

Unit: All Units

Category: Procurement

Sub-category: Procurement Card (PCard)

Date Created: September 26, 2019

Last Updated: November 1, 2023

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Overview: Procurement Card (PCard) Processing requires due diligence from:

- Units: Identifies need for PCard purchase, supervisors who believe their staff member needs a PCard will instruct the staff member to complete the PCard tutorial and exam. The staff applicant then submits an application form for PCard as necessary, manages conflicts of interest, requests card increases as needed, performs reconciliations, ensures expenses applied on PCard is allowable. **The cardholder MUST submit business purpose, account number and required documentation.** The supervisor of the cardholder is responsible for ensuring all cards are accounted for, if a cardholder is on extended leave or they are no longer employed within the unit, the supervisor must ensure that the appropriate measures are taken to manage PCards (suspend, close) and corresponding charges.
- SSC: Responsible for processing PCard applications, maintaining and closing PCard accounts, reviewing limit increases, suspending PCards when policy violations occur, reviewing transactions on PCard (for business purpose, documentation, policy compliance), approving PCard transactions.

Criticality: Medium

Frequency: Daily

Turnaround: Other

Processing Time: Varies by task

Start Date: As triggered

How Triggered: When unit identifies the need to purchase goods or services on PCard

Due Date: As soon as possible

Process Owner(s) / Key Parties / Contacts / Responsibilities:

Unit:

- Identifies need for employee to make purchases of goods or services using PCard.
- If the unit manager/supervisor identifies that an individual within the unit does not have a PCard or requires a PCard, the request for an application form is submitted.
- Manages conflict of interests and commitment per Policy 4.14.
- Requests Credit Card Programs to increase per transaction limit and/or cycle limit as needed.
Note: Please reference the Buying Manual for dollar threshold limits: [Buying Manual, Procurement Card Eligibility and Dollar Thresholds \(cornell.edu\)](#). The cycle limit can be adjusted by Credit Card Programs if appropriate.
- Performs reconciliation of budget vs. actuals in KFS.
- Follows up with cardholders who have failed to provide appropriate documentation (i.e. receipts, business purpose, account numbers) within 30 days to ensure that expense was

allowable, that a business purpose has been recorded, and that the correct account has been charged.

Unit (Cardholder):

- Cardholder ensures potential purchase is allowable per [Business Expenses | University Policy \(cornell.edu\)](#) and not prohibited on PCard [Buying Manual: Prohibited Transactions \(cornell.edu\)](#).
- Provides business purpose, account number and accompanying documentation within 10 days of email notice.
- Reviews card bank statement monthly for accuracy and follows up with bank if a Charge Dispute must be initiated or if fraudulent activity is detected.
- Report to US Bank a lost or stolen card immediately.
- Keeps card secure and card number confidential; does not lend or share card.
- Cardholder can enroll for online access to the US Bank account. For more information feel free to review here: [U.S. Bank Access Online Instructions \(cornell.edu\)](#)

SSC (Credit Card Programs, Procure-to-Pay)

- Responsible for processing credit card applications, maintaining and closing PCard accounts, reconciling credit card payments to the bank statements.
- Responsible for reviewing requests for limit increases (available limits are prescribed within Buying Manual).
- Suspends PCard when policy violations are identified by PCard coordinators.

SSC (PCard Coordinators, Procure-to-Pay)

- Review transactions on PCards, including documentation, business purpose, account distribution, and policy compliance; approve transaction.
- Reports incidences of possible policy violations to Credit Card Programs.

Key Documents / Sources of Information:

- Credit Card application – Unit requests creation of an individualized application, which is then created within the Shared Services Center. The application is signed by the applicant, supervisor, and unit manager or chair. The form ultimately routes to Credit Card Programs for review and processing.
- Credit Cardholder agreement – Must be signed by the applicant.
- Tutorial confirmation – applicant must view a tutorial and pass the accompanying exam prior to signing the PCard application. (The application asks for the date.) Credit Card Programs confirms the passing exam score in CULearn prior to requesting an account.
- Information Update Form – SSC, unit managers or supervisors may complete this form to request an account closure, suspension or change of address; form creates a TDX ticket that is sent to Credit Card Programs.
- US Bank statement – Paper statements sent to cardholders (optional as transactions can be viewed online). Statements for the entire university can be obtained by Credit Card Programs.

- KFS Report – On a quarterly basis, a report for Account G263600, Object Code 2000 is run out of KFS to identify the balance of unposted transactions.
- Spend Viz Report – On a quarterly basis, a report for PCard documents (PCDOs) approved in KFS where a no-check disbursement (NCD) has not been processed is run to reconcile to KFS.

System Access Needed:

- KFS
- Spend Viz
- US Bank online portal
- PCard Drive

Common Problems or Issues Encountered:

- Cardholders need to substantiate business purpose within 10 days by completing a PCard Purchase Documentation Submission form. If documentation is not provided within 30 days, account will be suspended. If unsubstantiated within 60 days there may be personal income taxes imputed to the PCard holder per IRS guidelines for all funds.
- Improper use of PCard, examples include, but are not limited to, PCards are opened without proper authorization, PCards are used for unallowable expense like personal expenses in error, etc.
- Ensuring all employees are well trained and continue to be updated on current purchasing policy and processes.

Key Risks

Conflict of Interest
 Fraudulent use of Procurement Cards
 Unauthorized Card Limit Increases
 Risk that employee leaves the University and their credit card is not closed
 Risk that a fraudulent application is received by Credit Card Programs
 Risk that the same individual can initiate and approve an NCD for monthly credit card payments
 Risk that non-disputed/fraudulent charges are not reported to US Bank by the cardholder

Key Controls

Refer to Appendix: Procure to Pay Minimum Required Control Matrix
 Conflict of Interest is managed at the Unit level. Units review Policy 4.14

Fraudulent use of Procurement Cards – List of cardholders is provided each year to unit managers to ensure closure of accounts where cardholder is no longer employed and/or where card is simply no longer needed and evaluation of need for PCard and appropriateness of card limit.

Unauthorized Card Limit Increases - Only CC Programs has the role within the bank system to change card limits. Cardholders contacting the bank would be directed to contact their program administrators. PCards limits are only increased to amounts allowed by the Buying Manual.

Risk that employee leaves the University, and their credit card is not closed - Should a charge be made on a PCard, it will be uploaded into KFS and viewed by the SSC the day after it posts. CC Programs reviews a monthly HR termination report to ensure that any separated employee no longer holds an active card. Financial Management and Reporting (team within the SSC) also receives an ACL report of the same data for their review and action.

Risk that a fraudulent application is received by Credit Card Programs - Account applications are signed through Adobe with all levels of approval documented; NetID and password are required in order to sign an application; CC Programs reviews for all necessary signatures and approvals before creating the account in US Bank's system.

Risk that non-disputed/fraudulent charges are not reported to US Bank by the cardholder - US Bank has anti-fraud monitoring controls in place that will place a hold on an account that incurs transactions deemed potentially fraudulent. The bank offers 100% coverage for any fraudulent transaction reported within 60 days of the statement date. T&M transactions are uploaded to Concur and PCard transactions are uploaded to KFS, on a daily basis. Emails are automatically generated to the cardholder when a transaction is uploaded to either system. Outstanding card transaction reports are available for both card types. All new cardholders (PCard/T&M) must complete a tutorial advising them to review their monthly statements for potential fraudulent charges. After 30 days, a PCard will be deactivated without appropriate documentation.

Risk that the same individual can initiate and approve an NCD for monthly credit card payments - Separation of duties exists within KFS so that an individual who creates a NCD cannot also approve that e-doc.

Process Inefficiencies To Be Addressed:**Process Documented in Chronological Order:**

- If necessary, apply for a PCard: [Applying | Cornell University Division of Financial Services](#)
- Cardholder (or cardholder's unit) identifies a purchase that needs to be made

- Cardholder verifies that the business purchase is allowable [Business Expenses | University Policy \(cornell.edu\)](#)
- Cardholder verifies that the purchase is not prohibited on PCard [Buying Manual: Prohibited Transactions \(cornell.edu\)](#) and Cardholder Responsibilities, need to substantiate business purpose within 10 days by completing a PCard Purchase Documentation Submission form. If documentation is not provided within 30 days, account will be suspended. If unsubstantiated within 60 days there may be personal income taxes imputed to the PCard holder per IRS guidelines for all funds.
- Unit refers to Policy 4.14 Conflicts of Interest and Commitment to ensure where COI exists, it is properly managed
- Cardholder checks PCard limit. In the event that the intended purchases exceed the cardholder's per transaction limit, submits purchase request to Service Center. Employee/cardholder within Service Center makes purchase.
- The PCard transaction information is received from the bank and loaded into the Quali Financial System (KFS).
- An automated email is sent to the cardholder for each transaction received.
- Cardholder uses links in the email received to access the PCard Receipt Processing System and enter the business purpose, account details, and attach images of the receipt or supporting documentation for each transaction.
- The procurement card coordinator in the service center reviews transactions in KFS and the receipt submission system, changes account distribution as necessary, and releases the charge for posting to the general ledger.
- Cardholder reviews the procurement card bank statement for accuracy (option as transactions may be viewed online).
- Unit performs periodic review of accounts to monitor budget vs. actuals
- After all automated reminders have been sent, and a PCard transaction has auto-posted to the unit account, the supervisor of the cardholder will follow up with cardholders who have failed to provide appropriate documentation (i.e. receipts, business purpose, account numbers) to ensure that expense was allowable, that a business purpose has been recorded, and that the correct account has been charged.

Metrics:

SSC monitor the following metrics:

- Unposted PCard report
- Auto Release PCard Report for the last week
- Travel and PCard Overlay

Glossary of key terms/acronyms:

- KFS – Quali Financial System
- PCard – Procurement Card
- SFG – Senior Finance Group

- DFS – Division of Financial Services
- SSC – Shared Services Center
- CC Program – Credit Card Programs within the SSC Procure-to-Pay team