

# **PURCHASING POLICY: POL111 (Replaces POL 110)**

**TITLE:** P-Card Policy

**EFFECTIVE DATE:** January 2024

Roger Williams University provides Purchasing cards (P-cards) to employees who travel and/or are authorized to make purchases of approved commodities for their department. This Policy provides all details pertaining to obtaining a card, appropriate use of the card, cardholder responsibilities, and the responsibilities of managers who have staff with P-cards.

**All P-card holders and Approval Managers are responsible for abiding by this policy. Cardholders and Approval Managers who do not comply risk disciplinary procedures. The right to possess an RWU P-card could be suspended or revoked permanently. Restitution may be required in cases of improper documentation and/or authorization. Based upon the severity of misuse, disciplinary measures may include termination.**

## **1. PROGRAM OVERVIEW**

### a. Who can acquire a P-card?

Only RWU employees may acquire an RWU P-card. Cards are issued to individuals, not departments. Temporary employees and students are not eligible to receive P-cards.

There must be a requirement to purchase goods and/or services for the University based on the employee's job responsibilities. The employee's manager determines whether the employee's responsibilities warrant the use of a P-card.

Cards may not be transferred to, assigned to, or used by anyone other than the designated Cardholder.

### b. What P-cards are used for

- Travel expenses: transportation, lodging, meals
- Membership dues
- Subscriptions to online services
- Online purchases of goods (NOT fixed assets)
- Gift cards – only under limited circumstances - see details in Gift cards/Gift certificates section below

### c. P-Card provider

RWU's P-card provider is US Bank. US Bank's platform for managing P-card transactions is **Access Online**. An Access Online account will be created for all P-card holders when their card is issued. The Purchasing Department provides training materials on how to use Access Online.

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### d. How to acquire a P-card

A **P-card Request Form** should be completed by the prospective cardholder. The P-card Request Form can be found [HERE](#) and is also available on the Purchasing page of rwu.edu. The Requestor's manager must forward the completed form to the Purchasing Department. That serves as the Manager's approval to issue the card as well as their approval of the spending limits and Unit numbers. The Excel spreadsheet must be provided to Purchasing, **not** a PDF of the spreadsheet.

Once Purchasing receives the spreadsheet they will process the request through US Bank. The Purchasing Department will also send a copy of the P-card Policy to the requestor. The requestor must acknowledge that they have read and understand the Policy before the card will be issued.

US Bank sends all P-cards to the Purchasing Department. Requestors will be contacted by Purchasing when their card is available. Please allow 1-2 weeks from the time Purchasing receives your completed request to receive your card.

### e. P-card approvers

All P-card holders are assigned an Approval Manger to review and approve their P-card transactions in the US Bank Access Online web portal. The Approval Manger must be the employee's immediate manger or a more senior manager in their department. Peers or Administrative Assistants may **not** be Approval Managers for cardholders.

### f. P-card limits

All P-cards have both a single transaction limit and a monthly credit limit. The default single transaction limit is \$2,500 and the default monthly spending limit is \$7,500.

Spending limits can be increased if the job responsibilities of the cardholder warrant it. Limits can be permanently increased, or they can be temporarily increased for one-off purchases or for a defined date range. **"Splitting" an order to circumvent single transaction limits is prohibited.**

### g. Billing cycles

Monthly billing cycles end on the 25<sup>th</sup> of the month **IF** the 25<sup>th</sup> falls on a business day. If the 25<sup>th</sup> falls on a weekend or holiday, the following business day will be the last day of the billing cycle. This means that the first and last day of the billing cycle can vary from month to month. The **US Bank P-card Cycle Calendar** shows the billing cycle dates and is available on the Purchasing page of rwu.edu. It is also provided to all new P-card holders.

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### h. Reallocation & approval of transactions

The **primary** responsibility of the Cardholder is to identify the GL number to which each transaction should be charged, to provide the business purpose of each transaction, and to provide an itemized receipt for purchases exceeding \$25. This is done within the cardholder's US Bank Access Online account. These steps can be taken as soon as a transaction is posted to the cardholder's account. The **deadline** for completing these tasks is 10 calendar days after the close of the billing cycle. Cardholders may delegate the allocation of their transactions. Further details are below under **Cardholder Responsibilities**.

The **primary** responsibility of Approval Managers is to review and approve the transactions. Further details are below under **Approval Manger Responsibilities**.

### i. P-card charges & department budgets

At the close of each month the Finance Department downloads the P-card transactions from Access Online and uploads them to the General Ledger in Colleague. Managers that have access to budget reports will see the P-card charges that have been posted to their budget.

### j. Employee transfers

Cardholders that transfer to a different department must notify the Purchasing Department as soon as they know they will be transferring. The employee's new manager will need to approve the employee's continued use of the P-card in addition to their unit numbers and approval limits. The employee's department name and phone number will also need to be updated in Access Online.

### k. Employee termination & card cancellation

Upon termination of employment, whether for retirement, voluntary separation, resignation or dismissal, P-cards will be inactivated. Cardholders are responsible for managing all transactions prior to their last day. P-cards should be destroyed and discarded. They do not need to be returned to the Purchasing Department.

Cardholders are responsible for cancelling any recurring charges, subscriptions, memberships, etc. and if necessary, transferring them to another cardholder in their department. P-cards will not be kept open after an employee leaves the organization.

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### I. Audits

To ensure the continued success of the P-card program and to meet audit requirements of the University, periodic and random audits will be performed on cardholder accounts to ensure that all policies are being followed. Cardholders may be contacted by either the Finance Department or Purchasing Department if anomalies are identified or if there is missing or incomplete information.

### m. P-card support

The Purchasing Department issues new P-cards and closes P-card accounts. If you have any issues activating your card or using your card for the first time, please contact the Purchasing Department.

The Finance Department provides ongoing support to cardholders in the following areas:

- Spending limit changes
- Unit number changes
- Charge declines
- Approver changes
- Allocator changes
- Password changes
- General support on the use of Access Online

## 2. CARDHOLDER RESPONSIBILITIES

### a. Possession of P-card

- P-card holders are responsible for keeping their card in a secure location.
- Cards must **not** be shared with other employees.
- P-cards should never be given to students.

### b. Purchasing & receipts

**Itemized** receipts are required for all purchases greater than \$25.00. An itemized receipt is a receipt that shows each item that was purchased, the cost of each item, and the total charge. A credit card receipt that only shows the total charge is **not** an itemized receipt and is not acceptable.

When you make an in-person purchase, be sure to obtain a receipt at that time. If available when making your payment, select the option to receive the receipt via text

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or email. If you receive a printed receipt, be sure to keep it so you can upload a copy into Access Online.

When you make an online purchase, immediately download a copy of the receipt. It is recommended that you keep all of your receipts in one folder for ease of reconciliation.

Roger Williams University and The School of Law are tax-exempt organizations. **It is the responsibility of the cardholder to inform the vendor that we are tax exempt and ensure taxes are not charged to their P-card.** See section on **Tax Exemption** below.

Each purchase you make will be posted to your Access Online account within 1-3 business days.

Transactions should be checked against sales receipts, invoices, packing slips, or other proofs of purchase to ensure you have received all the goods for which you have been charged. If there is a transaction on your card that you do not recognize, reference the **Fraudulent Charges** and **Transaction Disputes** sections below.

If a cardholder does not have an itemized receipt for a purchase greater than \$25.00, a **Missing Receipt Form** must be completed. The form must be signed by the Department Head/Dean and must be uploaded with the transaction in lieu of the receipt.

See below for additional requirements pertaining to **Travel and Entertainment** expenses.

### c. P-card exclusions

P-cards may **not** be used for the following commodities:

- Personal purchases
- Capital (CAPEX) expenditures
- Live Animals
- Chemicals
- Contracted services
- Faculty professional development
- Controlled substances
- Cash advance / ATM (unless otherwise authorized)
- Gas for personal vehicles
- Gas for business trips (Contact the Purchasing Department for a Fleet Card if you will

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be refueling a rental car.)

- Gift cards and gift certificates require the approval of the Purchasing Department. See **Gift Card/Gift Certificates** below for further details.
- Any expenses for accompanying spouses or companions during business travel

### d. Allocation of ALL P-card transactions prior to deadline

The proper allocation of transactions includes the following three steps:

#### i. **Allocate Transactions**

Each P-card account is associated with a default 15-digit GL account number. This GL number will be automatically assigned to all transactions when they are posted to the cardholder's Access Online account. **All charges must be allocated to the appropriate GL number prior to the close of the allocation period which is 10 calendar days after the close of the P-card cycle.** The **US Bank P-card Cycle Calendar** shows the billing cycle dates and allocation periods. It is available on the Purchasing page of [rwu.edu](http://rwu.edu) and is also provided to all new P-card holders.

Any credits that are posted to a cardholder's account must also be allocated. They should be allocated to the same GL account as the original purchase, so they net to \$0 on budget reports.

Once the allocation period ends, transactions are locked by the system and cannot be allocated in Access Online.

If a cardholder does not complete their allocations prior to the deadline, all of the allocation details must be emailed to the Finance Department. In that event, Staff Accountants have to manually enter all of the information into a spreadsheet. **THIS IS NOT AN ALTERNATIVE PROCESS TO ALLOCATING TRANSACTIONS PRIOR TO THE DEADLINE AND SHOULD NOT BE RELIED UPON.** There are over 300 P-card holders and only three Staff Accountants. **Cardholders who repeatedly fail to allocate their transactions in a timely manner or who fail to attach receipts may have their P-card privileges revoked or suspended.**

#### ii. **Attach Receipts**

Attach **itemized** receipts for all purchases greater than \$25.00:

- Receipt must show each item that was purchased, the cost of each item, and the total charge.
- The total on the receipt must match the total of the transaction.

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- The date on the receipt must match the transaction date.
- Receipts must be legible.
- Receipts for meals must include the name of each person present for the meal.

### iii. **Approve Transactions**

Transactions must be “Approved” by the **Cardholder** in Access Online in order for them to be routed to their Approval Manager for “Final Approval”.

Cardholder “Approval” indicates that the transaction has been fully allocated and the receipt has been attached (if necessary.)

**Transactions should NEVER be “Approved” until they are allocated, and receipts are attached.**

### e. Delegation of allocation responsibilities

Cardholders may delegate the allocation of their P-card transactions to another person such as an Administrative Assistant. Cardholders who delegate the allocation are still responsible for:

1. Providing all information required for the delegate to complete the allocation: GL number, business purpose, and receipt
2. Ensuring that the delegate allocates in a timely manner.

Assigning a delegate does not absolve the cardholder of their responsibility. The cardholder is responsible for the accurate and timely allocation of their transactions as well as provision of receipts.

### f. Tax exempt status

RWU is a tax-exempt organization. Cardholders are responsible for checking all charges at the time of the transaction to verify that taxes have not inadvertently been charged to the card.

The tax exemptions numbers for Rhode Island and Massachusetts are printed on the front of the card. If the vendor requests tax exemption certificates the Purchasing Department can provide them.

### g. Lost or stolen cards

It is the responsibility of the cardholder to immediately report a lost or stolen card to US Bank by calling 800-344-5696. (Outside the USA, please call 1-701-461-5696.)

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The next step is to report this information to the Purchasing Department as soon as possible. The Purchasing Department will receive your new P-card and notify you when it has arrived.

### h. Fraudulent charges

If a cardholder sees a charge on their card that they are certain they did not make, it should be reported as fraud. US Bank should be contacted immediately at 800-344-5696. (Outside the USA, please call 1-701-461-5696.) The Purchasing department should also be notified that the card was closed due to fraud. The new card will be sent to Purchasing and the cardholder will be contacted when it comes in. The dispute process should **not** be used for charges that are totally unknown to the cardholder.

US Bank also has algorithms that identify possible fraudulent activity, usually before the cardholder is aware of it. When that happens, a temporary hold is put on the card and Purchasing is notified via email. Purchasing will forward the email to the cardholder and the cardholder must contact US Bank as soon as possible to determine whether the charges are legitimate.

If the charges are fraudulent, US Bank will close the card immediately and send a new card. The card will be sent to Purchasing and they will notify the cardholder when it has arrived.

In many cases the charges on the card are legitimate. When that happens, the hold is immediately removed from the card and there is no further action required.

### i. Transaction disputes

**Transaction disputes must be initiated within 60 days of making the transaction.** The transaction dispute process is utilized when a cardholder legitimately made a purchase with a vendor, but there is an issue with the charge or credit. Examples include double charges, incorrect charges, failure to receive goods, defective merchandise, failure to apply credit from a return, etc. The dispute process should **not** be used when there is a charge that is totally unknown to the cardholder. Unknown charges should be reported as fraud.

The cardholder is responsible for contacting the vendor to resolve the issue. Most issues can be resolved this way. If the cardholder is unable to reach agreement with the supplier, the next step is to dispute the transaction through Access Online. US Bank will ask for supporting information and documentation, including communications that the cardholder had with the vendor. Please note that the law does not allow suppliers to bill your card for purchases until the items are shipped.



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### j. Travel and entertainment expenses

When using the P-card for travel and entertainment, please follow all current RWU policies and procedures. A copy of the current Travel and Entertainment policy can be obtained from the Policies & Procedures - Purchasing page of [rwu.edu](http://rwu.edu), POL070.

Please note that RWU has a “per diem” policy for meals and incidental expenses. These expenses cannot be paid with the RWU P-Card.

Using an RWU P-card for spousal or companion travel is **strictly prohibited**. These arrangements require the use of personal credit cards or other payment methods, not in conjunction with the RWU P-card.

Entertainment expenses charged to RWU must be in the interest of RWU.

Federal law requires that anyone entertaining a guest on behalf of the University identify the people being entertained and the reason they are being entertained.

Entertainment includes but is not limited to expenses incurred for lunches and dinners. Credit card users must list all participants and the purpose on the credit card receipt. The receipt **MUST** include details of all items / beverages consumed. RWU has a strict Alcoholic Beverages Policy. Please review this policy before purchasing alcohol using your P-card. This policy can be found on the RWU website on the Office of General Counsel’s page. The approval form **must** be completed prior to purchase of alcohol with a P-card. This approval form can be found [HERE](#)

It should be noted that policy dictates that travel and entertainment expenses must be prudent in nature. For example, first class airfare would be inappropriate.

### k. Gift cards/gift certificates

Gift cards and gift certificates are a unique type of purchase because they are effectively a cash advance. As such, a specific process is required for gift cards and gift certificates to ensure the appropriate use of university funds and a thorough audit trail.

There are also specific circumstances in which gift cards may or may not be used. Appropriate uses for gift cards include things such as prizes or survey participation. Gift cards may **not** be given as compensation for services or labor.

If it is determined that gift cards are appropriate, they could be either physical gift cards or electronic gift cards. There are different procedures for each type of gift card.

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P-card holders may **NOT** purchase physical gift cards on their P-card. If a physical card is required, contact the Purchasing Department. The Purchasing Department will purchase the physical cards on behalf of the department. The department must obtain acknowledgements from all gift card recipients and provide them to Purchasing along with the proper GL number to which the cards should be charged.

If an electronic gift card is required, the gift card should be purchased through an RWU Amazon Business Prime account. (See below for details regarding Amazon Business Prime.) The email address of the recipient of the e-gift card is stored in the RWU Amazon account. Gift card purchases will be routed to the Purchasing Department for approval.

### **i. Amazon purchases**

RWU has an Amazon Business Prime account for employees who need to make **business** purchases from Amazon.

RWU P-cards should **never** be added to a personal Amazon account as a payment method. Personal Amazon accounts may **not** be used for business purchases.

RWU Amazon Business Prime accounts may **only** be used for business purchases. Personal purchases should **never** be made from RWU Amazon accounts. Personal credit cards/debit cards should **never** be added to an RWU Amazon account as a payment method.

Cardholders who need to purchase from Amazon should contact the Purchasing department to obtain the complete Amazon Business Prime Policy and have an account created for them.

### **m. Returns**

Items should be returned in a timely manner directly to the supplier by whichever means the supplier requires. The cardholder is responsible to see that proper credit is posted for a returned item. As noted above, the credit that is posted to the cardholder's account should be allocated to the same GL number as the original charge.

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### 3. APPROVAL MANAGER RESPONSIBILITIES

Approval Managers play a critical role in the P-card process by monitoring P-card usage by their staff.

Approval Managers have a fiscal responsibility to RWU in preventing the misuse and/or abuse of P-cards and to identify errors that may be made by cardholders. The Finance Department may audit P-card transactions, but it is impossible for them to monitor all transactions. **The Approval Manager is the last line of defense against P-card misuse, inappropriate use of University funds, and errors made by the cardholder.**

Approval Manager responsibilities are as follows:

1. Ensure that cardholders are allocating and approving all P-card transactions in a timely manner. Approval Managers must proactively enforce P-card procedures with cardholders. The lack of transactions in their Manager Approval Queue does not absolve them of their responsibilities.
2. Review all transactions in their Manager Approval Queue.
  - a. Check that expenses are being charged to the correct GL number. NO P-card charges should be allocated to the default Object Code 61051. If charges are allocated to Object Code 61051, they must be rejected by the Approval Manager.
  - b. Review the Business Purpose to ensure that it is valid.
  - c. Check for valid **itemized** receipts. Transactions greater than \$25.00 that do not have receipts must be rejected. **Transactions without receipts should never be Final Approved by Approval Managers.**
  - d. Receipts for meals or entertainment expenses must include the names of attendees.
3. Once transactions are reviewed as specified above, they must be Final Approved by the Approval Manager.
  - a. **If you are a Final Approver and you have a delegate that allocates your transactions, your delegate is not authorized to final approve transactions.** Only the Final Approver associated with the cardholder may Final Approve transactions.

#### Revocation of P-card Privileges by Manager

Any manager may revoke the p-card privileges of a cardholder that reports to them. In that event, the manager must contact the Purchasing department to have the card account suspended. Card numbers can be stored in any number of ordering platforms or may have been provided for ongoing subscriptions/memberships. Taking the physical card away from the cardholder does not prevent charges from being made on the card.