

Pcard Training: Cardholders & Reconcilers

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Pcard Training for Cardholders & Reconcilers

Purpose and Takeaways:

- Awareness of pcard policy and procedures
- Understanding of cardholder/reconciler responsibilities
- Familiarity with Works[®]
- Knowledge of where to find [pcard resources](#)

Pcard Policy & Procedures

<https://www.kent.edu/accounts payable/purchasing-card>

- **Administrative Policy Regarding Use of Purchasing Card (7-02.16)**
- **University Pcard Manual**
 - Authoritative source for pcard procedures, per policy 7-02.16
 - Maintained by Accounts Payable
 - Basis for this training class

Pcard Program Administrator Roles

Accounts Payable

- Pcard administrator
- Day-to-day management of program

• Procurement

- Reviews spend to ensure compliance with purchasing policy
- Analyzes spend to identify opportunities for price negotiations or bid solicitations

• Office of Internal Audit, External Auditors, Reviewing and Granting Agencies

- Review and test transactions to ensure policy compliance

Pcard Program Card User Roles

- **Cardholder**

- Employee whose name is on the card and who has ultimate responsibility for safeguarding the card
- Has ultimate responsibility for ensuring that pcard's use complies with policies/procedures
- Has ultimate responsibility for making sure that transactions are reconciled *within 14 days of their post date*
- Remaining responsibilities are listed on Pcard Cardholder Agreement

**All card users must be KSU employees who are in continuing assignments.
No temporary or student employees!**

Pcard Program Card User Roles

- **Reconciler**

- Employee who is responsible for allocating and signing off on transactions in Works® *within 14 days of their post date*
- Most cardholders are their own reconcilers; some cardholders have proxy reconcilers
- Remaining responsibilities are listed on Pcard Reconciler Agreement

**All card users must be KSU employees who are in continuing assignments.
No temporary or student employees!**

Pcard Program Card User Roles

- **Approver**

- Employee who is responsible for approving transactions in Works® *within 14 days of their post date*
- Must have a higher-level position of authority than cardholder AND be an individual other than reconciler
- Must have authority to charge expenditures to departmental budget
- Remaining responsibilities are listed on Pcard Approver Agreement

**All card users must be KSU employees who are in continuing assignments.
No temporary or student employees!**

The Importance of Timely Reconciliation



Timely reconciliation is a must!

Pcard transactions are not recorded in the general ledger until they have been fully reconciled in Works.

You are not getting a true view of your budget status if you do not reconcile in a timely manner.

Acquiring a Pcard: Account Configuration

Accounts are configured using spend profiles, which indicate:

- Card type
- Transaction limits

Acquiring a Pcard: Account Configuration

Card Types

- Departmental Cards - the backbone of the pcard program
- Individual Travel Cards – reserved for employees whose positions require significant travel (e.g., admissions officers)

Merchant category code (MCC)

- a code that classifies a business according to the types of goods/services it provides

MCC group

- group of similar MCCs that is included/excluded from a spend profile in order to manage the types of purchases that can be made

Acquiring a Pcard: Account Configuration

Default MCC groups by card type

	Departmental Card	Individual Travel Card
KSU General	X	
KSU Transportation	X	X
KSU Lodging	X	X
KSU Food		

Pcards with MCC group configurations that differ from this chart are considered custom cards and require executive level approval.

Acquiring a Pcard: Account Configuration

Transaction Limits

- Monthly credit limit
 - Total dollar amount that can be charged to pcard over the course of a pcard billing cycle
 - Should be requested based on spending needs
 - All requests for monthly credit limits >\$25,000 require executive level approval
 - Cardholder's available credit is restored to full monthly credit limit at beginning of pcard billing cycle only when all transactions from previous pcard cycle have been allocated and signed off

Acquiring a Pcard: Account Configuration

Available Credit Reset Scenarios

<u>Scenario</u>	<u>Result</u>
Pcard has \$5000 monthly credit limit. Reconciler allocates and signs off on has all posted transaction by the end of the day on October 31.	Cardholder begins November 1 with \$5000 in available credit.
Pcard has \$5000 monthly credit limit. Reconciler leaves \$500 in transactions unallocated/not signed off at the end of the day on October 31.	Cardholder begins November 1 with a \$4500 in available credit. When the reconciler allocates/signs off on the prior month's outstanding transactions, the available credit increases by the value(s) of the transaction(s.)
Cardholder has a \$5000 monthly credit limit. Cardholder makes a \$500 purchase that posts on October 20. Reconciler allocates/signs off on the transaction on October 21.	Cardholder's available credit is not increased/reset by \$500 within the same month. The monthly credit limit is always the upper limit on the value of purchases that can be charged to a card during the billing cycle.

Acquiring a Pcard: Account Configuration

Transaction Limits (cont'd)

- Single transaction limits
 - Limits on the value of individual transactions
 - Based on university PO thresholds and approval needs
 - Vary according to MCC groups

Acquiring a Pcard: Account Configuration

Default single transaction limits by MCC groups

- KSU General - \$2499.99
- KSU Transportation - \$4999.99
- KSU Lodging - \$4999.99
- KSU Food - \$2499.99

Acquiring a Pcard: Application

KENT STATE UNIVERSITY		PCARD APPLICATION		Bank of America Merrill Lynch	
CARDHOLDER INFORMATION <small>Card must be issued under cardholder's legal name.</small>					
Name (Legal First and Last):					
Email:		Department:			
Office Phone:		Banner ID:			
CARD SPECIFICATIONS <small>Information about card types and monthly credit limits is in section 4 of the University Pcard Manual.</small>					
Select Card Type:					
<input type="checkbox"/> Department Card		<small>Used for general purchases, transportation, and lodging. NOT food.</small>			
<input type="checkbox"/> Individual Travel Card		<small>Reserved for individuals whose positions require significant travel. Can be used for transportation and lodging. NOT food. Requires executive level approval.</small>			
<input type="checkbox"/> Custom Card		<small>Describe custom card configuration needs below.</small>			
Select Monthly Credit Limit:					
<input type="checkbox"/> \$2,500		<input type="checkbox"/> \$15,000		<input type="checkbox"/> Custom Limit	
<input type="checkbox"/> \$5,000		<input type="checkbox"/> \$20,000		<small>(Describe custom card configuration needs below.)</small>	
<input type="checkbox"/> \$10,000		<input type="checkbox"/> \$25,000			
<small>Single Transaction Limits are \$4999.99 for lodging and transportation, \$2499.99 for all other purchases.</small>					
Provide an explanation of custom card configuration needs:					
TRANSACTION RECONCILIATION <small>Information about card user roles is in section 3 of the University Pcard Manual in the Program Administration and Roles section.</small>					
Default index for pcard transactions					
<small>(No grant, cost share, or program income indexes, can be changed during reconciliation process)</small>					
Reconciler Name: <small>(SO2 if cardholder will reconcile)</small>		Reconciler Email:			
Approver Name:		Approver Email:			
Backup Approver Name: <small>(Optional)</small>		Backup Approver Email:			
I hereby certify that I/the applicant listed above have/has a valid business purpose to be issued a pcard for the configuration requested.					
SIGNATURES					
Cardholder:	_____	Signature	_____	Date	_____
Department Head:	_____	Signature	_____	Date	_____
Dean/Chair:	_____	Signature	_____	Date	_____
Vice President/Provost:	_____	Signature	_____	Date	_____
<small>* Executive level approval is required for Individual Travel Cards and for all custom card configurations.</small>					

Application is found on pcard website.

- Complete application in full
- Obtain all required signatures
- Email to pcard@kent.edu

Acquiring a Pcard: Training

Cardholder & Reconcilers


- One hour combined live training
- Every other week in room 203 MSC
- Contact pcard administrator if unable to attend a live session
- Sign agreement forms at the end of training
- Receive card and Works® credentials after training

Approvers

- Self-study materials (not live training) that covers policy, procedures, responsibilities
- Sign agreement forms at the end of training and submit to pcard administrator
- Receive Works® credentials after training

Acquiring a Pcard: Card Activation

Upon receiving a new pcard, the cardholder must:

- Activate the card by phone
 - If asked for a verification ID, use your Banner ID. 
- Login to Works by clicking on the link in the Works Welcome Email
 - You will be asked to configure your password and security questions.
- Register with Global Card Access at the website provided
 - Manage alert notifications

Making Purchases with a Pcard

Pcards may be used to pay for purchases that:

- Are expenditures allowable under university purchasing policy (7-12.1)
- Comply with all other university policies that guide purchases, including but not limited to:
 - 7-02.12 (memberships and certifications)
 - 7-02.13 (contributions and gifts)
 - 7-02.5 (business meals and hospitality)
 - 7-02.8 (travel)
- Align with their spend profiles

Making Purchases with a Pcard

Reminders about allowable purchases:

- Amazon Business Account
 - Must be used for all Amazon purchases.
 - www.kent.edu/procurement/amazon
- Lodging
 - Cardholders and approvers are responsible for ensuring that lodging does not exceed 150% of federal lodging per diem for the applicable city (see Accounts Payable website for list of lodging maxes.)
 - Call hotel to ensure that it will allow you to pay with card over the phone/online even if the traveler will not have it on hand during check in.

Making Purchases with a Pcard

Reminders about allowable purchases:

- Preferred Vendor Contracts
 - All purchases of goods/services for which there are one or more contracts must be made with those vendors
 - www.kent.edu/procurement/preferred-vendor-contracts
- Student Functions and Refreshments
 - Refreshments for student functions may be purchased with the pcard only if such a purchase is a qualified and *documented* exception for catering using University Dining Services AND if the purchase can be made using the card's permanent spend profile.
 - www.kent.edu/dining/first-right-service
 - Requests to temporarily change a pcard's spend profile to accommodate such purchases will be denied.

Making Purchases with a Pcard

If you wouldn't be allowed to buy it if you were paying via check, ACH, or wire, you can't buy it with a pcard!

Other unallowable purchases:

- Purchases that circumvent spend profile (*splitting*)
- Purchases made from Kent State University
- Personal purchases
- Amazon Prime memberships
- Business meals and entertainment
- Cash advances
- Gift Cards
- Independent contractors
- Individual memberships
- Sponsorships

Making Purchases with a Pcard

Things to remember when making purchases:

- Kent State University is tax exempt in Ohio
 - Notify merchant at time of purchase
 - If Ohio sales tax is charged to pcard, cardholder must contact merchant to obtain a credit. If merchant will not issue credit, cardholder must document.
 - Tax exemption form may be requested from Procurement.
- Obtain itemized receipts
 - Record business purchase on receipt or on attached documentation
 - If an itemized receipt is lost and cannot be obtained by merchant, cardholder must complete Substitute Purchasing Card Receipt and have approver sign it.

Making Purchases with a Pcard

Things to remember when making purchases:

- International transactions - Visa will convert transactions to USD based on exchange rates on the processing date (not transaction date)
- The billing address (for verification purposes only) for all pcards is:
Kent State University
800 East Summit St
Kent OH 44242

Making Purchases with a Pcard

Departmental cardholders may allow other KSU employees to use their cards

- Track all purchases on Departmental Pcard Purchase Log
- Cardholders are responsible for ensuring that card borrowers comply with university policies and procedures when using cards
- Departmental Pcard Quick Reference Guide can be used to document your conversation with the borrower

ITC cardholders may not allow others to borrow their pcards.

Record Retention

- **Cardholders must store documentation in a secure location with their departments.**
 - Pcard receipts / substitute receipts
 - Departmental Pcard Purchase Log
 - Pcard Cardholder, Approver, and Reconciler Agreements
- **Documents stored electronically must be clear and readable.**
- **If a full 16-digit account number is on a document, redact it.**

Record Retention

- Documents must be accessible to department even after cardholder leaves.
- University retention policy requires that purchase documentation be kept for 4 years.
 - <http://www.kent.edu/generalcounsel/records>
- If a purchase is charged to a grant, cost share, or program income index, keep all documentation for the length of the grant PLUS 5 years.
 - <https://www.kent.edu/sites/default/files/file/IUC-Model-Schedule1.pdf>
 - Example: Grant terminated October 2018 (FY19) – records can be destroyed 7/1/2024 (FY25)

Card Security

- **Pcards must be stored in a secure (locked) location within the cardholders' departments when not in use.**
- **If you see fraudulent charges on your pcard or your card is lost/stolen:**
 - Contact pcard administrator and/or bank immediately
 - Card will be cancelled and reissued with new account number
- **The bank will place temporary holds on accounts that it suspects have fraudulent charges:**
 - Call bank directly to confirm whether charges are correct or fraudulent
 - If charges are okay, card freeze will be lifted
 - If charges are fraudulent, account will be cancelled and new card will be issued

Cardholder & Spend Profile Changes

The Pcard Maintenance Form can be used to request the following:

- Change to monthly credit limit
- Adding an MCC group to card profile
- Card name change (only for legal name changes)
- Change to email address
- Remove a reconciler or approver
- Add a reconciler or approver
- Account cancellation (pcard must be returned to pcard administrator)

Requests to temporarily add MCC groups or increase single transaction limits will be denied.

Card Suspension and Cancellation

Pcards are the property of the university. The pcard administrator is authorized to suspend or cancel cards for the following reasons:

- Cardholder on leave for more than one month
- Cardholder transfer to different department
- Cardholder's employment termination
- Violation of university pcard policy or procedure
- Request by cardholder's approving authority

Cancelled pcards must be turned in to a pcard administrator for proper destruction.

Pcard Violations

Violating pcard policy and procedure is cause for account suspension and/or closure. This includes, but is not limited to:

- Making purchases that do not comply with policy or procedure
- Incurring Ohio sales tax without appropriate due diligence
- Late reconciliation
- Failure to obtain and/or properly retain required pcard documentations
- Inappropriate pcard or account number storage
- Employee fraud

Pcard Violations

Escalating Levels of Violation:

- First Level – Pcard administrator will communicate violation to offending party and appropriate approving authority.
- Second Level – Pcard suspended until offending party reattends training and writes a memo detailing what actions have been taken to resolve the violation and prevent future similar violations.
- Third Level – Pcard cancelled. Depending on the nature of the violation, the cardholder may reapply for a new pcard after a three-month period has expired.

Pcard Violations

Escalating Levels of Violation (cont'd):

Violations may result in the individual being required to reimburse the university for inappropriate charges and may result in disciplinary action pursuant to university policy 6-01, University Policy Regarding Employment.



Thank You.

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