



# Procurement Card (PCard) Guidelines Manual



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Purchasing Services

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<http://www.usf.edu/business-finance/purchasing/staff-procedures/usf-pcard/index.aspx>

## USF SYSTEM PROCUREMENT CARD PROGRAM

### **PURPOSE AND BENEFITS:**

The USF System Procurement Card (PCard) Program permits USF System leadership to authorize the issuance of PCards to USF System employees. The PCard Program enables more efficient and cost-effective business purchasing across the “Procure to Pay” system and provides the following benefits:

- o Streamlines the processes for small dollar orders and payments. The cost of purchasing goods and services with a PCard is less than via a purchase order.
- o Allows department personnel more time to perform other important tasks related to the University’s educational and research missions.
- o Expands the vendor base by enabling Cardholders to buy in person from local vendors, by telephone, or online. Cardholders may also receive the lowest discounted price from vendors since vendors are paid quickly.
- o Pays merchants within 24 to 72 hours, depending upon when the merchant transmits the transaction to their servicing bank and how quickly the bank routes transactions to VISA.

### **PCARD AUTHORITY:**

The USF System established USF System Procurement Card Policy #5-026 effective August 20, 2009 to define what is allowable. All PCard purchases are subject to USF System and Florida Board of Governors regulations, policies and procedures as well as applicable State and Federal laws and regulations. The USF System PCard Program Manager has the authority to issue and suspend USF PCards. The USF System Purchasing Director has the authority to revoke PCards.

### **PCARD PROVIDER:**

The USF System PCard is a VISA credit card issued by JPMorgan Chase Bank. The bank provides an online management program called PaymentNet which is **only** used by the USF System PCard Services staff and other authorized individuals. The system is used to establish the PCard program parameters, manage Cardholder information, and provide management reports based on selected criteria.

### **ALLOWED CARDHOLDERS:**

PCards are issued to USF System employees to purchase allowable commodities and services and/or travel for **official USF System business** according to the following authority:

- o Issuance of PCards shall be approved by the President, Regional Chancellors, or the appropriate Vice President of the employee’s respective area, as applicable.
- o The Provost and USF Health Senior Vice President may also delegate authority to issue PCards to academic deans and Vice Presidents may delegate this authority to an administrator at no lower level than an Associate Vice President.
- o PCards **cannot** be issued to students, except for temporary student employees of the Office of Student Government Administrative Services and others as approved by the Vice President of Student Affairs and Student Success, or for the St. Petersburg regional campus the Regional Vice Chancellor of Student Affairs.

### **NON-ALLOWED CARDHOLDERS:**

Temporary employees (OPS) students, visiting faculty or staff, convenience appointments, courtesy appointments, volunteers, or other non-compensated personnel are generally not allowed PCards. Exceptions can be made for issuing PCards to temporary employees (OPS), graduate assistants and visiting faculty on a case-by-case basis with justification and approval of the area Vice President, as well as approval by the Purchasing Director.

**CREDIT CARD LIMITS:**

In accordance with USF System Procurement Card Policy #5-026, the standard USF System PCard Program credit limits are:

- o \$2,000.00 or less per transaction (total dollar limit of each transaction with a vendor)
- o \$5,000.00 or less monthly (total dollar limit of all transactions within banking cycle; 5<sup>th</sup> of each month through 4<sup>th</sup> of the following month))

Once approved, a Cardholder's monthly credit limit and single transaction limit are electronically set by the USF System PCard Program Manager. If monthly and/or single transaction limits are exceeded, the transaction will be declined at the point of sale. **A Cardholder should never ask a merchant to split a charge into two or more charges to circumvent single purchase limits. This is PCard misuse and may result in loss of PCard privileges.** If a charge exceeds the single-purchase limit on the PCard, the Cardholder should contact the USF System PCard Program Manager for assistance.

If a limit increase (temporary or permanent) is necessary, submit a detailed justification and Profile Change Form through the appropriate departmental authority to the area Vice President or other delegated individual as identified in USF System Procurement Card Policy #5-026 section II A to the USF System PCard Program Manager at SVC 1073, Tampa Campus. Upon receipt, the form will be reviewed for validity and forwarded to the USF System Purchasing Director, who has the final approval authority for limit changes. Temporary increases are granted only for a limited period of time to cover specific situations

The USF System PCard Services Department will perform a periodic review of all USF System PCard activity to determine if single and monthly Cardholder limits are appropriate to business needs. Limits may be adjusted and additional reviews may be conducted as necessary.

**PCARD CONTROLS**

The USF System PCard Program is operated and maintained centrally in the PCard Services Department which is part of the Purchasing unit within the System Controller's Office.

**ROLES and RESPONSIBILITIES:**

<p><b>USF System PCard Services Department</b></p>	<ul style="list-style-type: none"> <li>o Provide training for all cardholders, reconcilers and verifiers</li> <li>o Order and issue PCards</li> <li>o Review and approve FAST access request forms and confirm completion of training requirements for cardholders, reconcilers and verifiers</li> <li>o Monitor compliance with USF system PCard policies, procedures and regulations, including audits of spending limits, commodity allowability and appropriate use of funding source and general ledger account codes</li> <li>o Facilitate and monitor the transaction download process from the bank to the FAST PCard module</li> <li>o Validate departmental reconciliation of PCard transactions for timeliness, accuracy and completeness</li> <li>o Work with departments to load cardholder activity statements and receipts in the Application Xtender software</li> <li>o Produce management reports</li> <li>o Assist in problem resolution.</li> </ul> <p>The USF System PCard Program Manager suspends USF System PCards. The USF System Purchasing Director revokes USF System PCards.</p>
<p><b>USF System President, Regional Chancellors, Regional Vice Chancellors, Deans, Associate Vice Presidents and/or Vice Presidents</b></p>	<ul style="list-style-type: none"> <li>o Oversee the PCard program in their departments, divisions and colleges.</li> <li>o Decide which employees will have a PCard</li> <li>o Determine PCard spending limits based on the budget and departmental needs within the USF System PCard policies, procedures and regulations.</li> </ul>
<p><b>Cardholders</b> (USF System employee whose name appears on the PCard)</p>	<ul style="list-style-type: none"> <li>o Complete the Cardholders Certification Training</li> <li>o Retake Certification Training each time a PCard is renewed (prior to reissuance)</li> <li>o Comply with all provisions of the Cardholder Agreement signed upon receipt of the PCard</li> <li>o Monitor travel PCard charges in their FAST Travel Module wallet.</li> <li>o Use and secure PCard (No other person may use PCard or PCard number)</li> <li>o Provide the receipt or appropriate purchase documentation to their Reconciler within three (3) business days of purchase</li> <li>o Sign the monthly Cardholder Activity Statement</li> <li>o If a Cardholder is out of state or country, the Cardholder should:             <ul style="list-style-type: none"> <li>o provide the receipt documents to their Reconciler within 3 business days of return to USF</li> <li>o communicate with their Reconciler by email, fax, or telephone about any charges so the Reconciler can approve the charges on-line within the required time frames</li> <li>o must sign receipts in lieu of monthly Cardholder Activity Statement</li> </ul> </li> </ul>

Cardholders are accountable for all charges and payments made with their PCard and personally responsible for inappropriate PCard charges.

**ROLES and RESPONSIBILITIES:**

**Reconcilers and Verifiers**  
 (USF System employees or other USF System affiliated employees as approved by the USF System Controller.)

- o Submit FAST Access Request form (found on PCard and FAST websites)
- o Attend and complete the Reconciler Training class prior to being assigned the FAST PCard role assignment (retake training every 2 years)
- o Monitor the FAST PCard module for unreconciled PCard charges
- o Match PCard receipts to electronic transactions
- o Enter required data on electronic PCard transactions
- o Select the appropriate chartfield for transactions
- o Approve transactions within seven (7) days from the date the transaction loaded into the FAST PCard module
- o Retain receipts and reports as supporting documentation according to University record retention requirements
- o Sign monthly PCard activity statement

Each Cardholder must have a minimum of two trained reconcilers that can approve transactions.

A **Reconciler** confirms/approves appropriate PCard use, reconciles the receipts to the electronic PCard transactions, adds required information to PCard transactions and approves them for electronic payment.

A **Verifier** is a Reconciler, but does not have the final approval role in the reconciliation process. This optional PCard role allows a department to add an additional level of security in the processing of PCard transactions.

**A Cardholder cannot be a Reconciler and approver of their own transactions, but can be a Verifier of their own transactions.**

**Important: If a Reconciler/Verifier feels they are being pressured to approve what they believe is an inappropriate transaction in violation of USF System PCard policies, procedures and regulations, he/she may contact the USF System PCard Program Manager, the USF System Purchasing Director or the USF System Controller for assistance. However, if he/she prefers, he/she may contact USF System University Audit and Compliance. This also applies to other USF System employees who may believe inappropriate transactions using the USF System PCard have occurred.**

## DEPARTMENT INTERNAL CONTROLS

Each department should establish internal controls sufficient to meet requirements of the USF System PCard policies, procedures and regulations.

- o The responsibility for appropriate use of the PCard lies not only with the Cardholder but with the respective dean, associate Vice President and/or Vice President.
- o Intermediate levels of responsibility between the Cardholder and the area Vice President, such as supervisor, need to be aware of the Cardholder's expenditures and activities.
- o Departments are responsible for retaining the file that is compiled each month after the statement is reconciled. This file will contain a copy of the Cardholder Activity Statements, copies of Receipts, receiving documents, credits, and any other documentation generated to support the business purpose of PCard expenditures.
- o Not later than the end of the month of the **'Statement Date'** on the Cardholder Activity Statement, the department Reconcilers must send all electronic files to [PCardreceipts@USF.edu](mailto:PCardreceipts@USF.edu) while all hard copy documents that are part of this file for each Cardholder to the USF System PCard Services Department SVC 1073 first for routing then to Payment Services for imaging.

## CARD SECURITY

PCards are USF System and JPMorgan Chase Bank property. PCard account numbers must be safeguarded. They should not be posted, left unsecured or easily accessible to others. **Use by others is misuse and may result in loss of PCard privileges or other appropriate disciplinary action.**

## LOST STOLEN, OR MISPLACED CARDS

If the card is lost or stolen, immediately contact JPMorgan Chase Bank at (800) 316-6056 to **cancel the PCard**, and the USF System PCard Program Manager to coordinate ordering a new card.

## EMPLOYMENT CHANGE / TRANSFER / TERMINATION

Upon transfer within or termination (resignation, retirement) from the USF System, cardholders should:

- a) Stop using, destroy and dispose of the PCard,
- b) Contact the USF System PCard Program Manager, and
- c) Provide receipts for previous purchases to the PCard reconciler.

Failure to follow the aforementioned steps could result in unreconciled charges holding up or being deducted from a terminated employee's final paycheck.

## CHARTFIELD STRINGS

USF System PCard charges are accounted for through the USF FAST system as follows:

- o Departments assign individual PCard users a specific default chartfield string for PCard transactions.
- o Although PCards are assigned default chartfield strings, transactions can be paid on different chartfield strings.
- o A single transaction can be distributed across multiple chartfield strings. Also, a single transaction may be divided through a FAST split line process into one or more separate transactions and each assigned separate chartfields.
- o PCards should not be used to purchase items from an existing purchase order/encumbrance. If a PCard is used to pay for a transaction, the purchase order must be canceled and the encumbrance released.

## HOW TO APPLY FOR A CARD

To become a Cardholder, one must submit [Cardholder Profile Form](#) to USF System PCard Services, SVC 1073, on the Tampa Campus and then complete the Certification Training for Cardholders. A minimum of two Reconcilers are required for each PCard but additional Reconcilers can also be added. A new PCard is issued for a three (3) year period and renewals for two (2) years until the PCard account is closed.

## TRAINING

Cardholders must complete Cardholder Certification Training. The training course covers USF System policies, procedures and regulations regarding purchasing commodities, services, and travel with the PCard. This training will be conducted in-person but may be administered via an online training and test at the discretion of the PCard Program Manager or the Purchasing Director. Cardholders will **retake training and retest** each time the PCard is renewed, prior to reissuance. Additional training is at the discretion of the USF System PCard Program Manager. Reconcilers must review the USF System PCard Website and attend an instructor-led Reconciler Training class. **Reconcilers / Verifiers will need to attend Reconciler Training every two years in order to retain FAST PCard Module system access.** A comprehensive summary of PCard training is available on the [PCard Training page](#).

## PURCHASING FROM A MINORITY/WOMEN OWNED BUSINESS ENTERPRISE

USF encourages and expects supplier diversity from employees entrusted with the purchasing authority provided by the PCard. Where there is discretion to select a firm or vendor to provide goods and services to the USF System, the expectation is that employees will fully take into account whether Minority, Women, or Disabled Veteran-owned Business Enterprises (MWBE) are available to meet the given need. This factor should be equally considered along with competitive pricing, quality products and customer service. MWBE spending on PCard shall be reported to Purchasing Services quarterly no later than the 10<sup>th</sup> business day following the end of the quarter.

## WHERE PCARDS CAN BE USED

The USF System PCard can be used at any business that accepts VISA. PCards may be used in person at a merchant location, by telephone, or online.

## ALLOWABLE PURCHASES

Small dollar purchases (\$4,999.99 or less) for commodities, services, and travel needed for USF System business are allowable. If in doubt about a potential purchase, contact the department fiscal staff, the USF System PCard Program Manager, or Purchasing Agent. PCards cannot be used to purchase capital equipment (OCO) items. Exceptions will be reviewed and may be granted by the USF System Purchasing Director or Associate Director. When making purchases:

- o Talk with your Purchasing Agent on a regular basis for updates on USF System contracts. Check State of Florida contracts for prices and potential vendors.
- o If you are buying office supplies, you **MUST** purchase them from Office Depot, as the USF System has an exclusive contract with Office Depot.
- o Any technology item must be purchased in accordance with the University's technology acquisition policy 00-518.
- o Check for minority vendors as potential suppliers.
- o Ensure the total cost of the purchase does not exceed your single transaction or monthly limit.
- o Have the USF System tax exempt number available. This number is available on the card issued with the PCard and from the PCard website.

Contractual service (two-party agreements) payments may be made via the PCard; however, any two-party agreements requiring signature must be processed through Purchasing Services. (Contractual service is defined as the rendering by a contractor of its time and effort rather than the furnishing of a specific commodity.)

Refer to the [Expenditure Guide by Source of Funds and Procurement Method](#) for additional guidance regarding recommended and/or prohibited use of the PCard.

**ALLOWABLE TRAVEL PURCHASES**

PCards with a travel profile may be used for USF System travelers for USF System official business. (**Note: USF System Travel policies govern these expenses.**) Allowable travel purchases include airfare, business phone calls, hotel room (single occupancy), car rental, ground transportation (including tips up to 18%), and registration fees. A gasoline purchase is only an allowable PCard expense for a rental car or a USF System owned vehicle. If the purchase is for a USF vehicle, record the vehicle tag number on the transaction receipt. Parking is only allowable for official USF System business away from USF.

**PROHIBITED PURCHASES**

Unless an exception has been granted by the USF System Purchasing Director, Associate Director, or PCard Program Manager, the following cannot be purchased using the PCard:

Commodities and Services		
o Alcoholic Beverages	o Bull Bucks	o Capital Equipment
o Cash Advances	o Entertainment Providers	o Financial Institutions
o Flowers/florists (except for University functions)	o Gift Cards	o Greeting Cards
o Holiday Decorations	o Insurance	
o Payments between USF System departments	o Personal Convenience items	

Travel		
o Gasoline (personal vehicles)	o Hotel gift shop/beauty shop	o Meals/food
o Hotel/motel movies	o Personal phone calls	o Room Service

**BILLING/SHIPPING/STATEMENT ADDRESSES**

The Cardholder billing address for PCards (to include all USF System locations) is: 4202 E Fowler Ave, Stop SVC 1073, Tampa, FL 33620-9000. There are exceptions to allow some billing addresses (Athletics, FMHI, etc.) to be established directly to the department. Contact your Reconciler or the PCard Program Manager for more information on your billing address. Items ordered on PCard should always be shipped to the PCard holder’s USF System office address. Exceptions to this can be granted on a case by case basis. Permission for exceptions needs to be sought from Purchasing before the purchase is made.

**RECEIVING**

When receiving goods or services:

- o Record the day you received the product you purchased. Give this information to your Reconciler.
- o Sign the receipt.
- o Keep all the shipping boxes the product arrived in. Don’t throw away the packing materials until you have confirmed the order is what you wanted.
- o Ensure that you or your Reconciler has a complete receipt. The receipt/invoice does **not** go to Accounts Payable to make payment. Payment was made when the transaction processed.



**REQUIRED DOCUMENTATION**

A receipt or substitute documentation **must support each purchase**. It should include the vendor name, transaction amount, purchase date, business purpose, and an itemized description of the item(s). Receipts for PCard purchases are processed as follows:

- o Cardholder forwards the receipt or appropriate purchase documentation to the Reconciler within three (3) business days of purchase.
- o Cardholders sign the monthly Cardholder Activity Statement.
- o At month-end, the reconciler reviews each transaction and matches it to the PCard receipts. Original commodity PCard receipts should be kept with the monthly “Cardholder Activity Statement”. Travel PCard receipts should be included with the Travel Expense Report.
- o The Cardholder Activity Statement with original commodity receipts is retained by the department and must be available for audit.
- o Copies of the signed Cardholder Activity Statement and all supporting documentation must be faxed / scanned / or hard copies mailed to Support Services within Payment Services for system imaging by the last day of the statement month. (i.e. May 4 statement transmitted by May 31)

**Failure to submit Statement Package:**

Notices identifying cards at risk of suspension for non-submittal of receipts will escalate as follows:

- o 5<sup>th</sup> of the month after the statement month, reports distributed to college administration
- o 10<sup>th</sup> of the month after the statement month, reports distributed to VP administration.
- o 15<sup>th</sup> of the month after the statement month, the PCard may be suspended.

**Failure to Resolve Charges:**

Weekly reminders for unreconciled charges are sent when charges are older than 7 days as follows:

- o Unapproved PCard charges, reminders to cardholders and reconcilers
- o Travel charges not associated with an authorization, reminders to cardholders, reconcilers and delegates

Notices identifying cards at risk of suspension for unreconciled charges will escalate as follows:

- o After 14 days, notification to college administration;
- o After 21 days notification to VP administration;
- o After 28 days, PCard may be suspended.

Exceptions will be permitted for charges in formal dispute with JPMorgan. (The dispute should be notated in the memo area for the transaction in FAST.)

**Inadequate Statement/Receipt Packages**

During review of statement and receipt packages, follow up emails are sent to cardholders and reconcilers requesting missing or inadequate documentation.

- o Unresolved after one week, notification to college administration;
- o Unresolved after second week, notification to VP administration
- o Unresolved after 3<sup>rd</sup> week, PCard may be suspended.

**Signature Requirements:**

The following signatures are required on the reconciled Monthly Cardholder Activity Statement: Cardholder, Reconciler, and Supervisor.

Note: **Deans, Directors or Department Chairs** may delegate supervisory signature authority to a designee with equal or higher responsibilities than the Cardholder. The designee cannot be the Reconciler, Verifier or actual Cardholder.

**DECLINES BY MERCHANTS**

If a PCard transaction is declined at any point-of-sale, including an online purchase, contact the USF System PCard Program Manager to report the incident. If outside normal business hours, the Cardholder may contact JPMorgan at the number shown on the back of the PCard to report the incident. Declines are usually resolved within 24 hours.

**DISPUTES**

If there is a problem with a purchase after receipt, two processes are available for resolution:

- o **Informal Dispute Process:** Cardholder or reconciler works directly with the vendor to resolve the problem. **Remember: you cannot receive cash for returned items.** If you return an item or there's a problem with the charges, request a credit to your PCard. (Note: there may be a restocking fee.) Within three (3) business days of confirming a vendor credit, forward supporting information to the reconciler so the charge/credit can be resolved in FAST.
- o **Formal Dispute Process:** Cardholder works directly with JPMorgan by calling the bank at (800) 316-6056 to submit a claim no later than 60 days from the close of the billing cycle in which the charge was made. Once filed and until resolution, PCard Services should be kept informed of any communication regarding the dispute.

**SALES TAX EXEMPTION**

The USF System is **tax-exempt and should not pay Florida state sales and use tax.** Cardholders are responsible for insuring that the state sales tax is not charged at the time of purchase. Some suppliers may request a copy of the [Tax Exempt Certificate](#) which is available on the USF Purchasing and PCard Websites. Other Florida sales and use taxes, including county taxes, hotel room taxes, etc. apply to PCard charges. Sales and use taxes imposed by other states for goods and services consumed in those states, such as hotel charges, as well as all taxes imposed by foreign countries for goods and services, are appropriately chargeable to the PCard.

**RECORDS RETENTION**

PCard records should be maintained for at least five years from the most recent financial statement audit date unless they pertain to an audit, which may mean a longer period. PCard records related to grants/projects must be maintained for five years beyond the final reporting period of the grant/project. For more information on storing PCard receipts, contact Purchasing Services for the official USF System record retention policies and procedures.

**AUDIT**

**Cardholders and Reconcilers** should be prepared for periodic record review by USF System PCard Services Department, USF System Office of University Audit and Compliance and State of Florida Auditor General staff.

## CARDHOLDER AGREEMENT

Upon signing the Cardholder Agreement, the Cardholder acknowledges an understanding of the benefits of this privilege and that willful intent to use the PCard for personal gain or unauthorized use according to USF System policies, procedures, regulations and Florida law may result in disciplinary actions up to and including termination of employment and/or prosecution to the extent permitted by law.

## PENALTIES

Employee misuse of the PCard includes, but is not limited to, negligence in performance of Cardholder's and Reconciler's duties, falsification of records, fraud, theft, use of the card for personal gain, allowing another individual to use the card or account number, repeated non-compliance with USF System policies and procedures, or divulging confidential information.

If the Cardholder misuses the PCard, written notification is sent to the Cardholder, Vice President or other delegated individual who approved the Cardholder Profile, and the Dean, Director, and/or Department Chair. The notice also goes to the University Audit and Compliance (UAC) department if fraud or theft is alleged. The following steps may be taken, depending on the severity of misuse:

- 1. Suspend PCard:** The PCard may be suspended if the Cardholder misuses the PCard or fails to comply with USF System PCard policies or procedures. Suspension is generally enacted when misuse stems from misinformation rather than intentional disregard of process and may be lifted upon recommendation of Cardholder's Vice President after the Cardholder has taken corrective action. This may include retaking the PCard Certification Training. PCards may also be suspended during an investigation.
- 2. Revoke PCard:** The PCard may be revoked for severe misuse or continued failure to comply with USF System policies and procedures.
- 3. Discipline:** Disciplinary action may be taken in coordination with Human Resources. (For more information see USF System HR website for Standards for Disciplinary Action.)
- 4. Prosecution:** If misuse involves criminal intent, prosecution may be pursued to the extent permitted by law.
- 5. Reimbursement for Inappropriate Personal Use:** If unreimbursed, the debt will be deducted from the Cardholder's paycheck in accordance with USF System Regulation USF 4.0095.

## PCARD PROGRAM FORMS and CONTACTS

PCard forms are available at [PCard Forms](#).

Visit the [USF PCard Home Page](#) and click on the 'Contact Us' link listed in the navigation bar on the left side of the page.