



## Board of Trustees Policy

**BOT Policy No.:** BOTP-2006-04

**Initial Adoption Date:** 12/07/2006

**Responsible Unit:** Finance and Administration

**Authority**

Section 7(d), Art. IX, Fla. Const.; Board of Governors Regulations 1.001 and 18.001

**Applicability**

Any purchases made for University related business through the use of Purchasing Cards; any employees granted authorization for use of a Purchasing Card.

**BOT Policy Name:** Purchasing Cards

**Revision Date(s):** 04/22/2010; 06/13/2013; 03/07/2019; Technical Changes 07/24/2025

**Responsible Executive:** Procurement Director

### I. Policy Statement and Purpose

Florida A&M University (University) sponsors a Purchasing Card (PCard) program to enable authorized employees to make business-related purchases of goods, supplies, and standard (not professional) services paid for directly by the University. The PCard provides employees with a cost-effective and convenient method of purchasing, thereby reducing the volume of individual payments processed by the University to vendors; streamlining the purchasing process; reducing the payment processing time and expense; and providing an alternative to personal reimbursement. Thus, the program provides the University with a cost effective, convenient, and decentralized method for certain University purchases to occur.

Since the University is liable to the financial institution issuing the PCard for the charges and remits payments directly to the financial institution, all purchases made through the PCard Program must comply with:

- University regulations, policies and procedures and all applicable governmental laws and regulations.
- Any special requirements of projects supported by sponsored funds, if the purchase relates to sponsored funds.
- Any administrative policies and procedures implemented by the Vice President of Administrative and Financial Services.

### II. Authority to Purchase

- A. Delegation of Authority** – A delegated University official is hereby authorized to purchase goods and/or services, directly from vendors, subject to the limitations contained in this policy. All PCard limits, including those for single transactions greater than \$1,000, are established at the time of approval by the PCard Administrator and the Vice President of Administrative and Financial Services.
- B. Responsibility** – With this delegation of authority comes the responsibility for departments to observe all University regulations, policies, and procedures related to purchases and all applicable governmental laws and regulations that apply to commercial transactions via the PCard.

- C. **Audit** – All University transactions, including those using this procedure, are subject to review by the Controller's Office, as well as internal and external auditors for compliance with sound business practices, University regulations, policies, and procedures, and all applicable governmental laws and regulations.

### III. Criteria for Use

- A. **Basic Criteria** – Authorized University officials are eligible to obtain a PCard provided that they:
- receive approval from the appropriate Vice President and the Vice President of Administrative and Financial Services;
  - complete a training session;
  - sign the necessary agreement; and,
  - adhere to this Policy and other University PCard Policies and Procedures as implemented by the Vice President of Finance and Administration.
- B. **Uses Not Allowed** – The PCard shall not be used to make purchases in the following circumstances:
- Personal Expenses: Personal expenses are purchases that are not made on behalf of the University or for use by the University.
  - Hazardous Materials.
  - Cash Advances or cash.
  - Cash for returned merchandise.
  - Gifts.
  - Gift Cards.
  - A cardholder shall not split the cost of one single item (whether goods, supplies, or services) into multiple payments in order to circumvent the dollar threshold.
  - Other uses as determined by the Vice President of Finance and Administration.

### IV. Responsibilities

- A. **Cardholder Responsibilities** – An individual who is assigned a PCard has been granted authority to spend the University's funds for business-related expenses without a pre-transaction review. This authority requires a signed agreement by the cardholder attesting to his/her commitment and responsibility to comply with the terms and conditions of this Policy, as the cardholder acts as a purchasing agent for the University and is issued a PCard associated with his or her official University duties.

The PCard cardholder is responsible for:

1. Within seven (7) business days of the transaction or after the return date from travel provide sufficient documentation including original receipts and an explanation of the business purpose of the purchase, in terms easily understood by an internal or external reviewer.
2. Ensuring that any expense paid by the PCard is not otherwise submitted for reimbursement or used for any inappropriate purpose.
3. Keeping his or her PCard confidential; lending the PCard is not allowed.
4. Verifying transactions for all purchases made on the PCard and ensuring transactions are correctly shown on monthly statements.
5. Adhering to all University policies and procedures governing the PCard.

<b>BOT POLICY NAME:</b>	<b>BOT POLICY NO:</b> BOTP-2006-04	<b>PAGE:</b> 3 of 3
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6. Use of PCard for business purposes only in full compliance with University regulations, policies and procedures and all applicable governmental laws and regulations.

**B. Controller's Office Responsibilities** – To supplement, but not replace, the Cardholder's basic review responsibility, the Controller's Office reviews PCards each billing period. If incorrect or improper charges are found, the Controller's Office shall direct the person(s) responsible for the expenditures to correct the error. If excessive or repeated errors occur, additional training may be required or the PCard may be revoked.

**C. Office of Procurement Services** – Serves as the PCard Administration Office and administers the program including issuance, suspension, and revocation of PCards. Reviews, on a sample basis, purchases to determine compliance with the University regulations, policies and procedures and all applicable governmental laws and regulations.

#### **V. Penalties for Misuse of the PCard**

Cardholders are subject to penalties for misuse of the PCard and/or failure to comply with University regulations, policies and procedures and all applicable governmental laws and regulations. Use of the PCard is a convenience based on trust. When the Cardholder signs the Cardholder Agreement, he/she acknowledges an understanding of the benefits of this convenience and an understanding of the penalties for misuse of the PCard. The failure to use the PCard in compliance with this Policy, or the failure to provide sufficient documentation can result in the suspension or revocation of the PCard and possible disciplinary action including, but not limited to, employee termination, as well as the filing of criminal charges.

#### **VI. Related Procedures**

The Vice President of Finance and Administration shall create administrative procedures to implement this Policy.

<b>Attachment(s)</b>	
<b>Related Resource(s)</b>	