Purchasing Card Policy (P-Card)

Introduction
The Brown University Purchasing Card (PCard) program facilitates the procurement of low dollar value items. The PCard program eliminates most of the paperwork associated with University purchases that are less than $3,000.

Policy Statement
Employees (full or part-time) who are authorized to purchase goods under $3,000 may request a PCard; however, individual departments can impose more restrictive requirements and limits. PCards are assigned to individuals. The individual whose name appears on the card is ultimately responsible for charges to that card. PCards are to be used by the person to whom it is issued. Sharing Purchasing Cards is prohibited.

Purchases made with the Brown PCard must only be for the use and benefit of the University. Misuse of the PCard may result in disciplinary action up to and including termination. Accounts Payable will suspend PCard privileges when policies and procedures are not followed including when the PCard is used for prohibited purchases, personal use, and/or the PCard is used for split transactions.

Definitions
Purchasing Card - The Purchasing Card (PCard) is a MasterCard branded credit card that is accepted by most suppliers and merchants. All charges will be paid monthly by the Controller's Office and charged to the designated worktags.

Business Purpose – The business purpose, which is defined as one that supports or advances the goals, objectives and mission of Brown, adequately describes the expense as a necessary, reasonable, and appropriate business expense for the University. The business purpose is the main intent of the business transaction; it is the reason why the transaction occurred. It is a statement that includes who benefits from the purchase, what was purchased, and why the purchase was necessary.

Accountholder – The individual to whom the Purchasing Card is issued.

Approver – The individuals responsible for financial oversight and compliance with University purchasing guidelines. The approver may be the employee’s manager, cost center manager, a financial coordinator or a representative of the Academic Finance and Administration group.

WORKS – The Bank of America online system for tracking transactions, uploading receipts, and managing the Purchasing Card program. See “Accessing Works” for additional information.

Procedures
Responsibilities and Procedures

Requesting a Pcard

Complete a Purchasing Card application and have it authorized by your Department Head or the Department Manager). You may not approve your own PCard application. Submit the application to the PCard Administrator (pcard-administrator@brown.edu).
The PCard is issued by Accounts Payable upon the accountholder’s completion of mandatory training on PCard policies & procedures. The accountholder must also sign a Brown University Purchasing Agreement upon receipt of the card.

**Requesting Approver Authorization**

Complete an Approver Application/Change Form and have it authorized by your Department Head or the Department Manager. You may not approve your own application. Submit the application to the PCard Administrator (pcard-administrator@brown.edu).

**Accountholder Responsibilities**

Accountholder responsibilities include safeguarding the PCard, purchasing appropriately, reviewing and monitoring transactions, maintaining receipts, and complying with additional grant and contract requirements.

**Card Protection**

- The accountholder is responsible for safeguarding the card and is accountable for all purchases made using the card.
  - Staff accountholders must review and approve their purchasing card activity in WORKS. Staff accountholders must forward their receipts to their card approver for the approver’s online approval in WORKS.
  - Faculty accountholders are not required to review and approve their purchasing card activity in WORKS but must forward their receipts to their card approver for the approver’s online approval in WORKS.
- Purchasing Cards may only be used by the designated accountholder. They may not be shared.
- Loss of the card must be immediately reported to both Bank of America and the Purchasing Card Administrator (pcard-administrator@brown.edu).
- The Purchasing Card Administrator must be notified if the accountholder changes departments or leaves Brown University’s employment. (pcard-administrator@brown.edu).
- The Purchasing Card must be returned to the Purchasing Card Administrator if the accountholder leaves Brown.
- The accountholder must promptly report disputed charges in the online Bank of America system, WORKS (within 60 days of the charge).
- The Purchasing Card account number may not be saved on any personal online accounts.

**Purchases and Receipt Tracking**

- Maximum transaction limit for all items is $2,999.99, whether one item is purchased or multiple items are purchased.
- Split transactions are prohibited. Split transactions occur when a single item costing more than the accountholder’s single transaction limit is broken into two or more transactions to bypass the policy on transaction limits. The accountholder is responsible for ensuring the vendor does not split a transaction greater than $2,999.99 into multiple smaller transactions.
- Receipts must be kept for seven (7) years.
  - Acceptable receipts for internet purchases include an e-mail confirmation, shopping cart list, or quote. The information on the receipt should match any packing slips received as well as the PCard charge.
  - Receipts may be logged on a transaction log or may be uploaded into WORKS and linked to the purchase. Your manager will inform you of your department’s practice.
    - A sample transaction log can be found on the Forms & Instructions page on the
Appropriate Purchases

- Gifts and Hospitality, in accordance with the University's Gifts & Hospitality Policy (requires a meals and hospitality form)
- Academic/classroom supplies not available through University resources
- Postage
- Books
- Express Postage
- Newspapers & Periodicals
- Dues & Professional Memberships
- Computing Supplies/software available through preferred suppliers
- Equipment Rental (other than vehicle rentals)
- Conference Registration Fees
- Approved Rail and Bus tickets for Faculty, Staff, and Students

*Note: Do not put travel transactions purchased on a PCard on the travel expense reimbursement form.

Prohibited Purchases

- Animals
- Alcoholic Beverages
- Any software or technology subject to the jurisdiction of the International Traffic in Arms Regulations (ITAR) - see the United States Munitions List**
- Cash Advances
- Cell phones / phone charges
- Construction / Renovation
- Consulting Services
- Services
- Gasoline
Gift Cards*

- Items that require additional review for regulatory compliance

*The purchase of gift cards is unallowable except in specific circumstances that have been reviewed and approved in advance by the Director of Administrative Services and Outreach. Review the Gift Card policy for more information.

** If you have any questions about the export control classification of the items you intend to purchase, you should contact Brown’s export control officer.

Grants and Contracts

- In addition to Purchasing Card policies, purchases for grants and contracts must adhere to all of the granting agency & OSP policies, restrictions and guidelines.
- If the purchase is charged to a grant, receipts must be kept the longer of seven (7) years or three(3) years following the final payment by the government.

Audit: All transactions and related recordkeeping are subject to audit by Accounts Payable, Internal Audit, external auditors, and the Federal government.

Policy Violations

The first violation for purchasing a prohibited item is temporary suspension of Pcard privileges. The Pcard purchasing privileges will be restored when the Pcard holder reviews the Pcard policy, takes the Pcard training, and passes the Pcard quiz. A second violation is a 30 day suspension of Pcard privileges. A third violation results in the permanent suspension of Pcard privileges.

Approver Responsibilities

- Notify the Purchasing Card Administrator (pcard-administrator@brown.edu) if the accountholder changes departments. The accountholder’s card will be frozen until the new cost center manager approves the card.
- Notify the Purchasing Card Administrator (pcard-administrator@brown.edu) if the accountholder leaves Brown University’s employment.
- The Purchasing Card must be returned to Accounts Payable if the accountholder leaves Brown.
- Review the cardholder’s activity in WORKS. Ensure all transactions are supported by receipts.
  - Ensure hospitality purchases (flowers, gifts, etc.) have completed Meals and Hospitality Form attached to the receipt.
- A department manager can not approve his/her own account activity.

Accounts Payable Responsibilities

- Process PCard applications.
- Cancel cards when no longer needed.
- Run reports for Procurement analysis.
- Review and approve use of PCard for special circumstances.
PCard privileges may be suspended when policies and procedures are not followed.

Forms/Instructions
- PCard Application/Change Form
- Approver Application/Change Form
- Transaction Log
- WORKS Accountholder Job Aid
- WORKS Approver Job Aid

Related Information: Sales Tax Information

Policy Owner: Approved by Director of Administrative Services and Outreach

Contact(s)
Purchasing Card Administrator
pcard-administrator@brown.edu
401-863-1777

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