

**Title:** Procurement Card Policy

**Responsible Official:** Vice President for Campus Services

**Responsible University Office:** Procurement and Distribution Services

**Revision History:** Effective June 13, 2016; reviewed November 1, 2022

**Related university policies:** Travel Policy, which covers Travel and Expense cards. This policy excludes C-Dep Procurement Cards, which are managed by the Division of Student Affairs.

**Review Period:** 5 Years

**Date of Last Review:** January 2, 2025

**Relates to:** Faculty, Staff

**Excludes:** C-Dep Procurement Cards are managed by student affairs and excluded from this policy. Travel and Expense cards are governed by the travel policy and excluded from this policy.

## 1. Definitions

- **Procurement Card**-a charge card for individuals to purchase small-dollar goods and services directly on behalf of CWRU. Types of procurement cards:
  - **PCard**- A Procurement Card used for small- dollar goods and services, issued to an individual
  - **DCard**- A Procurement Card used for food and beverage needs (under \$500) in service of a department, issued to a department custodian
  - **WEX Fuel Card**- The fuel card assigned to a CWRU fleet vehicle (excludes shuttle buses). This is the only approved payment method for fleet vehicles.
  - **Enterprise Maintenance Card**- The maintenance card assigned to a CWRU fleet vehicle (excludes shuttle buses). This is the only approved payment method for fleet vehicle maintenance.
- **CWRU**-Case Western Reserve University
- **Management Center**- Department with approval authority over Cardholder's budget. The appropriate department authority (Dean, Vice-President, Management Center Finance Leader, or Department Chair/Head) will designate Cardholders in consultation with the Program Administrator.
- **Program Administrator**- a member of the Procurement Department that oversees all aspects of the Procurement Card program; develops and implements financial policies and procedures related to procurement operations.
- **Card Program Auditor**- a member of the Auxiliary Services Department that monitors compliance with university policies and procedures in relation to the Card program.
- **CWRU Fleet Manager**-The manager of the CWRU maintenance card program. For information or questions, please email [fleet@case.edu](mailto:fleet@case.edu)
- **Cardholder** - See section 5 below
- **Approver** - See Section 5 below
- **Reconciler** - See Section 5 below.

## 2. General Principles

- The procurement card program is designed for CWRU business-related purchases that are low dollar and low complexity.
- The preferred method of procurement transaction is a purchase order through PeopleSoft or SmartCart.
- CWRU is liable to the financial institution issuing the cards for payment of all monthly transactions. The cardholder's personal credit history is neither taken into consideration at the time the card is assigned nor affected by the credit limits or activity of the account.

## 3. PCard/DCard Use

- Procurement Cards must be used only for official CWRU business purposes and in full compliance with other CWRU policies and must be used responsibly and in a manner consistent with CWRU's mission, applicable laws, and ethical practices.
- Items are to be shipped to campus only. If an item is to be shipped off campus, a letter of approval (including items, shipping address, and business purpose) must be included in documentation, signed by department chair/department head.
- For exception requests, please email [pcard@case.edu](mailto:pcard@case.edu).

- Amazon purchases are only authorized through the CWRU central Amazon Business Prime account. For information about joining the consolidated Amazon Business Prime Account, please email [pcard@case.edu](mailto:pcard@case.edu).
- When human care outcomes or scientific testing needs to be verified, online marketplaces like Amazon, eBay, Walmart Marketplace, etc. are not acceptable vendors. Examples include purchasing Covid test kits, laboratory equipment and supplies and items used to run experiments. Please refer to our Marketplace training at [case.edu/procurement](http://case.edu/procurement)
- Refer to [case.edu/procurement/purchasing/procurement-card-suite](http://case.edu/procurement/purchasing/procurement-card-suite) for procedures for obtaining a Procurement Card.
- Refer to the [How to Buy Matrix](http://www.case.edu/procurement/purchasing/how-buy) for the most up-to-date list of prohibited uses of Procurement Cards ([www.case.edu/procurement/purchasing/how-buy](http://www.case.edu/procurement/purchasing/how-buy))
- To request an exclusion from a restricted item or purchase to be made on your procurement card, contact [pcard@case.edu](mailto:pcard@case.edu) to for review and potential waiver. Waivers are offered on a case-by-case basis and the email waiver should accompany your statements and receipts during your audits.
- All Dcard Transactions must be tracked on the DCard log. [Click here for the Dcard tracking log template.](#)

#### **4. Maintenance Card Use**

- CWRU Fleet vehicles (non-buses) will be assigned a maintenance card. Whenever the vehicle is receiving maintenance or repairs of any kind, the maintenance card assigned to the vehicle should be used to pay for those services.
- Please contact the CWRU fleet manager for maintenance and repair vendors that accept the card. These cards will be shared with any drivers of those vehicles but will require a unique driver assigned PIN for the transaction to be processed.
- These cards are not subject to the monthly reconciliation and audit duties outlined below.

#### **5. Fuel Card Use**

- CWRU Fleet vehicles (non-buses) will be assigned a fuel card. Whenever the vehicle needs fuel, the fuel card assigned to the vehicle should be used. When making these purchases, the driver will provide the vehicle, driver, and current odometer reading to the fueling station. Failure to do so could have driving privileges suspended.
- Please contact the CWRU fleet manager at [fleet@case.edu](mailto:fleet@case.edu) for vendors that accept the card. These cards will be shared with any drivers of those vehicles but will require a unique driver assigned PIN for the transaction to be processed.
- These cards are not subject to the monthly reconciliation and audit duties outlined below.
- Refer to [case.edu/procurement/fleet](http://case.edu/procurement/fleet) for procedures on how to obtain a WEX Fuel Card.

#### **6. Roles and Responsibilities**

Below information provides details regarding roles and responsibilities. Refer also to page 8-10 for frequently asked questions related to roles and responsibilities.

##### **Cardholder**

- Authorized person who makes frequent, low-dollar purchases for CWRU business and is issued a Procurement Card.
- Cardholders have the following responsibilities:
  - Pay vendors at the time of the transaction
  - Regularly review their transactions
  - Allocates transactions to the correct accounting codes on the third-party bank website
  - Provide a business purpose for all transactions
  - Upload receipts for review and audit purposes (refer to Section 5 for how to properly document your transactions)
  - Transactions must be reconciled at the end of every billing cycle. Best practice is to reconcile transactions within 7 days of purchase.
  - Know and comply with all CWRU policies found at <https://case.edu/compliance/university-policies>.

- Keep their card information secure and do not share it with other employees or allow vendors to store on file.
- If the card is lost, stolen, or used by a person other than the authorized cardholder, such action must immediately be reported to the issuing bank, which at this time is Bank of America (1-888-449-2273). After reporting to the issuing bank, notify the Program Administrator at [pcard@case.edu](mailto:pcard@case.edu).

### **Reconciler**

- A Reconciler is a person to whom the Cardholder has delegated all the functions associated with post-purchase processing in third party bank website including account allocation and reconciliation.
- The Reconciler cannot make purchases using the card belonging to the Cardholder for whom they reconcile.
- The Cardholder is responsible for all actions taken by the Reconciler on the Cardholder's behalf.

### **Department Approver**

- Refer to pages 8-10 for frequently asked questions related to roles and responsibilities. The Department Approver role should not get confused with the procedural role of BOA Approver.
- An Approver is (1) the person who approves purchases that have been made by the Cardholder(s) to which they are assigned, (2) has budgetary responsibility for the Cardholder's purchases, AND (3) is not a peer or direct report to the Cardholder (should be supervisor or finance manager).
- By approving each transaction, the Approver exercises critical control by ensuring authorized and appropriate PCard use and correct allocation of expenses.
- The Approver must have sufficient knowledge and understanding of the Cardholder's Card activity to competently perform the approval process.
- Approvers should review receipts and other backup to ensure compliance with this and other CWRU policies.
- The Approver signs the statement of the cardholder, monthly, verifying the reconciliation process has taken place.
- If the Approver identifies activity not in compliance with CWRU policies or business purposes, they must notify the Program Administrator at [pcard@case.edu](mailto:pcard@case.edu) for support and review/investigation if necessary.
- **No Cardholder may approve their own purchases/transactions, nor may they direct someone else to approve transactions in a manner that would violate policy, i.e., without reviewing the transactions in detail, etc.**
- **An Approver should not report to the Cardholder whose transactions they are reviewing.**

### **Driver**

- Complete Driver training
- Make sure to use the card at approved vendors
- Properly document odometer/vehicle/driver information for transactions at fueling station
- Do not share cards between vehicles
- Do not share PINs between drivers
- Ensure cards remain with vehicles after purchases
- Fleet management company will send Procurement receipts/invoices—no need for driver to do so

Frequently asked questions related to roles and responsibilities can be found in on pages 8-10 of this policy.

## **7. How To Document Your Transactions**

- All purchases must be properly documented.
  - Transactions must be supported by original itemized receipts. All receipts must be uploaded to the online portal.
  - Internet purchases require a copy of the order confirmation itemizing all costs.
  - If the required documentation is not available, an explanation must be documented, signed by the Dean or VP of that area, and filed with the monthly statement reconciliation. This form must be on file with the cardholder's statements and receipts at the initiation of review.
  - All transactions must include an explanation that supports the business purpose in terms that would be clear to an external reviewer. Documentation must be maintained in compliance with CWRU's record retention policy.

## 8. Disciplinary Actions

- Certain transactions are prohibited on Procurement Cards because the goods or services require additional review for tax, insurance, or other regulatory issues. Refer to the How to Buy Matrix
- Procurement Cards must never be used for purchases unrelated to CWRU business.
- Purchasing prohibited goods or services with the Procurement Card may result in temporary suspension or permanent revocation of the Procurement Card, disciplinary action, appropriate sanctions up to and including termination and/or criminal prosecution.

## 9. Security

- Cardholders are responsible for securing Procurement Cards in the same manner as cash and checks are handled.
- Cardholders may not share or lend their Procurement Card to others and must keep the Procurement Card number confidential.
- Cardholders may not allow vendors to store their card information for automatic or recurring payments.
- If the card is lost, stolen, or used by a person other than the authorized cardholder, such action must immediately be reported to the issuing bank, which at this time is Bank of America (1-888-449-2273) and the Program Administrator ([pcard@case.edu](mailto:pcard@case.edu)).

## 10. Dollar limits

- During the Procurement Card application process, the cardholder will be assigned a monthly credit limit and a single purchase amount limit, both of which are authorized by the Finance Director in the school or area and the Procurement Department.
- For information about possibly raising spending limits, please email [pcard@case.edu](mailto:pcard@case.edu).
- **Cardholders may not split a purchase into more than one transaction to circumvent the dollar threshold.**

## 11. Cardholder Employment Status

- Cardholders must be CWRU employees.
- Temporary employees will not be issued Procurement Cards.
- Procurement Cards issued to employees of CWRU affiliate institutions will remain active until either termination of employment or reassignment of duties in relation to CWRU.
- New Procurement Cards will not be issued to any non-CWRU employee.
- CWRU will cancel Procurement Cards immediately for individuals separated from CWRU; Cardholders are encouraged to notify the Program Administrator ([pcard@case.edu](mailto:pcard@case.edu)) when they are no longer employed by CWRU. Upon termination of employment, a final audit will be conducted. Results of the audit will be forwarded to the former employee's department. Abnormalities may be forwarded to the CWRU Office of Audit Services for further review.

## 12. Sales Tax

- Purchases made on Procurement Cards **should not** incur sales tax in most states.
- Cardholders are responsible for informing the supplier that CWRU is exempt from sales and use tax, ideally before the purchase is made, or if necessary, by asking the supplier to reverse the tax after the purchase is made. **Note:** CWRU's tax exempt ID number is published on the Purchase Card.
- Vendors or suppliers who have not previously done business with CWRU may ask for a copy of CWRU's sales and use tax exemption certificate. This may be obtained by contacting the CWRU Procurement & Distribution Customer Care Team at [customercareteam-pds@case.edu](mailto:customercareteam-pds@case.edu).
- Misuse of CWRU's tax exemption may result in temporary suspension or permanent revocation of the Procurement Card, disciplinary action, and appropriate sanctions up to and including termination and/or criminal prosecution.

### **13. Outside Reviews**

- All CWRU transactions, including on Procurement Cards, are subject to review by the Management Center, the Procurement Department, and internal and external auditors for compliance with institutional policies and procedures, and applicable laws and regulations.
- Periodic audits of Cardholder's transactions and supporting documentation will occur.
- Individuals found in violation of university policies for Procurement Cards may be subject to temporary suspension or permanent revocation of the Procurement Card, disciplinary action, and appropriate sanctions up to and including termination and/or criminal prosecution.

## The PCard/DCard Audit Program

### Overview

- All cardholders are subject to yearly audits. The PCard Auditor monitors compliance with university policies and procedures in relation to the PCard program.
- The Auditor adheres to a continuous audit approach, spot checking transactions while also conducting random audits. This allows for frequent, timely analysis to manage and address risks as well as provide ongoing cardholder training.
- The goal is to improve the quality and coverage of audit procedures while increasing efficiency and supporting program compliance.

### Audit Process

- Audits will be performed virtually. Cardholders selected for audit will be notified by the first of the month in which the audit will occur. Cardholders will be given a deadline by which all signed statements, DCard tracking logs, and backup documentation must be provided to the Auditor.
- Requests for extensions must be received by the PCard Audit team prior to the deadline provided by the Auditor.
- Cardholders must submit statements signed by both Cardholder and Approver to pcard@case.edu. Failure to provide signed statements results in an automatic RED (score of 85% or lower) failure. Signed statements indicate an acknowledgement by both the cardholder and the approver that all transactions have been deemed approved as legitimate business expenses and in compliance with P Card policy.
- DCard Tracking Logs must be submitted for all DCard audits. Failure to provide a DCard Tracking Log will result in an automatic RED (score of 85% or lower) failure.
- Proof of prior authorization for policy exemptions must be provided for each transaction in question. These authorizations should be uploaded to Bank of America and attached to the transaction.
- Receipts must be provided for all purchases, regardless of vendor. A valid receipt will show the vendor's name, an itemized list of items purchased, and the total amount charged to the credit card.
- Refer to end of this document for the PCard/DCard Audit Program details.

### Audit Results

- Cardholders and the approver/supervisor will be notified in writing of the outcome of the audit.
- Audit scores are based on the percentage of transactions with compliant receipts.
  - Green – 95% and above is passed and no additional action is needed.
  - Yellow – 85%-94.99% is a failed audit and subject to a re-audit in six months.
  - Red – 85% and below is a failed audit and is immediately subject to a re-audit in **three** months.
- Major infractions may result in an automatic failure and potential further disciplinary action. Major infractions include the following:
  - Personal Purchases
  - Split Transactions
  - Restricted Expenditures

### Corrective Action

- Any cardholder scoring a **GREEN** pass of 95% or higher will qualify for re-audit one year from the date of last audit.
- In the event of multiple **YELLOW** audit failures (85% - 94.99%), PCard/DCard holders are subject to the following corrective action, at the discretion of the Auditor:
  - First Offense: cardholder receives re-audit in 6 months
  - Second Offense: cardholder receives re-audit in 3 months
  - Third Offense: immediate 30-day suspension of card privileges. Cardholder is required to successfully complete PCard/DCard training.
  - Any additional yellow failures may result in permanent revocation of PCard/DCard privileges
- In the event of multiple **RED** audit failures (below 84.99%), PCard/DCard holders are subject to the following corrective action:

- First Offense: cardholder receives re-audit in 3 months
- Second Offense: immediate 30-day suspension of card privileges. Cardholder is required to successfully complete PCard/DCard training.
- Third Offense: permanent suspension of card. Employees who have had cards terminated for non-compliance are not eligible for reissuance of a new card.

**All violations of the internal control and audit procedures will result in disciplinary action or appropriate sanctions, including, but not limited to the consequences listed above.**

### Activity Responsibility Matrix

Activity	Cardholder	Reconciler	Approver	Driver	Procurement
Initiate card application and complete training	X			X	
Approve card Application and obtains Budget Director's approval.			X		
Verify training and process card application					X
Responsible for physical security of card	X				
Notify Card Program Administrator of any Cardholder termination	X		X		
Allocate all transactions within the billing cycle (best practice is within 7 days of posting) and upload receipts in Works	X	X			
Report fraudulent charges immediately to Issuing Bank to initiate a fraud claim and complete and return time sensitive required documents to Issuing Bank	X				
Submit Statements and backup to approver monthly for review	X	X			
Responsible for reviewing the business purpose, policy compliance, and documentation of each transaction			X		
Responsible for reporting any activity not in compliance with CWRU policies or business purposes to the Program Administrator at pcard@case.edu			X		
Perform daily oversight of program and weekly review of card activity					X
Audit card activity and submit results and recommendations to stakeholders					Now Auxiliary Services
Review and notify the responsible departments or personnel of any non- compliance, policy violations, etc.					Now Auxiliary Services
Properly document odometer/vehicle/driver info for transactions at fuel station				X	
Sign Pcard Monthly Statement			X		
Review the Dcard Log is properly filled out each month	X		X		



## **Clarifications on Procurement Card (Pcard and Dcard) Responsibilities**

**Cardholder:** The holder of the procurement card is assigned to, is responsible for the safe keeping and usage of the card,

and ensuring compliance with the Procurement Card policy. The Cardholder is responsible for all transactions, upload receipts, allocate transactions within the Bank of America (BOA) Works System (Works).

1. Conducting all transactions.
2. Uploading receipts in Works.
3. Allocating transactions in Works.
4. Ensuring adherence to the Procurement Card policy.
5. Dcard log is properly filled out

**BOA Reconciler (Optional):** An optional role, typically for those with a department assistant who assist with managing expense reports, uploading receipts, and allocating transactions within Works. Cardholder is ultimately responsible to ensure these activities are done correctly each month. Key responsibilities:

1. Managing expense reports.
2. Uploading receipts in Works.
3. Allocating transactions in Works.
4. Dcard log is properly filled out

**BOA Approver (Optional):** This is an optional role that lives within Works and is distinct from the Department Approver. The BOA Approver may flag transactions if the Pcard Holder needs to make post-sign-off edits, such as adding receipts or changing GL codes. Or if you need to flag some transactions, you can also email [Pcard@case.edu](mailto:Pcard@case.edu) to provide the document number and we can flag it for you. The BOA Approver may differ from your actual Department Approver.

**Department Approver:** This role is distinct from the BOA Approver and is usually the **supervisor** and/or person department budgetary oversight. This person reviews monthly expenses to ensure policy compliance and cannot be subordinate or a peer to the Cardholder in the organizational hierarchy. Key responsibilities:

1. Reviewing monthly expenses.
2. Ensuring Cardholder policy compliance.
3. Must not be subordinate or a peer to the Pcard Holder.
4. Sign the hard copy of the Cardholder monthly statement.
5. Enduring the Dcard log is properly filled out.

### **Frequently Asked Questions Regarding Roles and Responsibilities**

**Can a Cardholder also be a BOA Reconciler?** Yes, a Cardholder can act as their own Reconciler. The Reconciler role is optional and intended for those with administrative support.

**Can a Cardholder be their own Approver?** Yes, you can be a BOA Approver (BOLD THIS), but NOT your Department Approver. The Department Approver should be someone with budgetary responsibility and/or supervisor, who reviews the Cardholder's expenditures each month and the Dcard Log. The Department Approver is who signs on your Procurement Card application.

**Can the BOA Reconciler and BOA Approver and Department Approver be the same person?** Yes. One person can be a reconciler, BOA approver, and department approver.

**Can a Director be the BOA Approver and Department Approver?** Yes, if they are the supervisor with budgetary responsibility and not a subordinate or peer to the Cardholder.

### **Month-End Approval Process**

1. **Cardholder and/or Reconciler:** Uploads receipts, and allocates expenses in Works, and signs off on all transactions. After signing off, no further action is required in the Works.

2. **BOA Approver:** May flag transactions if the Cardholder needs to make post-sign-off edits, such as adding receipts or changing GL codes. Or if you need to flag some transactions, you can also email [Pcard@case.edu](mailto:Pcard@case.edu) to provide the document number and we can flag it for you.
  
3. **After End-of-Month Close:** The Cardholder prints the statement template and obtains a physical signature from the **Department Approver** for audit purposes.

**Note:** The BOA Works system's designated **BOA Approvers** who may **differ** from your actual approver. It's crucial to follow the training document to print your statement and secure the Department Approver's signature on the hard copy. Detailed printing instructions are provided in the PowerPoint (slide 17) attached to the monthly close reminder email.

Please **ensure** that all actions are in line with the Procurement Card policy and that the Department Approver reviews and signs off on the expenses each month. This process helps maintain transparency and adherence to financial guidelines.