

# LAFAYETTE COLLEGE

## Procurement Card (P-Card) Procedure 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 option. Procedure for obtaining a P-Card, use of the P-Card and reconciliation is addressed in this document.

### 2. Purpose and General Guidelines

Having a P-Card is a privilege that comes with responsibilities. It is the Cardholder's responsibility to practice good fiscal stewardship, use the P-Card in a professional manner with strict adherence to the principles of the program including all relevant College policies, reconcile all expenses in a timely manner, and promptly address all issues, actions or requests regarding the P-Card-

P-Cards may only be issued to full-time employees with significant business-related travel and/or having purchasing responsibilities for the College. Generally, the P-Card is used for employees that anticipate spending at least \$2,500 or more per year on the P-Card.

The individual Cardholder is accountable for proper use of the P-Card. Although the P-Card is issued to the Cardholder, it is the College's property, and the P-Card may be suspended or rescinded at any time. Documentation of transactions is necessary to the success of the purchasing card program. Cardholders are responsible for the security of their P-Card, the purchases made with it, and keeping/providing the required records/receipts.

**Cardholders are solely responsible to resolve all administrative issues that may be experienced with the use of their cards. For example, billing/charges questions with vendors, returns & credits, prompt fraud reporting and fraud follow up with issuing bank, promptly reporting lost/stolen cards to the card issuer, providing required receipts, and the running and timely submission of expense reports.**

#### a. Separation of Duties

Departmental P-Card roles and responsibilities must include proper separation of duties by having a Cardholder and a designated reviewer established, so that one person does not have sole access to complete a financial transaction. This assures there is an appropriate multi-level review of activities, requiring a minimum of two people to sign-off on a transaction. A cardholder may not act as the only reviewer of their expense reports.

b. Purchasing Card Benefits

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

c. **A cardholder P-Card account may be closed at any time at the sole discretion of P-Card Administration to prevent fraudulent use or avoid/discontinue non-compliances.**

d. **If a P-Card is closed, a new P-Card application process is required for a P-Card to be issued.**

3. **How to Apply for a P-Card**

a. Employees may apply for a P-Card by completing the process outlined below:

- Complete, sign and accept the Cardholder Application and Responsibility Form requiring department head or budget manager authorization.
- Forward completed form to the P-Card Program Administrator in Procurement.
- The P-Card Administrator will submit the P-Card application to the issuing bank.
- Employee will be notified to pick up P-Card from Program Administrator.
- Schedule and complete Cardholder training required before P-Card is issued.

b. The applicant must complete and accept the [P-Card Application and Responsibility Form](https://purchasing.lafayette.edu/forms/Form) found on Procurement's website <https://purchasing.lafayette.edu/forms/>  
A Cardholder must read and adhere to the P-Card policy and procedures documents and attend a purchasing card training session **prior to use** of the card. Each applicant must provide 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 applicant may need to provide the last four (4) digits of the social security number if required by the bank but is not required to use any other personal information (i.e. personal address, salary, etc.) on the application. Cardholder should route the application to the supervisor/dept. head responsible for the budget default account, as they must also authorize a P-Card to be issued.

- c. Once fully approved, the application should be provided to the P-Card Program Administrator in the Procurement Dept. for final processing. Please allow approximately fifteen (15) business days for the application to be processed and for the bank to issue the P-Card. The Program Administrator will notify the applicant when the P-Card has arrived and will schedule the required training session.
- d. An employee may be issued a maximum of two (2) P-Cards, but each P-Card issued to the employee must have a different default account assigned. Each P-Card requires a separate application and supervisor/dept. head approval.

- e. P-Card Renewal-Prior to a P-Card's expiration date, the P-Card issuer will send a new P-Card to the Procurement Office. The P-Card administrator will notify Cardholder to collect the new P-Card. The Cardholder may be asked to sign a receipt or other documentation regarding the P-Card upon pick up of the replacement P-Card.

#### 4. Cardholder Spending Limits and Authorized Use

- a. **The P-Card may only be used for Lafayette business purposes, not for personal purchases.**
- b. **P-Card purchases must comply with the P-Card policy and procedures, and all other applicable College policies.**
- c. The Cardholder can make purchases with a single transaction limit of less than \$5,000.00, and a monthly transaction limit of \$10,000.
- d. Purchases \$5,000 or more require a Lafayette College Purchase order and must comply with procurement policy requirements. In certain instances, exceptions for P-Card transactions greater than the single transaction and/or monthly transaction limits MAY be authorized, at the discretion and approval of the Procurement Department or Assoc. VP of Finance (e.g. deposits for large events requiring a credit card)
- e. The Cardholder must not split orders so that the amount for each order meets the "less than \$5,000" threshold. If a significant purchase exceeding the \$5,000 or \$10,000 limitations is required, please contact Procurement Department for guidance, as limits MAY be temporarily changed with appropriate documentation and approvals.
- f. The P-Card can be customized to the Cardholders account using control mechanisms
  - i. Per transaction limit
  - ii. Monthly total limit
  - iii. By commodity code
  - iv. A temporary limit increase for specifically approved purchases
- g. Authorized and unauthorized charges are listed in the Lafayette College P-Card Policy but repeated below for convenience.
- h. Cardholders may make charges on behalf of others in their department, but the Cardholder is ultimately responsible for obtaining any required approvals prior to making the purchase and for compliance to P-Card policy and procedures.
- i. Cardholders should always be aware of their limits and their responsibilities under the P-Card policies and procedures.

- j. Should a Cardholder have difficulty using the P-Card while ordering or traveling, please call the applicable bank customer service number listed on the back of the card for immediate assistance.
  
- k. If a Cardholder accidentally or inadvertently charges a personal item or other prohibited item to the P-Card, Cardholder should immediately reimburse the College. Complete a [Cash Transmittal Form](#), attach a check made out to Lafayette College, and submit the form and check to the Cashier's office. A copy of the check and Cash Transmittal Form should be uploaded /attached to the monthly expense report reconciliation to show proof of reimbursement. Failure to promptly reimburse the College may cause suspension or cancellation of the P-Card.
  
- I. The following are AUTHORIZED P-Card uses:**
  - i. On-line purchases, or where credit cards are the only accepted form of payment
  - ii. Amazon website purchases (Must apply for and use the College's Amazon Business Prime account via the Procurement Office, Amazon personal "retail" accounts may not be used for College purchases)
  - iii. Office supplies (office supplies purchases should be made from the College's preferred supplier when possible, contact Procurement for online account set up with preferred supplier)
  - iv. Conference and webinar registrations
  - v. Dues, memberships, licenses, certifications
  - vi. Books, publications, periodicals, subscriptions, newsletters
  - vii. Goods and services customarily used by the department
  - viii. Business Travel and related expenses (food, lodging, rental cars, airline, rail, etc. for approved Lafayette business travel purposes only, must comply with [Expense Reimbursement Policy](#))
  - ix. Building materials (Facilities & Theater only)
  - x. Grounds maintenance supplies (Facilities only)
  - xi. International purchases (recommend sourcing domestically when possible)
  - xii. Operating supplies and parts
  - xiii. Peripherals (e.g. computer cases and backpacks, chargers, power strips, surge protectors, batteries)
  - xiv. Catering and food, less than \$200, but must follow and comply with all relevant policies, especially including [Food and Catering Guidelines](#)

This list may not include all possibilities so please contact the Procurement Office if the type of purchase is not listed in the AUTHORIZED list

- m. The following are UNAUTHORIZED P-Card uses**
  - i. **Personal purchases, even with the intent of reimbursing the College**
  - ii. **Any uses specifically 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>**
  - iii. **Any uses not allowed by other College policies**

- iv. Purchases that will exceed the Cardholder's available budget
- v. Alcoholic beverages (exception: Dining Services), unless traveling and allowed by T&E policy
- vi. Parking and moving violations
- vii. EZ Pass
- viii. Fines
- ix. Purchases prohibited by a sponsored program (Grant funds)**
  - x. Capital equipment
  - xi. Computers, software, telecommunications equipment, mobile devices (including tablets, iPads, laptops, cell phones) unless prior written approval is given by the Information Technology Services Department
  - xii. Contractual services that must be signed by one of the College's contracting authorities (such as leases, consulting agreement), and/or an existing contracted services agreement is in place (e.g. pest control services, cleaning services, snow removal)
  - xiii. Copiers
  - xiv. Entertainment
  - xv. Fixed assets
  - xvi. Flowers (exception: HR and Development)
  - xvii. Office parties (such as retirements or showers)
  - xviii. Gasoline and petroleum products (exception: approved for rental vehicles for business travel and facilities vehicles)
  - xix. Gift cards
  - xx. Maintenance contracts
  - xxi. Office furniture (must contact Facilities)
  - xxii. PayPal accounts
  - xxiii. Promotional items (exception: Communications)
  - xxiv. Printing
  - xxv. Weapons and Ammunition (exception Public Safety)
  - xxvi. Radioactive and hazardous materials
  - xxvii. Health care and medical (exception: Athletics Training and Health Unit)
  - xxviii. Tobacco
  - xxix. Vehicles
  - xxx. Purchases that represent a significant risk to the College for items or services with special health, safety, occupational, or environmental risks (e.g. animals, controlled substances).
  - xxx. Donations

This list may not include all possibilities so please contact the Procurement Office if the type of purchase is not listed in the UNAUTHORIZED list

- n. The issuing bank, currently J. P. Morgan Chase, has assigned MCC Codes for all goods and services that their customers use. These codes are used to set up a template of authorized and unauthorized transactions for Lafayette College's Cardholders. Initially all Cardholders are set up with this template and unauthorized transactions will be denied. If the Cardholder requires other MCC Codes to be added

as authorized, the Cardholder should contact the Procurement Office, and the Cardholder will need to provide satisfactory written documentation for the request to be considered.

## 5. Cardholder Responsibilities

- a. **It is the Cardholder's responsibility** to safeguard the P-Card, account number, and PIN at all times. Keep P-Cards in a secure location and treat the P-Card with the same level of care as one does their personal credit cards. For the Cardholder's protection, immediately sign the P-Card upon receipt.
- b. A Cardholder is asked to provide receipts for all P-Card transactions, **but receipts are mandatory (required) for any transaction \$25 or greater**. Cardholder must provide receipts for all transactions pertaining to their upcoming monthly expense statement for their designated reviewer's approval.
- c. A Cardholder will receive an email notification from J. P. Morgan Chase that their procurement card expense statement is available. Cardholder will access the J. P. Morgan web based on-line software to verify charges, and verify account FOAPAL number to be used, and then the Cardholder must upload all required receipts.
- d. **Cardholders are responsible for promptly resolving issues that they may have experienced with the use of their P-Card**
  - i. Billing, charge and dispute questions with the supplier
  - ii. Returns and credits
  - iii. Promptly reporting a lost or stolen P-card
  - iv. Proper handling of sales tax exemption
  - v. Promptly reporting erroneous or fraudulent charges
- e. **Employees who work a 10-month schedule** are responsible to ensure that all P-Card related expenses and activities are accounted for and reconciliations properly completed, approved, and submitted, prior to leaving for the summer 2 month "break".
- f. **Cardholders are responsible for reconciling all charges on the J. P. Morgan Chase Smart Data on-line system by the 3<sup>rd</sup> of the following month**, or the default account code listed in the P-Card Application Form will automatically be charged for the entire month's expense. The signed hardcopy of the reconciled expense reconciliation report with all approval signatures is due by the 10<sup>th</sup> of the month. Follow reconciliation procedures at the procurement website, <https://purchasing.lafayette.edu/purchasing-policies/p-card-policy/>
  - i. To reconcile your expense statement the J. P. Morgan Chase Smart Data on-line system can be accessed online
    1. Review each line of the statement to verify the charge is correct, assign a Banner account number and approve the charge. Match and upload all required receipts.
    2. Print the statement, attach the original receipts (recommended that you make a copy or scan of the receipts for your files) and send it to your supervisor/department head for approval

- a. In order to charge with a P-Card against a Sponsored Program, you must attach a P-Card Grant Approval Form
3. Once approved, send the properly signed statement and receipts to the Accounts Payable Dept.
- g. If an expense statement is rejected, or further clarification is needed regarding a purchase, an email will be sent to the Cardholder and/or their supervisor, with a request for additional information, or an explanation as to why the statement was rejected. The Cardholder needs to review the notes, follow the instructions to make it compliant, and resubmit the statement or respond to the email
- h. Failure to reconcile on a timely basis may result in**
  - i. First month late – an email reminder may be sent to the Cardholder with a copy to the Cardholder’s department head and /or division head (during this delinquent period, all expenses will be charged against the default account until reconciled)
  - ii. Second month late - an email reminder may be sent to the Cardholder with a copy to the Cardholder’s department head and /or division head and the penalty may be escalated to include suspension of card.
  - iii. Third month late - an email notification may be sent to the Cardholder that the P-Card will be suspended for 30 days effective immediately or cancelled (at sole discretion of P-Card administration), with a copy to the cardholder’s Department Head and Division Head. The P-Card may be reinstated after the Cardholder reconciles all delinquent expense statements and completes retraining during the suspension period
  - iv. Twice in a six-month period – repeatedly late, or failure to submit reconciled expense statement. An email notification will be sent to the Cardholder that the P-Card will be suspended for a minimum 30 days effective immediately or cancelled, with a copy to the Cardholder’s department head and division head. Reinstatement requirements, such as a repeated training session, may be considered after the 30-day suspension. A Cardholder whose P-Card is cancelled is not eligible for another card for a minimum of one year.
  - v. Immediate card suspension or cancellation could occur at any time at the discretion of the Program Administrator or Finance and Business Office Management for any significant non-compliance or other compelling circumstances.
- i. Cardholders are prohibited from submitting an expense reimbursement form for any expense charged to a P-Card.
- j. 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 card cancelled and reissued.*** The Cardholder should then contact the P-Card Administrator in the Procurement Office the next business day to confirm. The current issuing bank is JP Morgan Chase, and the contact number for Customer Service, which is available 24/7/365 is 1-800-316-6056 in US, outside of US is 1-847-488-3748. The number is also on the back of the card, and with the initial P-Card paperwork issued with the card.

- k. 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.***
- l. 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.***
- m. **Cardholder's Designated Reviewer Responsibilities-**  
Cardholder's supervisor or dept. head responsible for the account being charged, shall act as a designated reviewer, and shall review all transactions in a timely manner, in order to ensure transactions comply with College's policy, procedures, and all guidelines for the use of the P-Card. If the review is satisfactory, the designated reviewer shall approve the monthly expense statement and return to Cardholder. Any questions regarding transactions should be resolved if possible, during this monthly review.
- n. Cardholders are solely responsible to resolve all administrative issues that may be experienced with the use of their cards. For example, billing/charges questions with vendors, returns & credits, prompt fraud reporting and fraud follow up with issuing bank, promptly reporting lost/stolen cards to the card issuer, providing required receipts, and the running and timely submission of expense reports.

## **6. Terminating Employment or Transferring to a Different Department**

- a. **Cardholders who terminate employment with Lafayette College must immediately contact Procurement** to notify last date of employment and arrange to promptly return their P-Card to the Procurement Dept., prior to leaving the College. The P-card will then be cancelled. The terminating employee should not use the P-Card once a termination date is given to HR.
- b. **The terminating employee must submit a properly reconciled final expense report to their dept. head for signature, and then submit the approved expense report and all back up receipts/documentation to Accounts Payable at least one (1) week prior to departure.**
- c. Cardholders who change departments within Lafayette College should promptly notify the Procurement Office and their new department head so that appropriate action may be taken. Typically, the Cardholder will need to cancel the existing P-Card, and apply for a new card.
- e. If there is no Cardholder activity for eighteen (18) months or more, the P-Card will automatically be closed by the issuing bank to avoid fraudulent use.
- f. Department head, supervisor, or Cardholder should notify P-Card Administrator if Cardholder is placed on an extended administrative or medical leave, or if situation warrants an immediate suspension of P-Card account.

## **7. Grant Account P-Card Charges**

Any purchase utilizing sponsored program funding must adhere to all of the granting agency's policies, restrictions, requirements and guidelines. When a purchase is made using funding through an external agency (foundation, federal, local), it is imperative that the person making the purchase abide by any additional requirements set forth by the funding organization.

For faculty research projects that are externally funded, you may contact the Office of Sponsored Research if there are questions. Please visit the grant handbook for further information about purchasing when using grant money related to research projects.

<https://researchsupport.lafayette.edu/wp-content/uploads/sites/84/2018/06/Jul2018-Lafayette-College-Grant-Manual.pdf>

If there are P-Card purchases using funds that are managed by Development (CFGR), please contact that department to determine if there are additional requirements associated with the project.

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.

## **8. PA State Sales and Use Tax**

Suppliers usually charge sales tax at purchase. Lafayette College is a non-profit educational institution, and therefore exempt from paying most sales taxes. Cardholder should inform the supplier at the time of purchase of Lafayette's PA sales and use tax-exempt number, 75-08039-4. Tax exemption forms, if needed, can be found at the Procurement Department website, under "[Forms](#)". It is the Cardholder's responsibility to fulfill the supplier's requirements and ensure sales tax is not assessed to the purchase. Cardholders should review all transactions to ensure the College is not charged sales tax; if the Cardholder is charged sales tax, the Cardholder must contact the supplier and request a refund/credit for the tax assessed. When ordering goods or services from another state, or over the Internet, a College ship-to location should assure the transaction falls under the Pennsylvania state sales tax laws.

## **9. Administration of P-Card Program**

The Procurement Dept. and the Finance & Business Office will administer and coordinate activities for the support of the program, such as P-Card administrative activities and account reviews. The Procurement Dept. will act as P-Card Program Administrator, and will generally handle all routine operational activities of the program, such as card set up, distribution,

setting policy/procedures, and handling exception requests; the Controller's office will handle payment and auditing functions, i.e. Accounts Payable will receive and log monthly reconciliation reports and review that receipts match report totals, while compliance to policy "audit" and review of expense report reconciliations and follow up will generally be handled by the Accounting Department. Any procedures, changes, interpretations, exceptions, or other actions regarding the program shall be at these departments discretion and made in the best interest of the College.

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