P-Card Policy

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What Is a P-Card
The Harvard purchasing card (P-Card) is a desirable payment method for high volume, low dollar purchases of typically less than $2,500, transactions such as; Amazon, books, and local business meals. It eliminates use of your own personal funds to make purchases on behalf of the University. If you make regular purchases on behalf of the University, your manager may decide a P-Card would be beneficial. Following is a summary of P-Card policies, procedures and best practices.

How to Obtain a P-Card
After receiving manager approval to obtain a P-Card, you should complete a P-Card application.

The P-Card application is broken into three sections:

- Part 1 is to be completed by the applicant and forwarded on to the appropriate manager.
- Part 2 provides manager authorization and includes the monthly spending limit. Please note, that Option One must be selected for HUIT P-Card’s as the Spending Limit Option.
- Part 3 is completed by the P-Card Administrator, located at 1230 Soldiers Field Road, before input into the P-Card system. The P-Card Administrator is also responsible for retaining all applications.

Once complete, send your application to the HUIT P-Card Administrator. The HUIT Financial Dean will also approve the application – please submit a reason why a P-Card is needed when emailing the application to the P-Card Administrator. Prior to getting a P-Card, you must complete the University’s online P-Card training. Once training is complete, send a copy of your Certificate of Completion to the HUIT P-Card Administrator. Your P-Card will be ready in approximately three weeks and delivered to you by the P-Card administrator.
Restricted Commodities
Unlike the Harvard corporate card and out-of-pocket business purchases, the P-Card is limited to certain charges. The following is a list of restricted commodities:

- Travel and Entertainment
  - Airfare
  - Lodging
  - Transportation
  - Restaurants outside the Boston/Cambridge area
- Gifts over $100 and all gift certificates
- Animals and animal-related purchases
- Services of non-incorporated providers
- Internal service providers
- Prescription drugs and controlled substances
- Hazardous materials
- Capital Purchases (Object Codes 6800-6810, 6813-6816)

To view a complete list of the University’s restricted commodities, go to Harvard’s online P-Card manual. If you have additional questions, please contact your local P-Card Administrator.

Settlement System
P-Card has an online settlement system for viewing, modifying, and reconciling P-Card transactions. A designated Local Reviewer verifies all transactions. Since P-Card holders can not approve their own transactions, the reviewer must be an individual other than the cardholder.

It is both the local reviewer and P-Card holder’s responsibility to ensure that:

- all purchases are in conduct with University business
- purchases are legitimate expenses incurred by the cardholder
- sales tax is not charged
- adequate proof of purchase exists
- the business purpose has been input in the system
- the appropriate general ledger (GL) coding has been selected and saved

P-Card purchases are posted to the settlement system within one to three business days. During this time the P-Card holder must forward receipts to the Local Reviewer with the business purpose and general ledger coding clearly written on the receipt provided. Once purchases are in the system, the reviewer usually has 10-14 business days to review transactions and check the accuracy of the business purpose and general ledger coding.

After two weeks, Central Accounts Payable automatically sweeps transactions into the general ledger, regardless of whether a transaction has been reviewed or not.

Local Reviewers should take the initiative to log onto the P-Card settlement system at the beginning of each week in order to allow sufficient time to contact, if needed, the individual cardholders to insure a receipt and business purpose is received by Wednesday. Once the items are swept, GL corrections can only be made via journal entries.
Receipts & Documentation
It is the Local Reviewers responsibility to collect receipts and attach them to a copy of the weekly settlement reports and forward to the P-Card Administrator at 1230 Soldiers Field Road (for HUIT).

The P-Card Administrator retains weekly settlement reports and receipts in central filing for audit purposes.

HUIT requires cardholders to account for all receipts. If an original receipt is missing, the cardholder must fill out a Missing Receipt Affidavit.

If a P-Card holder does not submit a receipt within 30 days of a purchase, the P-Card Administrator must notify the P-Card holder’s director. The P-Card Administrator has the right to revoke a cardholder’s privileges after unsuccessful repeated requests for receipts.

Management Transaction Review
Every month, the P-Card Administrator prints a detailed transaction report for each group and forwards it to group directors. It is the director’s responsibility to ensure that each transaction is appropriate and that the business purpose is accurate. The director has the right to revoke a cardholder’s privileges. Directors should immediately report any questionable transactions to the PCard Administrator for further review.

Other P-Card Best Practices
Below is a list of additional best practices, which P-Card holders should follow.

- Keep the card in a safe location at all times.
- Use the card for Harvard business purposes only (personal purchases are not allowed).
- Notify vendor of the Harvard’s tax exemption status. Harvard is exempt from Mass Sales and Meals tax.
- Provide vendor with Harvard tax identification number (E-042-103-58), which is printed on the face of the card.
- Provide a copy of Harvard’s tax exemption certificate (ST-2) if requested.
- Review monthly statement from the credit card vendor. Do not share your card with other employees or other individuals or vendors.
- Do not split an order to avoid the single-purchase or monthly card limits.
- No one can be a Reviewer of their own transactions.

P-Card Administrators have the responsibility to suspend or terminate PCard holder’s privileges in instances of misuse after notifying the Director of Finance and the PCard holder’s director. Improper use of the Purchasing Card may also result in disciplinary action, up to and including termination of employment.

P-Card Termination Procedures
When a P-Card holder leaves Harvard University, the P-Card account is automatically deactivated. The employee should return the P-Card to the P-Card Administrator at 1230 Soldiers Field Road. All recurring transactions with vendors should be cancelled or transferred to another card holder with management approval.
When an employee transfers to another Harvard Department, the existing P-Card will be deactivated, and should be returned to the local administrator. If the employee is granted a
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P-Card with his/her new department, the employee must go through the P-Card process outlined by their new department to receive a new card.

Who to Contact If You Still Have Questions
If you have additional questions regarding the P-Card process, refer to the P-card manual or contact the P-Card Administrator.

Recap

The University PCard policy establishes cardholder and Reviewer responsibilities as well as tub and central responsibilities. Failure to follow PCard policy may lead to PCard privileges being revoked.

What are the key points of the policy?

- PCard holders (or their designee) must enter a detailed business purpose for all PCard transactions.
- Someone other than the PCard holder must review transactions in the PCard settlement system.
- All PCard holders must take an on-line PCard training course.
- The PCard Tub Administrator must perform a quarterly audit.

Responsibilities

<table>
<thead>
<tr>
<th>Responsibilities</th>
<th>PCard Reviewer (Departmental Reviewer)</th>
<th>PCard Tub Administrator</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Daily</strong></td>
<td>Wednesday by 5:00PM</td>
<td>Wednesday 10:00AM</td>
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<tr>
<td>Cardholder must forward receipts,</td>
<td>PCard Reviewer reviews the Cardholder’s transactions in the PCard system against the sales receipts. The Reviewer edits the business purpose and general ledger account coding as necessary and marks the item as reviewed in the settlement system by 5:00PM.</td>
<td>PCard Tub Administrator sends a reminder to PCard holders and Reviewers to review their PCard.</td>
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<tr>
<td>with a detailed business purpose</td>
<td>Reviewer forwards Settlement System Report and receipts to the PCard Tub Administrator.</td>
<td>Thursday 10:00AM PCard Tub Administrator contacts PCard Reviewers regarding any unreviewed PCard transactions.</td>
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<tr>
<td>for each transaction, to their</td>
<td></td>
<td>PCard Tub Administrator does a high-level review of business purposes and coding strings to confirm they are in compliance with University policy.</td>
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<td>designated reviewer.</td>
<td></td>
<td><strong>Quarterly</strong></td>
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<tr>
<td>An appropriate business purpose</td>
<td></td>
<td>PCard Tub Administrator performs a quarterly audit as required by University policy.</td>
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<tr>
<td>contains:</td>
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<td>PCard Tub Administrator will contact PCard Reviewer to address any outstanding items.</td>
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<tr>
<td>• <strong>Who</strong> incurred the expense</td>
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<tr>
<td>• <strong>What</strong> type of event, activity, or purchase</td>
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<td>• <strong>Where</strong> the event or activity took place</td>
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<tr>
<td>• <strong>When</strong> the event or activity took place</td>
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<tr>
<td>• <strong>Why</strong> the expense was incurred</td>
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