

PURCHASING CARD (P-CARD) REFERENCE GUIDE

Overview

Purchasing Cards are Stanford liability credit cards issued to approved University faculty, staff, and student employees (as required) for use in making University business purchases. Within prescribed limits, Purchasing Cards may be used as an alternative to a purchase requisition, or for expenses that an individual might otherwise pay for personally that would then require reimbursement via either Petty Cash or a reimbursement request. This University-liability MasterCard allows schools and departments to charge Stanford-related expenses up to department specified limits.

There are two types of Purchasing Cards:

- (1) Individual Purchasing Card – issued to a specific person.
- (2) Department Purchasing Card – issued to a department and assigned to a custodian.

All Purchasing Card transactions require verification and approval. Verifications are transacted in the P-Card Module in Oracle Financials.

Stanford faculty, staff and student employees are eligible to obtain a Purchasing Card or Departmental Purchasing Card based on a departmentally-determined business need, and is contingent upon:

- Completion of online application, specifying a guarantee account number (PTA),
- Approval from both the prospective cardholder's manager or department chair / dean and appropriate financial approver,
- Execution of online cardholder agreement,
- Assignment of person responsible for verifying transactions and approving transactions, and
- Completion of required training.

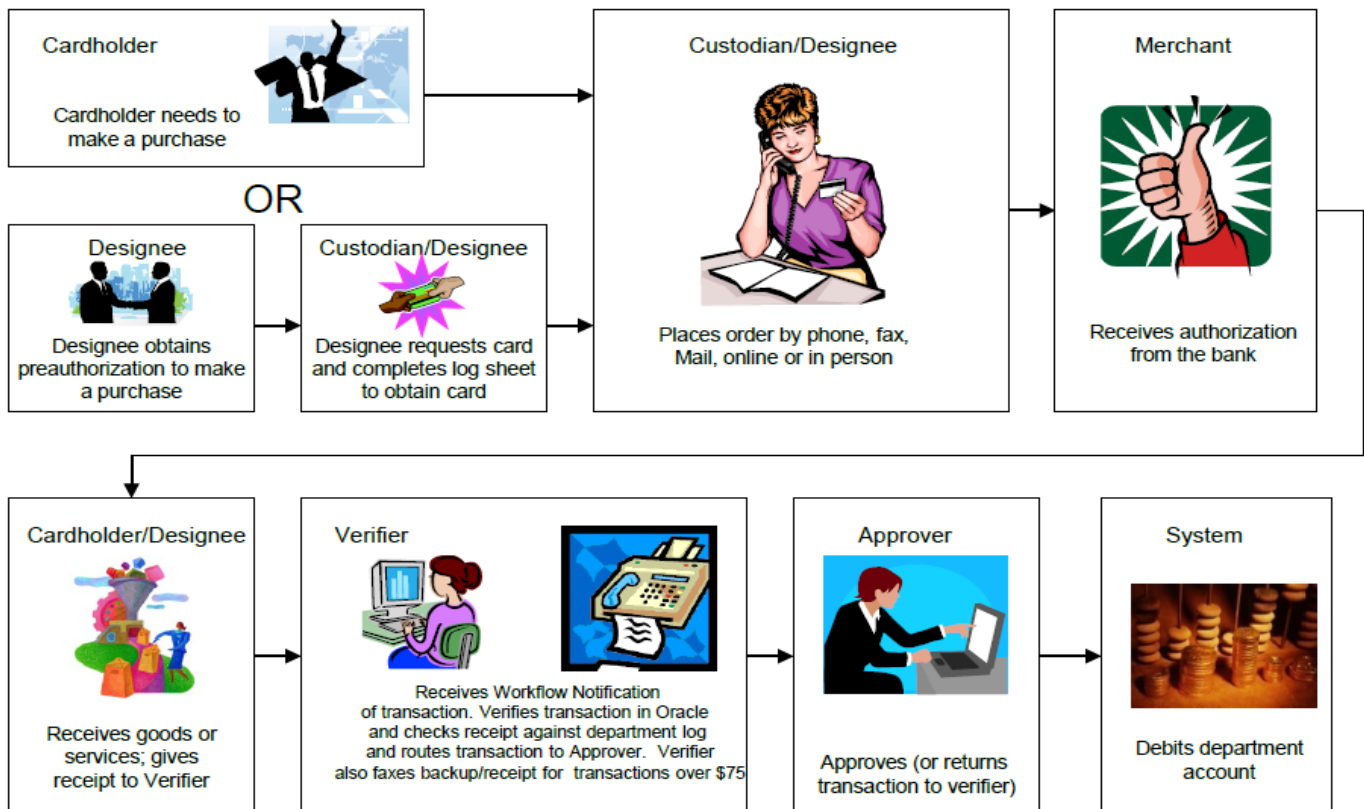
Because of tax reporting, inventory, and regulatory requirements, and to simplify reconciliation, the Purchasing Card **cannot** be used in the following circumstances:

- Personal Expenses
- Fabrications
- Hazardous Materials
- Travel
- Student Conference Registration
- Cash Advances
- Laboratory Animals
- Purchases paid via PayPal
- Purchases on Ebay
- Any Purchase Over \$4,999.99 [Note: The item cost includes tax, shipping, handling and installation, if applicable].

Best Practices

- An individual P-Card transaction should be under \$4,999.99 and purchases should not include split transactions.
- Refer to the [business meal guidance](#) and obtain/retain applicable information.
- Expenses should be submitted and approved within 60 days after they are incurred.

Roles & Responsibilities



Originators/Initiators: Faculty and Staff (Cardholder/Custodian/Designee/Verifier)

- ✓ Successfully complete required training FIN-0102: Using Stanford's Chart of Accounts and FIN-0450: PCard Policy and Procedure via [STARS Training](#).
- ✓ Ensure transaction is allowable, allocable, and reasonable by including all pertinent information in the P-Card module (attachments such as conference/meeting agenda, itemized receipts, list of participants/attendees, etc.) necessary to understand the circumstances, details and business purpose of the expenditure. Depending upon the type and value of the expense, certain requirements for documentation apply.
- ✓ Verify sales tax and as needed, flag transactions for dispute with the merchant and/or bank.

- ✓ Ensure the [business purpose](#) includes the reason for the expenditure, explains how it directly benefits the project/Stanford, and addresses “Who, What, Where, When, and Why.”
- ✓ Ensure expenses are coded to the appropriate Project/Task/Award (PTA) and expenditure type.
- ✓ Ensure all required verification fields are completed and routed to an appropriate approver(s) as soon as practicable within 60 days of the transaction.
- ✓ For special transactions exceeding recommended guidelines, ensure additional justification and/or pre-approval is attached for proper review and approval.

Approvers/Reviewers: Director of Finance and Administration and/or designee

- ✓ Approvers/Reviewers should complete FIN-0103: Approving Financial Transactions and required prerequisite/applicable training via [STARS](#) and ensure Originators/Initiators roles and responsibilities are performed appropriately in accordance with policies & regulations.
- ✓ Review and ensure expenses incurred are allowable, allocable, and reasonable to be directly charged to unrestricted, restricted or sponsored awards.
- ✓ Approver should not be someone who reports to the payee or initiator (either directly or indirectly).
- ✓ Review and ensure transactions are approved in a timely manner within 60 days of transactions (e.g., review OBI P-Card aging report).
- ✓ Ensure pre-approval documentation is attached for transactions exceeding guidelines or outside policy and review for proper justification and approval.
- ✓ Ensure special transactions exceeding recommended guidelines have sufficient justification and/or pre-approval.

Other Reviewers: Strategic Purchasing & Payment Services (SPPS)

- ✓ Ensure Originators/Initiators and Approvers/Reviewers roles and responsibilities are performed appropriately in accordance with policies & regulations.
- ✓ For P-Card transactions, SPPS will review on a sample basis to ensure there are no incorrect or improper charges. If transactions are found, the person responsible for the expenditures is contacted to correct the error.
- ✓ If necessary, SPPS may correct the department’s error and will provide the department with a copy of the accounting entry. If excessive or repeated errors occur, additional training may be required or the card revoked.

Penalties for non-compliance

P-Card expenses should be verified and approved as soon as practicable after charges are incurred, but no later than 60 days after charges are incurred. Failure to complete approvals within 60 days of transaction may result in card suspension and/or expenditures being reported as taxable income to the card user or cardholder. Consistent late verification and approval of charges may result in card suspension.

Personal expenses and purchases that are not made on behalf of the University or for use by the University are not permitted. These may be considered fraudulent transactions. If any Stanford user associated with the purchase commits purposeful fraudulent or other inappropriate behavior regarding the proper use of the requisitioning and purchasing process, it will be considered serious misconduct and will result in disciplinary action.

Policies & Regulations

Administrative Guide Memo

[AGM 5.3.3 Purchasing Cards](#)

Stanford's Gateway to Financial Activities - Fingate:

Fingate: [Stanford's Purchasing Card Program](#)

Fingate: [PCard Module of Oracle Financials](#)

Fingate: [Proper Coding of Allowable and Unallowable University Expenditures](#)

Fingate: [Guidelines for Writing a Clear Business Purpose](#)

Fingate: [Stanford's Buy & Pay Guide](#)

Fingate: [Expense Guidance for Business Meals](#)

Other:

STARS Training: [PCard Policy & Procedure \(FIN-0450\)](#)

Questions?

Financial Management Services – [Financial Support Center](#) (FSC)

Email finhelp@stanford.edu or call 650-723-2772