PCard

Introduction

A procurement card (also known as a "pcard") is a credit card issued by a financial institution to an organization to make direct purchases from vendors. The card is issued in an employee's name and may be used for certain low-dollar, business-related purchases, where the good or service is not available through e-SHOP. There are per transaction and monthly dollar limits on the cards, as well as certain good and services that are prohibited from payment by pcard. Since the pcard is a university liability, the bill is paid centrally by Cornell for all balances; no purchase order or reimbursement process is necessary.

All pcard purchases must be for business purposes only and in full compliance with other university policies, particularly University Policy 3.14, Business Expenses. The cardholder is responsible for providing documentation of all purchases on the card, as described in Section 303 Documentation Requirements, and for ensuring that any expense paid by pcard is not otherwise submitted for reimbursement or used for any inappropriate purpose.

A file of pcard transactions is provided by our issuing bank each day. When the transactions in this file are uploaded to Cornell's financial system (Kuali Financial System or KFS), one email notification is sent to the cardholder for each transaction on his/her pcard. The cardholder will respond to this email within 10 days by selecting a link within the email to access the PCard Receipt Processing System. This system makes it easy for cardholders to submit documentation electronically. Cardholders will upload an electronic version of any required receipt and enter the business purpose and account(s) to be charged.

♦ **Caution**: Failure to use the pcard in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the pcard and possible disciplinary action. Fraudulent use of the pcard can result in employee termination, expulsion from school (for students), and criminal charges.

♦ **Note:** The terms and conditions associated with a purchase order provide certain legal protection to the university and therefore, there may be instances where the cardholder chooses to request a purchase order rather than utilizing a pcard. Consult your Service Center if you believe a purchase order may be the best method of procurement for your intended purchase.

Eligibility

Only those individuals whose job description supports the need to make frequent business-related purchases are eligible to apply for a procurement card. Cards are generally issued to regular, full-time, staff members; however, all applications are evaluated based on need, e.g., types of goods and services needed, number of potential transactions, other payment options, prior history of pcard use and, in rare instances.

♦ **Cautions:**

- An individual who approves procurement card transactions in KFS (i.e., Fiscal Officer or primary/secondary delegates for PCDOs) may NOT hold a procurement card because effective internal controls require separation of duties.
- An individual may be issued only one procurement card.
- Cardholders may not transfer the pcard to a new position. A new position, with different responsibilities and a new supervisor, requires completion of the pcard application process if the use of a pcard is requested.

Dollar Threshold

A dollar limit applies to each transaction on a pcard, and a monthly limit applies to the total purchases made within one monthly cycle (cycle ends approximately the 15th of each month). Standard pcard limits are as follows:

- Regular cardholder:
  - $500 per transaction; $5,000 per month
  - $1,500 per transaction; $10,000 per month
  - $2,500 per transaction; $20,000 per month
  - $4,999 per transaction: $50,000 per month
- SSC cardholder: $10,000 per transaction; $100,000 per month

A cardholder must never "split" the cost of one single item (whether good or service) into multiple payments to circumvent the per transaction limit on the pcard. In addition, cardholders must not make multiple purchases of the same item such that the total combined value of the purchases would require the completion of a bid through Procurement Services (see The Purchase Order Process section of this manual for details on the bid process). If a cardholder needs to make a purchase that is not appropriate for the pcard, they will consult the Service Center representative or unit purchasing specialist to determine the best procurement method for the purchase.

♦ **Notes:**

- Monthly cycle limits may be increased if the level of spending and compliance warrant.

Prohibited Transactions

Certain transactions are prohibited on procurement cards because the good or service requires additional review for reasons of tax, insurance, a contract or other regulatory issues. Prohibited transactions may result in suspension or revocation of the procurement card, or other disciplinary action.

♦ **Note**: If paying for services, consult the Purchases with Special Procedures: Paying for Services section of this manual.

Type of Purchase	Description
Animals and Custom Antibodies	Live vertebrates and custom antibodies require pre-transaction review per University Policy 1.4, Care and Use of Animals in Teaching and Research. Only individuals employed in the SSC, who record these transactions in the Cayuse Animal system, may utilize pcard for the payment of animals.
Architectural and Engineering Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the University Architect. Only those individuals employed in Contracts and Capital Projects, or the SSC, may execute these transactions via pcard.
Audit Services	In accordance with Cornell policy, authority for this transaction requires the additional review of the University Auditor. Only those individuals employed in the University Audit Office, or the SSC, may execute these transactions via pcard.
Capital Assets	The purchase of capital assets require recording in the capital assets system per University Policy 3.9, Capital Assets.
Cash Advances or Cash Transfers	Cash advances of university funds require pre-transaction review per University Policy 3.2, University Travel and, therefore, are not allowed on pcard. Cash cannot be obtained through an ATM, nor will cash transfers through a third-party, such as, Western Union, Convera, Venmo, CashApp, Xoom, or Tango be allowed.
Catering	Catering occurs when a vendor prepares, sets up, serves or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event, i.e., rented banquet facility. Catering should not be confused with simple food delivery where no service is provided on site, i.e., pizza delivery. Note: When hosting a business meal in a local restaurant that is open to the public and guests are ordering from the menu, it is acceptable to pay a private room fee with your pcard.
Conflict of Interest, Vendor	Purchases from vendors where a potential conflict of interest exists require pre-transaction review, per University Policy 4.14, Conflicts of Interest and Commitment.

Type of Purchase	Description
Controlled Substances	A controlled substance is generally a drug or chemical whose manufacture, possession, or use is regulated by federal and/or state government. A purchase order and appropriate license and registration are required. See section 628, Controlled Substances.
Cornell Unallowable Goods/Services	Purchases identified as Cornell unallowable in University Policy 3.14, Business Expenses, are not allowed, regardless of the source of funds or mode of payment.
Deposits/Partial Payments/Multiple Payments	Do not make partial payments where the total value of the purchase exceeds your procurement card transaction limit. Do not circumvent your per transaction limit by making multiple payments on your pcard against a single invoice. Each payment on a pcard must be supported by an individual invoice/receipt.
Donations	Any voluntary contribution of cash or property to any organization outside of the university, regardless of source of funds. All donations over $500 require pre-approval by University Relations. Donations may not be paid via pcard; see your Service Center for payment options.
Drones	Drones may not be purchased using a pcard due to the regulatory requirements related to their manufacturing and operational risks. A purchase order must be issued instead.
Employees	Per IRS tax guidelines, you may not pay: 1. A current employee via pcard 2. An individual who has been employed by Cornell at any time in the current calendar year via pcard
Equipment Rental	The issuance of a purchase order is required for the rental of any type of equipment that is powered by gas or other fuel, electricity, or battery, for example, lift, bulldozer, backhoe.
e-SHOP Vendors	Do not use your pcard to purchase from a vendor that is available in e-SHOP. Exception: If the supplier's site within e-SHOP does not offer the needed item or a needed function (e.g., expedited shipping, bundling, or configurable products), you may use your pcard to purchase directly from the e-SHOP supplier as long as the intended purchase is otherwise allowed on pcard. Include the reason for purchasing outside of e-SHOP in your documentation.
Activity or Event Fees (not including watercraft rental or charter services)	Events or activities where an entire facility is reserved for Cornell's use require the issuance of a purchase order and may not be paid via pcard. In addition, rental of any equipment for such events or activities are prohibited, for example watercraft, bounce houses. If allowed under Business Expense policy, activity fees or event tickets for individuals may be purchased on pcard after completion of required waivers per Risk Management and Insurance's website. It is the unit's responsibility to provide notice of risks and document the participant's

Type of Purchase	Description
	assumption of risk, waiver of rights, and release of claims if accident or injury arises as defined by the Office of Risk Management and Insurance (RMI). Unit should retain either confirmation from RMI that Assumption of Risk and Release form (waiver) was not required or copies of the waivers per policy 4.7, Retention of University Records. Examples of event tickets include: bowling, axe throwing, Cornell ropes course, state fair, tours, go-karts, pickleball, movie theater, intramural sport registration fee, theater tickets, museum tours.
Gasoline for personal or rental vehicles	Gasoline for vehicles used during university travel may not be paid via pcard; this includes gasoline for a personal vehicle or a unit-owned or leased vehicle. Note: When a personal vehicle is utilized for business travel, the university reimburses the traveler based on mileage. When renting a vehicle for university travel, a Travel and Meal card may be used for gasoline and other travel-related expenses; see University Policy 3.2, Travel Expenses. When a unit owns or has a long-term lease for a vehicle that is driven only locally (i.e. driver incurs no other travel-related expenses such as meals or lodging), or requires gasoline for other equipment, that gasoline may be paid via pcard.
Gifts Cards/Certificates	Gifts cards and/or certificates are generally classified as taxable income by the IRS and may not be purchased with a procurement card, regardless of the dollar amount or purpose of the gift. Contact the SSC for guidance.
Insurance	You may not pay for insurance premiums, co-payments, deductibles, or services with your procurement card. For information on purchasing insurance, please contact Risk Management and Insurance. Only those individuals employed in Risk Management and Insurance, or the SSC, may execute these transactions via pcard.
Investment Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the university's Investment Office. Only those individuals employed in the University Investments Office, or the SSC, may execute these transactions via pcard.
Lasers	The purchase of any type of laser requires reporting and potential training by Environment, Health and Safety, and therefore, lasers may not be purchased via pcard. Lasers may be purchased through e-SHOP or on a purchase order. Use a commodity code of 41115307 on the requisition.
Late Fees/Fines/ Collection Agencies	Late fees, fines, and payments to collection agencies are generally considered Cornell unallowable based on University Policy 3.14, Business Expenses and, therefore, will not be paid by any method, including pcard. Direct questions to shared-services-center@cornell.edu.

Type of Purchase	Description
Legal Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the Office of General Counsel. Only those individuals employed in the Office of General Counsel, their Service Center, or the Law School clinics, may execute these transactions via pcard.
Non-Preferred Suppliers	Do not use the pcard to purchase goods and services from a non-Preferred Supplier, where the good or service is available from a Preferred Supplier.
Parking Fees, Permits, Road Tolls	The pcard may not be used to pay for parking for individual faculty, staff or students. Parking fees, permits, and road tolls incurred at an individual's normal business location are considered a personal expense and will not be paid via pcard or any other form of university payment, per University Policy 3.14, Business Expenses. In addition, parking fees, permits, and tolls for faculty, staff, or students will not be paid via pcard while in travel status. Parking fee exceptions: • Parking for incoming visitors at campus locations may be paid via pcard. • When business needs require a faculty, staff or student to be at a local office that is different from their primary workspace, and they are not in travel status, those parking fees may be paid via pcard. For example, a staff member's primary work location is Caldwell Hall, but they are required to attend a meeting at Seneca Place; or the English department is hosting an event at Treman Park. • Units may fund an E-ZPass account for a vehicle that is owned or leased by the unit.
Personal Expenses	Do not purchase any good or service that is primarily for personal use. Use of this card for personal expenses is governed by University Policy 3.6, Financial Irregularities. Using the card in this manner with the intention of reimbursing Cornell is NOT an acceptable practice. **Caution:** Many items lend themselves to personal use, such as magazines and newspaper subscriptions. It is the cardholder's responsibility to provide documentation to support that the purchase of an item that lends itself to personal use is essential to fulfilling his or her job responsibilities.
Pest Control	These services must be coordinated with the customer service center in the Department of Facilities Management, due to the potential use of pesticides. Contact your local building coordinator. Only those individuals employed in the Department of Facilities Management, or the SSC, may execute these transactions via pcard.
Radioactive Materials	Environment, Health & Safety must approve all requests for radioactive materials prior to an order being placed with a vendor. See the

Type of Purchase	Description
	"Radiation Safety Manual" for further information on purchasing radioactive material.
Real Estate Services, Purchase, Rental, etc.	In accordance with Cornell policy, authority for these transactions requires the additional review of the university's Real Estate Office. Only those individuals employed in the Real Estate Department, or the SSC, may execute these transactions via pcard.
Refund or Reimbursement	The pcard is intended for the payment of good and services only and is not to be used to send funds to an individual for a refund or reimbursement. For more details on the appropriate method for initiating a refund or reimbursement, see section 203.
Security Systems, Building	Building security systems must be coordinated through the Cornell Police and must not be purchased with a procurement card.
Services Performed on University Property	Nearly all services, regardless of where they are performed, require both a contract (or purchase order) and verification that the vendor meets the university's insurance requirements. **Therefore, pcard holders may not pay for services being performed on university owned or controlled property**, except those services that are being performed by a vendor who has signed a university contract and whose services are not already specifically prohibited. Contracted vendors performing the services listed above may be found on Procurement Services' web site at http://www.finance.cornell.edu/procurement/supplierlistview. **Contact your Service Center to discuss the appropriate payment for any other service PRIOR to engaging the service provider.**
Services Requiring a Contract or Purchase Order	Any service requiring a contract or purchase order will not be paid via pcard; contracts must be reviewed and approved by Procurement Services. Complete an IWNT doc for payments of this nature as soon as a vendor has been identified.
Software, Software Licenses, Software as a Service, Cloud Services	Before any IT applications, software, or services are purchased, the university's IT Governance process must be followed regardless of dollar amount. Follow the steps outlined below to determine if your purchase is eligible for payment by pcard. Step 1. Determine if the university already holds licenses for your desired product/service by visiting https://it.cornell.edu/software-licensing. If not available from the university, proceed to step 2. Step 2. Determine if an IT Statement of Need (SoN) is required by reviewing: https://it.cornell.edu/itgovernance/scenarios-when-it-statement-need-or-isnt-required. Software purchases with click-through agreements require completion of the SoN process and approval from the IT Project Management Office. a) When the SoN is not required:

Type of Purchase	Description
	1) Any purchase that requires a signed contract must be processed via purchase order. 2) If no contract is needed, you may pay via pcard. When documenting the pcard transaction, include the reason the SoN was not required. b) For purchases that require a SoN, proceed to Step 3. Step 3: Submit an IT Statement of Need (SoN) found at https://it.cornell.edu/itgovernance/submit-it-statement-need After receipt of the SoN, the IT Project Management Office will email you a *Checklist for Purchasing Administrative IT Software and Services* outlining required next steps. a) If your checklist indicates that the order must be sent to Procurement, and/or if the supplier's contract requires a signature, then a Purchase Order is required. Complete an IWNT doc and attach supplier's license agreement and all CIT required documents. b) If your checklist does not indicate that the order must be sent to procurement, follow all other instructions and payment may be made via pcard. When documenting the pcard transaction, include the "next steps" email and documentation showing the outcome or results of those steps. For addition information refer to: • Buying Manual section 618, IT Governance Process • Software Acquisition and License Management at https://it.cornell.edu/software-licensing
Space Rental – Event and Other	Payment for rental of any type of space is not allowed on pcard as a purchase order is required. Complete an IWNT doc for payments of this nature as soon as a vendor is identified. Exceptions: The rental of a pavilion in a City of Ithaca, Tompkins County or New York State Park is allowed on individual pcard as your online reservation requires a credit card to complete. The rental of a Cornell-owned space by another Cornell unit, if not eligible internal transfer, may be paid by pcard.
Travel-Related Expenses	Any travel-related purchase or rental is prohibited (e.g., hotel, motel, airline, train, bus, taxi, limousine, or cruise fare; rental of vehicle or any type of watercraft; fuel for vehicles not owned by the university; road tolls of any kind; travel agency purchase; parking lot fees). Certain travel-related merchants have been blocked from accepting procurement cards. **Note:** 1. Conference registration fees may be charged to your procurement card if the fee does not exceed your transaction limit. 2. For university owned vehicles and equipment in or near Ithaca, fuel can also be obtained at the university's Fuel Station at 209 Solidago Road. For information on setting up an account, contact

Type of Purchase	Description
	fleet@cornell.edu. 3. If you are planning a group or visitor travel, contact the SSC.
Travel Meals	You may not charge meals to your procurement card while you are traveling for the university if that travel includes an overnight stay.
Vehicle Rental	The rental of any type of car, truck (including moving truck), van, bus, or limousine is prohibited on pcard. This includes both rentals while in travel status and locally. Note: 1. Towing services may be paid via pcard for any university owned, rented, or leased vehicle. 2. For rental vehicles, always contact the rental company first to determine their preferred process for arranging towing services. The Travel and Meal Card is also an option for the payment of towing services for a rental vehicle.
Watercraft Rental, Cruise or Boat Fair	Payment for the rental or lease of any type of watercraft is prohibited on pcard. In addition, fees for passage on any type of watercraft will not be paid via pcard. These high-risk activities require the issuance of a purchase order in advance.

Documentation Requirements

Documenting Procurement Card Transactions

Cornell requires procurement card holders to submit sufficient documentary evidence for purchases on procurement cards to comply with university policies, sound business practices, and the requirements of external and internal reviewers. Cardholders will receive an email from the PCard Receipt Processing System for each transaction on the card and will provide required documentation via the PCard Transaction Details form in response to this email, within seven (7) days. A PCard Transaction Details form must be completed for ALL transactions including purchases, credits, disputed transactions, and fraud, to document the business purpose (or explanation in the case of disputes or fraud) and account description. Sufficient documentary evidence includes certain **original receipts** (see number 1 below) and an **explanation of business purpose** (see number 2 below.)

1. **An "original" receipt** is based on what a particular vendor generally provides as proof of purchase, for example: cash register tape, detailed packing slip, copy of an order form (for registrations, applications, subscription, etc.), web receipt or email acknowledgement from vendor, etc. Receipts should include description of item(s) purchased, vendor name, date, quantity, unit price, and total cost. If any relevant information is not included on the receipt, the cardholder will include the missing details within the Business Purpose section of the PCard Transaction Detail form (see "Electronic Submission of Documentation" at the end of this section).

   An original receipt is required at all dollar amounts for pcard transactions charged (or transferred) to sponsored awards (fund CG) and ALL federal appropriations (sub fund APFEDL). For other fund types, an original receipt is only required for purchases that are $75.01 and above. Required original receipts will be submitted using the PCard Transaction Detail form, as described in "Electronic Submission of Documentation." Cardholders will retain the original copy of all required documentation for 60 days from the date of form submission.

   ♦ **Note:** Third-party billing companies such as PayPal generally do not include detailed information about the item(s) purchased. The cardholder should, in cases such as this, provide a copy of the web page that identifies the item(s) purchased and the web receipt from the third-party billing company.

   ♦ **In cases where any required original receipt is not immediately available**, the cardholder will create a document containing the following: an explanation as to why the original receipt is not available, details about the transaction including a description of item(s) purchased, vendor's name, date of purchase, quantity, unit price, total cost, account(s) to charge and, as described below, a description of the business purpose. The cardholder will submit this document, in lieu of the receipt, as an attachment to the PCard Transaction Detail form. To simplify this process for the cardholder, a "Missing Receipt Affidavit" is available at www.finance.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms. ***Caution***: A Missing Receipt Affidavit may not be accepted by some external auditors. To avoid the possibility of disallowance on sponsored awards (fund CG) or federal appropriations (sub fund APFEDL), units may wish to use discretionary funds when an original receipt cannot be obtained**.**

2. **An explanation of the business purpose** of the item(s) purchased should include specific information about why the purchase occurred (i.e., lab supplies for study of honeybees). A description of the item purchased must also be included when that information is not clear on the receipt, or when a receipt is not required. For the payment of business meals and other food, the business purpose must include a list of the attendees.

- ***Caution*:** The business purpose must be written in terms that would be clear to an external reviewer, especially in cases where the item could lend itself to personal use (e.g., CDs, videos, meals, and so forth).

  ♦ **Notes:**

  - Some vendors provide only an estimate of shipping charges when goods are ordered and, therefore, the amount listed on a receipt will sometimes vary from the amount actually charged to the pcard.
  - Some vendors mistakenly send pcard receipts to the central university address that is used for accounts payable invoices, rather than to the cardholder, which can account for a cardholder never receiving a receipt.

Electronic Submission of Documentation

A file of pcard transactions is provided by our issuing bank each day. When the transactions in this file are uploaded to Cornell's financial system (Kuali Financial System or KFS), one email notification is sent to the cardholder for each transaction on his/her pcard. The cardholder will respond to this email within seven (7) days by selecting a link within the email to access the PCard Transaction Detail form. This system makes it easy for cardholders to submit documentation electronically. Cardholders will upload an electronic version of any required receipt and enter the business purpose and account(s) to be charged or credited.

The cardholder's submission of electronic documentation creates a record in the pcard receipt processing system. The pcard coordinator in the service will access that record in the service center workflow queue. Coordinators use the information submitted by the cardholder to review the pcard document (PCDO) in KFS. After reviewing the record, updating, and approving the PCDO, the coordinator routes forward the pcard receipt processing system record. A batch process runs each night that matches the forwarded images to the appropriate PCDO and attaches the electronic documentation to the PCDO.

Special Topics

Accounts with Additional Restrictions

There are restrictions on the types of accounts that may incur pcard charges or be used as a default account:

- Accounts that cannot incur procurement card charges
  - State appropriation construction accounts (Sub fund PLSUCF)
  - Receivable accounts (Object codes with object type AS.; accounts with sub fund BALSHT; invested funds IN)
- Accounts that may not be default accounts
  - State appropriation accounts (Sub fund APSTAT)
  - Agency accounts (Sub fund EXTORG, external organizations which were formerly Agency accounts)
  - State appropriations (Sub fund APSTAT)
  - Federal appropriations (Sub fund APFEDL)
  - Any grant or contract account (Fund CG)

♦ **Note:** The purchaser must comply with all sponsor and other requirements on restricted accounts. The purchaser must not charge federal unallowable expenses or costs generally considered indirect, such as office supplies, to sponsors.

Inactive PCards

An unused and potentially unmonitored credit card account creates the opportunity for fraudulent use by unauthorized parties; therefore, Credit Card Programs will close any pcard account that is not used at least once in any one-year period. Unused cards will be identified at least monthly, and Credit Card Programs will notify the cardholder of the account closure.

Any pcard not used at least 12 times in any one year should be reviewed for closure. To facilitate the closure of low use pcards, each January Credit Card Programs will supply Service Center director with a prior year report of transaction totals by cardholder. It is the responsibility of each Service Center director to review this information with Unit Managers, notify cardholders whose accounts are to be closed, and then request that the Credit Card Programs close the selected accounts. The SSC may also choose to review and close infrequently used accounts that have been opened for less than 12 months.

Outside Compliance Reviews

Credit Card Programs, University Audit Office, or other auditing agencies will periodically review procurement card transactions. Based upon these reviews, pcard accounts may have transaction limits reduced, be suspended or permanently revoked, or other disciplinary action may be taken.

♦ **Note:** Any financial penalties associated with external audits by regulatory agencies are the responsibility of the unit. These penalties may be greater than the amount of the transaction because auditors extrapolate results based on their sample testing.

Internal Sales (Cornell Vendors)

If your unit accepts procurement cards for internal sales, those sales must be recorded on your credit card sales deposit as interdepartmental revenue. This entry into the general ledger is performed automatically by Cash Management if an internal merchant account has been established. For more information, contact Cash Management and see University Policy 3.17, Accepting Credit Cards to Conduct University Business.

Procedures

Applying for a Procurement Card

Those interested in obtaining a pcard should first contact their supervisor to discuss eligibility. Those individuals who believe they are eligible for a card will then complete an online tutorial and pass an exam. This will ensure that individuals understand and agree to the responsibilities of a cardholder prior to applying for a card. After completing the tutorial and exam (see "PUR 111 – Procurement Card Tutorial and Exam" found at culearn.cornell.edu), submit a "Request a Procurement Card Application" form.

The application form requires the signature of the applicant, supervisor, and unit manager or chair. Credit Card Programs reviews all materials and, if approval is granted, will contact the prospective applicant via email with final details on the card issuing process.

♦ **Notes**:

- Cardholders are encouraged to review the written instructions on submitting documentation, which may be found on the Procurement website.
- An individual may receive only one pcard per unit served by the same Service Center.
- Cardholders may NOT transfer a pcard to a new position. A new position, with different responsibilities and a new supervisor, requires completion of the pcard application process if the use of a pcard is requested.

Procurement cards are sent via US Mail, by the issuing bank, to the address provided on the application. Replacement cards will be automatically mailed to that same address no later than seven days before the card's expiration date. Please note that once your card is issued you must notify Credit Card Programs of your primary address change by completing the Credit Card Update Form as updates made in Workday are not shared with the issuing bank.

Dispute Process - Correcting Erroneous Charges on the PCard

If a cardholder authorizes a vendor to charge his or her pcard, and the resulting charge is incorrect, the cardholder should first contact the vendor and attempt to resolve the error. Some examples of common "errors" are incorrect dollar amount, duplicate charge, credit not received. If the error is not resolved by contacting the vendor, the cardholder will contact the financial institution to initiate a charge dispute. Charge disputes must be initiated within 60 days of the statement date on which the error appeared. The financial institution must acknowledge the "charge dispute" within 30 days of receipt of the report. Within 90 days of receipt of the report, the financial institution will correct the error or provide an explanation as to why the charge is correct.

❖ ***Caution*****:** If the cardholder has not authorized a vendor to charge the pcard, then the cardholder must assume that an unauthorized party has obtained his or her pcard number and must contact the financial institution **immediately**. The pcard account will be shut down and a new plastic, with a new account number, will be mailed to the cardholder. The financial institution may also request that the cardholder complete an additional form (mailed to them by the financial institution) confirming the fraudulent use of the pcard.

Lost or Stolen PCards

If a pcard is lost or stolen, the cardholder must contact the financial institution **immediately** to ensure that fraudulent use of the pcard does not occur. The financial institution will shut down the pcard account and will mail a new plastic, with a new account number, to the cardholder.

Cardholders Change of Status

If a cardholder changes positions within the university, or terminates employment, their pcard must be closed. If a cardholder is on any type of university leave that extends beyond 14 days or is for an unknown duration, that individual's pcard must be suspended. The individual's supervisor will inform the Service Center of the date that the cardholder's leave will start or as soon thereafter as possible. Suspending the pcard will prevent unauthorized use of the account during a time when the cardholder is not available to dispute the charge. See Account Closures and Other Changes to Procurement Cards for further details on suspending an account.

Purchases Rejected by Vendors

If a purchase is declined at the point of sale, the cardholder will first contact the financial institution to obtain the reason, then contact Credit Card Programs if they can provide further assistance. If a card is accidentally destroyed or is damaged and cannot be used, the cardholder will contact the financial institution to request a replacement card.

Account Closures and Other Changes to Procurement Cards

For address changes, account suspensions, account closures, name changes, or any other change of the pcard account, procurement card coordinators will complete an online Credit Card Update form, found at https://www.finance.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms.

♦ **Note:** When a procurement card is lost or stolen, and the financial institution subsequently issues a new plastic with a new account number, a Credit Card Update form does **not** need to be submitted. (See "Lost or Stolen PCards" above.)

Expiring Procurement Cards

A pcard near its expiration date will automatically be replaced by the financial institution, no later than 7 days prior to the end of the month in which the card expires. If a replacement for the expiring pcard is not received, and it is within 7 days of the end of the month in which the card will expire, the cardholder will contact the financial institution.

Policy Violations

University Policy 3.25, Procurement of Goods and Services, and its appendix, this Buying Manual, provide guidelines that are designed to ensure sound business practices and full compliance with other university policies, as well as various external requirements, such as IRS regulations, federal OMB circulars, etc. Procurement card usage must be monitored to ensure that violations of university policy are detected and handled in such a way as to deter future violations. This section of the Buying Manual will provide a course of action in response to a policy violation and identify the party responsible for any follow-up action.

1. **Failure to Submit Documentation**
   One of the most significant problems related to the use of pcards is the failure to provide documentation to substantiate a transaction, as described in "Documentation Requirements." Without adequate supporting documentation, the Service Center cannot be sure which account or object code to select. Credit Card Programs can identify pcard transactions (PCDOs) in the Kuali Financial System (KFS) that do not have an attachment and are therefore, assumed to have had no supporting documentation provided to the university. To reduce this behavior, **Credit Card Programs will suspend all pcards held by an individual who has a pcard transaction in KFS age to 30 days or greater, with no attachment.** The process is as follows:
   - An automated report runs daily to identify any PCDO that was created in KFS more than 30 days prior but has no attachment (business purpose, account, etc.).
   - For each transaction identified, an email notifying the cardholder of the suspension of their pcard is automatically sent to the cardholder, with a copy going to Credit Card Programs.
   - Credit Card Programs will suspend the appropriate account in the bank system. Cardholders whose accounts have been suspended must meet the following criteria to have their account reinstated:
     - Account will remain suspended for a minimum of 30 days.
     - Cardholder will submit the PCard Transaction Detail form, with required documentation attached for each transaction.
     - Cardholder will complete the PCard Tutorial and successfully pass the accompanying exam (PUR 111 is found at culearn.cornell.edu).
     - After the above criteria have been met, the cardholder may request reinstatement by submitting a "Request to Reactivate Suspended PCard" form.
   - Should a pcard be suspended a third time in any rolling twelve months, Credit Card Programs may suspend the account for a longer period time, reduce the transaction limit on the card, or revoke the card.

   ♦ **Note:** As described in Documentation Requirements, when an original receipt is not available, the cardholder must provide a written explanation as to why the original receipt is not available, details about the transaction including a description of the item(s) purchased, vendor's name, date of purchase, quantity, unit price, total cost, account(s) to be charged and a description of business purpose. Cardholders may utilize the Missing Receipt Affidavit form to provide these details.

Other Types of Policy Violations

Other types of policy violations are most easily identified by the pcard coordinator in the service center. Should the pcard coordinator determine that a pcard transaction represents a violation of policy, he/she will report this violation to their manager, who is responsible for evaluating the violation based on the

information provided in this Buying Manual. Requests to suspend or reinstate a pcard will be made to Credit Card Programs.

1. **Lending or Sharing of a pcard**
   Any instance of lending or sharing a pcard should result in a minimum 60-day suspension of the card. This is a significant violation as knowingly sharing a card or card number will negatively impact the cardholder's ability to dispute charges and identify fraudulent transactions.

Other factors that may lead to suspension of your pcard include, but are not limited to the following:

2. **Performance of a prohibited transaction (see section 302, Prohibited Transactions)**

3. **Splitting a Transaction**
   The cost of a single item (whether good or service) must not be split into multiple payments in order to circumvent the per transaction limit on the pcard.

4. **Exceeding or Circumventing the PCard Transaction and/or Cycle Limit**
   Merchants can (and do) force through transactions without verification of a card's limits. Take into consideration whether the cardholder should have been aware that an order would total more than his/her per transaction limit. Each transaction on the card will be supported by a single invoice; multiple payments may not be made against a single invoice. It is also a violation when multiple purchases of the same items are made such that the total combined value of the purchases would require completion of a bid through Procurement Services.

5. **Late submission of documentation**
   Submitting documentation more than seven (7) days after the transaction will generally cause the automatic release of that charge against the card's default account. This violation is significant as it creates an expense for the university without supporting documentation. The Service Center cannot know which account or object code to select without adequate supporting documentation and therefore, additional work is created when the charge (or credit) must be moved to a different account or object code.

6. **Submitting written explanations for missing, lost, not received receipts, in lieu of originals**
   Submitting a written explanation (or Missing Receipt Affidavit) for missing, lost, not received receipts, in lieu of originals may warrant a suspension if/when the frequency or circumstances do not appear reasonable. Each instance must be evaluated individually.

7. **Accidental personal use of the pcard**

8. **Any other use of the pcard that violates this, or other, university policies.**
   Any violation fitting the title above must be evaluated individually by the Service Center Director and may require immediate suspension of the card.

   ♦ **Note:** *If a cardholder's pcard is revoked for noncompliance with policy, the individual cannot apply for a subsequent card.*

Special Considerations for Shared Services Center Cardholders

This section describes special permissions that have been granted to the Shared Services Center procurement cardholders for the payment of catering other event-related expenses, and various services. To qualify for a payment (including a deposit) on a Shared Services Center (SSC) pcard, all of the following general conditions must be met, in additional to any specific restrictions listed in each topic below.

Payment for Cornell faculty, staff and student group travel and visitor travel may be processed on a Travel and Meal (T&M) card. Please see section 352, for a description of transactions prohibited on a T&M card. Please note the following cautions:

- Payment of travel expenses for students are subject to many rules and regulations and must often be processed through Financial Aid. Class trips, conference attendance, or other mission related educational travel may be directly paid from unrestricted department funds only. Travel awards (regardless of sources of funds), travel stipends and payment for travel from funds designated for scholarship **must be processed through the Financial Aid System** (RUSS form). Pay special attention to documenting the business purpose for student travel. Contact the University's Tax Manager for more information or clarification. Before paying any travel related expense directly on behalf of a student, consult with tax@cornell.edu to verify that it does not need to be processed through Financial Aid.
- If the hotel requires only a "confirmation/reservation form" that notes just the number of rooms, dates, cost, and cancellation policy, then it is acceptable for the unit to complete and sign this form.
  Caution: If the hotel requests completion of a form that has any additional terms and conditions that may be considered a "contract", then a purchase order **must** be issued and the contract signed by Procurement, prior to any payment (including a deposit) being made.

General Conditions for all SSC PCard Transactions

- Payments must be made using an SSC pcard; authorization may NOT be extended to a regular card or cardholder, unless specifically stated.
- The SSC will be allowed to pay a deposit up to the first $10,000 of the expenses described in this section using an SSC pcard so long as the necessary purchase order has been issued **prior** to any such payment (including a deposit) being made.
- When the transaction's total exceeds $10,000, payment of the balance remaining after the deposit is paid via SSC pcard, **must** be requested via the purchase order process.
- When collection of insurance certificates is required (as listed in each topic below), the insurance must be verified **prior** to any payment (including a deposit) being made.
- When a transaction is paid for using both a pcard and the PO process, each transaction must contain a reference to the other to create an appropriate audit trail. The SSC will record the Procurement Card Doc (PCDO) number found in KFS from the initial pcard payment in the Notes tab of the PO that was issued for the remaining balance. In addition, the PO number will be recorded in the Notes tab of the PCDO.
- When extenuating circumstances indicate that a payment that is prohibited on pcard must be made via the procurement card, the SSC cardholder will obtain prior written

permission from Credit Card Programs, which will be included with the pcard documentation.

❖ ***Caution*:** Payments may not be requested via Disbursement Voucher (DV) because this payment method does not advance "administrative ease" for the institution.

♦ **Note:** Procurement Services (Procurement) will assist in the collection of insurance certificates from vendors when required per Section 405.Notify Procurement far enough in advance of any payment (including a deposit) to allow adequate time to request and receive the required insurance certificates.

University Events: Catering and/or Event Space Rental

Outlined below are the limited instances in which an SSC pcard may be used for payments up to $10,000 for catering, event space rental, and events that include both food and space. All conditions outlined must be met for any payment (including a deposit) to be made on an SSC pcard. Refer to section 700, Paying for Services.

❖ ***Caution***: A university Travel and Meal card may NOT be used for the payment of catering and/or event space rental.

Considerations when Making Payments for Catering and/or Event Space Rental:

- Catering occurs when a vendor prepares, sets up, serves, or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event, i.e., rented banquet hall. Catering should not be confused with simple delivery where no service is provided on site, i.e., pizza delivery.
- The SSC should confirm insurance certificates are on file for high-risk activities and, when possible, attach the documents to the pcard doc (PCDO) in KFS. Deposit payments via pcard need not be delayed based upon receipt of the insurance documents since Cornell's standard PO terms and conditions contain language on indemnification.
- It is recommended that deposits be limited to 50% of the total and that 100% of the order total is **not** paid in advance.
- Only Procurement Services has the authority to sign vendor contracts for goods or services (see section 409, Contracts for additional information).

Catering Only

- The unit will submit an IWNT document with the vendor contract and quote or scope of work.
- The SSC will create a requisition and submit to Procurement if a vendor contract or quote with terms and conditions (requiring a signature) is attached. See section 700, Paying for Services.
- If any payment is due in less than ten days, please note the due date on the Requisition. Consider following up with Procurement Services via email, as described below in Conditions for Review and Approval of Contracts by Procurement Services.
- After the purchase order is issued, the SSC may proceed with a deposit up to 50% of the total, not to exceed $10,000.
- If the total payment (sum of deposit and final payment) exceeds $10,000, the final balance should be paid through the purchase order process.

- After the deposit (if any) is made, the Service Center will note the PCDO number on the purchase order. In addition, the purchase order number will be recorded in the Notes field of the PCDO.
- If the final payment must be processed via SSC pcard due to vendor requirements and no payment will be issued against the purchase order, the SSC will void the purchase order and note the PCDO number when documenting the reason.

❖ ***Caution:*** *If a caterer provides its own contract, mark the requisition as line-item restricted to route the order to Procurement Services.*

♦ **Note:** If the caterer has signed a University Contract or Pricing Agreement, then that caterer has already agreed to Cornell University's terms and conditions and a purchase order can be issued with a quote. Additional Procurement review is not necessary. To determine if your caterer has signed a University Contract or Pricing Agreement, see the "Caterer and Restaurant List" on Procurement Services website at https://www.finance.cornell.edu/procurement/buyers/hiring-caterers.

Event Space Rental and Event Space with Catering (same process)

In nearly all cases, vendors supplying event space or event space with catering will present the unit with their own contract.

- Attach the vendor contract and quote to the requisition. Mark the requisition as line-item restricted to route the order to Procurement Services. See section 700, Paying for Services.
- **After** the purchase order has been issued, the Service Center may proceed with a deposit up to 50% of the total, not to exceed $10,000.
- If the total payment (sum of deposit and final payment) exceeds $10,000, the final balance should be paid through the purchase order process.
- After the deposit (if any) is made, the Service Center will note the PCDO number on the purchase order. In addition, the purchase order number will be recorded in the Notes field of the PCDO.
- If the final payment must be processed via SSC pcard due to vendor requirements and no payment will be issued against the purchase order, the SSC will void the purchase order and note the PCDO when documenting the reason.

For your convenience, this information is in a chart on the Procurement website at http://www.finance.cornell.edu/procurement/buyers/hiring-caterers.

Please refer to the following:

- Buying Manual Section 700, Paying for Services

Other Services

Service Centers are routinely requested to pay for services (or deposits on a service) via pcard. This occurs even at low dollar levels since regular cardholders have been restricted to a finite list of services that are considered low risk (see details in Section 302, PCard Prohibited Transactions). For these reasons, we are providing below some general information on issues to consider when procuring services.

Most services, regardless of where they are performed, require a contract. Even when the service provider does not require a contract, it is the responsibility of the Service Center to evaluate the service being provided to determine if the resources of the university would be best protected by the issuance of a contract. This may be a contract that is specific to the service being provided and/or the standard terms and conditions associated with a purchase order. The Service Center

should consider the total value of the services, the possible need for a warranty, and risk to property and persons that could create a liability to the university. Safeguarding the assets of the university must be the first consideration when engaging a service provider.

♦ **Note**: There are some commonly used service providers that have already signed a university wide contract; see the preferred and contract supplier list on the Procurement website at http://www.finance.cornell.edu/procurement/supplierlistview.

For a service to be eligible for payment up to $10,000 via SSC pcard, all the following conditions for use must be met.

Conditions for Use

A. The entity being paid for the service must be a corporation, partnership, LLC or LLP. If you are paying an individual, i.e., not one of the business entities listed, you must refer to Section 700 of this manual and perform the Independent Contractor analysis in order to ensure that you are NOT paying an individual who should be classified as an employee and paid through the payroll system.

❖ ***Caution**: You may **not** pay a current employee via pcard. You may **not** pay an individual who has been employed by Cornell at any time in the current calendar year via pcard. You may **not** pay a foreign national for services performed within the United States via pcard. You may **not** pay for services performed by an individual outside the United States via pcard.*

B. The contract (when needed) must be executed by Procurement prior to any payment (including a deposit) being made. *See Conditions for Review and Approval of Contracts by Procurement Services below.*

C. The service provider must meet Cornell's insurance requirements. This rule applies regardless of where the services will be performed.

Conditions for Review and Approval of Contracts by Procurement Services

For those limited instances, when an expedited payment or deposit is needed, a requisition should be submitted with a note that the deposit or payment is due by a certain date and permission is needed to issue the payment via pcard. Procurement will review the contract and issue the purchase order. When a contract is necessary, the appropriate Unit representative will review the document and signify review and acceptance of the vendor's terms by submitting an I Want Doc. The SSC will process the requisition and route to Procurement. Procurement will perform the final review and sign the agreement on behalf of the University.

Gift Cards and Gift Certificates

Gift cards, also known as gift certificates or e-gifts, are considered equivalent to cash by the Internal Revenue Service and in most instances must be reported as taxable income to the recipient. Service Center pcard holders may pay for a gift card/certificate on behalf of a unit when **all** the following conditions are met:

- The use of the gift card/certificate must comply with University Policy 3.14, Business Expenses, particularly related to expenses benefiting faculty, staff or students.
- When the recipient is an employee (U.S. citizen, foreign national, and resident and nonresident aliens) or a student employee, the Service Center will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate at all dollar levels.

- When the recipient is a non-employee, the Service Center will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate when the value exceeds $75.
- The authority to pay for a gift card/certificate on pcard may NOT be delegated by the Service Center to any regular cardholder except as outlined below under "Gift Cards and Gift Certificates for Human Subjects Participating in Research".
- Gift cards/certificates may not be charged to sponsored fund accounts unless the recipient is a human research participant.
- Service Center pcard holders procuring gift cards/certificates will familiarize themselves with the following information located at www.finance.cornell.edu/tax/fordepartments/giftcards:
    - Instructions and requirements for completing the Gift Card/Certificate Reporting form
    - Tax reporting rules, including withholding charged to the unit, that must be communicated to the unit
    - The Cornell Appreciation and Recognition award program (alternative to a gift card/certificate)
    - Direct questions on gift cards/certificates reporting to the University Tax Office at tax@cornell.edu.

Gift Cards and Gift Certificates for Human Research Participants

Units should be directed to section 630, Human Research Subject Payments, which includes information on the use of Tango Cards to purchase gift cards for these unique payments. For those rare instances, when a physical gift card is necessary or when Tango Cards cannot be used, then the service center may issue a memorandum of understanding as described below.

When gift cards/certificates are being provided to individuals who are participating in a research project and that project requires the identities of the human subjects to remain confidential, the service center may delegate the authority to pay for gift cards/gift certificates with a pcard to a regular cardholder in the unit. The Service Center will create a memorandum of understanding with the unit that includes, at a minimum, the following:

- Name of individual cardholder approved to purchase gift cards/gift certificates.
- Begin and end date of the delegation, which should align with the specific research project for which the gift cards/certificates are needed.
- Name of individual in charge of the research who will be requesting the unit cardholder to make gift card/gift certificate purchases.
- The number of gift cards/gift certificates and value of each, if known.
- Requirement that the explanation of business purpose for the purchase include a reference to the MOU and date.
- Requirement that the unit maintains all relevant private payment information for possible tax reporting.
- Requirement that unit has procedures in place to track any unused gift cards/certificates.
- Requirement that the unit and Service Center maintain an MOU in compliance with University Policy 4.7, Retention of University Records.

❖ ***Caution***: Procuring gift cards/certificates for human subjects participating in a research project where the subjects' identify must be kept confidential is the ONLY circumstance under which the Service Center

may delegate the authority to pay for gift cards/certificates to a regular cardholder in the unit. The Service Center may NOT authorize these payments at amounts greater than the maximum $4,999 per transaction limit currently available to a regular cardholder.

♦ **Note**: When the recipient is a human subject or research participant (regardless of employment status), the Gift Card/Certificate Reporting form is not required. However, units should maintain all relevant private payment information for possible tax reporting. Consult Cornell's Institutional Review Board for Human Participants or Survey Research Institute.

Donations

The voluntary contribution of cash or property to any organization outside of the university, regardless of the sources of funds, is considered a "donation." When requested by its customer, a Service Center may utilize a pcard for a donation when **all** the following conditions are met:

- The donation must comply with University Policy 3.12, Business Expenses.
- Donations with a value of more than $500 must be approved by The Office of University Relations, and approval must be attached to the PCDO.
- Object code 6390 will be used for contributions from Cornell to an outside entity.
- Object code 6420 will be used for payments in lieu of flowers.
- The authority to donate utilizing a pcard may NOT be delegated by the Service Center to any regular cardholder.

Please note that sponsorships, advertising, or other engagements with reciprocal value are not considered "donations" and are not subject to prior approval, even if using Object Code 6390 Donation from Cornell. For example, a department sponsorship of a conference with or without recognition of such sponsorship is not considered a donation that requires approval from Community Relations.

Responsibilities

Cardholder

1. Read and understand this policy.
2. Keep your pcard number confidential; lending or sharing the card is not allowed. Keep your card secure (on your person or in a locked file/drawer).
3. Report a lost or stolen card immediately to the financial institution.
4. Comply with the per-transaction and overall monthly cycle limit on your procurement card.
    a. Never "split" the cost of one single item (whether good or service) into multiple payments in order to circumvent the per transaction limit of the pcard.
    b. Do not make multiple payments against a single invoice; each charge on your card must align with an individual invoice/receipt.
    c. Do not make multiple purchases of the same item such that the total combined value of the purchases would have required the completion of a bid through Procurement Services. See "The Purchase Order Process" section of this manual for details on the bid process.
5. Consult your Service Center if you need to make a purchase that is not allowed on pcard, or that exceeds your pcard transaction limit.
6. Purchase only business-related items permitted by University Policy 3.14, Business Expenses. Do NOT purchase any good or service contained in "*Prohibited Transactions"*; never use the card for personal expenses.
7. The cardholder is responsible for ensuring that any expense paid by procurement card is not otherwise submitted for reimbursement or used for any inappropriate purpose.
8. Inform the vendor that your purchase is exempt from New York State sales tax. If the vendor will not grant a sales tax exemption, note the vendor's refusal on your receipt.
9. Submit sufficient documentary evidence, including any required original receipts, account(s) to be charged, and an explanation to support the business purpose of each transaction on your card via the PCard Receipt Processing System. You must redact any sensitive data (e.g., credit card numbers) from the documentation prior to uploading it. Submission of the documentation will occur within ten days of your receipt of the email notification from the PCard Receipt Processing System. See "Documentation Requirements" for further details on documentation.

    ❖ ***Caution*****:** The requirement to provide sufficient documentary evidence exists even when you are away from your primary work location, especially in light of increased credit card fraud.
    ❖ ***Caution*****:** If the amount charged to your pcard differs from the amount on your receipt, contact the merchant and note the reason for the price difference within the business purpose field of the PCard Receipt Processing System.

10. For any documentation that must be submitted via the PCard Receipt Processing System, as outlined in "Documentation Requirements," retain original documentation for 60 days from the submission date. Follow your department procedures for storage location.
11. Review your credit card statement upon receipt and if any errors are identified, follow the procedures outlined in "Dispute Process - Correcting Erroneous Charges on the PCard."
    ♦ **Note:** Credit card statements, both paper and electronic, are issued only if there is activity on the account during the month. These statements are not subject to University Policy 4.7, Retention of University Records, and paper statements may be shredded if unit practice permits (supervisors may wish to review and/or retain statements).
12. If you authorize a regular monthly charge to your card, you are responsible for notifying the vendor in the event that your card number changes, or your account is closed or suspended.

❖ **Caution:** Failure to comply with university policy, including all procedures outlined in this manual, will result in the suspension or revocation of your procurement card.

Service Center Director

1. Appoint one or more procurement card coordinators (i.e., Fiscal Officer's delegates for PCDOs in KFS). This person must have appropriate knowledge of financial, purchasing and accounting policies and be employed directly in your center
2. Initiate procurement card applications, as requested by supervisors after reviewing:
   a. for reasonableness of request
   b. to determine applicant's prior history of policy compliance (assuming he or she previously held a pcard in a unit served by your Service Center)

   ❖ **Caution:** If an applicant formerly held a pcard, there must be *compelling evidence* that the card is *essential* for that individual's job function and that they were compliant with university policies related to procurement cards. See the Credit Card Programs web pages for further details on the application process.

3. Review the policy violation information provided by your procurement card coordinator(s)
4. Take appropriate action to ensure that violations of this policy result in the suspension or revocation of the procurement card, as described in section 306, Policy Violations.
5. Review with Unit Managers any pcard that has not been used at least 12 times in any one year for possible closure. Notify each cardholder, whose account is to be closed, and then request that Credit Card Programs close the account
6. Report incidences of possible abuse of procurement card privileges, or the fraudulent use of a procurement card, to the University Audit Office, as required by University Policy 3.6, Financial Irregularities.

   ♦ **Note:** Contact Credit Card Programs, in the Shared Services Center, at any time for guidance on suspensions, revocations, and other issues.

Credit Card Programs

1. Administer change to this manual
2. Provide guidance (Service Center directors, procurement card coordinators, supervisors, and cardholders)
3. Provide information and updates to procurement card coordinators as needed
4. Review applications
5. Serve as university contact with financial institution issuing procurement cards
6. Close pcards as requested by Service Centers
7. Suspend/revoke procurement cards as necessary based on the results of reviews by pcard coordinators, the University Audit Office, other external auditors, and/or the findings of Credit Card Programs, as described in section 306, Policy Violations

Procurement Card Coordinator

1. Read and understand this manual
2. Complete the procurement card online tutorial. For instructions and a link to the tutorial in CU Learn, please visit the Procurement website at https://www.finance.cornell.edu/procurement/buyers/credit-cards/procurement-card/applying
3. Assist, as necessary, with procurement card applications, disputes, and account maintenance

- ***Caution*:** Do NOT store credit card numbers.

4. Review each procurement card charge found in your KFS action list to ensure that each charge has sufficient supporting documentation, an appropriate object code, and a documented business purpose that is in compliance with university policy and other restrictions applicable to the account. Each PCDO doc in KFS should, when possible, be reviewed as described and then approved prior to the doc auto-approving in KFS. Utilize the scanned images and other data provided by the cardholder in your pcard receipt processing system workflow queue. After approving the PCDO, route the record in the workflow queue.

   - ***Caution:*** When sales tax is a component of a transaction that is otherwise classified as federal unallowable (e.g., alcohol), it MUST be recorded with a federal unallowable object code and must not be charged to Federal or State appropriations or any grant or contract account (Funds AP and CG.) Sales tax on goods/services that are not classified as federal unallowable does not require a federal unallowable object code.

5. Determine that any credit issued for a procurement card purchase reflects the exact account number(s) charged for the initial purchase
6. When a cardholder provides necessary documentation after a transaction has already auto-posted to their default account, ensure that:
   a. The transaction is placed on the correct account; creating a general ledger transfer (GLT) when needed.
   b. Necessary information (i.e., what was purchased, business purpose, explanation of why original receipt not turned in) is attached to the PCDO, preferably through the PCard Receipt Processing System, as described in *"Documenting Procurement Card Transactions"*.
   c. If the transaction was not performed by the cardholder, direct the cardholder to contact the bank so that the charge may be disputed or reported as fraudulent (see details on disputing a transaction in "Dispute Process – Correcting Erroneous Charges on the PCard" in Section 305)
7. Report to your Service Center director or designee any violation of university policy, including this manual. Violations include, but are not limited to: missing documentation, performance of a prohibited transaction, splitting a transaction, lending/sharing of pcard, transactions exceeding the pcard limit, accidental personal use of pcard, late submission of documentation
8. Request closure of procurement card accounts based upon instructions provided by the cardholder's supervisor, unit human resources representative, or Service Center director. For details on closing an account, see Account Closures and Other Changes to Procurement Cards, in this manual
9. Report incidences of possible abuse of procurement card privileges, or the fraudulent use of a procurement card, to the University Audit Office, as required by University Policy 3.6, Financial Irregularities

Supervisor

1. Request that a procurement card application be initiated by your Service Center ONLY for those individuals whose position requires frequent business-related purchases, as outlined in their job description
2. Implement procedures to re-evaluate the need for a procurement card whenever a staff member's job requirements or status changes
3. When a staff member begins any type of university leaves that extends beyond 14 days, or will be for an unknown duration, request that your Service Center suspend the pcard. Upon the staff member's return, the supervisor may request the Service Center re-activate the pcard by submitting the Credit Card Update form.

4. Implement procedures to ensure that any expenses charged on a procurement card that would normally seem to be for personal use, such as CDs, videos, meals, and so forth, are based on the cardholder's job requirements
5. Respond to notifications from the service center regarding failure of your direct report (pcard holder) to provide required documentation for a pcard charge
6. Submit a Credit Card Update form when an account must be closed due to termination or change of status
7. Assist Credit Card Programs and/or the Service Center director in suspending or revoking a cardholder's pcard privileges, as requested

Unit Chair or Business Manager

1. Review procurement card applications to ensure that the applicant has job responsibilities that include frequent business-related purchases
2. Assist the SSC director in suspending or revoking a cardholder's pcard privileges, as requested
3. Review any pcard transaction that was received greater than 30 days ago that auto-posted to one of your unit's accounts, where the cardholder has not yet provided necessary documentation. When the needed information can be obtained from the cardholder, provide the KFS edoc number, business purpose and account number to your Service Center.

Senior Finance Group (SFG) Member

1. Review section 306, Policy Violations and understand your responsibilities.
2. Review the policy violations brought to your attention by Credit Card Programs and determine whether it is reasonable to revoke or reactivate the card; communicate your decision to Credit Card Programs.

University Paid Travel and Meal Card

Introduction

A "travel and meal card," also referred to as the T&M card, is a university liability credit card that is issued in an employee's name. The card is used for the payment of travel-related business expenses, including locally hosted business meals. The bill for all charges on T&M cards is paid centrally by the university. Cardholders will not make any payments to the issuing bank.

Charges to the T&M cards are automatically uploaded to the university's travel expense system, Concur. Cardholders are required to complete expense reports within Concur in a timely fashion, in compliance with University Policy 3.2, Travel Expenses. Completing the expense report allows transactions on the travel card to be charged against one or more unit accounts.

All charges to the T&M card must be for business purposes only and in full compliance with other university policies, particularly University Policy 3.2, Travel Expenses and 3.14, Business Expenses. The cardholder is responsible for providing supporting documentation and an explanation of business purpose for all charges to the T&M card.

❖ ***Caution*:** Failure to use the T&M card in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the T&M card and possible disciplinary action. Fraudulent use of the T&M card can result in employee termination, expulsion from school (for students), and criminal charges.

Eligibility

Cornell University faculty and staff members are eligible to apply for a T&M card if the applicant has NOT incurred a write-off (i.e., reached 180 days past due) on a personal liability corporate travel card AND his/her position at the university requires any of the following:

1. Business travel at least twice per year
2. Booking of visitor travel
3. Hosting of business meals

Use of the Card

The T&M card is intended for the basic travel expenses of individual travelers such as transportation, lodging and meals. See University Policy 3.2, Travel Expenses, for additional specific details about each type of expense.

Allowed expenses include:

Type of Purchase	Description
Automobile Rentals	Details on university contracts with auto rental agencies can be found at https://finance.cornell.edu/procurement/buyers/commodities/vehicle-rental
Conference Registration Fees	These fees are also eligible for payment via pcard.
Incidental Supplies During Travel	Occasionally, the need for a supply may occur during travel, for example, replacement of a traveler's lost laptop cord.
Lodging	Hotel rooms for individual travelers.

Meals	Meal costs for travelers are covered under per diem. Travelers should familiarize themselves with the per diem allowance for their destination to avoid the risk of making meal purchases on the T&M that exceeds the allowance and having to return funds to the university. Hosted business meals, including those held locally, may be paid with the T&M card. When an individual does not have a T&M card, it is also acceptable to utilize a pcard for local business meals.
Restaurant Private Dining Room Fees	It is acceptable to pay a private dining room fee when hosting a business meal in a restaurant.
Room Blocks	Costs to cover a block of rooms for lodging only at a hotel may be paid via T&M card. The unit should be aware of the costs for the minimum number of rooms and cancellation fees. Caution: If the costs include additional fees for meeting space, catering, AV equipment rental, etc., a purchase order is required.
Transportation	Individual tickets on a common carrier – airlines, bus, boat, ferry, taxi.
Travel Expenses for Colleagues or Guests	The T&M card holder may utilize their card for the payment of the travel expenses listed here for other university travelers, visitors, or guests of the university. The cardholder is still subject to the requirements outlined in “Documentation and Expense Report Requirements.” Caution: Do not pay the travel expenses of a vendor providing services to the university, these expenses are to be submitted as part of their invoice.

Prohibited from Payment on the T&M Card

The T&M card is not intended for use as a procurement tool for non-travel goods and services, services requiring a contract, including expenses associated with events. Your T&M card is subject to suspension if prohibited transactions are carried out on the card.

Prohibited transactions include:

Type of Prohibited Purchase	Description

Catering	Catering requires the issuance of a purchase order; payment is not allowed via T&M card. Catering occurs when a vendor prepares, sets up, serves, or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event, i.e., rented banquet facility. Catering should not be confused with simple food delivery where no service is provided on site, i.e., pizza delivery.
Charters	All charters (airplane, bus, boat, etc.) require the issuance of a purchase order and Procurement review and will not be paid via T&M card.
Event Space Rental	All space rental requires the issuance of a purchase order and will not be paid via T&M card.
Goods and Services, non-travel	The T&M card is not a procurement tool for non-travel goods and services.
Local Food/Grocery Items	When not in travel status, paying for food with the T&M card is limited to hosted business meals only. The card will not be used for local food purchases, including delivery and grocery store items.
Services Requiring a Contract	Only agents in Procurement Services may execute contracts on behalf of the university. Do not sign a vendor's contract; submit your documentation via the IWNT doc as soon as a service provider is identified.
Personal Expenses	The T&M card is not to be used for personal purchases; however, it is understood that there are limited circumstances when this may occur. For example, a spouse attends a hosted business meal, and it is impractical to separate the bill. Under this type of circumstance, the cardholder will be allowed to reimburse the university. See University Policy 3.14, Business Expenses and University Policy 3.2, Travel Expenses.

Applying

Applications for T&M cards will be supplied only to those individuals specifically authorized by their unit. Those interested in obtaining the T&M card must complete an online tutorial and pass an exam prior to applying for a card. This will ensure that individuals understand and agree to the responsibilities of a

cardholder prior to applying for a card. After completing the tutorial and exam (see "PUR 113 – Travel & Meal Card" found at culearn.cornell.edu), contact your service center to request that an application for a T&M card be initiated for you.

Cash Advance Requests

Travelers in need of a cash advance will make the request through Concur. T&M cards are not issued with the cash access feature enabled (i.e., you cannot obtain cash via an ATM).

Documentation and Expense Report Requirements

Cornell requires that all cardholders submit documentation for all purchases on their T&M card. Sufficient documentary evidence is necessary to comply with university policies, sound business practices, and the requirements of external and internal reviewers.

Cardholders are required to ensure that documentation supporting each transaction on the T&M card is stored electronically within Concur and associated with the appropriate expense report. University Policy 3.2, Travel Expenses, requires travelers to submit expenses and complete their expense report within 30 days, but no later than 60 days, of return from travel. In addition, cardholders must retain original documentation for 60 days after their expense reports have been submitted. Failure to comply with documentation requirements, including the timely completion of an expense report within Concur, is grounds for suspension of the T&M card.

See University Policy 3.2, Travel Expenses for details on documentation requirements for travel. Further information on Concur, including creation of expense reports, can be found at http://www.blogs.cornell.edu/travel/training-and-guides/.

Policy Violations

Failure to use the T&M card in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the T&M card and possible disciplinary action. Fraudulent use of the T&M card can result in employee termination, expulsion from school (for students), and criminal charges.

Examples of policy violations that may results in the suspension of the T&M card include, but are not limited to:

1. Failure to supply documentation for charges to the card
2. Failure to complete expense reports within Concur in a timely fashion, as described in University Policy 3.2, Travel Expenses
3. Payment of personal expenses with the T&M card beyond what may be considered reasonable, as described under "Use of the Card"
4. Failure to reimburse Cornell in a timely fashion for any charge to the T&M card that has been identified as personal
5. Use of the card for business expenses that were not related to travel or locally hosted business meals, as described under "Use of the Card"
6. Lending/sharing your card

Since travel expense reports are reviewed by the KFS Org Manager (a position that is generally within the unit), each KFS Org Manager is responsible for reporting all policy violations to the appropriate BSC Director. A request for suspension will be sent to Card Programs by the BSC Director, or their designee, and the card will remain suspended until such time as the violation has been corrected, i.e., documentation is submitted, expense report completed, repayment of personal expense is made.

If it is necessary to suspend a T&M card more than once in any 12-month period, the BSC Director will notify the SFG member. If/when the SFG member is satisfied that the cardholder understands the requirements of using a T&M card, he/she will submit a request to Card Programs to reinstate the card.

Errors on Your Card: Disputing a Charge/Reporting Fraud

Cardholders will receive a monthly statement from the issuing bank - this is not a bill. Cardholders will NOT make a payment to the issuing bank. Cardholders should review all expenses on the monthly statement for accuracy.

If a cardholder has authorized a vendor to charge his or her T&M card and the resulting charge is incorrect, the cardholder should first contact the vendor and attempt to resolve the error. Some examples of common "errors" are incorrect dollar amount, duplicate charge, or credit not received. If the error is not resolved by contacting the vendor, the following steps will be taken:

1. The cardholder will contact the issuing bank to initiate a charge dispute.
2. The issuing bank will provide the cardholder with the appropriate charge dispute form.
3. The cardholder will complete the charge dispute form and fax it back to the financial institution within 60 days of the statement date on which the error appeared.
4. The financial institution must acknowledge the charge dispute within 30 days of receipt of the form.
5. Within 90 days of receipt of the form, the financial institution will correct the error or provide an explanation as to why the charge is correct.

- ***Caution*:** If the cardholder has not authorized a vendor to charge the T&M card, then the cardholder must assume that an unauthorized party has obtained his or her card number and must contact the financial institution **immediately**. The card account will be shut down and a new T&M card, with a new account number, will be mailed to the cardholder. The financial institution may also request that the cardholder confirm the fraudulent use of the card by completing an affidavit of fraud form, which the financial institution will mail to the cardholder.

Lost or Stolen Cards

If a T&M card is lost or stolen, the cardholder must contact the financial institution **immediately** to ensure that fraudulent use of the card does not occur. The financial institution will shut down the travel card account and will mail a new card, with a new account number, to the cardholder.

Cardholders Change of Status

If a cardholder is on any type of university leave that extends beyond 30 days or is for an unknown duration, that individual's card must be suspended. The individual's supervisor will inform the SSC of the date that the cardholder's leave will start. Suspending the T&M card will prevent unauthorized use of the account during a time when the cardholder is not available to dispute the charge. See Account Closures and Other Changes to T&M Cards for further details on suspending an account.

Purchases Rejected by Vendors

If a purchase is declined at the point of sale, the cardholder may call the financial institution or his/her service center to obtain the reason. If a card is accidentally destroyed or is damaged and cannot be used, the cardholder will contact the financial institution to request a replacement card.

Account Closures and Other Changes to T&M Cards

Representatives of the cardholder's service center will utilize the Credit Card Update form to request name or address changes, account suspensions and closures. The form may be found on the

Procurement website at https://www.finance.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms.

♦ **Note:** When a T&M card is lost or stolen, and the financial institution subsequently issues a new credit card with a new account number; a Credit Card Update form does **not** need to be submitted. (See "Lost or Stolen Cards" above.)

Expiring Cards

A T&M card near its expiration date will automatically be replaced by the financial institution, no later than 7 days prior to the end of the month in which the card expires. If a replacement for the expiring card has not been received within 7 days of the end of the month in which the card will expire, the cardholder will contact the financial institution.

Inactive Cards

An unused and potentially unmonitored credit card account creates the opportunity for fraudulent use by unauthorized parties; therefore, Credit Card Programs will close any T&M account that is not used at least once in any one-year period. Unused cards will be identified at least monthly, and Credit Card Programs will notify the cardholder of the account closure.

Any T&M card that is not routinely used at least once per year and/or where the cardholder no longer meets the eligibility requirements outlined in this document should be reviewed for closure. To facilitate the review of cards, each January, Credit Card Programs will supply BSC Directors with an annual report of card usage. It is the responsibility of each BSC Director to review this information with Unit Managers to ensure that all cardholders continue to meet minimum eligibility requirements. The BSC Director will notify any cardholder whose account is to be closed and then submit the closure request to Credit Card Programs.

Responsibilities for the University Paid Travel and Meal Card

Cardholder

- Understand and abide by the requirements of using a T&M card as outlined in the Travel and Meal Card section of this manual and University Policy 3.2, Travel Expenses.
- Contact the issuing bank immediately if your card is lost or stolen, or if you identify a charge on your card that you did not authorize.
- Keep your T&M card number confidential (lending or sharing the card is not allowed) and the card itself secure (keep it on your person or in a locked file/drawer).
- Collect supporting documentation for all charges to the card and ensure that the documentation is stored electronically, within Concur, and associated with the appropriate expense report.
- Complete expense reports in Concur in a timely fashion in compliance with University Policy 3.2, Travel Expenses.
- Retain original documentation for 60 days after the expense report has been submitted.
- Do not use the T&M card for personal expenses, beyond what may be considered reasonable, as described under the “Use of the Card” section of the manual.

    - ***Caution*****:** Any charge to the T&M card that is deemed to be a personal expense must be reimbursed to the university.
- Do not use the T&M card for business expenses that are not related to travel or locally hosted business meals, as described under the “Use of the Card” section of the manual.

    - ***Caution*****:** Failure to comply with university policy, including all procedures outlined in this manual, may result in the suspension or revocation of your card.

Supervisor

1. Approve T&M card applications only for those individuals that meet the eligibility requirements outlined in this manual.
2. Contact the SSC to request a card suspension if your direct report/cardholder will be on any type of university leave for greater than 30 days or for an unknown duration.
3. Contact the SSC director to request a travel card closure if your direct report/cardholder is leaving his/her position.
4. Assist the SSC in suspending or revoking a cardholder’s T&M card privileges, as requested.

KFS Org Manager

1. Review charges to the T&M card contained in expense reports.
2. Report any charges to a T&M card that do not comply with university policy, including this manual, to your BSC director.
3. Collect reimbursement for any personal charge to a T&M card and forward to your BSC for deposit; include instructions on the account that is to be reimbursed.
4. Assist the SSC in the yearly review of T&M cards and the determination as to whether the cardholders continue to meet the eligibility requirements for a card.
5. Report incidences of possible abuse of T&M card privileges, or the fraudulent use of a card, to the University Audit office, as required by University Policy 3.6, Financial Irregularities.

Service Center Director

1. Review card misuse, as reported by the KFS Org Manager, and request suspension of T&M cards as outlined in this manual.
2. Request that Card Programs suspend a T&M card when a cardholder's supervisor reports that the cardholder is on leave.
3. Request that Card Programs close a T&M card when a cardholder's supervisor reports that the cardholder has left his/her position.
4. Deposit any reimbursement of personal charges to a T&M card to the account identified by the KFS Org Manager.
5. Conduct an annual review with the KFS Org Manager of all T&M card holders in the unit and close any account where the cardholder no longer meets eligibility requirements.
6. Report incidences of possible abuse of T&M card privileges, or the fraudulent use of a card, to the University Audit office, as required by University Policy 3.6, Financial Irregularities.

Senior Financial Group Member

1. Review instances of card suspensions, as reported by the SSC.
2. Request reactivation of a suspended T&M card only in the event you believe the cardholder understands the requirements of using a T&M card; contact creditcards@cornell.edu to request card reinstatement.

Credit Card Programs

1. Administer changes to this manual.
2. Provide guidance to campus, i.e., SSC directors, KFS Org managers, supervisors, SFG members, and cardholders.
3. Provide information and updates to campus customers, as needed.
4. Review applications and contact the supervisor if an applicant does not meet the eligibility requirements outlined in this manual.
5. Serve as university contact with the financial institution issuing cards.
6. Close or suspend cards as requested by the SSC director or a cardholder's supervisor.
7. Revoke cards as requested by SFG members or as a result of the findings of University Audit or external auditors.