POLICY STATEMENT

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;
- allowable travel-related purchases as described in this policy, and;
- emergency purchases, such as unanticipated in-travel 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.

REASON FOR POLICY

- 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 designated P-card transaction reviewer.
- To highlight prohibited purchases due to University policy and governmental regulations.
DEFINITIONS

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 – Must be one organizational level above the P-card holder.

P-card reviewer – Must be approved in writing by the P-card holder’s supervisor / department chair, and may not report to the P-card holder.

P-card Administrator – Manages the University’s P-card Program and conducts regular audits for compliance with University Policies and Procedures.

ENTITIES AFFECTED

All University responsibility centers.

WHO SHOULD READ THIS POLICY

- Regional Campuses
- Records Management
- University Departments

RESPONSIBILITIES

P-card Authorization

Departments may request P-cards for individuals within their departments by completing a P-card Application, and 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 transaction reviewer must receive training on allowable business uses of the card and their 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, and;
- immediately report any transferred or terminated P-card holders or changes in supervisory or reconciliation assignments to the P-card Administrator.

Accountability for the P-card

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

Individual 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.

P-card purchases can be made in person, by fax, by web portal, or via 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 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 delegated transaction reviewer.

Travel and Conference Registration Payment Requirements

Airline tickets may be purchased with the P-card. The P-card holder is responsible for maintaining a copy of the email receipt with the name of the traveler, airline, flight numbers, total flight cost and form of payment. The airline ticket must also be reported on the Travel and Business Expense Report in order to document its business purpose (see Policy 05-07-01). The airline ticket class should stay within the guidelines outlined in the Travel and Business Expense Policy. All airline travel must be redistributed to the proper sub-code with a reason stated for travel.
Conference registrations should be purchased with the P-card. If a problem occurs while paying for the conference, contact the P-card Administrator immediately for assistance.

A Procurement Card (P-card) holder may pay for hotel room and car rental charges booked through an online agency, such as Expedia, Orbitz or Travelocity, using the University P-card prior to the trip occurring. Any incidental expenses, such as room service, movies, etc., during the trip at the hotel must be paid by the traveler on a personal credit card. The P-card is blocked for direct hotel payments such as for incidental expenses. A standard room or economy car is permitted; any exceptions to this must be approved as noted in the Exceptions section of this policy.

Departments may not use their P-card to pay for any travel expenses directly for visiting scholars due to IRS expense substantiation requirements. Travel expenses for visiting scholars may be reimbursed using the University’s process for paying honoraria as described in University Policy 05-07-01, Travel and Business Expenses and Honoraria.

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.
- Controlled substances
- Drugs, prescriptions
- Entertainment
- 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
- Hotel room ancillary charges, such as movies, meals, etc. Only room and tax may be charged via a travel agency or online services such as Expedia, as noted above.
- Job advertisements / postings
- 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.

• Meals and catered events
• Motion picture-video creation
• Personal purchases
• Professional services
• Radioactive materials
• Social clubs
• Testing laboratories
• Vehicle rentals
• 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.
• Purchases may not be split into multiple transactions or orders to avoid the pre-established limits for spending authority.

Policy Exceptions

Exceptions to this policy may be permitted with written approval from the Chancellor, Provost, Senior Vice Chancellor, Vice Chancellor, Dean, Academic Director, or Responsibility Center Head. If multiple exception purchases are to be made, the approval letter should state why the policy exception is requested and the total amount of anticipated purchases. This letter must be updated each fiscal year.

Records Management

P-card transaction details, original receipts, reconciliations, and 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.
All inquiries related to the P-Card program can be made at PantherExpress.

UNIVERSITY POLICIES, PROCEDURES, AND OTHER RESOURCES

Policies

Policy 05-07-01, Travel and Business Expenses and Honoraria

Procedures

Other

Procurement Card User’s Manual

HISTORY

Policy updated May 1, 2016
Policy updated December 15, 2014