

Purchasing Card Policy

Responsible Office: Procurement Services, Accounts Payable
Issuance Date: December 15, 2005
Revision Date: October 1, 2015

POLICY STATEMENT

The Columbia University Purchasing Card (P-Card) is the preferred payment method for most business related, non-travel, small dollar purchases (under \$2,500 per transaction) of goods and limited services by Columbia University's schools and departments. The use of a purchasing card significantly reduces the time spent purchasing and paying for small-dollar, high-volume transactions while maintaining adequate controls.

REASON FOR THE POLICY

The policy supports the use of Purchasing Cards for appropriate business transactions, while assuring that the appropriate internal controls are in place to minimize the University's risk of financial loss.

PRIMARY GUIDANCE TO WHICH THIS POLICY RESPONDS

This policy responds to Purchasing Policy, as well as to all applicable Federal procurement laws and regulations, including but not limited to OMB Circular A-110 and the Federal Acquisition Regulation (FAR).

RESPONSIBLE UNIVERSITY OFFICE

Procurement Services, Accounts Payable is responsible for administration of the Purchasing Card program, policies, and procedures in close coordination with the Purchasing Office, Treasury and the Controller's Office.

REVISION HISTORY

Last Revised February 2014

WHO IS GOVERNED BY THIS POLICY

This policy governs the use and administration of the University's Purchasing Card Program. All University personnel who participate in the P-Card program are governed by this policy.

WHO SHOULD KNOW THIS POLICY

It is the responsibility of all University personnel who participate in the P-Card program to review and understand this policy.

EXCLUSIONS AND SPECIAL CONSIDERATIONS

Not applicable

FORMS/POLICIES/PROCEDURES

All Forms, Policies and Procedures for the P-Card program are available on [the Finance Gateway](#). These documents are frequently updated; so please check the [Finance Gateway](#) for the most current version.

PROGRAM OVERVIEW

A P-Card is a credit card that authorized University personnel may use to purchase goods and limited services for use by the University. P-Cards are issued to individuals who meet the appropriate

requirements and can only be used by the individual named on the card. Columbia University is liable to the financial institution that issues the P-Cards for all valid transactions and pays the financial institution directly. P-Card transactions bring greater efficiency to the purchasing process because transactions can be made without a purchase order and payment is streamlined.

The University has chosen a Purchasing Card program offered through a card-issuing Financial Services Provider (“Card Issuer”). This program is governed by the terms and conditions of a Master Agreement between Columbia University and the Card Issuer. The Card Issuer provides a web-based system to manage the Program.

P-CARD ROLES AND RESPONSIBILITIES

ACCOUNTS PAYABLE

Procurement Services, Accounts Payable administers the P-Card Program, and is responsible for supporting schools and departments in utilizing the Program to execute and pay for small purchases in an effective, efficient and appropriately controlled manner. Procurement Services, Accounts Payable is solely authorized to make any modifications or exceptions to the program and to perform administrator tasks such as setting-up users, changing card controls, etc., in the card management system and ARC. Procurement Services, Accounts Payable maintains all forms and policies and procedures directly associated with the program. Procurement Services, Accounts Payable is responsible for developing, updating and administering all audit and disciplinary policies related to the P-Card program. Procurement Services, Accounts Payable will approve payment of the monthly card charges based on the bill from the Card Issuer and the information in the card management system and ARC.

CARDHOLDER

Authorized University personnel who make frequent, low-dollar purchases for University business and are issued a P-Card will hold the role of Cardholder. A Cardholder makes purchases, has a legitimate business purpose for all P-Card transactions, regularly reviews his or her transactions, allocates transactions to the correct accounting codes, provides a business purpose when necessary, and maintains their P-Card receipts for review and audit purposes.

P-CARD RECONCILER

A Reconciler is the person to whom the Cardholder has delegated all the functions associated with post-purchase processing in the ARC including account allocation and providing a business purpose when required. The Reconciler role can be given to either the cardholder or assigned to a proxy to reconcile on the cardholder’s behalf. A Reconciler **CANNOT** make purchases using the card belonging to the Cardholder for whom they reconcile. The Cardholder is responsible for all actions taken by the Reconciler on his or her behalf.

P-CARD REVIEWER

A Reviewer reviews P-Card transactions for a cardholder(s). This role is view only and will not have the ability to either reconcile or approve transactions.

APPROVER

An Approver is the person who approves purchases that have been made by the Cardholder(s) to which he or she is assigned. By approving each transaction, the Approver exercises critical control by ensuring authorized and appropriate P-Card use and correct allocation of expenses in accordance with Accounts Payable, Purchasing and other related University policies. Approvers should also review receipts where appropriate to ensure compliance with this and other University policies. An Approver must have DAF voucher approval authority of \$2,500 or greater.

No Cardholder may approve his or her own purchases/transactions nor may he or she direct someone else to approve transactions in a manner that would violate policy, i.e., without reviewing the transactions in detail, etc. As a general rule, the Approver should not report to the Cardholder whose transactions he or she is reviewing.

DEPARTMENTAL P-CARD ADMINISTRATOR (DPAD)

A Departmental P-Card Administrator is responsible for ensuring that his or her school or department follows the policies and procedures for the P-Card program. A Departmental P-Card Administrator is also the primary liaison between Procurement Services, Accounts Payable and the P-Card program participants in his or her department or school. He or she manages and approves the documentation related to new card applications and changes in cardholder information (name, mailing address, increase or decrease in limits, etc.) or employment status.

The Departmental P-Card Administrator should conduct a regular review of transactions for compliance with P-Card policies and procedures. The Departmental P-Card Administrator is also responsible for working with Procurement Services, Accounts Payable and/or their senior management to administer all disciplinary policies for his or her P-Card participants. The Departmental P-Card Administrator can request that a card be terminated by the P-Card staff at any time.

SENIOR FINANCIAL ADMINISTRATORS OF SCHOOLS AND DEPARTMENTS

The Senior Financial Administrator of a school or department is responsible for overall monitoring of their school or departments Purchasing Card program to ensure compliance with all policies and procedures and is responsible for administering the disciplinary policies for their participants.

Please note: It is possible for one person to hold more than one role; however, Cardholders cannot approve their own transactions.

P-CARD CARDHOLDER AND APPROVER AUTHORIZATION

Authorization to hold a P-Card and approve P-Card transactions is governed by the University's internal DAF policy via the DAF system. Please review the DAF policy on [the Administrative Policy Library](#).

SPECIAL CONCERNS ABOUT CHARGES TO GRANTS AND CONTRACTS

While the P-Card may be used to make purchases and thereby incur related charges on grants and contracts, special efforts are required to insure that the charges themselves are permissible in accordance with the terms of those grants and contracts. Please review related policies and procedures governing grants and restricted funds on the Controller's section of the [Finance Gateway](#).

REVIEWING AND MONITORING TRANSACTIONS

Periodic reviews of each Cardholder's records (i.e., Cardholder receipts and other supporting documents) will be performed by Internal Audit, Procurement Services, the University's financial auditors or others who perform audits on the University's behalf as well as external auditors and federal, regulatory and other granting agencies.

RESTRICTED ITEMS

While the P-Card may be used to purchase most goods and limited services, some items are not permitted to be purchased when using a P-Card because the commodities/items require additional oversight or control in advance of the purchase. Such items include radioactive materials, lasers, alcohol, bio hazardous materials, controlled substances, etc.

The P-Card also cannot be used for the purchase of goods and services that require governmental licenses or permissions or that are controlled under U.S. export controls. Export controls refer to items (A) identified as "defense articles" under the U.S. International Traffic in Arms Regulations ("ITAR") of the Department of State or (B) assigned an Export Classification Number ("ECCN") entry on the U.S. Commerce Control List of the Export Administration Regulations ("EAR"). Examples of export-controlled items include certain navigation systems, protective equipment, underwater sound equipment, lasers, encryption software, and night vision goggles. For assistance in determining whether an item is export-controlled, please coordinate with your departmental administration, who will in turn seek advice from central administration resources as needed.

Please refer to Appendix A to see additional examples of items that **ARE NOT** approved for purchase using the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card staff at pcard@columbia.edu or the Finance Service Center at 212-854-2122.

P-CARD MISUSE

Misuse of the P-Card and violation of the P-Card policy will result in disciplinary action. Examples of misuse and policy violation include, but are not limited to:

Misuse

- Purchase of items for personal use
- Purchase of restricted commodities
- Splitting of purchase or service cost over multiple card transactions in order to circumvent the single transaction limit
- Use of the card by anyone or any department other than the authorized cardholder

Administrative Violations

- Failure to obtain and maintain supporting documentation for all card transactions
- Failure of Cardholder and/or Approver to sign off on transactions by hard close deadline
- Lack of timely and proper reconciliation of posted transactions

- Allocation of charges to sponsored project accounts in a manner that is inconsistent with federal or other guidelines
- Approval of transactions that violate University policies

If any P-Card participant violates the P-Card policies and procedures, the participant may be subject to sanctions including suspension of the card program privileges, card cancellation, and other disciplinary action as deemed appropriate by the University.

REQUIREMENTS FOR P-CARD ISSUANCE AND ACTIVATION

- To obtain a P-Card, the applicant must complete the appropriate documents as specified in the [Cardholder Procedures](#).
- The single transaction limit that is assigned to a Cardholder must be within the approving manager's DAF authority.
- Every participant must complete the appropriate P-Card training before the card and ARC will be available for use. Cardholders will receive their P-Card at the conclusion of training.
- The Purchasing Card Receipt Form must be signed by the Cardholder when they receive their P-Card.

SECURING P-CARD INFORMATION

The P-Card and all account information should be kept in a secure place, and the card number should not be posted, emailed or visible in any place that is accessible by others. Each Cardholder is directly responsible for the physical security of their card and account information.

REPORTING LOST, STOLEN OR COMPROMISED CARD INFORMATION

If the P-Card is lost or stolen, the Cardholder must **immediately** notify the following:

- Card Issuer by calling the 1-888-449-2273
- Departmental P-Card Administrator
- P-Card staff (pcard@columbia.edu) or the Finance Service Center at 212-854-2122

The account will automatically be closed and every effort will be made to have a new account opened within one week after notification. The University is liable for all unauthorized use of the card until the Card Issuer is notified. All charges associated with a card will be allocated to the department to which the Cardholder was assigned when the card was issued.

CARD TERMINATION

P-Cards are the property of Columbia University and the Card Issuer and can be terminated at any time by either the University or the Card Issuer. Cardholder or Approver security access must be removed through the ARC Security process as well as notification sent to the P-Card staff. University personnel who become aware of personal misuse should notify the P-Card staff immediately. P-Cards may be suspended or deactivated for the following reasons:

Inactivity - Cardholders that have not used their P-Card for a period of six consecutive months will be notified by email that they should use their P-Card within the next month. If the P-Card is not used within a month the P-Card will be suspended. If the Cardholder does not request that the P-Card be reactivated within 6 months of the suspension date, the P-Card team will cancel the P-Card.

P-Card Misuse – see page 4

Cardholder moves to a new department in the University - If a Cardholder transfers to another department, the P-Card must be turned over to the Departmental P-Card Administrator and the account will be closed. The department will be held responsible for all charges made on the card until it has been canceled and Procurement Services, Accounts Payable has been notified. If a Cardholder needs a P-Card in his or her new department, he or she should follow the procedures for establishing a new Cardholder.

Cardholder leaves the University - When a Cardholder leaves the University, the P-Card must be turned over to the Departmental P-Card Administrator and the account permanently closed.

If a Cardholder believes a card has been suspended or cancelled in error, he or she should contact the Departmental P-Card Administrator immediately.

USING THE P-CARD TO PURCHASE GOODS

Cardholders are strongly encouraged to use the University's preferred vendors (UwPA's) for their P-Card Purchases. For the most current list of UwPA's please visit the Procurement Services/Purchasing section on the [Finance Gateway](#). Procurement Services, Accounts Payable will review P-Card transactions on a regular basis to analyze preferred vendor utilization and will review any resulting opportunities with the Departmental P-Card Administrator. Procurement Services, Accounts Payable will also work with the Card Issuer and VISA to encourage vendors who do not accept credit cards to add cards as a payment method.

All purchases must be made in accordance with applicable laws and regulations, including, but not limited to Columbia University's policies and procedures, which can be found on the [Finance Gateway](#).

Purchases can **ONLY** be made by the person to whom the card is issued. Any other use is a violation of University Policy, and the person to whom the card is issued as well as the unauthorized user may be subject to disciplinary action.

The following are some common examples of approved items for purchase using the P-Card.

- Books
- Minor computer equipment, software, and supplies Lab supplies and minor equipment)
- Registrations for conferences and seminars
- Subscriptions and memberships
- Professional membership and license fees
- Supplies and materials
- Postage
- Newspaper, journal, on-line advertising fees

The P-Card may also be used to procure some types of non-consultant services. In general, non-consultant services may be purchased via the P-Card provided they are governed by a University-wide Purchasing Agreement (UwPA), or where they do not require contractual or purchase order terms and conditions binding the University or the vendor. (Please note: most repairs and services not governed by a UwPA require a PO so please contact the P-Card team at pcard@columbia.edu or the Finance Service Center at 212-854-2122 if you are uncertain if your P-Card can be used for a purchase.) Schools and departments are encouraged to charge the following services where appropriate:

- Couriers

- Overnight air and ground delivery (UwPA Vendors preferred – excluding items that require HIPPA compliance)
- Medical transcription (UwPA Vendors **Only**)
- Medical Answering services (UwPA Vendors **Only**)
- Cell phone and pager charges individual or group plans (UwPA Vendors preferred)
- Water and Coffee deliveries (UwPA preferred)
- Record Storage (UwPA Vendors **Only**)
- Shredding Services (UwPA Vendors **Only**)
- Uniform Cleaning and Rental (UwPA Vendors **Only**)
- Moving & Storage services (UwPA Vendors **Only**)
- Other metered services
- Printing purchases
- Promotional Items (Purchasing CU Approved Vendor **Only**)

Please note, **all** invoices and/or bills **must** identify Columbia University as the “Bill-To” and the bill-to and shipping address **must** be a Columbia University address.

This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please visit the P-Card section of the [Finance Gateway](#) or the [Purchasing Guide](#) for a more inclusive list of acceptable uses.

While schools and departments are encouraged to use the P-Card for most small purchases of goods, as well as appropriate services, some purchases may not be made via P-Card because they require additional oversight or control in advance of purchase. Please refer to Appendix A to see examples of items that **ARE NOT** approved for purchase using the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card staff at pcard@columbia.edu or the Finance Service Center at 212-854-2122.

P-CARD USE FOR ON-CAMPUS FOOD PURCHASES

The P-Card may be used (with DPAD approval) to make small purchases of food from local food merchants for consumption at a work-related meeting or class at a University-owned or leased property. Such purchases may not include catering services that involve execution of a contract by the University and/or provision of labor by a vendor at an event. The P-Card **may not** be used to purchase food while traveling on University business or for meals eaten in a restaurant or eating establishment. For all food purchases made under this policy the following information must be entered into ARC when reconciling transactions:

- Purpose of the event or meeting
- Type of meal (breakfast, lunch or dinner)
- Date and location of the event or meeting
- Names of attendees (or a number if there are more than 10 names)
- Average Cost per person

All such purchases should be consistent with the University’s policies with respect to cost per person and any other related provisions. Please refer to the Policies for additional information. In addition, Reconcilers are **required** to scan and attach all receipts to P-Card food transactions in ARC.

P-CARD USE WITH NYC PREFERRED VENDOR HOTELS

The P-Card may be used (with DPAD approval) to make business-related hotel reservations at preferred local hotel vendors for guests and visitors of the University. For a list of current hotel vendors please

visit the [Purchasing website](#). The P-Card **may not** be used with any other hotel. The P-Card **may not** be used for University Employee stays at preferred local hotels. **All** payments at a preferred local hotel vendor must have the following information entered into ARC when reconciling transactions:

- Name of the guest
- Dates of the stay (check in and check out dates)
- Business purpose of the stay
- Cost per day

Cardholders must also maintain a copy of the itemized hotel portfolio detailing all the charges as documentation for the purchase. In addition, Reconcilers are **required** to scan and attach all receipts to P-Card hotel transactions in ARC. All such purchases should be consistent with the University's policies with respect to cost per person and any other related provisions. Please review the [Travel & Business Expense Policies](#).

CARD RESTRICTIONS - SPENDING LIMITS

The P-Card has both a "Single Transaction Limit" and a "Monthly Credit Limit" which is determined by the Cardholder's Departmental P-Card Administrator (DPAD). The Single Transaction Limit is set at \$2,500 or lower based on the amount the Cardholder is authorized to spend on each P-Card transaction. The single transaction limit cannot exceed \$2,500. The Monthly Credit Limit is set to the total dollar amount that the Cardholder will spend on business related items within a month. With the exception of increasing the Single Transaction Limit above \$2,500, these limits may be changed where appropriate and only when approved by the DPAD.

It is explicitly prohibited for a Cardholder to "split" the purchase of merchandise in order to circumvent the "Single Transaction Limit". Intentionally doing so may result in the immediate cancellation of the P-Card. A transaction includes the purchase price, sales tax (if applicable), and freight and/or handling. Any transaction that exceeds the Single Transaction Limit will be rejected by the merchant.

All transactions during the billing period in excess of the Monthly Credit Limit before the end of the billing cycling will be rejected by the merchant. In the event this occurs and there was an exceptional and/or urgent circumstance, the Cardholder or the Departmental Program Administrator may call the P-Card staff to review any available options.

SALES TAX

Cardholders should remind vendors at the time of purchase that according to the tax laws in some states, the University is exempt from sales tax. For a list of states that honor the University's tax-exempt status please contact the Finance Service Center at 212-854-2122 or [online](#). The University's tax exempt number is printed on the P-Card and Cardholders should keep a copy of the tax-exempt form with them to present to the vendor at the time of purchase. To request a copy of the University's tax-exempt form, please contact the Service Center at 212-854-2122 or [online](#). If a Cardholder is charged sales tax for a P-Card purchase that should be tax-exempt, the Cardholder should contact the vendor directly and request a credit.

TRANSACTION REVIEW

It is the Cardholder and Approver's responsibility to review all transactions for accuracy, appropriate business purpose, reconcile with invoices/receipts/records, assign proper accounting, and sign-off on all P-Card transactions as quickly as possible after the purchase. It is strongly recommended that this be completed once a week, but **must be** to be completed by the hard close. The Cardholder and Approver should review each transaction to ensure compliance with the following items:

- All transactions made using the card comply with the University's Accounts Payable, Purchasing and P-Card Policies : <http://finance.columbia.edu/policies>
- All purchases must have a valid University business purpose
- Accounting is done in compliance with the University's [Accounting Policies](#)
- Purchases meet all grant or regulatory requirements (if the purchase is allocated to a grant or federally funded account)
- All required receipts are accounted for and are maintained in accordance with this policy

RECEIPT MANAGEMENT

It is the Cardholder's responsibility to maintain receipts that document the nature and cost of all purchases made with a P-Card in accordance with University Finance retention policies.

RECEIPT DEFINITION

A receipt generally includes the following information:

- Purchase date [ex. 06/15/06];
- Vendor name [ex. Poland Spring Water];
- Item(s) description [ex. Case of 24 bottles of water];
- Quantity [ex. 2];
- Unit price [ex. \$6.98]; and
- Total charge [ex. \$13.96]

If this information is not on the receipt, the Cardholder should write that information on it. A receipt can be in the form of a cash register receipt, a copy of an order form (i.e., for subscriptions or conference registrations), or a web receipt or email acknowledgement from the vendor. The receipt should provide sufficient detail to support the business purpose of the purchase.

Occasionally, the Cardholder may lose a receipt. The Cardholder should document the details about the purchase including date, vendor name, item(s) description, quantity, unit price and total charge. The Cardholder should sign the document.

RETURNS AND/OR CREDITS

If goods purchased with the P-Card need to be returned, the Cardholder must contact the vendor directly and request a credit to their P-Card or University account. This policy prohibits any other type of credit including cash.

DISPUTING TRANSACTIONS

Cardholders must attempt to resolve all disputes directly with the vendor. If the Cardholder cannot resolve the issue with the vendor, the Cardholder should dispute the transaction with Bank of America. Please see the P-Card Procedure for how to dispute a transaction. Once a good faith effort has been made to resolve a problem with a vendor, the transaction can be disputed through the Card Issuer. Sales tax may not be disputed and must always be addressed directly with the vendor.

In accordance with our agreement with the Card Issuer, a dispute MUST be initiated NO LATER THAN 60 days after the date of the transaction. Failure to do so will result in the dispute being rejected and the University and corresponding department will be responsible for the charges.

Appendix A

The following is a list of items that **CANNOT** be purchased on the P-Card. This list is not all-inclusive; if there are any questions about whether or not the P-Card can be used for a purchase, please contact the P-Card staff at pcard@columbia.edu or contact the Finance Service Center at 212-854-2122.

- Personal items
- Items requiring governmental licenses or permissions or that are controlled under U.S. export controls
- Split transactions*
- Alcohol (beverage or otherwise)
- Travel (airline, car rental, lodging, taxi, car services, shuttle buses, etc.)
- Entertainment (movie tickets, sporting event tickets, etc.)
- MetroCards, purchased for any reason
- Food eaten off-campus for any reason (meals, receptions, etc.)
- Food purchased for on-campus meetings where the P-Card was not approved for this type of use
- Flowers, greeting cards, candy, fruit baskets
- Purchases from Edible Arrangements
- Gifts/prizes/awards of any kind
- Gift cards and gift certificates of any kind for any reason
- Any Promotional items with University Logo or trademark or any branded product not purchased thru an approved Licensed Vendor.
- Fines of any kind
- Purchases using personal PayPal accounts
- Maintenance and Service agreements
- On-site Equipment repairs
- Cash advances, cash back on purchases, cash refunds on returns
- Controlled substances
- Live animals
- Radioactive materials and specialty gases
- Contracted services from an individual or 1099 vendors
- Honorariums
- Furniture
- Fuel
- Leases /Rentals
- Insurance
- Employee relocation and relocation related expenses
- Catering
- Parking
- Charitable Contributions
- Fees for Foreign Nationals of any kind (Visa's etc.)
- Online auctions (i.e. EBAY, Craigslist)
- Groupon
- Courier service for any items which require HIPPA compliance
- Cloud Hosting, Cloud Storage and File Sharing services
- Non-UWPA Vendor Purchases for : Shredding Services, Moving and Records storage; and Uniform Cleaning and/or Rental

* Cardholders are not permitted to divide a purchase into multiple transactions to avoid their single transaction limit. An example of a split transaction would be the following scenario: Total purchase is \$3,000 and the Cardholder has a single transaction limit of \$2,500. The Cardholder has the vendor split the order into amounts of \$1000, \$1000 and \$1000 so the original transaction is not declined.