Procurement Card (P-Card) Policy

This policy governs the University Procurement Card (P-Card) Program and provides guidance for the issuance, use, internal control, and financial management of P-Cards and P-Card accounts.

The policy applies to all Florida Institute of Technology P-Card holders.

The Office of Purchasing and the P-Card Coordinator are responsible for managing the program.

The cardholder should purchase from University-approved contract vendors, and whenever possible should take advantage of the pricing agreements and terms negotiated.

Definitions

- **Procurement Card (P-Card)** – A P-Card is a restricted use bank card (VISA) issued and administered by the University’s procurement card banking partner, and managed according to this policy, the P-Card Rules and the Procurement Card Agreement. The P-Card is issued to provide efficiency and convenience to both the University and the cardholder for the purpose of conducting business transactions and acquiring goods and services on behalf of the University.

- **Cardholder** – A Cardholder is a University employee who has been entrusted with the responsibility for acquiring goods and services that are needed for the conduct of University business, and who has specifically been granted the right to use a P-Card to facilitate transactions in accordance with P-Card Rules.

- **Bank Statement** – A summary (statement) of P-Card activity that is sent from the bank directly to the Cardholder each month.

P-Card Overview

A P-Card may be obtained by completing a Procurement Card Application Form and submitting it to the Office of Purchasing. The written application must be signed and approved by the applicant’s Department Head, and will be reviewed by Procurement Services and the Associate VP of Financial Services. The Associate VP of Financial Services will provide final approval for the issuance of a P-Card, and a P-Card will then be issued to the applicant for the purpose of making authorized purchases on behalf of the University.

- The Cardholder will receive a P-Card issued in their name, and may not give their P-Card number to others to use.

- The Cardholder will be responsible for all charges to the P-Card.

- The Cardholder must protect the security of the P-Card at all times.

P-Card Spending Limits

P-Card accounts have both monthly spending limits and single-transaction limits. Monthly spending limits are set by the Associate VP of Financial Services when the cardholder’s P-Card application is
processed. Any increases in the monthly spending limit (either ongoing or temporary) must be approved by the Associate VP of Financial Services.

P-Card accounts also have Single-Transaction Limits that establish a maximum amount for a single transaction. A P-Card transaction will be automatically declined if the transaction amount exceeds the Single-Transaction Limit. Purchases which involve signing an agreement, license or contract must be approved by the current department head and follow the signature authority/contract policy. Only approved agents of the University are allowed to sign and execute contracts on the University’s behalf, and it is generally better to use a Requisition for these transactions. Please refer to our Procurement Policy for procurement guidelines.

- The maximum Single-Transaction Limit is $1,499.00.
- There is NO Single-Transaction Limit for Airfare or Lodging. Single transactions for travel-related expenses (airfare or hotels) are allowed to exceed the $1,499.00 limit. The P-Card will be able to identify allowable travel-related charges from the vendor’s Merchant Category Code.
- Travel spending governed by the University’s Travel Policy, and Cardholders should not use the P-Card to make unauthorized purchases such as un-approved seating or room upgrades without prior written consent, even though the P-Card may allow the transaction to be processed.

NOTE: Cardholders are NOT to split a transaction into multiple charges in an attempt to circumvent the Single-Transaction Limit.

**P-Card Spending for Grants**

All use of P-Cards for Grant funds is subject to both the P-Card Rules and the Grant Rules. Please refer to the Office of Sponsored Programs for grant-related guidelines.

**Purchases with Terms and Conditions**

Procurement cardholders are responsible for reading and understanding any terms or conditions that accompany a procurement card purchase. Questions regarding any terms or conditions should be directed to Office of Purchasing before proceeding with the purchase.

**Sales Tax on P-Card Transactions**

The University is a 501C(3) non-profit institution and is exempt from sales tax. Cardholders will be issued a Sales Tax Exemption Certificate for the University and should provide vendors with the University’s sales tax exemption number to avoid being charged sales tax on purchases. This may be impractical on small purchases, but the Cardholder should seek to avoid sales tax on all transactions, and should seek reimbursement if they are charged sales tax exceeding $15.00 on a single transaction.

**Managing the Procurement Card (P-Card) Account**

A Cardholder should only use the P-Card for authorized University purchases and transactions, and it is the Cardholder’s responsibility to review the monthly account statement sent to them by the bank each month and validate each charge on the account. The Cardholder is to verify that the charges listed on the statement are valid and accurate. After validating the charges cardholder must sign and submit their verified statement to their Department Head, Supervisor, or reporting Manager, who will also be required to review the charges on the statement and indicate their approval of the charges by signing the statement.
Receipts and Business Use Documentation

Cardholders are to obtain and submit receipts for all P-Card transactions. All receipts must be attached to the bank statement (in the same order in which the corresponding charges appear on the statement), and submitted with the signed statement.

Documenting Business Use – The Cardholder should provide an explanation of the business purpose of each transaction, either by noting the use on the receipt, or attaching an explanation to the receipt. For certain charges, the Cardholder may be required to list attendees along with the business purpose.

Lost / Missing Receipts – If a receipt is lost, the Cardholder must attempt to obtain a duplicate receipt, or complete and submit a Missing Receipt Form providing transaction detail and business purpose information for each missing receipt. Missing Receipt Forms are not a substitute for receipts and the Cardholder must attempt to secure and submit receipts for all their P-Card transactions.

P-Card Account Audits

Random audits of P-Card accounts are regularly conducted to support the University’s internal control processes and insure the integrity of the P-Card program. If selected for audit, the Cardholder’s P-Card files must be immediately made available to the Office of Purchasing, the University’s Internal Auditor, and/or the P-Card Coordinator. Auditors may ask the Cardholder to explain certain charges, or provide additional supporting documents or receipts related to the charges being investigated. Full and supportive cooperation with the auditors is expected.

P-Cards must be turned in to Human Resources upon separation, termination or retirement.

Key Prohibited P-Card Uses

The following are examples of Prohibited Items:

- Alcoholic Beverages
- Capital Equipment that exceeds $1,000
- Computers and laptops – These must be purchased with a Purchase Requisition
- Cell Phones
- Chemicals / Hazardous and/or Radioactive Materials-Isotopes / Lasers – These must be purchased with a Purchase Requisition and their receipt must be logged and tracked by the University’s Department of Environmental and Regulatory Compliance
- Controlled Substances
- Live animals
- Fines, Parking/Traffic Tickets
- Donations
- Consultant / Speaker Fees
- Construction or Remodeling projects
- Fuel for your personal vehicle
- See the P-Card Procedure and P-Card Rules for additional guidance regarding Prohibited Uses

Memberships & Dues / Cell Phone Bills / Gift Cards / Entertainment / Alcohol – There are guidelines for these types of purchases. (See the P-Card Procedure and P-Card Rules). These purchases will require prior approval from the Department Head and P-Card Coordinator, and the request should
include documentation to support their need. The Associate VP of Financial Services will provide final approval of these P-Card uses.

**Record Retention**

The University Records Retention Policy will govern the record keeping and storage requirements of P-Card Statements, receipts, and transaction documents.

**Consequences Resulting from Violations of Policy**

Violations of rules governing use of the procurement card can be classified as minor or major. The action taken is dependent upon the nature and severity of the violation. Consequences may include additional training, cancellation of cardholder privileges, or disciplinary action up to and including termination of employment.

A cardholder will receive up to 3 written P-card violation warnings that will require the cardholder signature. The 3rd written violation will result in loss of procurement card privileges.

Minor violations include:

- Allowing someone other than cardholder to use the procurement card
- Failure to maintain receipts properly
- Splitting transactions to avoid the $1,499.00 single limit transaction
- Exceeding budget

A major violation indicates a willful intent to disregard rules. Examples would include:

- Making personal charges using the procurement card
- A repeated pattern of inappropriate charges

The circumstances of the violations will determine the appropriate action. Improper or fraudulent use of the P-Card may result in disciplinary action, up to and including termination of employment. Cardholders are expected to use their P-Card responsibly and properly for approved business uses and in accordance with the University’s P-Card Rules.

The University may terminate the Cardholder’s right to use a P-Card at any time and for any reason, and the Cardholder must surrender their P-Card immediately, if requested, or upon termination of employment.