Cardholder training prior to obtaining a P-Card.
- Safeguard the P-Card, card number, and PIN
- Adhere to the purchase limits and restrictions of the P-Card.
- Accountable for all activity on the purchasing card, with respect to the departmental budget as well as this policy.
- Use the P-Card only for appropriate College business.
- Compliance with all P-Card policy and procedures
- Reimburse promptly the College for any improper charges
- Obtain receipts for all purchasing card transactions and uploads images of receipts as attachments to the online reconciliation software. If necessary, obtain duplicate copy of receipts and/or packing slips from the merchant.
- Cardholders are prohibited from submitting an expense reimbursement form for any expense charged to a P-Card.
- Review and change accounting codes.
- Reconcile timely the P-Card activity against receipts on a monthly basis and verifies proper credit is given for returns, adjustments, or erroneous charges.
- Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder's statement.
- Attempt to resolve disputes or billing errors directly with the merchant within 30 days. Notifies the Issuing Bank/Program Administrator if the dispute or billing error is not satisfactorily resolved.
- Immediately report a lost or stolen card to Issuing Bank, supervisor, and the P-Card Administrator.
- Cooperate with bank investigations of suspected fraud or College investigations into alleged improper activities. Failure to comply with bank requests to complete the Fraud Affidavit will result in reversal or denial of credits for fraudulent purchases.
- Return the P-Card to supervisor if transferring to another dept., or prior to terminating employment with Lafayette College.
- The Cardholder may be subject to disciplinary or legal action for improper use of the purchasing card.
- The Cardholder's purchasing card may be suspended or revoked for improper use.

7.2 Approver Responsibilities.

The Card Administrator in conjunction with the department will establish one or more designated P-Card approver(s) for each Cardholder. Responsibilities include:

- Reviewing Cardholder transactions in a timely fashion.

- Reviewing merchant receipts attached to the cardholder reconciliation for appropriateness of charges and compliance with College policies and procedures.
- Verifying correctness of accounting codes.
- Periodically reviewing their Cardholders to assure continuing need for the PCard.
- Requesting P-Card Administrator to cancel a Cardholder's card (e.g. terminated employees, transferring departments, loss of purchasing card privileges) while assuring that all expenses on that card are properly allocated prior to Cardholder departure.
- Ensuring Cardholder is in compliance with all P-Card policy and procedures
- Ensuring the appropriate separation of duties.
- Contacting Procurement Office or Finance /Business office regarding suspected misuse/fraud.

8. Grant Account (sponsored funds) P-Card Charges

- Due to the complex nature of grants and other sponsored programs, Cardholders should be aware of and comply with all sponsored programs funds policies, requirements, and guidelines (reference [Office of Research and Sponsored Programs site](#) and Grant manual), and contact the Office of Sponsored Programs to review that Office's requirements for use of a P-Card, and documentation requirements regarding grant expenditures, prior to using the P-Card. Be aware that typically, sponsored funds programs specifically do not allow purchases from "excluded parties", so College employees should not purchase from any organization that is debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs. Employees may check the status of a potential supplier on the sam.gov website.

9. Termination of Employment, Transfers, Lost/Stolen Cards, Fraudulent Usage

- 9.1 Cardholders who terminate employment with Lafayette College must return their P-Card to their department head or P-Card Administrator, and it will be cancelled. Cardholder must complete reconciliation of any outstanding P-Card expenses following established applicable P-Card procedures prior to termination of employment.
- 9.2 Cardholders who change departments within Lafayette College should notify the Procurement Office and their new department head so that appropriate action may be taken, following established procedures.
- 9.3 Lost or Stolen P-Card or Fraudulent Charges-Should a P-Card become lost or stolen, or fraudulent activities are suspected, it is the Cardholder's responsibility to immediately notify the issuing bank to have the P-Card cancelled and reissued.

9.4 If the issuing bank identifies a fraudulent transaction, it may place a temporary hold on the P-Card in question and notify the Cardholder. It is the Cardholder's responsibility to promptly respond to the bank and perform whatever follow up activities are required.

9.5 Disputed charges: It is the Cardholder's responsibility to follow up on any erroneous charges, returns, adjustments and ensure the supplier applies the proper credit on subsequent statements.

10 Misuse of Card

Use of a Lafayette P-Card for personal or unauthorized purchases is strictly prohibited.

10.1 Making an unauthorized purchase or purchases with a P-Card in an inappropriate manner or without prior approval may result in suspension or cancellation of a P-Card, disciplinary action, and possible termination of employment

10.2 Abuse, Misuse, and Negligence.

Abuse, misuse, and negligence are violations for which no personal gain results, such as failing to maintain original receipts, lack of proper and timely account reconciliations, repeated non-compliances with policy and procedures, or failing to safeguard account information. P-Card suspension or cancellation is a possible corrective action for misuse, prevalent missing receipts and/or repeated violations of P-Card policy or procedures, which is enforced at discretion of VP Finance and Administration or delegates.

Intentionally making one or more than one unauthorized purchase with a P-Card in an inappropriate manner or without prior approval, or after notice of account suspension or cancellation may be considered intentional fraudulent use, and could result in suspension or cancellation of P-Card disciplinary action, possible termination of employment, and/or legal action against the Cardholder.

11 Responsibility for Administration of P-Card Program

The Procurement Office and the Finance & Business Office will oversee and administer the activities needed for the support of the program. Any procedures, changes to procedures, interpretations, exceptions, or other actions regarding the program shall be at the discretion of these departments, and made in the best interest of the College.

Lafayette College reserves the right to suspend or cancel a Cardholder's privileges at any time and for any reason, at the College's sole discretion, with or without notice.