Procurement Card Policy

Scope
Procurement card (P-Card) holders and users.

Policy Statement
The IU P-Card is intended to be used for small transactions (generally under $1,000) with vendors not available in KFS, and suppliers that do not accept purchase orders.

Reason for the Policy
To explain IU P-Card policy, to minimize fraudulent uses, and to increase efficiency of the business processing.

Financial Processing Work Flow
Each P-Card transaction creates an electronic document (PCDO) in the IU financial system. PCDOs route to the account manager who sends an email notification to the cardholder. The cardholder verifies the account, uploads the receipt, and sends an email notification to the account manager for her/his approval. The SICE business office is responsible for timely auditing of PCDOs and P-Card statement. Non-submission of receipts delays both PCDO approval and the P-Card statement audit processes.

Additional Requirements/Guidelines

Responsibility of a Card User
- Understand and comply with rules; when necessary, ask for assistance
- Sign out and promptly return card only to P-Card holder
- Do not copy P-Card information for future use: check-out card for every purchase
- Provide an itemized receipt within three (3) business days
- Provide explanation of how the purchase supports IU’s academic mission
- Request sales tax exemption when appropriate
- Request pre-approval when necessary
- Request hospitality code when necessary

Eligibility for a P-Card
1. Volume
   - An employer’s transaction is high: multiple uses per week
2. Location
   - Employee does not have easy access to a shared card
3. Compliance
   - Employee is willing to assume the responsibility and workload entailed by following IU and SICE P-Card policies and processing procedures. This includes being responsible for resolving issues with lost receipts, sales tax errors, etc. as well as always submitting a detailed receipt and explanation within three business days of the purchase date.

Inactivation of a P-Card
A P-Card will be inactivated if any receipts are outstanding 30 business days after the purchase date. Once all receipts have been submitted, the P-Card will be reactivated.

Revocation of P-Card Privileges
The privilege to use a P-Card may be revoked if borrower is frequently delinquent with receipts, repeatedly misuses a P-Card, or is otherwise non-compliance with IU Policy and SICE procedures.

Cancellation of P-Card
Minimizing the number of P-Cards not only reduces potential fraudulent use but also reduces the administrative workload. The following criteria will help guide any decision to cancel a P-Card.
1. Volume
   - An employee’s transaction volume decreases to fewer than three transactions a month
2. Office Location
   - Employee has easy access to a shared p-card

3. Compliance
   - Non-compliance with IU Policy and SICE procedures: repeated misuse of P-Card and/or issues with paperwork responsibilities

P-Card Transaction Limits

P-Cards standard limits are $1,000 per transaction and $10,000 credit limit per month. For occasional purchases over $1,000, IU Purchasing, with SICE Finance approval, may approve a temporary transaction limit increase.

P-Card Transaction Restrictions

P-Cards may not be used for travel related expenses, to make recurring payments, or for divided payments, i.e. large transactions divided into smaller payments to avoid $1000 transaction limit.

P-Cards may be used to purchase non-inventoried technology valued at less than $500. Refer to SICE IT Policy for details on restricted and acceptable technology purchases.

Definitions

PCDO – Procurement Card Document

References

IT Policy
IU Purchasing p-card website
Restrictions
Indiana Sales Tax Purchases Matrix
University Information Policy Office (guidelines regarding critical data)

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