

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 goods 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 Business 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/services needed, number of potential transactions, other payment options, prior history of pcard use and, in rare instances, the credit worthiness of the applicant.) Details of the application process are provided later in this document.

◆ Cautions:

- An individual who approves procurement card transactions in KFS (i.e., Fiscal Officer or primary/secondary delegates for PCDO's) may NOT hold a procurement card because effective internal controls require separation of duties.
- An individual may be issued only one procurement card per unit served by the same Business Service Center (BSC).
- 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.
- Individuals, who have previously had a write-off on a corporate travel card account, are not eligible to hold a pcard.

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 (requires SFG/SBG approval)
- BSC 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 in order 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, he or she will consult the BSC 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.
- Transaction limits may be increased only in rare circumstances when there is a compelling business need and/or in cases where the unit has been delegated spend authority by Procurement and Payment Services. Requests will be made to Credit Card Programs by the cardholder's/applicant's BSC Director.

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 a BSC, who record these transactions in the e-Sirius 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 their BSC, 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 their BSC, 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	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, Wester Union or Xoom, be allowed.
Catering	<p>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.</p> <p>Catering may not be paid via individual pcard unless the caterer has signed a University Contract. To determine if your caterer has signed a University Contract, see the "Caterer and Restaurant List" on the Procurement website and check the "Caterers and Restaurants with Pricing Agreements" section. For amounts above your pcard limit or for caterers who have not signed a University Contract, see your BSC for payment and deposit options and contract requirements.</p>

Type of Purchase	Description
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 .
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	Do not make partial payments where the total value of the purchase exceeds your procurement card transaction limit.
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 Business Service Center for payment options.
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.
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. Contact your BSC 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

Type of Purchase	Description
	in Risk Management and Insurance, or their BSC, 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 their BSC, may execute these transactions via pcard.
Legal Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the Office of University's Counsel. Only those individuals employed in the Office of the University Counsel, or their BSC, may execute these transactions via pcard.
Medical Services	Due to tax reporting requirements, medical services (i.e., physician, surgeon, ophthalmologist, etc.) may not be paid 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	<p>The pcard may not be used to pay for parking for individual faculty, staff or students.</p> <p>Note: Parking fees through ParkMobile may be paid via pcard for incoming guests and visitors with prior approval. Cardholder's supervisor should send an email request to pcard@cornell.edu at least 2 business days in advance of the payment in order to provide Card Programs with adequate time to open the appropriate merchant codes related to parking.</p>
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 their BSC, may execute these transactions via pcard.
Radioactive Materials	Environmental Health & Safety must approve all requests for radioactive materials prior to an order being placed with a

Type of Purchase	Description
	<p>vendor. See the "Radiation Safety Manual" for further information on purchasing radioactive material.</p>
<p>Real Estate Services, Purchase, Rental, etc.</p>	<p>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 their BSC, may execute these transactions via pcard.</p>
<p>Refund or Reimbursement</p>	<p>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.</p>
<p>Security Systems, Building</p>	<p>Building security systems must be coordinated through the Cornell Police, and must not be purchased with a procurement card.</p>
<p>Services Performed on University Property</p>	<p>Nearly all services, regardless of where they are performed, require both a contract 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.</p> <p>Contracted vendors performing the services listed above may be found on Procurement Services' web site at http://www.dfa.cornell.edu/procurement/supplierlistview.</p> <p>Contact your BSC to discuss the appropriate payment for any other service PRIOR to engaging the service provider.</p>
<p>Software, Software Licenses, Software as a Service, Cloud Services</p>	<p>Before any IT applications, software, or services are purchased, the university's IT Governance process must be followed regardless of dollar amount. Any purchase that requires a signed contract must be processed on a purchase order. Software purchases with click-through agreements require the completion of the IT Statement of Need (SoN) process and approval from the IT Project Management Office; once approved, the software may be purchased on a pcard.</p> <p>For purchases that require an SoN, pcard documentation must include the "next steps" email sent from the IT Project Management Office confirming what steps from the Checklist for Purchasing Administrative IT Software and Services were required, and documentation showing the outcome or results of those steps.</p> <p>For purchases allowed on pcard that don't require a SoN, please document the exception when you submit your</p>

Type of Purchase	Description
	<p>business purpose and/or receipt.</p> <p>Refer to:</p> <ul style="list-style-type: none"> • Submitting an IT Statement of Need (SoN) at https://it.cornell.edu/itgovernance-project-management/2-submit-it-statement-need. • Scenarios when an IT Statement of Need is or isn't required at https://it.cornell.edu/itgovernance/scenarios-when-it-statement-need-or-isnt-required <p>For more guidance, please see section 618, IT Governance Process.</p>
<p>Travel-Related Expenses</p>	<p>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.</p> <p>Note:</p> <ol style="list-style-type: none"> 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 fleet@cornell.edu. 3. Special exceptions have been granted to BSCs. If you are planning a group or visitor travel, contact your BSC.
<p>Travel Meals</p>	<p>You may not charge meals to your procurement card while you are traveling for the university if that travel includes an overnight stay.</p>
<p>Vehicle Rental</p>	<p>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.</p> <p>Note:</p> <ol style="list-style-type: none"> 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.

Documentation Requirements

Documenting Procurement Card Transactions

Cornell requires procurement card holders to submit sufficient documentary evidence for purchases on procurement cards in order 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 purchase on the card and will provide required documentation in response to this email, within 10 days. 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 Receipt Submission screen (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 Receipt Processing System, as described in “Electronic Submission of Documentation.” Cardholders will retain the original copy of all required documentation for 60 days from the date it is submitted via the PCard Receipt Processing System.

◆ **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, utilizing the PCard Receipt Processing System.
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 honey bees). 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, 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:**

- Credits issued to a procurement card require an explanation from the cardholder, to ensure that the procurement card coordinator can apply the credit to the same account as the original debit. No receipt is required for a credit.
- 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 10 days by selecting a link within the email to access the PCard Purchase Documentation Submission 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.

The cardholder's submission of electronic documentation creates a record in the pcard receipt processing system. The pcard coordinator in the BSC will access that record in the BSC workflow queue. Coordinators use the information submitted by the cardholder to review the 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)
- Accounts where procurement card charges may not “auto release”
 - 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.

BSC Directors should close any pcard not used at least 12 times in any one year. To facilitate the closure of low use pcards, each January Credit Card Programs will supply BSC Directors with a prior year report of transaction totals by cardholder. It is the responsibility of each BSC 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 BSC 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, Disbursement Quality Assurance, the University Audit Office, or other auditing agencies will periodically review procurement card transactions. Based upon these reviews, cards may 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

Individuals who believe they are eligible for a procurement card should contact their supervisor, who may, in turn, contact the Business Service Center (BSC) for an application. The application form requires the recommendation of the supervisor, unit manager (or chair), and the BSC Director. All applications for pcards with a limit greater than \$500 require the approval of the appropriate SFG/SBG member. Credit Card Programs reviews all materials and, if an initial approval is granted, will contact the prospective applicant (via email) with final details on the card issuing process.

◆ Notes:

- All applicants are required to complete an online tutorial on pcard policy, pass a quiz based on the tutorial, and sign a Cardholder Agreement, before being issued a pcard.
- 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 BSC.
- 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.

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 30 days or is for an

unknown duration, that individual's pcard must be suspended. The individual's supervisor will inform the BSC 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 may call the financial institution or his/her procurement card coordinator 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 Procurement Cards

Procurement card coordinators will utilize the financial institution's online system to change default accounts and mailing addresses. For 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.dfa.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 Business Service Center (BSC) 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:

- A report is run daily to identify any PCDO that was created in KFS 31 days prior
- Credit Card Programs will email the cardholder alerting them to the suspension and the necessary follow up actions, generally within two business days, with a copy going to his/her BSC Director.
- Cardholders will provide the documentation, or a reasonable explanation (see below), to their BSC, who will in turn attach the supporting documentation to the PCDO.
- After the steps above have been completed, the BSC Director may request reinstatement of the pcard at his/her discretion.

♦ **Caution:** If a cardholder receives a third suspension in any 12 months for failure to submit documentation, as described above, Credit Card Programs will consult with the cardholder's Senior Finance Group or Senior Business Group (SFG/SBG) member who will determine whether the card is to be revoked or to be reinstated after all documentation requirements have been met.

♦ **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.

Other Types of Policy Violations

Other types of policy violations are most easily identified by the pcard coordinator in the BSC. Should the pcard coordinator determine that a pcard transaction represents a violation of policy, he/she will report this violation to the BSC Director, 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.

2. 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:

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

4. 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.

5. Exceeding 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 or not the cardholder should have been aware that an order would total more than his/her per transaction limit. 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 and Payment Services.

6. Late submission of documentation

Submitting documentation more than 10 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 BSC 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.

7. Submitting written explanations for missing, lost, not received receipts, in lieu of originals

Submitting a written explanation 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.

8. Accidental personal use of the pcard

9. 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 BSC 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 BSC Cardholders

This section describes special permissions that have been granted to the Business Service Center (BSC) procurement cardholders for the payment of Cornell faculty, staff and student group travel, visitor travel, catering, other event-related expenses, and various services. In order to qualify for a payment (including a deposit) on a BSC pcard, all of the following general conditions must be met, in addition to any specific restrictions listed in each topic below.

General Conditions for all BSC PCard Transactions

- Payments must be made using an BSC pcard; authorization may NOT be extended to a regular card or cardholder, unless specifically stated.
- The BSC will be allowed to pay up to the first \$10,000 of the expenses described in this section using an BSC procurement card so long as the necessary contract(s) has been executed (signed/approved) **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 BSC 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 in order to create an appropriate audit trail. The BSC will record the Procurement Card Doc (PCDO) number found in KFS from the initial pcard payment in the Notes tab of the Purchase Order that was issued for the remaining balance. In addition, the PO number will be recorded in the Notes tab of the PCDO.

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

Note: Procurement and Payment 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.

Group and Visitor Travel Allowed on a BSC PCard

Outlined below are the limited instances in which a BSC pcard may be used to pay for group and visitor lodging and commercial transportation (i.e., airline, train) up to the first \$10,000. **All** conditions for use outlined below must be met for the payment to qualify for the use of a BSC pcard.

Conditions for Use

- A.** An individual for whom a travel-related payment, as described in items B through F below, is being made must meet one of the following definitions:
1. **Group** – three or more Cornell faculty, staff or students who are traveling together on university business.

Caution: *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.

2. **Visitor** – an individual traveling at the request of a Cornell faculty/staff who is **not** being compensated for services, e.g., individuals interviewing for a position or a guest receiving only an honorarium.

B. Lodging. Payment for lodging at a hotel for a Cornell group or visitors may be made via BSC pcard so long as the hotel meets the conditions below. Lodging for individual faculty, staff and students may not be paid via pcard, see [Policy 3.2, University Travel](#).

1. 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 it **must** be forwarded to Procurement for approval/signature, prior to any payment (including a deposit) being made. See Conditions for Review of Contracts by Procurement Services below.*

2. The hotel may not be a Bed and Breakfast establishment nor an Airbnb.
3. Payment to the hotel may include food and beverages provided by the hotel for the group members (e.g., group dinner at a restaurant within the hotel) as well as minor miscellaneous charges (e.g., internet usage fees). If paying for catering services by the hotel or another vendor or facility rental charges (non-lodging), please read the remainder of this section to ensure that requirements for making any portion of the payment via BSC pcard are met.

C. Airfare. Domestic and international travel may be paid via BSC pcard for a group or for visitors.

1. Individual travel for Cornell faculty, staff, or students may not be paid via pcard.

Caution: *Use of Sponsored Funds requires compliance with the Fly America Act (see <http://www.dfa.cornell.edu/accounting/topics/sponsoredfinance/training.cfm>).*

D. Limousine service and taxis. Limousine (capacity not to exceed 8 passengers) and taxi services, e.g., Ithaca Airline Limousine, may be paid via BSC pcard for a group or for visitors (not for individual faculty, staff, or student); insurance must be on file with Procurement for the limousine or taxi company.

E. Train. Train travel for a group or visitors (not for individual faculty, staff, or students) may be paid via BSC pcard.

F. Bus(es). **Buses may not be chartered via BSC pcard.** A purchase order must be issued.

Notes:

- The BSC needs to be aware that when a hotel has a credit card on file, there is a risk that other goods/services could be charged to the room such as food, in-room movies, etc. It is the responsibility of the BSC to collect reimbursement from the traveler where appropriate.
- The university hosts a website known as the [Travel Portal](#), which contains links to several travel vendors.
- [University Policy 3.2, Travel Expenses](#) pertains to the individual business travel of Cornell faculty and staff members. This policy should not be confused with the special considerations for BSC pcards outlined in this section.

University Events: Catering and/or Event Space Rental

Outlined below are the limited instances in which a BSC 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 BSC pcard.

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.
- BSC Directors have been delegated the authority to execute (sign) Cornell contracts and Cornell addendums up to \$25,000 for catering, event space rental, and events that include both food and space. When the contract total exceeds \$25,000, Procurement will execute the contract as part of the purchase order issuance process; therefore, BSC Directors will not sign these contracts.
- When the BSC Director is authorized to execute a Cornell contract, it is *recommended* that the vendor's insurance certificates be on file. BSCs should request insurance certificates and, when possible, attach the documents to the pcard doc (PCDO) in KFS. Payment via pcard need not be delayed based upon receipt of the insurance documents since Cornell's standard Catering Contract and Event Addendum contain language on indemnification.
- It is NOT recommended that 100% of the order total be paid in advance; deposits should be limited to 50% of the total.
- Units and BSC Directors do not have authority to sign vendor contracts (see section 409, Contracts for additional information).

Catering Only

Less than \$10,000:

- The unit will request that the vendor complete Cornell's [standard Caterer Contract](#), after which the unit will complete their portion of the document and send to the BSC. Lastly, the BSC Director or designee executes (signs) the contract.
- **After** the signed contract is sent back to the vendor, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$5,000.
- The final balance may be made via pcard so long as the total amount, including the deposit, has not exceeded \$10,000.

\$10,000 or greater:

- The unit will request that the vendor complete Cornell's [standard Caterer Contract](#), after which the unit will complete their portion of the document and send to the BSC. The BSC Director does not sign this document.
- The BSC will attach the contract to a requisition in KFS and note the amount of the deposit (if any) that is being paid via pcard.
- If any payment is due in less than ten days, please note the due date on the Req. 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 BSC may proceed with a deposit up to 50% of the total, not to exceed \$10,000. If the final payment is greater than \$10,000, then pay via the purchase order.

- After the deposit (if any) is made, the BSC will go back to the purchase order and note the PCDO number. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

Caution: *If a caterer provides its own contract, instead of signing Cornell's standard Caterer Contract, please contact Procurement Services. It is essential that contracts for catering contain language regarding indemnification and it must be determined that the caterer is indeed an independent contractor. Therefore, a procurement agent will need to review the document(s).*

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; therefore, the transaction does not require the Standard Catering Contract and only the details for the event are required (e.g., dates, times, menu, room set-up, number of attendees, etc.). 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.dfa.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. If you encounter a vendor that does provide you with a contract specific to your event, please contact Procurement.

Less than \$10,000:

- The unit will request that the vendor complete Cornell's [Addendum for Facility Contract Agreements](#), after which the unit will complete its portion of the document and send both the vendor's contract and Event Addendum to the BSC. Lastly, the BSC Director or designee executes (signs) both the vendor contract and Cornell's Event Addendum.
- **After** the contract and Event Addendum are signed and sent to the vendor, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$5,000.
- The final balance may be made via pcard so long as the total amount, including the deposit, has not exceeded \$10,000. If the final payment is greater than \$10,000, then pay via the purchase order.

\$10,000 or greater:

- The unit will request that the vendor complete Cornell's [Addendum for Facility Contract Agreements](#), after which the unit will complete its portion of the document and send both the vendor's contract and the Event Addendum to the BSC. The BSC Director does not sign these documents.
- The BSC will attach the vendor contract and Event Addendum to a requisition in KFS and note the amount of the deposit (if any) that is being paid via pcard.
- 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 BSC may proceed with a deposit up to 50% of the total, not to exceed \$10,000.
- After the deposit (if any) is made, the BSC will go back to the purchase order and note the PCDO number. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

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

Please refer to the following:

- Buying Manual [Section 700, Paying for Services](#)
- [Standard Caterer Contract](#) found at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>
- [Event Addendum](#) found at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>

Other Services

BSCs 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 BSC 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 BSC 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.dfa.cornell.edu/procurement/supplierlistview>.

For a service to be eligible for payment up to \$10,000 via BSC 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.

- 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

When a contract is necessary, the appropriate Unit representative will review the document and signify review and acceptance of the vendor's terms by electronically submitting the documents via email, I Want Doc, or Requisition. The BSC representative will review the

agreement and attach all contracts to the requisition. Procurement will perform the final review and sign the agreement on behalf of the University.

Caution: *Do not sign on the signature line as Procurement is required to sign on behalf of the University. In all cases, units will send a contract to their BSC, who will then forward to Procurement as an attachment to a requisition for review and approval.*

Note: To expedite the process for an event or other service where a deposit must be made within the next ten (10) days, the BSC will initiate a requisition, attaching the vendor's signed contract and addendum, and then contact Procurement to alert them to the deadline.

Gift Cards and Gift Certificates

Gift cards, also known as gift certificates or egifts, are considered equivalent to cash by the Internal Revenue Service and in most instances must be reported as taxable income to the recipient. Business 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 be in compliance 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 BSC 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 BSC 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 BSC 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 subject or research participant.
- BSC pcard holders procuring gift cards/certificates will familiarize themselves with the following information located at www.dfa.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 to the University Tax Office at tax@cornell.edu.

Gift Cards and Gift Certificates for Human Subjects Participating in Research

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 business service center may delegate the authority to pay for gift cards/gift certificates with a pcard to a regular cardholder in the unit. The BSC 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.

Buying Manual

Subject: PCard

Title: Special Considerations for BSC Cardholders

Number: 307

Issued: December 22, 2014

Revised: February 2, 2022

- 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 BSC 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 subject's identify must be kept confidential is the ONLY circumstance under which the BSC may delegate the authority to pay for gift cards/certificates to a regular cardholder in the unit. The BSC may NOT authorize these payments at amounts greater than the maximum \$1500 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 BSC 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 \$500 or more must be approved by The Office of Community Relations; 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 make a donation utilizing a pcard may NOT be delegated by the BSC 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. Comply with the per-transaction and overall monthly cycle limit on your procurement card.
4. 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.
 - ◆ **Caution:** Do 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 and Payment Services. See "The Purchase Order Process" section of this manual for details on the bid process.
5. Consult your BSC 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 purchase 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.

Business Service Center Director

1. Appoint one or more procurement card coordinators (i.e., Fiscal Officer's delegates for PCDO's 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 BSC)

◆ **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 the [Credit Card Programs](#), in the Division of Financial Affairs, at any time for guidance on suspensions, revocations, and other issues.

Credit Card Programs

1. Administer change to this manual
2. Provide guidance (BSC 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 BSCs
7. Suspend/revoke procurement cards as necessary based on the results of reviews by Disbursement Quality Assurance, 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.dfa.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 BSC workflow queue. After approving the PCDO, route the record in the BSC 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. Review "auto approved" pcard charges to ensure that:
 - a. The transaction is placed on the correct account.
 - b. Necessary information (i.e., what was purchased, business purpose, explanation of why original receipt not turned in) is collected via 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](#))
6. Determine that any credit issued for a procurement card purchase reflects the exact account number(s) charged for the initial purchase
7. Report to your BSC director 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. Close procurement card accounts based upon instructions provided by the cardholder's supervisor, unit human resources representative, or BSC director. Destroy the card immediately. 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 BSC director ONLY for those individuals whose position requires frequent business-related purchases, as outlined in his/her 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 30 days, or will be for an unknown duration, request that your BSC suspend the pcard. Upon the staff member's return, the supervisor may request the BSC to re-activate the pcard
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. Submit a request to the appropriate procurement card coordinator when an account must be closed due to termination or change of status
6. Assist the BSC 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 BSC director in suspending or revoking a cardholder's pcard privileges, as requested

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 may be used for travel-related expenses such as airfare, hotel, hosted meals, registration fees, and incidental supply needs that may arise during travel, for example, replacement of a traveler’s lost laptop power cord. See University Policy 3.2, Travel Expenses, for specific details on the types of expenses allowed by the university during business travel.

◆ **Caution:** The T&M card is NOT intended for use as a procurement tool for non-travel goods and services. The card must never be used for services requiring a contract, such as catering.

It is recommended that travelers use personal funds for individual meals while traveling and avoid using the T&M card; this will limit the traveler’s risk of exceeding the per diem allowance and having to return funds to the university.

Hosted meals, including those held locally, may be paid for 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 meals.

The travel card holder may also utilize his/her card for the payment of travel expenses for other university travelers, including guests. The cardholder is still subject to the requirements outlined below in “Documentation and Expense Report Requirements.”

◆ **Note:** 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.

Applying

Applications for T&M cards will be supplied only to those individuals specifically authorized by their unit. Contact your business service center to request that an application for a T&M card be initiated for you. Applicants are required to complete an online tutorial and pass an exam prior to issuance of a card.

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 result 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/SBG member. If/when the SFG/SBG 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 BSC 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 BSC 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.

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Account Closures and Other Changes to T&M Cards

Representatives of the cardholder's BSC 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.dfa.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.

BSC Directors should close 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. 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

1. 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.
2. 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.
3. 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).
4. 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.
5. Complete expense reports in Concur in a timely fashion in compliance with University Policy 3.2, Travel Expenses.
6. Retain original documentation for 60 days after the expense report has been submitted.
7. 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.
8. 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 your BSC director to request a card suspension in the event that your direct report/cardholder will be on any type of university leave for greater than 30 days or for an unknown duration.
3. Contact your BSC director to request a travel card closure in the event that your direct report/cardholder is leaving his/her position.
4. Assist the BSC director 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 your BSC director 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.

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Business 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 your BSC Director.
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., BSC 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 BSC 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.