

# William Paterson University Policy

## Functional Policy

<b>SUBJECT:</b>	Purchasing Card (P-Card)	<b>TITLE:</b>	Purchasing Card Functional Policy		
<b>CATEGORY: Check One</b>	<b>Board of Trustees</b> <input type="checkbox"/>	<b>University</b> <input type="checkbox"/>	<b>Functional</b> X	<b>School/Unit</b> <input type="checkbox"/>	
<b>Responsible Executive:</b>	Assoc. VP Administration		<b>Responsible Office:</b>	Purchasing Department	
<b>CODING:</b>	02-30-00-00-00	<b>ADOPTED:</b>	05/07/2020	<b>AMENDED:</b>	01/01/2024
<b>LAST REVIEWED: 01/01/2024</b>					

### I. PURPOSE

This policy is designed to communicate to University Faculty and Staff the operational parameters of the purchasing card program, which includes both Purchasing Cards and Travel & Entertainment (Corporate) Cards.

### II. ACCOUNTABILITY

The Director Purchasing is responsible for policy compliance, implementation and administration.

### III. APPLICABILITY

This policy is applicable for all University Faculty and Staff who are active participants in the Purchasing Card program (P-Card) and their supervisors.

### IV. DEFINITION(S)

1. Purchasing Card or Procurement Card or P-Card or Travel & Entertainment (Corporate) Card - A University authorized credit card program under which University Faculty and Staff can make small dollar purchases of goods or services and based on a preapproval use to charge travel and business meal expenses.
2. Program Website – The interactive customized website hosted by the program’s sponsoring bank where all transaction data is posted.
3. Merchant Category Code (MCC) – This is the code selected by the merchant that defines the merchant’s category of business operation. Some examples of common MCCs are membership organizations, subscriptions, office supplies, retail stores, books, etc.
4. Cardholder Statement – The statement of transaction debits, credits and FOAPs charged for all of the activity posted to a card during the statement period.

## V. BACKGROUND

The P-Card program is a purchasing tool whereby University Faculty and Staff can make small dollar purchases, typically \$500 or less, or dollar purchases of greater value to address specific business needs. The program provides a cost effective and streamlined method of purchasing that replaces the requisition-purchase order-invoice-payment method. The P-Card program may also be used, based on a preapproval, to charge certain faculty and staff one time travel expenses, such as conference/workshop registrations and airfare. Some faculty and staff members may also be preauthorized to use a Travel & Entertainment (Corporate) Card on an ongoing basis for business travel and business meals.

## VI. REFERENCE(S)

1. Purchasing Functional Policy. (See Purchasing Office website for posting.)
2. Procedures for the Procurement Card Program. (See Purchasing Office website for postings.)
3. Purchasing Procedures. (See Purchasing Office website for postings.)
4. University Travel Policy. (See Office of the Controller website for posting.)
5. University Travel Procedure. (See Office of the Controller website for posting.)

## VII. POLICY

### A. Requirements:

#### a. Overview

- i. The P-Card program provides an efficient and cost effective method of purchasing and paying for small dollar transactions. The user benefits from having a streamlined purchase process highlighted by a reduction in processing time and the ability to make immediate purchases. The University benefits with the reduction of requisition to check processing costs. The vendor benefits from a shortened payment period.
- ii. The program utilizes a credit card to consolidate small dollar transactions into summary payment(s) made by William Paterson University to the sponsoring bank. By using the P-Card, the need to process individual requisitions, purchase orders, invoices or vouchers is eliminated. The card can be used for in-store, phone or internet orders within the limits established by WPUNJ.
- iii. The P-Card is the property of William Paterson University and is only to be used for University business purposes. William Paterson University is responsible for payment of all purchases made with the card. Purchases will be charged to the Cardholder's department budget. This program is a tool to assist in making standard purchases. Fiscal responsibility and adherence to departmental budget limitations are essential.

#### b. Restrictions

- i. Spending Limits: Each card has an individual transaction dollar limit and a monthly credit limit. Transactions will be declined once limits are reached. The standard transaction limit is \$500 and the standard monthly credit limit is \$1,500. The Purchasing Office has the discretion to assign higher or lower limits based on the historical purchasing requirements of the individual cardholder.

- ii. Category Blocks (Profile): Each card is restricted to prevent purchases from unauthorized merchant categories. For example the standard profile blocks purchases from restaurants and grocery stores. The Purchasing Office shall create a number of profiles with different category blocks to accommodate the varying procurement needs of University Departments.
- iii. Setting Limits and Blocks and Adjustments: The Program Administrator in the Purchasing Office in consultation with the Cardholder and the Cardholder's supervisor will determine the appropriate dollar limits and category profile that best matches the procurement requirements of the Cardholder. The Program Administrator in the Purchasing Office may temporarily adjust the Cardholder's spending limit and category profile to accommodate a specific short term procurement activity.
- iv. Travel: Charging travel expenses to the P-Card is allowed only with preauthorization by a senior administrator in Finance and Administration. Preauthorization may be granted on an ongoing basis for certain cardholders or temporarily for a specific travel trip. The Program Administrator in the Purchasing Office shall keep a record of cardholders preauthorized to use the P-Card for travel. Compliance with University Travel Policy and Procedure is required.
- v. Grants: Use of the P-Card for grant purchases is permitted only under the terms of the P-Card Expenditures for Sponsored Programs Policy.
- vi. Other Restricted Purchases: See the P-Card procedure posted to the Purchasing website for details.

B. Responsibilities:

- a. The Director of Purchasing is responsible for overall operation of the program and establishment of policy and procedure.
- b. The Program Administrator in the Purchasing Office acts as the primary liaison to the Bank and is responsible for the following: 1) card and program participant set up and activation, 2) card maintenance, 3) set up and maintenance of University data on the program website, 4) processing of reports, 5) training, and 6) auditing transactions for compliance to policy and procedure.
- c. The Financial Auditor and the Internal Auditor have the ability to view all transaction activity.
- d. The Department Reviewer (Scoped Auditor role) has the ability to view all transaction activity within a department or multi-departments or a division.
- e. The Cardholder is responsible for using the card in accordance with Purchasing policy and procedure. The Cardholder shall maintain receipts on file and process transactions in the University's financial ERP system for posting to the budget.
- f. The Data Programmer is responsible for extracting transaction data and uploading into Banner.
- g. The Office of Controller is responsible for facilitating payment to the bank and the associated reconciliation.

C. Enforcement:

- a. The Program Administrator in the Purchasing Office is responsible for maintaining the program website.

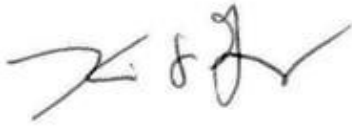
- b. The Purchasing Office is responsible for auditing transaction activity for compliance with Purchasing policy and procedure.
- c. The Purchasing Office is responsible for training program participants.

VIII PROCEDURE(S)

- A. See the Purchasing website for P-Card procedures.

By Direction of the Associate Vice President of Administration:

Date: 1/2/24



Signature:

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Kevin Garvey - Associate Vice President of Administration

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