Purchasing Card Training

Instructor: Ryan Pasko

Carnegie Mellon University
Finance Division

Let's Agree to...

- Be positive and in the present

- Affirm one another

- Be open to different ways of thinking

- Put phones away and on vibrate

- Recognize our common goals

- Welcome everyone into the discussion

Carnegie Mellon University
Finance Division

Agenda

- Welcome and Introductions

- Review of Introduction to Purchasing Information

- Define Purchasing Card (PCard)

- Roles and Responsibilities

- Proper Card Usage

- Transaction Verification

- Audit and Compliance Program

- Reminders and Additional Resources

Carnegie Mellon University
Finance Division

Introduction to Purchasing Review

Carnegie Mellon University
Finance Division

University Purchasing Process

Identify Need

- What do you need to purchase

- Is it a good or a service

- If a service is being purchased, the University Contracts Office must sign any agreements prior to the purchase or making any deposits.

Gather Information

- Need to know:
  - Funding Type
  - Supplier Type
  - Total Price

- Determines what documentation is required prior to purchase

- Total purchase price determines what payment method may be used

Make Purchase

- Use the appropriate payment method to make the purchase

Receive/Verify

- Card purchases
  - Purchases verified in Oracle after the transaction is completed

- PO purchases
  - Once requested goods/services are received, the buyer creates a receipt in Oracle

Carnegie Mellon University
Finance Division

Sales Tax Exemption

- Applicable to all business purchases made directly with CMU funds on a university card or PO

- PA Law states that exempt status is not "transferable"

- Transferring could result in the university losing its sales tax exemption status
  - Never utilize the sales tax exemption with personal funds

- Provide supplier with exemption number or copy of exemption certificate

- Certificate can be obtained at https://www.cmu.edu/finance/taxation/sales-tax/files/pa-exemption.pdf

Carnegie Mellon University
Finance Division

Other Taxes

CMU does pay:

- ✓ Sales Tax in states where we don't have an exemption

- ✓ Amusement Tax

- ✓ Unrelated business income Tax

- ✓ Value Added Tax (VAT)

- ✓ Potential foreign withholding Tax

- ✓ Tele-communications Tax

- ✓ Alcohol Beverage Tax (7%)

- ✓ Hotel Occupancy Tax

- ✓ Vehicle Rental Tax (PA & Allegheny Tax)

Carnegie Mellon University
Finance Division

Contracts

- Buyers do not have the authority to enter into agreements on behalf of the university

- The UCO reviews, drafts and executes documents, contracts and licenses related to any CMU business affair

  - Ensures all university and governmental requirements have been met in relation to the business affair

  - Ensures any other university department, which may have an interest in the business affair, is notified and consulted

- Creates and manages Master Service Agreements

- Creates and manages Click-Through Agreements

Carnegie Mellon University
Finance Division

Introduction to Purchasing Review

Foreign Corrupt Practices Act (FCPA)

- Prohibits any U.S. person or company (including the university) from the following:
  - Direct or indirect bribery to a foreign official to obtain or retain and/or direct business to any person or to secure an improper advantage
  - Includes any offer, payment, promise of payment, or authorization of payment of any money, or offer, gift, promise to give or authorization of the giving of anything of value

- Please complete the "U.S. Foreign Corrupt Practices Act – An Overview for Employees of Carnegie Mellon University" course available in FocusU. You may also review the Carnegie Mellon FCPA Guidelines, FAQ's, and training materials on the General Counsel website at http://www.cmu.edu/ogc/fcpa/index.html

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Card Program Basics

Carnegie Mellon University
Finance Division

University Card Program

Purchasing Cards (PCards)

- Card issued to authorized employees to make allowable purchases of goods and services on behalf of the university

  - HAZMAT cards are a subset of PCards used to make purchases of hazardous materials. This program is managed by Environmental Health & Safety (EH&S)

Travel Cards

- Departmental and/or individual purchasing cards issues by the university designed to simplify and streamline the process of paying for university travel expenses

Carnegie Mellon University
Finance Division

Purchasing Cards

- Assigned dollar limits and Merchant Category Code (MCC) restrictions

- Not used for purchases above the Purchasing Policy micro-purchase threshold ($5,000)

- University sales tax exemption can be used at point of purchase

- Card purchases are governed by:

  - Purchasing Policy

  - Procurement Manual (contains University Card Program Guidelines)

  - Business and Travel Expense Policy

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Roles and Responsibilities

Carnegie Mellon University
Finance Division

Purchasing Card Roles

VISA

- Credit card provider

PNC Bank

- Issues credit cards to CMU

Carnegie Mellon University

- Sets policies and procedures for card usage

- Pays for transactions

Carnegie Mellon University
Finance Division

Purchasing Card Roles

ALG Member	Cardholder	Verifier	Approver	Finance Division	EH&S
Administrative Leadership Group (ALG) Highest ranking business or finance person in a school or division	Person who holds a university card and is responsible for purchases made with the card	Person responsible for verifying card transactions in Oracle	Person responsible for approving card transactions in Oracle	Central program leadership	Responsible for setting policy around HazMat card usage and defining hazardous materials

Carnegie Mellon University
Finance Division

ALG Member

- Approves the request of new cards

- Ensures all transactions have a legitimate business purpose and are in compliance with all applicable policies and procedures

- Evaluates exceptions to the University Card Program Guidelines

- Notifies the PCard Help Desk of any potential violations or suspected misuse of university cards and assists in obtaining information and issue resolution relative to cardholders and purchases

- Approves changes to cards and card cancellations

- Business Managers may be a first decision point, but ALG approval is required prior to any action being taken or the request moving to central finance

Carnegie Mellon University
Finance Division

Cardholder

- Ensures all purchases have a legitimate business purpose and proper justification

- Maintains security of the university card, reports lost/stolen/compromised cards immediately;

- Ensures transactions are charged to the appropriate General Ledger (GL) or Grants Management account string

- Verify transactions, enters business justifications and attaches required receipts/documentation within 30 days of the transaction loading into Oracle

- Ensures sales tax is not paid when possible

- Complies with department's policy for records retention

Carnegie Mellon University
Finance Division

Verifier

- Allocates card transactions within 30 days from the date the transaction loads into the Oracle Financials system

- Ensures transactions are charged to the appropriate General Ledger (GL) or Grants Management (GM) account string

- Enters a business justification and attaches required receipts and documentation

Carnegie Mellon University
Finance Division

Approver

- Reviews card transactions in the Oracle Financials system

- Ensures all transactions are legitimate business expenses and have proper business justifications

- Confirms all transactions are in compliance with university purchasing policies and procedures, as well as any department-specific guidance

- Reviews transactions for proper business justifications and ensures required receipts and documentation have been entered in the Oracle Financials system

- Cannot be the cardholder or the verifier

20

Carnegie Mellon University
Finance Division

Finance Division

- Evaluates requests for new cards, changes to existing cards, or any exception to the Purchasing Policy and/or University Card Program Guidelines

- Provides and maintains the financial system for accounting/reconciliation of transactions

- Provides training and documentation regarding university policies and procedures

- Manages relationship between credit card provider and the university

- Administers the process of enrolling, suspending and deleting cardholders and making any changes to existing cards

- Manages requests for exceptions and maintain records of approved exceptions

- Manages relationship between credit card issuer and the university

- Maintains MCC restrictions

- Audits transaction activity for compliance with policies and procedures

Carnegie Mellon University
Finance Division

Environmental Health & Safety

- Evaluates requests for new HazMat cards and changes to existing HazMat cards

- Provides training and documentation regarding EH&S policies and procedures

- Informs PCard Help Desk of any potential concerns or suspected misuse of the cards

- Ensures charges represent legitimate business expenses and have proper business justifications (including the details the of the Principle Investigator, where material is to be used, volume of the purchase and storage location, etc.)

- Ensures compliance with university policies and procedures

- Ensures required documentation is included, such as receipts and Materials Safety Data Sheet

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Card Usage

Carnegie Mellon University
Finance Division

Purchasing Card (PCard)

Card Usage

A card issued to authorized employees to make allowable purchases of goods and services on behalf of the university.

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Card Limits

Limit Reviewers	Single Purchase Limit (SPL)	Monthly Purchase Limit (MPL)
• Administrative Leadership Group (ALG) Member • Procurement Services if SPL more than $5,000 • International Finance if card issued in an international ledger	• Maximum amount per purchase • Typically capped at $5,000 • Card declines if exceeded	• Maximum amount per bank cycle • Card declines if exceeded • Cycle dates run from 26th to 25th • Verifying transactions in Oracle does not refresh monthly limit

Carnegie Mellon University
Finance Division

Split Purchases

- Splitting a purchase to avoid limits is a violation of University Card Program Guidelines

  - Examples:

    - Asking vendor to split a charge to get around the Single Purchase Limit set for the card

    - Splitting an order so that each purchase appears to fall below to micro-purchase threshold ($5,000)

Carnegie Mellon University
Finance Division

Card Setup Restrictions

- Cards are not set up for cash advances

- Merchant Category Codes
  - 4-digit merchant category code assigned to a vendor when they are set up to accept credit cards
  - Categorizes the type of good/service provided
  - If restricted, purchase declines

  - Some restricted MCC's include but not limited to:
    - ✖ Airlines
    - ✖ Travel Agencies
    - ✖ Doctors
    - ✖ Real Estate
  - List of restricted MCC's available at https://www.cmu.edu/finance/procurementservices/card-program/files/mcc-exclusions.xls

Carnegie Mellon University
Finance Division

Telecommunications Restrictions

Federal Law prohibits university personnel from purchasing telecommunication and video surveillance services or equipment (e.g., cameras) from the following companies (or any subsidiary or affiliate of such entities):

* Huawei Technologies Company

* ZTE Corporation Hytera Communications Corporation

* Hytera Communications Corporation

* Hangzhou Hikvision Digital Technology Company

* Dahua Technology Company

* The People's Republic of China

* Russian Federation

Carnegie Mellon University
Finance Division

Telecommunications Restrictions

The following Merchant Category Code (MCC) restrictions are added to all university purchasing cards:

4812 - Telecommunications Equipment Including Telephone Sales
5946 - Camera and/or Photographic Supply Store

Card purchases with merchants who have classified themselves with either MCC will decline.

Items with restricted United Nations Standard Products and Services Code (UNSPSC) will not be available for purchase when using a university Amazon or Office Depot account.

Use only university preferred suppliers who have certified that they do not sell goods from the federally banned companies

Buyer should only utilize ePlus, Dell, Dobil Laboratories, or J.E. Foss for telecommunications and video surveillance services or equipment purchases.

If purchasing telecommunication or video surveillance services or equipment from a non-preferred supplier, please contact Matthew D'Emilio, director, University Contracts Office (mdemilio@andrew.cmu.edu<mailto:mdemilio@andrew.cmu.edu>) for review.

Carnegie Mellon University
Finance Division

Procurement Manual Restrictions and Reminders

- The Procurement Manual outlines the procedures related to all types of procurements on behalf of the university.
  - Contains the University Card Program Guidelines
  - Explains special procurement categories

- Making a purchase that is not allowed per the Procurement Manual and/or it's University Card Program Guidelines will result in an audit violation.

Carnegie Mellon University
Finance Division

Restricted Purchases

✖ Personal Purchases

✖ Sharing of cards, account numbers, expiration date or security features

- Cardholder is responsible for all transactions on the card

- Protect your card at all times

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Procurement Manual Restrictions and Reminders

Restricted Purchases

✖ Purchases above the micro-purchase threshold of $5,000

- Procurement Manual Section 3.0 *University Procurement Principles*

✖ Leased space or facility agreements

- Procurement Manual Section 6.3.1 *Rental of Storage Space or Facilities/Leased Space*

✖ Employee Personal Moves or Relocation

- Procurement Manual Section 6.3.2 *Employee Moving or Relocation*

✖ Hazardous Materials

- Procurement Manual Section 8.1 *Hazardous Materials*

Carnegie Mellon University
Finance Division

Procurement Manual Restrictions and Reminders

✖ Live Animals

- Procurement Manual Section 8.2 *Animals*

✖ Cellular devices, voice and data services, and home internet charges

- Procurement Manual Section 8.7.1 *Communication/Internet Plans/Devices*

✖ Professional Services

- Procurement Manual Section 8.10 *Services*

✖ Warehouse club memberships

- Procurement Manual Section 8.18 *Warehouse Club Memberships*

Carnegie Mellon University
Finance Division

Restricted Purchases

Federal and Sponsored Funds

- Buyers should always understand the source of funding for the purchase and the purchasing requirements and restrictions of the organization or entity that funds the purchase

- Purchases must be allowable by that grant

- Restrictions may apply even if university policies says it's allowable

  - Alcohol and entertainment expenses are prohibited by federal funds, and some sponsors may prohibit alcohol as a business expense

- Purchases may be require prior authorization by the contracting officer

Contact Sponsored Projects Accounting (SPA) for questions regarding sponsored funds

- Procurement Manual Section 7.5 *Contracting Roles and Responsibilities*

Carnegie Mellon University
Finance Division

Services

- The PCard can be used for any service, except professional services, where the total amount or cumulative value does not exceed $5,000.

! A contract must be executed with University Contracts Office **prior** to the purchase, including deposits, of _all services_ and attached to the transaction in the Oracle Financials system.

- Procurement Manual Section 8.10 *Services*

Carnegie Mellon University
Finance Division

Professional Services

- Professional services are defined as unique, technical, and/or infrequent functions performed by an independent contractor qualified by education, experience, and/or technical ability to provide services.

- In most cases, these services are of a specific project nature, and are not a continuing, ongoing responsibility of the institution.

- The services rendered are predominately intellectual in character even though the contractor may not be required to be licensed.

Contact Procurement Services at procurement-inbox@andrew.cmu.edu if you are unsure if a service constitutes a professional service

- Procurement Manual Section 8.10 *Services*

Carnegie Mellon University
Finance Division

Software

Card Usage

- The PCard can be used for software where the total amount or cumulative value does not exceed $5,000

  - Software is any kind of computer program loaded on to, or accessed by, a computer(s) that is not part of the computer(s) hardware and may include CD-ROMs, DVDs, downloads, software-as-a-service and subscriptions to technical services

- Check Computing Services for available software downloads at http://www.cmu.edu/computing/software/all/index.html

! A contract must be executed with University Contracts Office **prior** to the purchase of **_all software licensing agreements_** and attached to the transaction in the Oracle Financials system.

- Procurement Manual Section 7.2 *When is a Contract Required*

Carnegie Mellon University
Finance Division

Restricted Purchases

Travel

✖ Travel-related purchases are not permitted on PCard when traveling on university business

- Examples:
  - Airfare
  - Hotels
  - Meals and incidentals
  - Ground transportation

✓ Conference registration is permissible on PCards

- If airfare or hotel charges are included, registration should ideally be paid via Travel Card but may go on PCard in certain circumstances
- May also be paid with personal funds and submitted for reimbursement

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Card Usage While Away From Home Campus

Card Usage

- The PCard can be used for purchases of goods or services while away from your home campus location (Ex: A faculty member is presenting at a conference and needs to have a poster printed at the location.)

- Purchases for events organized by CMU taking place away from the home campus location can be put on a PCard
  - ✓ Catering (with UCO contract approval prior to purchase)
  - ✓ Space Rental (with UCO contract approval prior to purchase)
  - ✗ Travel charges to attend event must go on a travel card or through a preferred agency

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Hotels and Ground Transport

✓ Hotels and ground transport are permissible if being booked for incoming guests in the local (home campus) area

- If the department has a travel card, these charges could be booked to the departmental travel card instead.

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Card Process

Carnegie Mellon University
Finance Division

Card Process

A procurement need is identified

Cardholder makes the purchase

Charge is loaded into Oracle

Verifier creates Procurement Card Verification Report (PRC) and enters business justification and required documentation

Approver reviews the transaction, justification, documentation, etc.

Carnegie Mellon University
Finance Division

Reminders:

- Check the Supplier Directory for any internal, preferred or discount suppliers https://www.cmu.edu/finance/procurementservices/supplier-directory/index.html

- Identify yourself as a CMU employee

- Ensure you receive agreed upon pricing from preferred suppliers

- Ask for an educational or academic discount with non-preferred suppliers

Carnegie Mellon University
Finance Division

Pre-Purchase Reminders

Reminders:

- If purchasing a service or software licensing agreement:

  - Check the Master Service Agreement or the Click-Through Agreement lists at http://www.cmu.edu/contracts/

  - Work with University Contracts Office to ensure the statement of work will be covered under the master agreement or to execute a new contract with supplier

- Consider all associated costs of your purchase

  - Shipping Costs

  - Installation

  - Maintenance

  - Warranty

  - Training

Carnegie Mellon University
Finance Division

Reminders

- Consider your card balance

  - If a purchase will exceed your monthly purchase limit, you can request a temporary limit change via the Online Forms System

  - https://www.cmu.edu/finance/systems/index.html

- Know what is permitted/not permitted by university policies and Procurement Manual (includes University Card Guidelines)

  - If you need a policy exception, you can request via the Online Forms System

  - https://www.cmu.edu/finance/systems/index.html

    - Approval is required before purchase can be completed

    - One time exceptions are valid for a single transaction only

Carnegie Mellon University
Finance Division

Making the Purchase

- Provide card information

- Communicate sales tax exemption number

  - Some vendors will require a copy of CMU's Tax Exemption Certificate

  - https://www.cmu.edu/finance/taxation/policies-procedures/documents/sales-tax-information.html

- Get a Receipt!

  - Required to get an itemized receipt for purchases $75 and over

  - Your department may have a lower receipt threshold

Carnegie Mellon University
Finance Division

PCard Decline

- Confirm supplier is using correct card information such as:

  - Account Number

  - Expiration Date

  - CVV Code

- Consider single and monthly purchase limits

- Consider supplier's merchant category code (MCC)

- If unable to resolve, contact

  - PCard Help Desk at 412.268.4666 (8.4666)

  - PNC Bank at 1-800-685-4039

Carnegie Mellon University
Finance Division

Receipt Requirements

Transactions $75 or more must have an *itemized* receipt

- Receipt MUST include:

  - Supplier name

  - Date of purchase

  - Reference the credit card

  - Amount of the transaction

  - Items purchased (itemization)

- Acceptable forms of receipts:

  - Credit card slips

  - Cash register receipts

  - Web order/confirmation emails

  - Other sales records

Retain all original documentation relating to your PCard purchases in accordance with the Financial Records Retention policy and your departmental processes

Carnegie Mellon University
Finance Division

Documentation

Receipt Requirements

If a receipt is lost or the one given does not meet receipt requirements:

- Contact supplier for a copy

- If copy cannot be obtained, complete the CMU Missing Receipt Form for transactions $75 and over
  - Available at https://www.cmu.edu/finance/forms/files/missing_rcpt.pdf)
  - Scan/attach completed form to the verification report

Carnegie Mellon University
Finance Division

Receipt Requirements

- This is an acceptable receipt
  - ✓ Supplier
  - ✓ Card Reference
  - ✓ Date
  - ✓ Total
  - ✓ Itemization

! This is a service purchase. Approver will check for a UCO-approved contract or that this is a preferred or MSA supplier before approving the purchase

Carnegie Mellon University
Finance Division

Receipt Requirements

SUN MARTZ CENTRAL CITY
7397 LINCOLN HIGHWAY
CENTRAL CITY. PA 15926
TID: 06344485
03/20/16   07:56:40
SALE
133501609993
CUST: 8778
BATCH: 67
MC XXXXXXXXXXX
APPR CODE: 095152
INV#: 000005

AMOUNT: $ 148.57
===============
TOTAL: $ 148.57

CUSTOMER COPY

- Not an acceptable receipt
- ✖ Missing itemization
  - Contact supplier for an itemized receipt
  - If unable to obtain, complete CMU Missing Receipt Form

- Tape small receipts to piece of paper for easier scanning and retention

Carnegie Mellon University
Finance Division

Receipt Requirements

- Not an acceptable receipt
  - ✖ Missing supplier
  - ✖ Missing date
  - ✖ Missing reference to payment method
- Contact supplier for an itemized receipt

Carnegie Mellon University
Finance Division

Receipt Requirements

- This is an acceptable receipt
  - ✓ Supplier
  - ✓ Card Reference
  - ✓ Date
  - ✓ Total
  - ✓ Itemization

- CMU does not have an official tipping policy

- Sales tax is on the receipt- always ask for removal

- Itemization needed for alcohol and parking charges included in this receipt

Carnegie Mellon University
Finance Division

Business Meals

Business Meal Requirements

- Primary purpose of the meeting is to conduct business (would have a formal agenda)

- There is a need to meet over a meal because one or more employees are unavailable during normal working hours

- Expense justification must include names and affiliations of attendees, or number of attendees (if more than 5), and the business purpose

Carnegie Mellon University
Finance Division

Reviewing Transactions

Verification

Transactions in Oracle

- Verifications can be done by Cardholder or designated Verifier

- Cardholder receives email notification when new transactions appear on day 1, 15, and 25+

- Must be verified within 30 days of posting

Carnegie Mellon University
Finance Division

Transaction Verification

- All PCard transactions must be verified in the Oracle Financials system by the cardholder or a designated verifier.

- A Procurement Card Verification Report (PRC) is created to record business purpose of the purchase, type of purchase, and account allocation information.

- Verification signifies that a transaction:

  ✓ Is a legitimate business expense

  ✓ Is appropriately documented and all required documentation is scanned and attached

  ✓ Is distributed to the correct Oracle account string (GL or GM)

  ✓ Has a completed business description/justification recorded in Oracle

Carnegie Mellon University
Finance Division

Transaction Verification

Why must transactions be verified in 30 days?

- CMU pays PNC Bank monthly

- Accounting principles require that expenses be recorded in the period they are incurred

- Keeps our financial statements timely and accurate

! Cardholders must turn in receipts/documentation to verifier in a timely manner.

! Cardholders retain responsibility for all card activity, including verification.

57

Carnegie Mellon University
Finance Division

Transaction Verification

The first and second time a transaction is not verified in **90 days** the card will be suspended and cannot be used until the aged transaction is verified and approved, and the online [Purchasing Card Refresher Course](#) is completed.

- The cardholder, approver, ALG Member, and the Director of Procurement Services will be notified via email

- Once transaction is verified and approved, ALG Member can request reinstatement

Note: Unverified transactions are not a part of the CMU Card Strike program.

Carnegie Mellon University
Finance Division

Transaction Verification

The third time a transaction is not verified in 90 days the offense will result in the card being cancelled and a suspension of buyer privileges for three months

- The cardholder, approver, ALG member, and Director of Procurement Services will be notified via email of the card cancellation.

- To apply for a new card, all delinquent transactions must first be verified and approved, and the Purchasing Card Refresher Course be successfully completed.

- The cardholder's designated ALG member and the director of Procurement Services must approve an application for a new card

Note: Unverified transactions are not a part of the CMU Card Strike program.

Carnegie Mellon University
Finance Division

Disputing Transactions

- Cardholders should first contact the supplier and attempt to resolve problem

- If no resolution with supplier

  - Complete Billing Inquiry Form www.cmu.edu/finance/forms/files/Billing_Inquiry.pdf

  - Send completed form to PCard Help Desk at pcrdhelp@andrew.cmu.edu

  - PCard Help Desk reviews and sends completed form to PNC Bank

- PNC will issue a provisional credit within a few business days

  - Wait for credit to verify transaction

  - Verify charge/credit to same account string

! Cards will not be put on hold for disputed transactions as long as the Billing Inquiry Form has been submitted

Carnegie Mellon University
Finance Division

PCard Transaction Verification

- Must select the expense type that best describes the transaction

  - Important for accurate reporting/spend analysis

  - Determines the object code/expenditure type

- Ask yourself if there is a clear business purpose to your expense, if not use Unallowable expense type

Carnegie Mellon University
Finance Division

Descriptions and Justifications

- A detailed business justification must be entered

- Answer the five W's

  - What is being purchased?

  - Who was involved in the purchase?

  - Where was the purchase made?

  - When was the purchase made?

  - Why is this purchase necessary/ how does it relate to university business?

- Should provide enough detail so that the approvers, auditors, senior management, and sponsors can have a clear understanding of how the purchase relates to university business

Carnegie Mellon University
Finance Division

Descriptions and Justifications

✖	✔
Lunch	Lunch for meeting of XYZ PhD Committee, XYZ representatives, and program coordinator to discuss improving the program and assigning committee positions for the upcoming academic year held on 08/27/18 in CUC Connan; 11 attendees. Conflicting schedules necessitated meeting over lunch.
Supplies	Office supplies (pens, folders, and dry erase markers) for training and general use by Amanda Perkins
Conference Registration	Registration for Amanda Perkins to attend the National Association of College and University Business Officers(NACUBO) annual meeting in New York, NY on April 1, 2018 for professional development and networking.

Carnegie Mellon University
Finance Division

Transaction Verification

Verification

- Provide correct account string

  - General Ledger and/or Grants account strings

  - Can allocate between multiple account strings

    - ! NOTE: Account string must be available within the Ledger (US, QAR, or AUS) that the card was issued through

- Attach required documentation, including:

  - Receipts for purchases $75 and over

  - Contracts

  - Gift/prize/award forms

  - Approval for policy exception

Carnegie Mellon University
Finance Division

Verification

Attachments

- PDF file format recommended

  - Other acceptable file types include .txt, .docx, .html, .xlsx

- Page orientation – portrait

- Review all scanned documents for legibility

- Retain original documentation

- Multiple receipts can be attached to reports – maximum attachment size, 7MB

! Attach receipts/documentation in order of transactions

! Talk to approver about preferred # of attachments

Carnegie Mellon University
Finance Division

Financial Records Retention

Carnegie Mellon's Financial Records Retention policy states that all original documentation for PCard transactions must be retained for seven years from the end of the fiscal year in which the record was created unless otherwise noted. The policy is available at https://www.cmu.edu/policies/financial-management/financial-records-retention.html

- Documentation is required for audit support
  - Should be organized/filed by PRC number for easy retrieval
  - Check with your department for guidance on storing original documentation

Carnegie Mellon University
Finance Division

Verification

Approver Actions

Once submitted, the PRC goes to designated approver for the card

- Approver receives an email notification

- Cardholder receives notification if PRC submitted by verifier

- Cardholder/verifier should monitor PRC report through approval process

    - If able to access Oracle, can monitor in PCard responsibility

    - If not able to access Oracle, can monitor through email notifications

Approver Actions

- Approve the transaction

- Request more information

- Reassign the transaction

- Reject the transaction

Carnegie Mellon University
Finance Division

Approver Actions

If a transaction appears inappropriate:

- Contact cardholder for additional information

- Once resolved, approve the verification report

If a transaction IS inappropriate:

- Report transaction to PCard Help Desk

- PCard may be immediately suspended

- In "Notes" section, indicate transaction was:

  - Identified as inappropriate

  - Reported to PCard Help Desk on (date)

- Approve the verification report

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Card Compliance

Carnegie Mellon University
Finance Division

Card Compliance

Card Compliance

The university is committed to ensure compliance with all applicable card policies and procedures.

Possible Consequences of Non-Compliance:

For the University

- Jeopardizes future funding

- Penalties against university

- Externally imposed policy and processes requirements

For the Employee

- Suspension of buyer responsibilities

- Termination of employment

- Legal and financial penalties

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Compliance Program

Carnegie Mellon's card compliance program is designed to encourage overall compliance with the university's policies, procedures and requirements.

- Some violation categories as outlined in the University Card Program Guidelines:

  - ✗ Prohibited or Restricted Purchases
  - ✗ Personal Purchases
  - ✗ Lack of expense substantiation or justification

  - ✗ Personal Moves/Relocations
  - ✗ Split Purchases/Limit Circumvention
  - ✗ Missing Gift/Prize/Award Forms

- Procurement Manual Section 5 *University Card Program Guidelines*

Carnegie Mellon University
Finance Division

Three Strikes Approach

- Each instance of non-compliance results in a strike being assessed to the cardholder

- Instances of non-compliance are weighted equally

- Strikes are cumulative per cardholder (not per card)

- If a cardholder receives three strikes, they are subject to a 30-day card suspension term

During the suspension period:

- Cardholders must resolve any outstanding issues and must still verify any outstanding charges

- Cardholder must successfully complete Card Refresher Training

- Card Request Form can be used to request reinstatement of the card after the suspension has passed

- Strikes reset to zero after suspension period

Carnegie Mellon University
Finance Division

Card Suspensions

First Card Suspension

- Card privileges will be suspended for 30 days.

- Cardholders must resolve any outstanding issues at the time of suspension, and verify any charges remaining on the card in a timely manner.

- Successful completion of an online cardholder refresher training is required in order to seek reinstatement of the card.

- After the 30-day suspension period has passed, a request to reinstate the card must be submitted and approved by the cardholder's designated ALG member.

- Once a card is reinstated, the guidelines for the card program will continue to apply and the cardholder's "strike" balance is reset to zero.

Carnegie Mellon University
Finance Division

Card Suspensions

Subsequent Card Suspension

- If a cardholder receives an additional three strikes after completion of an initial 30 day suspension, all card privileges will be suspended for three months and the card will be cancelled.

- The cardholder's designated ALG member and the director of Procurement Services must approve an application for a new card.

Carnegie Mellon University
Finance Division

Automatic and Permanent Suspensions

Some violations are serious and result in the automatic and permanent suspension of card privileges. The university reserves the right to suspend or deny card access for any employee at any time.

- Potential automatic and permanent suspension could result if the card was used intentionally to:

  - Defraud the university

  - Avoid paying sales tax on personal purchases

  - Enter into a recurring lease agreement

- Departments can determine if they wish to take any further disciplinary or legal action

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Card Requests and Access

Carnegie Mellon University
Finance Division

Card Requests and Changes

- New cards can be requested through the Online Forms System (OFS) at https://fsg-web.andrew.cmu.edu/prod/ofs/main.php using the Card Request Form

- Card change requests must be submitted through OFS

  - Temporary or permanent limit changes

  - Policy exceptions

  - Default charge string changes

! No changes can be made without your ALG Member's approval

  - ALG Member and Procurement Services must approve policy exceptions

  - Once you receive an email that the form is complete, the change or exception has been recorded and you can proceed with the purchase

  - Attach the approval email to the PRC

Carnegie Mellon University
Finance Division

Card Closure

- Card must be relinquished if you:

  - Transfer to another school or division

  - Resign or your employment is terminated/suspended

  - Are on a personal leave of absence or sabbatical

  - Change roles and/or responsibilities and no longer need to purchase goods and services for university-related business

- Complete the Card Request Form in the Online Forms System to close card

! Any outstanding transactions must be verified in Oracle

Carnegie Mellon University
Finance Division

Training Requirements

If you will be verifying your own transactions, two additional online e-learning courses are required:

- CMU Finance Fundamentals:
    - https://www.cmu.edu/finance/training/catalog/elearning/cmu-ff/index.html
- Oracle Internet Expenses – Procurement Card Application:
    - https://www.cmu.edu/finance/training/catalog/elearning/pcard.html
- Once both courses are complete request the **USA-IE Procurement Card** responsibility via the Core Access Request Form in the Online Forms System
- If you have a verifier, that person should request delegate access via the Delegate Access Request Form also in the Online Forms System
- ! Core Access or Delegate Access requests should be completed prior to making your first purchase

Carnegie Mellon University
Finance Division

Online Forms System Forms

- All cardholders are required to complete a **Cardholder Agreement*** via the Online Forms System prior to obtaining a PCard.

- Only one agreement is required per cardholder

*This form is available in the Online Forms System (OFS) at
https://fsg-web.andrew.cmu.edu/prod/ofs/main.php

Carnegie Mellon University
Finance Division

UNIVERSITY CARD PROGRAM GUIDELINES

Contacts and Resources

Carnegie Mellon University
Finance Division

Covid-19 Mitigation Protocol for CMU Vendors and Service Providers

Carnegie Mellon University requires all employees of all vendors and service providers performing services, and all affiliates visiting any campus or CMU facility located in Pennsylvania, California, Washington D.C., New York or Virginia, to be fully vaccinated against COVID-19.

In addition, until further notice, the university requires everyone to wear a facial covering (sufficient to cover the nose and mouth) at all times, regardless of vaccination status.

Additional information is located on the Covid-19 Updates website.

Carnegie Mellon University
Finance Division

PCard Help

✉ pcrdhelp@andrew.cmu.edu

☎ 412-268-4666

- Available Monday – Friday, 8:30am to 5:00pm
  - Administers the process of enrolling, suspending and closing card accounts
  - Processes changes to cards (i.e. limit changes, MCC restrictions)
  - Submits Billing Inquiry form to PNC Bank and monitors dispute
  - Manages requests for exceptions to policies and maintain records of approved exceptions
  - Troubleshoots Oracle issues
  - Processes delegate access requests

Carnegie Mellon University
Finance Division

PNC Bank

- 1-800-685-4039

- Available 24 hours a day, 7 days a week

  - Report lost/stolen cards if Help Desk is not available

  - Questions about declines

  - Available balance inquiries

Carnegie Mellon University
Finance Division

Additional Contacts

Procurement Services

✉ Procurement-inbox@andrew.cmu.edu

🖱 www.cmu.edu/finance/procurementservices

- Supplier Directory
- Purchasing Policy
- Procurement Manual

Taxation Department

✉ TaxDept@andrew.cmu.edu

🖱 www.cmu.edu/finance/taxation

- Taxation Policies and Procedures
- Amazon Tax Exemption Guidelines
- Tax FAQs

University Contracts Office

✉ University-contracts@andrew.cmu.edu

🖱 http://www.cmu.edu/contracts/

- Contract negotiation
- Master Services Agreement Suppliers
- Click-Through-Agreements

Carnegie Mellon University
Finance Division

Purchasing Resources

Finance Division	www.cmu.edu/finance/
Monthly Finance Bulletin	https://www.cmu.edu/finance/news
Finance Training Resources	www.cmu.edu/finance/training
University Card Program Website	https://www.cmu.edu/finance/procurementservices/card-program/index.html

Carnegie Mellon University
Finance Division

Purchasing Resources

Purchasing Policy	www.cmu.edu/finance/procurementservices/policies-procedures/procurement-policy.html
Procurement Manual/University Card Program Guidelines	www.cmu.edu/finance/procurementservices/policies-procedures/procurement-manual.html
Supplier Directory	www.cmu.edu/finance/procurementservices/supplier-directory/index.html
Trademark Licensing Office	www.cmu.edu/trademark

Carnegie Mellon University
Finance Division

Thank you

Questions?

Carnegie Mellon University
Finance Division