



University of New Haven

Policy Title:
Purchasing Card Program - PCard

Policy No.: 5703
Effective Date: January, 2009
(Last Revision: October 2015)

Responsible Office: Purchasing Department
Responsible Official: Associate Vice President for Finance

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• The Introduction:

Scope

This Administrative Policy sets forth the authority, limitations, and cardholder responsibilities of the University of New Haven’s Purchasing Card (PCard) program. All University personnel who are issued a PCard are governed by this policy.

Policy Statement

The issuance of a University of New Haven PCard is a privilege, and every effort must be made to ensure that funds are used responsibly and in a manner that supports the University’s mission, ethical practices and applicable laws.

The PCard is the preferred payment method for most business related, small dollar, single transaction purchases of certain goods and services. The PCard may be used for purchases of goods and services based on a monthly credit limit of \$1,500 and travel and entertainment expenses based on a monthly credit limit of \$5,000. Less frequent business travelers may be assigned a Travel credit limit of \$3,000. Travel credit limits are reserved for PCard holders who regularly travel on University business. Supervisory approval documented through the PCard Employee Agreement must be provided to obtain a PCard. Supervisory approval must be obtained to deviate from the

standard monthly credit limits. Supervisory approval must be obtained for temporary changes to PCard limits.

PCards may be requested by completing the Employee PCard Agreement (Exhibit A). The Employee PCard Agreement must be approved by the employee's supervisor.

It is the responsibility of all University personnel who participate in the PCard program to review, understand and comply with this policy. Supervisors of PCard holders are responsible for ensuring PCard holder compliance with this policy. **Failure to comply with this policy, including misuse or fraudulent use of the PCard, may result in progressive administrative and/or disciplinary action, including termination of employment and criminal prosecution.**

Reasons for the Policy

Use of the PCard reduces the direct administrative effort normally required to purchase and process small dollar, high volume transactions while maintaining an adequate control environment. This policy supports the use of PCards and outlines appropriate business transactions, while assuring the appropriate internal controls are in place to minimize the University's risk of financial loss. This policy supplements other Purchasing Department policies as well as applicable Federal procurement laws and regulations, including, but not limited to, OMB Circular A-110 and the Federal Acquisition Regulation (FAR).

•The Policy Sections:

5702.1 PCard Usage and Allowable Purchases

- (a) All transactions must be for the use and benefit of the University of New Haven.
Personal purchases are NOT permitted.
- (b) The University retains ownership of all purchases made with a PCard.
- (c) All Purchases made with a PCard must be shipped to a University campus address and never to a personal residence.
- (d) PCard purchases made for sponsored research projects are subject to the terms and conditions of the grant and supersede this policy. All receipts for PCard purchases made

in support of a grant must be provided to the University of New Haven Grant Administrator.

(e) The PCard is intended to support the procurement process by eliminating purchase orders, check requests and petty cash purchases for low dollar items as well as travel expenses. The following are some common examples of acceptable items for purchase using the PCard:

- (i) Educational supplies, books, publications, periodicals, subscriptions
- (ii) Subscriptions and memberships
- (iii) Dues, licenses, application fees
- (iv) Advertisements
- (v) Lab supplies (except hazardous chemicals)
- (vi) Airline, bus, rail, rental car, hotel, fuel and meal charges for University related business travel. Travelers must secure the least costly and appropriate level of transportation and accommodations. The Purchasing Department should be contacted when making travel arrangements.
- (vii) Conference and seminar registration fees

5702.2 PCard Limitations and Prohibited Purchases

- (a) **Personal charges, even with the intent of reimbursing the University, are strictly prohibited.**
- (b) Any transaction that exceeds the cardholder's available budget
- (c) Gift Cards, preloaded Debit Cards, traveler's checks, cash advances or cash withdrawals from automatic teller machines (ATMs). Gift Cards must be purchased through the Purchasing Department. Cash advances are to be reserved for emergency situations.
- (d) Graduation, birthday, sympathy, retirement, department retreats, holiday, or end of year parties. These are examples of activities that should be funded personally.
- (e) Meals where only fellow employees are present
- (f) Information Technology hardware, software, and peripherals. These items must be purchased through the Office of Information Technology.
- (g) Furniture. Furniture must be purchased through the Facilities Department
- (h) Gasoline or diesel, except for use in rental cars or University vehicles
- (i) Alcoholic beverages

- (j) Gambling, lottery tickets, etc.
- (k) Any type of contract, agreement or arrangement whereby the University is required to enter into a formal and legally binding contract or agreement (i.e., rentals, leases, Personal Service Agreements or consultants)
- (l) Any item that exceeds the cardholder's single transaction limit or would cause the cardholder to exceed his/her monthly transaction limit
- (m) Inappropriate travel arrangements such as personal limousine service, premium hotels, first class or business class airfare outside of University policy
- (n) Transactions may not be split across multiple transactions, days or departments in order to circumvent any PCard transaction limits
- (o) Any forced transaction of any kind is strictly prohibited.
- (p) Purchases presenting significant potential risk or exposure to liability for the University such as items or services involving special health, safety, occupational or environmental hazards (i.e., radioactive material, animals, chemicals, controlled substances, etc.)
- (q) Purchases that exceed the University's bid threshold

5702.3 Online PCard Account Reconciliation

All PCard transactions are readily available online through the Wells Fargo Commercial Card Expense Reporting system. It is through this system that every charge made with a PCard needs to be reclassified by assigning a Banner Index, a Banner G/L Account Number, and an acceptable Business Description for the expense. This action makes the PCard system expenditures available to be uploaded to the Banner Finance system and be properly allocated to department budgets. It is vital for this information to be represented on the University's financial statements in an accurate and timely manner for compliance purposes. **All transactions require an expense description and must be assigned a Banner Index and Account Number by the 20th of the month following a statement period. Example: Expenses posted to the card during the month of January must be reclassified by February 20th. The Wells Fargo Commercial Card Reporting System will block your account for reclassification if this is not accomplished by the 20th of the month subsequent to the expense posting. Supervisors must approve PCard holder transactions by the 28th of the month following the statement period.**

Failure to assign the expenses to a Banner Index, Account Number, and Business Description will result in the expenses being assigned to a suspense account called Unvouchered PCard Expenses or to a Default Index. These account does not accurately describe the purpose of the expenses and

will make the University's financial statements less accurate. Expenses assigned to this account will require further action from the cardholder and the cardholder's supervisor.

5702.4 PCard Statement Submission and Business Substantiation

Each month, after the online PCard account Reclassification process is performed, a monthly *Account Statement* must be printed and prepared for supervisory approval. The *Account Statement* must be accompanied by an original, detailed receipt for each and every expense. Each and every expense must also be substantiated (a description as to the business purpose of the expense must be provided in hand written form on the receipt). The *Account Statement* must be forwarded, along with the original, detailed receipts with business substantiation, to their supervisor for review and approval. The approved Account Statement along with the original receipts must be submitted and received by the Purchasing Department by the last day of the month following the statement period. Example: The Account Statement for the month of January must receive supervisor approval and be received by the Purchasing Department by February 28th.

The approving supervisor is responsible for certifying that PCard transactions are appropriate to the operation of their department, and, by their approval, they are attesting to the validity of the PCard holder's purchase(s) and that the purchases were made in accordance with the University's policies and procedures. **It is the responsibility of the PCard holder to get the supervisor approved *Account Statement* and original detailed receipts to the Purchasing Department by the last day of the month following each statement period.**

5702.5 Lost or Stolen PCards and Fraudulent Activity

If a PCard is lost or stolen, the cardholder is responsible for contacting Wells Fargo immediately by calling 1-800-932-0036. The Purchasing Department should be notified next by calling 203-932-7435 or 203-932-7129.

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•This Policy's Contact Person:

Robert Stevens
Director of Purchasing
University of New Haven
300 Boston Post Road

5. I agree to return the P-Card immediately upon request or termination of employment. Should there be any organizational change which may cause my accounting information to likewise change, I also agree to return my PCard and request a new one, if appropriate.
6. If the P-Card is lost or stolen, or otherwise compromised, I agree to notify the PCard Administrator and Wells Fargo immediately.

Requestor
Signature:



Date:



Financial Manager/ Supervisor (P-Card statement approval will be mapped to Financial Manager/Supervisor)

1. I hereby certify that I have examined the requestor's duties and agree with the above request and limits including any limit override requests.
2. I understand I will be required to electronically approve this PCard holders expenses and supporting documentation for each billing transaction cycle.

Financial Manager/ Supervisor
Signature:



Date:



Printed or typed name:



Business Office Use Only Date User Trained and Card Issued:	Cardholder's Signature when card received:
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