

# Policies & Procedures



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## OVERVIEW

Issuance of a Purchasing Card (PCard) is based on business need. PCardholders must use the PCard responsibly and in a manner consistent with the University's mission, ethical practices, policies, applicable laws and regulations.

The PCard is ideally suited for simple, straightforward purchases. However, there are restrictions - see "Prohibited Purchases" below. **Misuse or fraudulent use of the PCard may result in progressive administrative and/or disciplinary action, including criminal prosecution.**

The PCardholder and his/her supervisor are responsible for securing the PCard, purchases, returns, refunds, reconciliation of the account, keeping original documentation supporting the purchase, recording the related business purpose of the expenditures and submission of the approved Statement of the Account to University Procurement's PCard Office.

PCardholders are encouraged and reminded that if they ever find that they will not be able to meet a published deadline, they should email [pcard@drexel.edu](mailto:pcard@drexel.edu) explaining the situation and their timeline for providing the necessary data.

The University secures credit; there is no individual credit check or liability (other than fraudulent use). **Lost or stolen cards, or unusual activity noted on your PCard, need to be reported immediately to JPMorgan Chase at 1-800-270-7760 and the PCard Office during regular working hours: 215-895-2876 or after working hours at 267-228-6342.**

## PURPOSE

To make purchasing items quick, flexible, easy and cost effective. To reduce paperwork by reducing the need to create requests to purchase, low-dollar purchase orders or check requests. The individual will control the PCard, purchases and maintain the records, receipts, etc. There will be one monthly reconciliation for one single monthly payment.

## BENEFITS

Reduction in paperwork: requisitions, check requests, petty cash are not needed when you use your PCard. Reduction of petty cash funds, and cash exposure. Allows an employee to deal directly with suppliers. Faster processing time for end users. Personal funds are no longer needed for University purchases. Reduces processing for PCardholder, University Procurement and Accounts Payable. Consolidated invoicing for a single monthly payment saves time, stationery, checks, postage and filing.

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## ALLOWABLE PURCHASES\*

*\*ALL transactions must be for the use and benefit of Drexel University or Drexel University College of Medicine; personal purchases are NOT permitted.*

**Note: Purchases made with grant funding are subject to the terms of the grant and supersede any University Policies: [Office of Research & Compliance Accounts Payable and Purchasing Approvals](#)**

Essentially you will use the PCard to substitute for low dollar purchase orders, check requests, petty cash purchases as well as travel advances and travel expenses for example:

- Dues, memberships, licenses, application fees
- Conference and seminar registration fees
- Airline, hotel, bus, rail and rental car reservations for University related [business travel](#)
- Books, publications, periodicals, subscriptions, reprints, newsletters, videos and audio recordings
- Advertisements
- Interlibrary loans to external libraries
- Photo, art, shop and lab supplies
- Miscellaneous supplies - low dollar value
- Gift cards or certificates must be purchased following University Policy which is based on the current U.S. Tax Code.
- Computer supplies and software – **NOTE:** Software is limited to **non-network applications**. If purchasing software for installation on a network, review the IRT website to determine whether or not it is compatible with existing University systems and that it can be installed and supported by IRT.
- Recurring Charges (e.g. cell phones, etc.): if the recurring charge(s) with a vendor will be equal to or greater than \$5,000.00 during a fiscal year, three bids or a competitive bid exception are required for that recurring charge, unless contract exists in University Procurement. **Note: vendors will have to be provided with updated card information when a PCard is lost or stolen or a PCardholder is terminated.**

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## PROHIBITED PURCHASES\*\*

- Personal charges, even with the intent of reimbursing the University. **Note: Should a cardholder make an accidental personal purchase on their card, they should immediately notify [pcard@drexel.edu](mailto:pcard@drexel.edu).**
- Any transaction that exceeds your available budget.
- Traveler's Checks or cash advances or cash withdrawals from ATM machines.
- Gasoline (except for rental cars or University vehicles).
- Intra-campus Purchases of any sort (e.g., Faculty Club, any Drexel run Programs, IRT Webinars, etc.) or for services that can be performed by another on-campus department, (e.g., Facilities, Copy Shop, etc.). **Note: Campus bookstore is exempt from this restriction.**
- Any purchase that would require Facilities Services to **deliver and/or install and/or engineer** the space in which the item is going. (e.g. furniture, carpeting and electric power). [Guidelines for Furniture Purchases \[PDF\]](#)
- Any contract, agreement or arrangements whereby the University is required to sign any type of contract or agreement (e.g., leases, independent contractors and consultants). [Drexel University Contract Protocol](#) and [Drexel University College of Medicine Contract Protocol](#)
- Services of **non-incorporated providers** (e.g., catering, consulting, repairs, maintenance).
- Any item that exceeds your transaction limit (generally \$2,000.00) or would cause your monthly limit to be exceeded (generally \$7,500.00). **Note: PCardholders may NOT split transactions across multiple transactions, days or departmental PCards in order to circumvent their single transaction limit. Nor can they request a vendor to force a transaction through when their PCard is declined due to their set limits. Notify [pcard@drexel.edu](mailto:pcard@drexel.edu) when you are declined on a transaction so they can help remedy the situation.**
- Purchases presenting significant potential risk or exposure to liability for the University such as items or services that present special health, safety, occupational, or environmental risks (e.g., radioactive material, animals, controlled substances, etc.).
- Alcoholic beverages.

**\*\*Exceptions for any of the above restrictions must be requested by directing an e-mail to [pcard@drexel.edu](mailto:pcard@drexel.edu) and are at the discretion of the Director of Operations or designate.**

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## DEPARTMENT/PCARDHOLDER RESPONSIBILITIES

- Identify requirement(s) to fill your need.
- Determine your available funds allowing for items in transit that may not yet appear on Web\*Finance (e.g., interdepartmental charges, PCard charges, etc.).
- Travelers must abide by all University travel related policy and procedures which are published on the [Accounts Payable](#) website. A traveler cannot approve his/her own travel. **PCardholders making travel arrangements for individuals other than their direct reports, must obtain the approving signature of the traveler's supervisor prior to submitting the Statement of Account to the PCard Office.**
- Select vendor utilizing University Procurement's [Online Marketplace](#) where possible. If you still need help selecting a vendor, email: [procure@drexel.edu](mailto:procure@drexel.edu).
- Place order with vendor; be sure to use sales tax exemption where appropriate; when in doubt, contact the [Tax Office](#) prior to placing your order. For travelers, contact the [Tax Office](#) before you travel to see if we hold a Sales Tax Exemption for your destination.
- Pick up items OR have them shipped. Addresses **MUST** include: your name, department, building, and phone number. Main Campus residents **MUST** use the Central Receiving address of 34<sup>th</sup> & Ludlow, Philadelphia, PA 19104. All other campuses should use their street addresses along with their room number and/or mailstops.
- Receive goods and original receipt/invoice. Receipts for goods should include purchase date, vendor name, item(s) description(s), quantity, unit price, and total charge.
- Travel receipts: All lodging expenses must be substantiated by **itemized** receipts with information sufficient to substantiate the amount, date, time, place, and business purpose of each expense.
- Reconciliation: It is the PCardholder's responsibility to review all transactions for accuracy, appropriate business purpose, reconcile with invoices/receipts/records, input complete transaction notes, update cost center information if necessary, and add the proper account code as quickly as possible after the purchase. It is strongly recommended that this be completed once a week within PaymentNet being sure to check the "reviewed" box, but for each monthly cycle, **reconciliation must be completed** by the due date posted on PaymentNet; that date is typically the 26th of the month.

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- It is the PCardholder's approver's responsibility to exercise critical control by ensuring authorized and appropriate PCard use and correct allocation of expenses in accordance with University Procurement policies and other related University policies.
- Statement of Account: Retain original receipts, bids, quotes, exception requests, etc. with a copy of your Statement of Account. Ensure your approver is given all of the back-up documentation with your Statement of Account for their review and approval. Once the Statement has been approved, scan and email (preferred) to [pcard@drexel.edu](mailto:pcard@drexel.edu) by the due date posted in PaymentNet; that date is typically the 12th of the month. Each Statement should be scanned separately and use the following naming conventions for each scan: last name, cycle, year, (e.g., POTTERJAN11).

**Approvers: You must review all receipts and supporting documentation prior to approving the Statement of Account. As approver, you are exercising critical control by ensuring authorized and appropriate PCard use. You are responsible for certifying that the transactions are appropriate to the operations of your department and were made in accordance with University Policies and Procedures and by your signature, you are attesting to the validity of the PCardholder's purchase(s).**

- Notify vendor or JPMorgan Chase of any discrepancies or credits due.
- Immediately report lost or stolen cards or unusual activity on your PCard to JPMorgan Chase at 1-800-270-7760 **AND** the PCard Office at 215-895-2876 (during normal working hours) and 267-228-6342 (after hours). Please, do **NOT** respond to the system generated email from JP Morgan Chase that lists your weekly transactions; if that email contains transactions that you did not initiate, you must immediately call JPMorgan Chase and the PCard Office.
- Surrender your PCard to the PCard Office upon termination of employment.
- For internal transfers, if the new position also requires you to be a PCardholder, a [Drexel PCard Change Form](#) must be submitted immediately. Otherwise, surrender your PCard to the PCard Office.

## **APPLICATION PROCESS**

**(Issuance of a PCard is based on business need.)**

1. Complete an [application](#)
  - a. Application form must be complete with signature approval of the appropriate authority (dean, director, VP, Sr. VP, or President) and includes:
    - i. A transaction & monthly limit
    - ii. A default fund and organization number for all PCard transactions to be charged
    - iii. Full address with suite, room number or mailstop of the PCardholder

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2. Forward an original completed form to the PCard Office, University Procurement, 3201 Arch Street, Suite 340.
3. If approved, the PCard Office will set up the PCardholder through JP Morgan Chase Bank. The PCard Office will then notify PCardholder to schedule training. No new PCards can be distributed unless the PCardholder attends training.

## **RECONCILIATION & STATEMENT OF ACCOUNT**

Reconciliation is the responsibility of the PCardholder. Transactions will be maintained using the PaymentNet software provided by JP Morgan Chase Bank. At the end of each billing cycle, a Statement of Account will be printed out by the PCardholder, receipts and supporting documentation attached, which is then approved by the PCardholder's Approver (Budget Administrator, Dean, Chair, VP, SVP or President depending upon the PCardholder's position). **That approver is responsible for certifying that the transactions are appropriate to the operations of their department and by their signature, they are attesting to the validity of the PCardholder's purchase(s) and that it was made in accordance with the University's policies and procedures.**

## **MONTHLY CYCLE\*\*\***

- **20<sup>th</sup> of the Month:** typically the cut-off for PCard billing cycle
- **26<sup>th</sup> of the Month:** Individual PCardholder transactions reviewed and cost center information updated in PaymentNet by PCardholder. Any discrepancies are reported via the software; PCardholder contacts vendor that initiated charge to resolve problem. If the problem cannot be resolved, the PCardholder must report the discrepancy using the PaymentNet software.
- **26<sup>th</sup> of the Month:** PCardholder prints Statement of Account, attaches original receipts and supporting documentation and forwards to his/her approver for their review and approval. **(Note: PCardholders making travel arrangements for individuals other than their direct reports must obtain the approving signature of the traveler's supervisor prior to submitting the Statement to the PCard Office.)**
- **12<sup>th</sup> of the Month:** Following the cycle, the approved signed copy of the Statement of Account is due in the University Procurement PCard Office; scan and email preferred to [pcard@drexel.edu](mailto:pcard@drexel.edu). Each Statement should be scanned separately and use the following naming conventions for each scan: last name, cycle, (e.g., POTTERJAN11).

\*\*\*The due dates are approximate as the cycle closes as close to the 20th of the month depending on how each cycle ends. Please refer to the schedule on PaymentNet for actual cycle deadlines.

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## CREDIT LIMIT

Each PCardholder is given the standard limits of \$2,000/transaction, \$7,500/month. Permanent limit changes may be requested using the [Drexel PCard Change Form](#) and **MUST** include the department budget manager's and Dean's, Director's, VP's, SVP's, or President's signature. Please note: The credit limit is NOT tied to your available budget funds. The PCardholder is responsible for determining if funds are available for each transaction prior to making the purchase and ensuring the funds remain available until the charge is uploaded into Banner (typically the last day of each month).

Higher per transaction or monthly limits may be extended for limited purchases on an "as needed" basis or sometimes at the suggestion of the Procurement Department. These requests are best made via email to [pcard@drexel.edu](mailto:pcard@drexel.edu), providing info about the purchase: vendor, items being purchased, cost center to be charged, contain any necessary back-up documentation (e.g., bids/quotes), and contain the approval of someone with appropriate signature authority. If approved, the request, along with a copy of the email confirming the increase, must be maintained with the associated Statement of Account.

**PCardholders may NOT split transactions across multiple transactions, days or across other cards to avoid these limits. Nor can they request a vendor to force a transaction through when their PCard is declined. If you have a legitimate need to place the order directly and it will be over your per transaction and/or monthly limit, follow the above process. Should a vendor need to split a transaction for any reason, contact the pcard office immediately.**

## PAYMENTS, DISCREPANCIES, MISTAKES, CREDITS

The Treasurer will automatically make payments on a monthly basis for all PCard transactions billed within the prior month's cycle.

The cost center provided on your PCard Application Form automatically defaults for all transactions; it is up to the PCardholder to reassign if necessary.

PCardholders are responsible for resolving any issues directly with the vendor and/or JPMorgan Chase Customer Service Center (1-800-270-7760). Discrepancies that cannot be resolved with the vendor directly must be submitted to JP Morgan Chase Bank via PaymentNet.



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## ABUSE/MISUSE/NEGLIGENCE

- Intentionally splitting a purchase to circumvent signature authority or transaction limits.
- Failure to maintain original receipts and other back-up documentation
- Failure to enter proper transaction notes
- Failure to request Sales Tax refund for items that were covered by our Blanket Sales Tax Exemption
- Failure to follow departmental internal controls related to use of the PCard
- Failure to meet deadlines for reconciliation or Statement submission
- Making intra-campus purchases
- Purchasing Prohibited Items without getting pre-approved for an exception
- Other breaches of PCard policies or procedures

## FRAUDULENT USE OF CARD

**ALL** transactions must be for the use and benefit of Drexel University or Drexel University College of Medicine. Personal purchases are strictly forbidden. Fraudulent use will not be tolerated.

**If fraudulent use occurs, the PCardholder will be required to reimburse the University for any and all fraudulent purchases. Moreover, misuse or fraudulent use of the PCard may result in progressive administrative and/or disciplinary action, including criminal prosecution.**

## CORRECTIVE ACTIONS FOR VIOLATING CARD POLICY\*\*\*\*

PCardholders are encouraged and reminded that if they ever find that they will not be able to meet a published deadline, they should email [pcard@drexel.edu](mailto:pcard@drexel.edu) explaining the situation and their timeline for providing the necessary data.

PCard suspensions are placed and removed at the discretion of the PCard Office and paths to reactivation are individualized by circumstance.

Revocation of any PCard is at the discretion of the PCard Office.

**Personal Use of University PCard** – If the offense is found to be accidental, the PCardholder should have the vendor credit back the purchase. If the vendor cannot issue a credit, the PCardholder is required to reimburse the University. (More than one accidental personal use, may lead to the PCard being revoked). **If the offense is judged to be fraud, progressive administrative and/or disciplinary action, including criminal prosecution may result.**

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**Sales Tax: While the University holds Sales Tax Exemptions in various states, it is not a blanket exemption; meaning there are some sales taxes for which we are not exempt. It is up to the PCardholder to ensure we do not pay any sales tax for which we are legitimately exempt.**

**NOTE:** Drexel University and DUCoM hold state sales tax exemptions in Pennsylvania and New Jersey. If you are ordering from another state and are having it shipped to a Pennsylvania campus, it will fall under the Pennsylvania state sales tax laws. The same rule applies if you are ordering from the New Jersey campus; the New Jersey tax laws will be applied. For a complete list of each University's Sales Tax Exemptions, please contact the [Tax Office](#). The Pennsylvania sales tax exemption laws are complex, therefore, if you have any questions as to whether or not an item is taxable, please contact our [Tax Office](#)

**Receipts/related documentation** – If a PCardholder is found to be missing receipts or other required documentation (e.g., bids, quotes, exception approvals, etc.), the PCard may be suspended until the PCardholder can produce the required missing receipt/documentation. If a secondary receipt cannot be obtained from a vendor, a [missing receipt form](#) must be completed for each missing receipt. That missing receipt form must then be signed by a Dean or Vice-president. If the PCardholder continuously fails to maintain original receipts, the department may be advised to assign a record-keeper and/or the PCard may be revoked.

**Intra-campus Purchases** (e.g., Faculty Club, any Drexel run Programs, IRT Webinars, Facilities, Copy Shop, etc.) - warning for the first and second violations in the same fiscal year; third offense within the same fiscal year, PCard may be suspended and PCardholder may be required to attend a retraining.

**Prohibited purchases** (e.g. personal charges, alcohol, furniture, radioactive materials, live animals, etc.) – depending upon the circumstances of the purchase, the PCard may be revoked immediately.

**Monthly Reconciliation** – Failure to reconcile by the cycle due date without contacting the PCard Office in advance: Email sent to Cardholder and Recordkeeper notifying that we need immediate resolution. Second failure in the same fiscal year: PCard may be suspended and Department Head, Dean, or Approver (if higher) notified that the PCard has been put on suspension. Continued failure to meet this basic deadline, the President/SVP/Provost will be notified.

**Quarterly**, a PCard report card will be issued to Drexel: Deans, Provost and SVPs; DUCoM: Administrators and Dean; identifying number of active cardholders for that quarter and percentage who fail to meet the basic deadline for reconciliation.

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**Monthly Statement Submission** - First instance of late filing current fiscal year: Email to Approver (cc Director of Operations, PCardholder, Recordkeeper), reminding approver of their responsibility to review receipts, sign the statement and deliver to the PCard office by the original deadline and advising them that they have 5 business days to get the past due Statement submitted to the PCard Office; failure to respond may result in the PCard being suspended.

Subsequent instances of being late in the same fiscal year: Email to Approver (cc Director of Operations, Approver's manager, Business Administrator, PCardholder, Recordkeeper and Contract Compliance) advising that this is a repeat offense, they have 5 business days to get their past due statement(s) into the PCard Office; failure to respond may result in the PCard being suspended or revoked.

If PCardholder's approver is non-responsive in either scenario, or fails to meet the deadlines: PCard Administrator will notify the University Procurement Contract Compliance Office (cc: President/SVP/Provost, Business Administrator, approver's manager, approver, PCardholder, Recordkeeper) identifying the time period(s) missing, how late they are and ask for assistance in getting the required paperwork. The PCard may be suspended or revoked.

**Quarterly**, a PCard report card will be issued to Drexel: Deans, Provost and SVPs; DUCoM: Administrators and Dean; identifying number of active cardholders for that quarter and percentage who fail to meet the basic deadline for Statement of Account Submission.

**Poor card management** - Multiple offenses in different categories may result in PCard suspension or revocation pending a review.

\*\*\*\*Circumstances will be taken into consideration prior to enacting any corrective actions.