



FINANCE: P-Card Policies & Verify P-Card Transactions






P-CARD PROGRAM OVERVIEW



- All Purchases are reviewed and approved in Workday
- All cardholders must have a P-Card Approver in a position higher than that of the cardholder
- Merchant code restrictions are built into all profiles
- University personnel make purchases from Amazon via our Amazon Business Unit and only cardholders are permitted to join. Once the P-Card holder is trained, an invitation is sent to that person to join. The Business Unit provides automatic tax exempt status, free prime shipping paid for by the University, and an 800# to call for help of any kind. Purchasing from Amazon outside of the Business Unit is prohibited.



PURPOSE FOR P-CARD PROGRAM



Designed for small dollar purchases in order to:

- Simplify the acquisition of goods and services
- Streamline the Purchasing & Accounts Payable process
- Reduce Purchase Order and Accounts Payable cycle time



P-CARD PROGRAM - LIMITS



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With small dollars in mind – Two limits are set on the P-Card:

- Single dollar transaction limit
- Monthly transaction limit

Splitting a transaction into smaller amounts to avoid dollar limits placed on the card is prohibited.



P-CARD PROGRAM – NEED TO KNOW



- The cardholder is the only individual permitted to use the P-Card.
- Shipping permitted to University locations only.
- The cardholder & manager must ensure there is enough money in budget to cover purchases.
- Items available in punch-out catalogs should not be purchased using the P-Card.
- Receipts, packing slips or acknowledgements must be attached to all transactions – receipts must contain date of purchase, vendor name, item description and amount paid for item (s).
- First point of contact for basic questions regarding limits, and why a charge did not go through is Bank of America.



P-CARD PROGRAM – NEED TO KNOW



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- Can change purchase details until the item is posted.
- Budget Checking - Should the P-Card purchase fail budget check, it is the responsibility of both the P-Card Holder and the Cost Center Manager to request additional funds from the Budget Office. If after five (5) days the budget has not been updated Workday will notify both the cardholder and the Cost Center Manager
- Billing Cycle - The first of the month through the last business day of the month. Funds are returned to the P-Card on the first day of the month that follows.
- Purchases must be verified and approved by both the cardholder and the P-Card Approver by the end of the billing cycle



P-CARD PROGRAM



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Acceptable P-card purchases:

- Educational Supplies
- Printing Supplies/Business Cards
- Subscriptions
- Housekeeping Supplies
- Maintenance Supplies
- Vehicular Parts and Repairs
- Computer Accessories
- Conference Registration
- Professional Memberships
- Water and snacks explicitly for use by University students through the University's Amazon Business Unit.

Restricted Items:

- Professional Services
- Desktop/Laptops & Software
- Consulting Services
- Construction/Renovation Services
- Charitable Contributions or Gifts
- Travel or Entertainment
- Food or Catering Services
- Bus Charters & Van rentals
- Office Supplies
- Gift Cards
- Honorariums



MERCHANT CODES



There are electronic blocks called Merchant codes (MCC) in each P-Card profile to prevent use of the P-Card at the locations listed below.

- Cash machines/Money Orders
- Car Washes
- Restaurants
- Catering Services
- Liquor Stores
- Drug Stores
- Grocery Stores and Bakeries
- Doctor's Offices and Hospitals
- Insurance
- Gas Stations
- Florists
- Car/Van Rentals
- Bus Charters
- Taxi Services
- Hotel Reservations
- Airline/Train Tickets
- Professional Services
- Hotels




P-CARD PROGRAM - DIGITAL BOOKS



The University will permit the use of the P-Card to purchase digital books through the Amazon Business Unit, with the exception of the following two conditions below:

- The digital textbooks will be used for the classroom. Due to contractual obligations, these must be purchased through the University Bookstore;
- Digital book orders of more than 20 copies to be used for any activity outside of the classroom. Should the Bookstore be unable to provide the material, it is permitted to purchase the digital books from the Amazon Business Unit as long as a written confirmation from the Bookstore's Manager is attached to the P-Card transaction in Workday and a hardcopy is kept with the monthly billing statement.



P-CARD PROGRAM - WHY WE VERIFY



- The purpose of verifying a transaction in Workday is to ensure they are legitimate University expenses and are charged to the proper University account.
- Unlike requisitions, you should not wait until the goods are in hand to verify the P-Card transaction because:
 - 1) MSU must pay Bank of America within 5 days upon receipt of the consolidated billing statement to avoid late fees. (on or about the 3rd day of each month following the end of the billing cycle).
 - 2) At month end, General Accounting must allocate all charges to the correct account and close the books.



P-CARD PROGRAM – USING PAYPAL



PayPal is the least preferred method of payment and can only be used when there is no other payment option available. However, if this is the only option the following procedure must be followed:

- The cardholder must take a screenshot of the items being purchased and must include a description of the item, the cost of the item and the vendor's name.
- The screenshot, and the paypal receipt must be filed with the monthly statement .



P-CARD PROGRAM – AUDITS



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- The University audits cardholder transactions on a monthly basis to verify compliance with the University's P-Card Policies and Procedures.
- The University aims to audit all cardholders once during each fiscal year; cardholders are randomly selected.
- Cardholders are required to keep a hard copy of the Bank of America's monthly statement, as well as the transaction backup for the audit.
- If there is a request for backup information for an audit, it is mandatory to respond in a timely manner.



P-CARD PROGRAM – TAXES



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Because the University is exempt from sales tax, every effort should be made by the cardholder to ensure that a purchase does not include it.

If a cardholder is charged tax on a purchased item, it is the individual's responsibility to follow up and obtain credit from the vendor. If the vendor requires a tax exempt form in addition to the tax ID number that is on the front of the P-Card, the University uses the ST-4 Exempt Use Certificate which can be found at the following link:

<https://www.montclair.edu/procurement/wp-content/uploads/sites/159/2022/03/ST-4-R-16-March-21-2022-signed.pdf>

Cardholder Responsibilities:

- Safeguards the P-Card
- Verifies transactions posted in Workday by the end of each billing cycle
- Work with the Cost Center Manager/P-Card Approver to replenish funds to cover the expense when a budget failure occurs
- Resolves any discrepancies directly with the vendor
- Retains hard copies of monthly statement, receipts, etc., for future audits
- Report lost or stolen cards immediately to Bank of America and to the P-Card Administrator.
- Ensures taxes are not charged for a purchase

Approver Responsibilities:

- Forwards applications and agreements to the P-Card Administrator
- Monitors card activity
- Assures that correct spend category and department information are used
- Approves all transactions posted in Workday by the end of each billing cycle
- Collects P-Cards from terminated employees
- Informs P-Card Administrator of any changes in personnel

Reasons for Card Suspension:

- Items purchased that are prohibited by the University
- Approval by both cardholder and approver did not take place by end of billing cycle
- Taxes were charged to the p-card and not credited back
- Open balances remain at the end of billing cycle due to a failed budget check
- Splitting a charge into two or more in order to avoid the single transaction dollar limit
- Did not respond to an auditors request for information

Reasons for P-Card Termination

- Any inappropriate, unauthorized use of the P-Card will result in cancellation and will subject the cardholder to disciplinary action including possible **termination** of employment and criminal prosecution.
- Failure to approve transactions within the required time frame in excess of two billing cycles within one fiscal year.

LINK TO MANUAL:

<https://www.montclair.edu/procurement/p-card-program/>

Introducing the Benefits of Using Global Card Access (GCA)

- Self-Service – Use it When You Need it
- View Balances, Credit Limits and Recent Transactions
- Set Up Email, Text or Phone Alerts to Reflect Card Activity
- View or Change Your PIN Number
- Lock or Unlock Your Card



GCA Registration



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To Register go to:

<https://www.bankofamerica.com/gca>

The Global Card Services Team is available 24/7 to provide any needed assistance. Just call 888-449-2273.

P-CARD PROGRAM – Questions?

