

# Welcome to SDSU Research Foundation's Procurement Credit Card (PCard) Fundamentals





# General Information

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SDSU Research Foundation's PCard is a widely accepted MasterCard issued by JP Morgan Chase Bank. The PCard is assigned to the employee, but is issued on behalf of SDSURF. SDSURF remits payment directly to JPMC on behalf of the cardholders.



# General Information



- The PCard is a procurement tool that offers an alternative to existing processes by providing an efficient and effective method of purchasing and paying for low dollar goods and services.
- The PCard is not intended as an overall replacement or as a means to circumvent purchasing guidelines and requirements.



# General Information



The PCard Program is designed to delegate authority and capability to quickly and conveniently purchase approved goods and services directly from vendors who accept MasterCard. The benefits of the PCard are significant and include:

- Ability to obtain goods and services faster and easier
- Reduces the need to use personal fund and obtain reimbursements
- Payment to suppliers is immediate
- Built-in limits and controls for program management
- Provides convenience, security and flexibility



# Purchase Order vs Procurement Card

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## **Purchase Order**

- Project completes purchase requisition
- Purchase requisition is reviewed by SR administrator
- Buyers place order
- Items shipped, SDSURF invoiced for goods/services
- Invoice processed for approvals
- Payment is finally made to vendor

## **PCard**

- No paperwork prior to purchase
- Project obtains goods/services directly from vendor/merchant
- Cardholder reviews transactions on-line, at his/her convenience after the purchase is complete
- Cardholder prints electronic statement, attaches receipts and forwards to PCard administrator for review

# Control Features



- Spending limits are preset on all PCard accounts as a mechanism to safeguard the c/h as well as the PCard Program
- \$1,000 single/daily transaction limit including tax, freight, and handling charges
- Monthly spending limit is generally \$5,000
- Blocked Merchant Category Codes (MCC) to ensure prohibited charges are not made



# Is the PCard for you?

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- Does your department often purchase routine, low value goods and services (i.e., office supplies under \$1,000)?
- Are you often using personal fund to purchase needed items, then submitting a request for reimbursement?



# Cardholder Qualifications

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- Are you the PI or Project Director for funds you will be making purchase for? If not, are you a salaried SDSU or SDSURF employee? If SDSU or SDSURF employee you must also:

Be an authorized signer for ALL projects under the PI/PD Org code as defined on the project signature card(s)

**OR**

Be designated by the PI/PD as a cardholder for ALL projects under the PI/PD org code. In these cases, the PI/PD must designate PCard Authority to the cardholder by signing the application as the approving official and filling out PI Delegation Form

# Cardholder Qualifications



- Must have an e-mail address, web access, access to a computer with Adobe Acrobat Reader and print capabilities
- Projects must be in good financial standing with no audit investigations and no unresolved financial liabilities





# Approving Official Qualifications

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- Must be an SDSU or SDSURF PI/PD who has budget signature authority on projects administered by SDSURF **OR**
- Must be an SDSU or SDSURF salaried employee with budget and signature authority on active orgs and funds **AND** written approval and documentation signed by PI/PD
- Must have an e-mail address, web access, access to a computer with Adobe Acrobat Reader and print capabilities

**Note: In some instances, the c/h and a/o may be one in the same. This may occur when the c/h meets the requirements described above for the a/o.**



# Cardholder Responsibilities

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- Security and safekeeping of the physical PCard, account number and expiration date
- Securing confidentiality of cardholder information and PaymentNet user id and password
- Understanding and keeping current on all PCard policies and procedures
- Determining budget and fund availability



# Cardholder Responsibilities

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- Retaining original, itemized receipts for each transaction
- Reviewing each transaction in PaymentNet for validity and assigning the appropriate fund information
- Reconciling itemized receipts to the monthly statement
- Preparing the monthly reconciliation packet and forwarding to the Approving Official within published deadlines



# Approving Official Responsibilities

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- Reviewing cardholder charges to ensure charges are appropriate and that no prohibited items have been purchased
- Ensuring proper documentation supports transactions
- Approving transactions in PaymentNet
- Forwarding completed and approved Monthly Remittance Packet to PPA within the published deadlines



# Principal Investigator/Project Director Responsibilities

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- Oversight of program participants
- Approving all requests to establish new cardholders and approving officials
- Monitoring PCard activity on PI Profile on a regular basis
- Notifying PPA of employee terminations



## SRA Administrator Responsibilities

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- Reviewing and approving cardholder applications and changes
- Notifying PPA of disallowable or suspected fraudulent activity
- Notifying PPA of employee terminations
- Approving transactions “kicked-out” during the edit process

# Getting Started is Easy



- Complete the Procurement Card Program Application
- Obtain PI/PD and Approving Official signatures
- Submit form to the applicable SRA Administrator for review and signature and then forwards to PPA
- PPA orders card – arrives in approximately 3 days
- Complete required c/h training and sign Cardholder Acknowledgement Form
- Activate PCard once received at end of Cardholder Training
- Go shopping!



# Procurement Card Program Website

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- Access directly [www.paymentnet.com](http://www.paymentnet.com)
- Access via SDSURF website by clicking on PCard PaymentNET link



# PaymentNet Features

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- Web-based application
- Database of record for all Pcard transactions – which appear within 24 hrs after processing by bank
- Password-restricted to ensure safekeeping of information
- Ability to view and print Electronic Statements



# PaymentNet Features, Cont

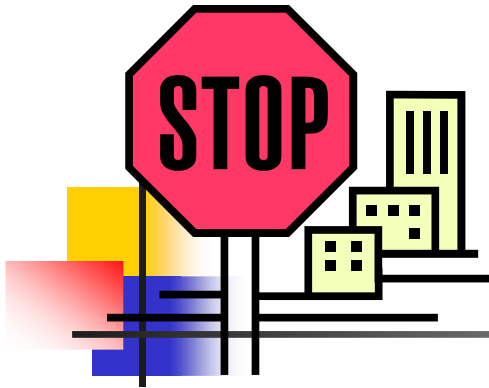
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- On-line account reviews and approvals
- Organization and fund drop-down lists are customized for each user at the time of account set-up
- Ability to allocate transactions to one or more funds
- Ability to dispute a transaction on-line
- Convenient method of querying information and transaction detail for purchase activity

# General Instructions for Making PCard Purchases



- Verify that the items/services to be purchased are allowable and within the guidelines of the award document
- Verify there are sufficient funds available in the fund budget to cover the purchase
- Verify that the transaction is within the purchasing guidelines in the PCard Policy and Procedure Manual



# Prohibited Purchases

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- Cash Advances
- Political Contributions
- Donations
- Animals
- Firearms
- Travel
- Hosting
- Services performed by an individual/sole proprietor
- Narcotics and other controlled substances
- Hazardous materials



# Remember!

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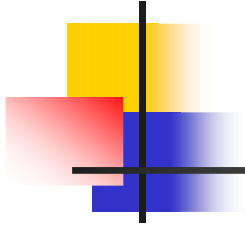
Use a Purchase Order for the following:

- Execution of supplier contracts, leases, long-term maintenance agreements, ongoing services
- Phone services (cells, pagers)
- Items to be considered “fixed assets” and require inventory tags
- Large volume, routine, repetitious purchases – c/h may not be able to benefit from volume discounts

# Deadlines



- PCard transactions are to be reviewed by the 5th working day of the new month and approved by the 10<sup>th</sup> working day of the new month
- PCard Packet (Remittance Form, Statement, Receipts) are to be forwarded to PPA immediately after approvals
- Administrator reviews items “kicked-out” on 11<sup>th</sup> and 12<sup>th</sup> day
- Transactions posted to PI Profile around the 15<sup>th</sup> of each new month



# PCard Forms

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Forms are available on the SDSURF website

- New Card Application
- PI/PD Delegation of Approving Official Responsibilities Form
- Cardholder Account Maintenance Request
- Remittance Form
- Lost/Non-Itemized Receipt Form