University of Pittsburgh Policy
Procurement Card

Category: Financial Affairs
Section: Purchasing
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Responsible University Officer:

- Senior Vice Chancellor and Chief Financial Officer

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POLICY STATEMENT

This policy is:

- To document the purpose and function of the P-card.
- To reduce the risk of misuse or fraud by defining the responsibilities of the P-card holder, the oversight responsibilities of the P-card holder's supervisor, and the responsibilities of the designated P-card transaction reviewer.
- To highlight prohibited purchases due to University policy and governmental regulations

The University of Pittsburgh's Procurement Card (P-card) has been implemented as a convenience to process certain types of purchases. The P-card is ideal for:

- Low-value, low-risk purchases when a University-wide supplier does not carry the required product and the alternate supplier will not accept a University purchase order;
- Emergency purchases, such as unanticipated goods required for a presentation; or
- Emergency repairs.

Individual P-card holders are personally responsible for their assigned P-card. P-card holders should not share the P-card and should exercise increased diligence and security because using a P-card increases the risk of misuse and fraud for the following reasons:

- Like a personal credit card, the P-card or P-card number is easily stolen.

- Unlike standard University purchasing mechanisms, there are no pre-purchase approvals.

ROLES

P-card holder – Any University of Pittsburgh faculty, staff or registered student who is properly authorized as described below in the Responsibilities section of this policy.

Supervisor / Department Chair – An individual who is one organizational level above the P-card holder with the authority to authorize a P-card application.

P-card reviewer – An individual assigned to review the P-card holder's P-Card Transactions. The P- card holder's supervisor / department chair must assign a P-card reviewer in writing, and the P-card reviewer may not report to the P-card holder.

P-card administrator – A staff member in the Payment Processing and Compliance department who manages the University's P-card Program and conducts regular audits for compliance with University Policies and Procedures.

WHO SHOULD READ THIS POLICY1

All University responsibility centers.

KEY STAKEHOLDERS

- All University Campuses and Departments
- Records Management
- Office of the Chief Financial Officer

RESPONSIBILITIES

Authorization

Departments may request P-cards for individuals within their departments by completing a P-card Application, which includes obtaining proper authorizations. The P-card Application requires the applicant's supervisor / department chair to approve card issuance, a default general ledger account in which to post the transactions, and preset transaction, daily, and monthly limits for each cardholder. The cardholder's supervisor / department chair may also approve a designated transaction reviewer to ensure that each purchase made has a business purpose, and to reconcile those transactions to supporting documentation. High transaction limit requests will require additional central administration approvals as indicated on the P-card Application.

Each cardholder, supervisor / department chair, and P-card reviewer must receive training on allowable business uses of the card and his or her responsibilities for oversight and accountability prior to P-card issuance.

Oversight

Vigilant oversight by supervisors / department chairs and designated P-card reviewers is critical to preventing P-card fraud and to achieving compliance with University polices and federal and state regulations. Supervisors / department chairs and P-card reviewers must:

- Conduct a timely independent review (minimum monthly) of the business purpose of each P-card purchase and any supporting receipts or documentation.
- Immediately report any suspected P-card misuse or fraud to the P-card administrator.
- Immediately report any transferred or terminated P-card holders or changes in supervisory or reconciliation assignments to the P-card Administrator.

Accountability

Only the P-card holder named in the application may use the P-card. P-cards may not be shared.

Cardholders are personally responsible for the use and security of their P-card. Misuse of the P-card, or oversight failures by supervisors / department chairs or designated P-card reviewers will result in sanctions, including P-card termination and disciplinary action up to and including termination of employment. Any P-card that is lost or stolen must be reported immediately to the P-card administrator.

Before purchasing goods on the P-card, the cardholder should first check to see if the product is carried by a University-wide contracted supplier in order to obtain negotiated discounts and other contractual protections.

The P-card holder should also know that the University of Pittsburgh is a tax-exempt organization and should not pay sales tax on any purchases where our exemption certificate is accepted.

P-card purchases can be made in person, by fax, by web portal, or by telephone. Each cardholder is responsible for obtaining receipts, packing slips, and other supporting documentation demonstrating the business purpose of the purchase, and storing these in accordance with the Records Management requirements described below. Monthly reconciliation of the receipts to P-card purchases posted to the University's general ledger is the responsibility of the cardholder and the supervisor / department chair or designated P-card reviewer.

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Prohibited Commodities and Services

University policy prohibits the use of the P-card for the following purchases:

- Alcohol
- Animals
- Biological materials on the list of Select Agents and Toxins as promulgated by HHS/USDA (or any biological agent requiring Biosafety Level 3 facilities or practices, per the CDC/NIH Standard on Biosafety in Microbiological and Biomedical Laboratories)
- Controller substances
- Drugs, prescriptions
- Flowers or balloons (exceptions may be made for certain official University events such as employee recognition ceremonies, with proper written approval as noted in the Exceptions section of this policy)
- Fuel, gasoline
- Gases
- Gifts and contributions, including gift cards
- Certain job advertisements / postings
  - For Staff: Please contact Human Resources
  - For Faculty: Please contact your central business office
- Laboratory chemicals on the US Department of Homeland Security Chemicals of Interest List (all other laboratory chemicals purchased via the P-card must be on the laboratory's Chemical Inventory List, as required in the University's Chemical Hygiene Plan. For P-card purchases of laboratory chemicals not on the laboratory's Chemical Inventory, an update to the Chemical Inventory must be made. For each P-card holder purchasing laboratory chemicals, a letter signed by the Department Chair authorizing chemical purchases on the P- card must be maintained by the department with P-card records as described in the Records Management section below. The letter shall validate that the P-card holder has a Chemical Inventory on file with EH&S – see sample letter)
- Motion picture-video creation
- Personal purchases
- Professional services
- Radioactive materials
- Social clubs
- Travel, Business Entertainment-related purchases including, but not limited to conference registrations, airfare, car rental, and other transportation, hotels, motels and other lodging, in-travel and other business meals and catered events, etc. These are permitted on a Travel Card (see University Policy 05-02-04)
- Testing laboratories
- Weapons/ammunition

Other prohibitions

- Foreign imports will only be permitted for books and journals (no other foreign-sourced goods may be purchased on the P-card)
- Interdepartmental charges
- Cash advances / withdrawals
- P-card purchases from suppliers that will accept a University Purchase Order (a University Purchase Order should be used when possible since the terms and conditions associated with a University Purchase Order provide additional protections not available when purchased via P-card)
- Multiple transactions or orders split to avoid the pre-established limits for spending authority

Reconciliation

All purchases made with the P-card must be reconciled to the supporting detailed receipts, statement and to the monthly level reports in a timely manner.

Policy exceptions

Exceptions to the receipt, reimbursement, and other requirements of this policy require approval that moves upward through each level of the traveler's reporting hierarchy until approved by one of the following:

- Officer of the University
- Vice Chancellor, or higher
- Dean or Academic Director
- Responsibility Center Head

Sanctions

Sanctions will be imposed on a cardholder on a case-by-case basis after a review of policy violations. The Office of the Chief Financial Officer may impose any of the following sanctions after notifying department and responsibility center management:

- The cardholder will receive a formal written reprimand. The cardholder's supervisor and department administrator will be copied on the reprimand.
- The P-card may be revoked if continued misuse occurs.
- Cases of fraud could result in employment termination and/or prosecution. If a card has been revoked for cause, it is unlikely that it will be reinstated.
- In addition to the above sanctions, the improper use of the P-card for personal purchases will require immediate repayment to the University. The Office of the Chief Financial Officer and department administration will jointly assist with the arrangements for repayment. Untimely repayment will result in collection efforts by the University that will include penalties and interest. Unreimbursed personal charges are considered fraudulent.

Records management

P-card transaction details, original receipts and the bank statements are required to be kept until the P-card transaction is found on the level reports. Any policy exception documentation must be maintained in transaction date order in the department as required by the University's Financial Records Retention Schedule, which is currently for seven years or the length of the grant (plus three years) if research funds are being used for the purchase.

CONTACTS

All inquiries related to the P-Card program are to be made at PantherExpress Customer Service.

RELATED UNIVERSITY POLICIES

Policies

Travel, Business Entertainment, Honoraria, and Miscellaneous Reimbursable Expenses	05-07-01
Travel Card	05-07-04
Travel Advance	05-07-03
Level Report Review and Reconciliation	05-06-07

HISTORY

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