Special Considerations for FTC/BSC Cardholders

This section describes special permissions that have been granted to the Financial Transaction and Business Service Center (FTC/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 an FTC/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 FTC/BSC PCard Transactions

- Payments must be made using an FTC/BSC pcard; authorization may NOT be extended to a regular card or cardholder, unless specifically stated.
- The FTC/BSC will be allowed to pay up to the first $10,000 of the expenses described in this section using an FTC/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 FTC/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 FTC/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 Services will assist in the collection of insurance certificates for vendors who do not already have insurance on file (see http://www.dfa.cornell.edu/procurement/buyers/insurance). 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 an FTC/BSC PCard

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

A. An individual for whom a travel-related payment, as described in items B through G 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, check with uco-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 FTC/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 Services 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.

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 FTC/BSC pcard are met.

C. **Airfare.** Domestic and international travel may be paid via FTC/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 and taxi service, e.g., Ithaca Airline Limousine, may be paid via FTC/BSC pcard for a group or for visitors (not for individual faculty, staff, or student); insurance must be on file with Procurement Services 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 FTC/BSC pcard.

F. Bus(es). Buses may be chartered via FTC/BSC pcard for a group (not for individual faculty, staff, or student bus fare) so long as insurance is on file with Procurement Services for the bus company and the contract (if one is required) has been executed by Procurement Services prior to any payment (including a deposit) being made. See Conditions for Review and Approval of Contracts by Procurement Services below.

Notes:
- The FTC/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 FTC/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, University Travel pertains to the individual business travel of Cornell faculty and staff members, which is initially paid by the individual using a Cornell corporate travel card or other personal credit card, and then reimbursed as appropriate. This policy should not be confused with the special considerations for FTC/BSC pcards outlined in this section.

University Events: Catering and/or Event Space Rental

Outlined below are the limited instances in which an FTC/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 in order for any payment (including a deposit) to be made on an FTC/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.
- FTC/BSC Directors have been delegated the authority to execute (sign) contracts and addendums up to $10,000 for catering, event space rental, and events that include both food and space. When the contract total exceeds $10,000, Procurement Services will execute the contract as part of the purchase order issuance process; therefore, FTC/BSC Directors will not sign these contracts.
- When the FTC/BSC Director is authorized to execute a contract, it is recommended that the vendor’s insurance certificates be on file. FTC/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.

### Catering Only

#### Up to $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 FTC/BSC. Lastly, the FTC/BSC Director or designee executes (signs) the contract.
- **After** the signed contract is sent back to the vendor, the FTC/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 FTC/BSC. The FTC/BSC Director does not sign this document.
- The FTC/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 FTC/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 FTC/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, 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, see “Caterer and Restaurant List” on Procurement Services website at [https://www.dfa.cornell.edu/procurement/buyers/hiring-caterers](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 Services.
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 FTC/BSC. Lastly, the FTC/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 FTC/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 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 FTC/BSC. The FTC/BSC Director does not sign these documents.
- The FTC/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 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 FTC/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 FTC/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 Services 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

FTC/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 FTC/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 FTC/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 [http://www.dfa.cornell.edu/procurement/supplierlistview](http://www.dfa.cornell.edu/procurement/supplierlistview).

For a service to be eligible for payment up to $10,000 via FTC/BSC pcard, all of 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 Services 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. The FTC/BSC must check Procurement Services’ web site to verify that the vendor appears on the list of suppliers that have current, adequate insurance, which can be found at [https://www.dfa.cornell.edu/procurement/buyers/insurance](https://www.dfa.cornell.edu/procurement/buyers/insurance).

**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 placing his/her initials, date, and NetID in the margin on each page of the contract. The FTC/BSC representative will verify that the Unit representative has placed his/her initials, date and NetID in the margin of each page of the contract, as described above. All contracts are to be attached to the requisition. Procurement Services will perform the final review and sign the agreement on behalf of the University.

**Caution:** Do not sign on the signature line as Procurement Services is required to sign on behalf of the University. In all cases, units will send a contract to their FTC/BSC, who will then forward to Procurement Services, 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 FTC/BSC will initiate a requisition, attaching the vendor’s signed contract and addendum, and then contact Procurement Services to alert them to the deadline.