Florida A&M University

Procurement Card (PCard) Training for Cardholders

Office of Procurement Services

Revised November 15, 2013
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Introduction

Welcome to PCard Training for Cardholders!

The goal of this course is to provide you with the policy and procedural information you will need when using FAMU PCard efficiently and effectively within the scope of your daily responsibilities.

PCard Training for Cardholders

Overview

Most people call it a PCard. You’ll also hear the names Procurement Card, Purchasing Card, and PCard. When people talk about any of these items, they are referring to an efficient way of purchasing goods and services for FAMU.

PCards look and act exactly like Visa credit cards. Actually, they function like your Visa check-cashing or debit card. With a PCard, you can purchase commodities and services for university use; including supplies and approved travel without processing a requisition in advance or reimbursement paperwork after the fact. The amount of your purchase is deducted from your department’s account.

The benefits to FAMU include the ability to acquire needed items in a more timely fashion and to reduce certain costs associated with the traditional method of using a purchase order to procure an item.

The primary benefit to you, the PCard holder, is that you won't have as many out-of-pocket expenses for travel or other FAMU-business related purchases. You should also know that your personal credit rating is not impacted, by your use of a FAMU PCard.

Obviously, as an authorized FAMU PCard holder, you will be responsible for safeguarding your PCard and for purchasing only those commodities and services that FAMU authorizes you to purchase. Also, you will be obliged to work with your department PCard Approver to reconcile your PCard charges.

Objectives

If you are applying to be a PCard holder, complete this course. By the end of this course, you will know how to:

- Obtain a PCard
- Use the FAMU PCard to make purchases
- Resolve typical problems that may occur with a PCard
- Find help and more information.
PCard Oversight and Accountabilities

The authorization to spend University funds comes with help, support, and, of course, oversight. The following are important roles associated with the PCard program at FAMU.

- **FAMU PCard Administrator** – Oversees the FAMU PCard program, develops rules and guidelines, compiles reports and statistics, and helps resolve problems.

- **Deans, Directors, or Chairs** – Oversee the PCard program in their units. Maintain accurate records of departmental PCard Holders and Approvers. Notify PCard Administrator of any changes.

- **Departmental PCard Approvers/Reconciler** – Approve PCard charges in accordance with applicable Federal, State, and FAMU Regulations.

- **PCard Holders** – Use PCards in accordance with Federal, State, and FAMU Regulations.

- **PCard Administrator** – Monitors PCard use for questionable charges; communicates concerns to departmental PCard Approvers, PCard Holders, and Controller; and helps resolve problems.

As you see, there is plenty of oversight as well as help available to you.

### How to Apply to Be a PCard Holder

Most people taking this course have already begun the process of becoming a PCard holder. If you have not already done so, please visit the PCard section of the Purchasing Web site (http://www.famu.edu/index.cfm?Purchasing&Forms / > New Cardholder Setup) for information and the procedure to follow. Click on the **Forms** button to access the forms listed below, which you'll need to submit to become a cardholder.

- Cardholder Agreement
- Cardholder Setup/PCard Application
- Departmental Authorization Security Access

### Using Your PCard – General Information

FAMU PCards work like personal Visa check-cashing or debit cards. With a PCard, you can purchase commodities and services for University use, including supplies and travel, without processing a requisition in advance or reimbursement paperwork after the fact. Your Cardholder Profile authorizes you to purchase commodities, travel, or both.

To use the FAMU PCard, present it to a merchant just as you would a credit card—in person, by phone, or on the Internet—using appropriate care and common sense.

Never allow others—even trusted employees or research assistants—to use your PCard.
Because the FAMU PCard looks like a normal credit card, please differentiate it from your other cards, so you don’t accidentally use it to make a personal purchase.

Your Responsibilities

The privilege of carrying a FAMU PCard comes with specific responsibilities. You are required to:

- Purchase only approved commodities and services from reputable vendors
- Follow FAMU Regulations (Purchasing and PCard)
- Track and control your expenditures
- Save your receipts and submit them to your PCard Approver
- Work with your PCard Approver to reconcile your account
- Report suspicious or erroneous charges immediately
- Guard against identity theft and report a lost or stolen PCard immediately

Allowable Purchases

In general, you may purchase commodities, services, or travel for use by FAMU departments. In most cases, you may use any reputable vendor. Please visit the PCard section of the Purchasing Web site (http://www.famu.edu/index.cfm?Purchasing) for full details on allowable and prohibited purchases.

However, car rental is the one time that specific vendors are required. You must use the State contracted franchise (currently Avis), unless Avis is not available at your destination or you find a lower rate with another company. Documentation of lower rate must be provided. Contact the FAMU Travel Office at (850) 599-2978 for more information.

Prohibited Purchases

You may not purchase personal items or items that are specifically prohibited by law. In addition, certain merchant categories are blocked. This section outlines some of the prohibited purchases. Please see the publication Examples of Prohibited Uses of Procurement Card, located on the Purchasing Web site (http://www.famu.edu/index.cfm?Purchasing > Procurement Card >), for additional information.

Personal Items

Don't use your FAMU PCard to purchase items intended for personal use. If you incur PCard charges for personal items, you will be required to reimburse FAMU. If you continue to purchase personal items, your PCard privileges may be revoked, and you may also be subject to other disciplinary action, up to and including termination of employment.

Prohibited Commodities

PCards cannot be used to purchase the following commodities:

- Appliances for use in your office or department (coffee pots, heaters, fans)
- Cell phone rentals, purchases, or prepaid minutes/phone cards
- Gifts, awards, or congratulatory items of any kind
• Hazardous materials (biohazards, radioactive materials, chemicals, controlled substances, including drugs, alcohol, and tobacco)
• Personal Expenses: Personal expenses are purchases that are not made on behalf of the University or for use by the University.

**Prohibited Services**
PCards cannot be used to purchase the following services:
- Cash advances
- Gift cards or gift certificates
- Cell phone services
- Training programs
- Insurance
- Recurring payments of any kind

**Blocked Merchant Category Codes**

Every business that registers with Visa declares a merchant category code that defines its primary business. FAMU PCard holders may not make purchases from certain merchant categories (restaurants, grocery stores, entertainment venues, gift shops, personal care providers, gas stations). Your PCard will be declined if you attempt to use it at a blocked category business.

If your PCard is ever declined, do not ask the merchant to swipe it again. Instead, call PCard Administrator at 850-599-3203 to determine the exact reason why your card was declined. See Typical Problems and How to Solve Them – Declined Charges later in this course for more information.

Examples of FAMU blocked Merchant Categories include the following. For more information, visit the PCard section of the Purchasing Web site (http://www.famu.edu/index.cfm?Purchasing).

- Attorneys
- Barber, beauty, gift, floral, jewelry, coin and stamp vendors
- Religious goods merchants
- Entertainment venues, including theatres, bowling alleys, sports arenas, tourist attractions, theme parks, video rental stores, package liquor stores, bars, lounges
- Gas stations (except with car rental)
- Grocery stores and supermarkets
  - You might find that “Super” department stores, such as Wal-Mart Super Centers or Super Targets, are classified as grocery stores. If your PCard doesn’t work in such a store, that’s probably the reason.
- Restaurants, including hotel restaurants
- FAMU vendors, such as continuing education and parking services

**Alternatives when Merchant Category Codes are Blocked**

Often, you can be reimbursed for commodities or services when certain vendors who furnish them are blocked, although you may not be able to use your PCard.
- Gasoline: You may pay for gasoline with personal funds and get reimbursed upon your return, only if you have a rental car and are participating in travel on behalf of the university.
  - The Avis contract does not provide for gasoline reimbursement. Departments will reimburse travelers for gasoline purchases.
- Restaurant meals: When you are traveling, do not charge meals to your PCard, even in the hotel restaurant. Pay with personal funds and obtain a travel reimbursement.
- FAMU Vendors: Purchase items with a Journal ID or PO.
- If you must purchase goods from a block merchant, contact PCard Administrator at 850-599-3203 for assistance.

**Monitoring the Purchasing and Billing Cycles**
When you purchase a commodity or service with your PCard, the following sequence of events occurs, typically over three to five days. However, it may take longer, depending upon how quickly the merchant submits the charge to his or her bank.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The transaction takes place. The merchandise is shipped or handed over to you and the merchant submits the charge to his or her bank. Your monthly spending limit is reduced.</td>
</tr>
<tr>
<td>2.</td>
<td>The merchant’s bank submits the charge to Visa.</td>
</tr>
<tr>
<td>3.</td>
<td>Visa submits the charge to Bank of America (the bank that handles FAMU’s PCard program) and the merchant is paid.</td>
</tr>
<tr>
<td>4.</td>
<td>Bank of America sends the charge to FAMU, where all transactions are reviewed and then either approved or disputed.</td>
</tr>
<tr>
<td>5.</td>
<td>Your department’s designated approver reviews and assigns the appropriate account code and the department/project to charge.</td>
</tr>
</tbody>
</table>

**Monthly Limits**
When you applied for your PCard, your Dean, Director, or Chair specified a monthly spending limit for you. This monthly limit is reset to its maximum value on the first day of each month and expires at midnight on the last business day of the month. If the last business day of the month falls on a weekend, the Friday prior to the weekend is considered the last business day and your card will refresh to the full credit limit on the next day (Saturday).

To monitor your monthly limit, track your expenditures every month as you do with your personal checking account. You can track them in several ways:

- Maintain a log of transactions similar to a checking account register.
- Call the number on the back of your PCard to check your balance over the phone.
- Call PCard Administrator at 850-599-3203.

Do not circumvent the monthly limit by asking a vendor to delay a charge. If your monthly limit has been exceeded, either:
• Delay your purchase until the limit has been reset, or
• Ask your Dean, Director, or Chair to contact the PCard office to request a one-time override or a temporary increase in your limit.

Transaction Limits

Transaction limits, which are specified by Deans, Directors, or Vice President, place a cap on the amount you may spend for an individual transaction.

Do not circumvent the transaction limit by asking the vendor to split charges. Splitting charges is against FAMU PCard regulations and may result in loss of PCard privileges, disciplinary action, or job termination.

To purchase something that exceeds your transaction limit, complete an online purchase requisition, or contact PCard Administrator at 850-599-3203 for a one-time override.

Assembling and Submitting Your Documents

When you receive your monthly PCard statement, assemble a signed PCard Statement Reconciliation form and your receipts, in the order listed below and send your document package to University Controller.

- Completed, signed PCard Reconciliation form
- Receipts (in the same order they are listed on the statement)
- Any other supporting or pertinent documents

You do not need to submit your Reconciliation if you did not have any charges during the statement billing period.

PCard Statement Reconciliation Form

After you receive your monthly PCard statement, review it for accuracy. You will need to sign a PCard Reconciliation form, which is available on the Office of Procurement Services site (http://www.famu.edu/index.cfm?Purchasing > Forms > Procurement Card > PCard Reconciliation), certifying the legitimacy of all the charges that appear on the statement.

The reconciler of the monthly statement must sign the reconciliation form acknowledging that receipts for all the transactions listed on the statement are attached. A cardholder may reconcile his or her own monthly PCard statement and sign the statement as the cardholder and reconciler.

Receipts

Cardholders must forward their signed and dated receipts within (7) calendar days (from the date of purchase) to their reconciler for processing. Mask the card number on the receipts, but, you do not need to mask receipts that contain only the last four digits of the card number.
All PCard transactions must be supported by valid receipts, and PCard Approvers must see your receipts prior to approving the charges. It is the Approver’s responsibility to only approve appropriate, supported charges.

Attach all the receipts in the same order in which they appear on the monthly statement. For example, the receipt for the first charge listed on the monthly statement should be the first receipt attached and the receipt for the last charge listed on the monthly statement should be the last receipt attached.

The Reconciliation package with original receipt must be forwarded to the University Controller **15 calendar days after the statement date.**

**Other Acceptable Documentation**

If you lose or are unable to obtain an original receipt, you can submit other acceptable documentation, which includes:

- A faxed copy of the original receipt from the vendor
- A written statement from you, the PCard holder, describing the items purchased, date of purchase, unit cost, total cost, and other pertinent information.

**Unacceptable Documentation**

- Quotes
- An image of the approval screen confirming an online order was submitted
- An image of the shopping cart contents for an online order
- A packing slip
- A copy of Bank of America’s record of the transaction.

**Working with Your Departmental PCard Approver**

PCard Approvers are required to approve charges within seven calendar days of purchase. Therefore, you must give all your receipts to your departmental PCard Approver as soon as possible. If you will be out of town for an extended period of time and cannot provide receipts immediately, you may:

- Mail or fax receipts to your PCard Approver, if possible.
- Speak with your PCard Approver on the phone to confirm that receipts you have collected correspond with the charges that appear on the approval screen, and provide the actual receipts upon your return.

**Intercampus Mail Submissions**

- You can submit your document package to University Controller via intercampus mail. Indicate on the mailing envelope that the enclosed documents are PCard statements. Be sure to tape all your loose receipts securely to a blank 8 ½- by 11-inch sheet of paper.
Receipt Retention

- When University Controller receives your submission, all your PCard-related documents will be scanned into Image Now, the university’s electronic imaging system. For retention purposes, the scanned documents in University Controller will be the official record. Therefore, the paper copies will no longer be subject to record retention and can be destroyed by the submitting department. To request a document from a prior submission, send an e-mail to PCard Administrator at Purchasing@famu.edu.

Timeliness

- You should submit your statement package to Controller within 15 calendar days of the statement close date. If you fail to submit your package in a timely manner, your PCard could be temporarily suspended until all your documents are received.

When You No Longer Need Your PCard

If you leave FAMU, change departments, transfer to a part-time OPS position, or for any reason no longer need your PCard, you must relinquish it to your department. The Dean, Director, or Chair should then notify the PCard Administrator of the change in your employment status, cut your PCard in half, and send it to the PCard office by campus mail.

- Please do not cut your PCard into small pieces before returning it to the PCard Administrator. Just cut it in half.
- Once it has been received your PCard will be cancels at Bank of America

Typical Problems and How to Solve Them

Most PCard transactions go smoothly. You select appropriate commodities or services, the vendor delivers the order, charges you the correct price, and the merchandise is exactly what your department ordered. But occasionally, a problem occurs. This section explains the most common problems and how to solve them.

Lost or Stolen PCards

If your PCard is lost or stolen, report it immediately. Keep in mind that you are liable for any charges incurred on the PCard until you report its loss.

- Call Bank of America customer service at 1-888-449-2273.
- If Bank of America personnel ask you if you want a replacement PCard, say, “No.” The PCard Administrator will obtain a replacement for you so that your new PCard information is properly tied in with your FAMU Financials records.
- Call the PCard Administrator at 850-599-3203.
- Contact your Dean, Director, or Chair and your departmental PCard Approver.
- Notify the police if you believe a theft has occurred.
- Monitor your PCard records for unauthorized charges.
- Work with the PCard Administrator, departmental PCard Approver, and others to resolve issues that arise as a result of the lost PCard.
**Unsuitable Merchandise**

If goods are unsatisfactory, return them to the merchant for credit. The credit must be applied to the PCard that was originally charged. Never accept cash for returned goods that you’ve purchased with your PCard.

When you receive the credit memo from the merchant, provide it to your PCard Approver. When the credit appears on the PCard Approver’s screen, it is approved just as a charge would be, and the department’s account is credited.

**Declined Charges**

If your PCard is ever declined, **do not** ask the merchant to swipe it again. Contact the FAMU PCard Administrator.

Most declined charges occur for one of the following reasons:

- The purchase exceeds your available balance or single-purchase limit (SPL).
- The vendor’s merchant category code is prohibited by FAMU.
- Your PCard may have been suspended.

Most erroneous declines can be resolved within 24 hours. Here are some common ways to resolve merchant declines:

- The PCard Administrator can issue a one-time override on your transaction limit.
- You can make your purchases from a merchant whose category code is valid.

**Billing Errors/Disputed Charges**

The steps listed below illustrate a typical dispute process.

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The departmental PCard Approver notices an anomaly and checks with the PCard holder.</td>
</tr>
<tr>
<td>2.</td>
<td>The PCard holder then contacts the vendor for resolution.</td>
</tr>
<tr>
<td>3.</td>
<td>In the meantime, the PCard Approver disputes the charge instead of approving it.</td>
</tr>
<tr>
<td>4.</td>
<td>If the dispute cannot be resolved, the PCard holder fills out a Statement of Disputed Item form and faxes it to the PCard Administrator within 60 days following the end of the billing cycle in which the erroneous charge was incurred. The form is available on the PCard section of the Purchasing Web site (<a href="http://www.FAMU.edu/index.cfm?Purchasing">http://www.FAMU.edu/index.cfm?Purchasing</a>).</td>
</tr>
<tr>
<td>5.</td>
<td>Bank of America faxes a copy of the dispute form to the merchant. The merchant then has 60 days to respond to the charge.</td>
</tr>
</tbody>
</table>

The PCard Administrator will assist in resolving disputes; however, resolution is the PCard holder’s responsibility.
Sales Tax Exemption

Merchants should not charge sales tax on goods and services purchased in the State of Florida for use at FAMU. FAMU’s tax exempt number is printed on the front of the PCard; please provide this number to merchants. A copy of the tax exemption certificate is also provided with your PCard; if you don’t receive one, contact the PCard Administrator.

What Address Should I Give to the Merchant? Each cardholder's billing and shipping address is unique. You provided this address to PCard Administration, and you should use the address for billing and shipping purposes. If you need to change the address for any reason, contact PCard Administrator at 850-599-3203.

Important Resources

<table>
<thead>
<tr>
<th>PCard Administrator: Stephany Fall</th>
<th>Associated Controller: Tiffany Holmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone: 850-599-3203</td>
<td>Phone: 850-561-2978</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:Stephany_Fall@famu.edu">Stephany_Fall@famu.edu</a></td>
<td>E-mail: <a href="mailto:Tiffany.Holmes@famu.edu">Tiffany.Holmes@famu.edu</a></td>
</tr>
<tr>
<td>Fax: 850-561-2160</td>
<td>Fax: 561-2461</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PCard Accounting Coordinator: Dawn Patrick</th>
<th>Bank of America: Customer Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone: 850-561-2978</td>
<td>Phone: 1-888-449-2273</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:Dawn.Patrick@famu.edu">Dawn.Patrick@famu.edu</a></td>
<td></td>
</tr>
</tbody>
</table>

Key Points

- FAMU PCards provide a convenient way for individuals to purchase commodities and services for the university.
- FAMU PCards work like personal Visa check-cashing or debit cards.
- Proper use of the FAMU PCard includes safeguarding it, using it to purchase allowable products only, monitoring your balance, and working with your PCard Approver to reconcile your account.
- Your PCard’s monthly limit is reset to its maximum value on the first day of each month and expires at midnight on the last business day of the month. However, if the last business day of the month falls on a weekend, the Friday prior to the weekend is considered the last business day and your card will refresh to the full credit limit on the next day (Saturday).
- All PCard transactions must be supported by valid receipts.
- Give all of your receipts to your departmental PCard Reconciler as soon as possible. PCard Reconciler are required to submit charges within ten business days after they appear on the FAMU Financials approval screen.
- When you no longer need your PCard, do not cut it into small pieces. Cut the card in half only and return it to the PCard Administrator office.
- If your PCard is lost or stolen, report it immediately.
NOTES