

## SMTD PCARD APPLICATION POLICIES & PROCEDURES

### **PCard Eligibility:**

In order to apply for a PCard, you must be either a faculty or staff member with a regular appointment, AND either:

- engage in frequent business travel or business travel of an extended duration; or
- engage in business hosting, recruitment, or development activities.

### **How to Apply for a PCard: Training & Application:**

#### **1. Training**

- Faculty and staff applying for a U-M PCard must first complete the [required PCard course](#) before submitting your application. The course reviews the business processes, policies, and procedures pertaining to proper use of the PCard. The course is also highly recommended for expense approvers.

#### **2. Complete and submit a [PCard Application](#)**

- Under Account Custom Fields enter the Department ID number 420000.
- Complete the required fields in the application. Christian Rafidi is the SMTD designated approver. Within the “**Approval**” field, please enter Christian Rafidi, [cerafidi@umich.edu](mailto:cerafidi@umich.edu).
- As part of the application process, you are required to read and agree to the [PCard Cardholder Agreement](#). The agreement outlines the program guidelines and cardholder responsibilities.
- Once you have confirmed acknowledgment of the agreements and successfully submitted the application, the online application will route electronically to Christian Rafidi, the designated approver.
  - The approver will receive an email from JP Morgan Chase stating a commercial card application is awaiting approval. The approver should click on the link provided in the email and complete the online approval process. The approver can also route the application to an additional approver if needed.
- Once approved by the unit approver(s) listed on the application, the application will route to PCard administration in Procurement Services for processing. Once all approvals have occurred, you will receive a confirmation email from JP Morgan Chase.
- When your PCard has been created, JP Morgan Chase will mail the PCard to your university address.

### Cardholder-Key Responsibilities:

- PCard holders are responsible for the proper use of the card and recording of the charges in Concur.
- Cardholders must abide by all university procurement policies and procedures when using the PCard.
- PCards remain the property of the PCard financial institution. **It may not be transferred to, assigned to, or used by anyone other than the cardholder.**
- The PCard financial institution or the university may suspend or cancel cardholder privileges at any time for **any** reason.

### PCard Do's and Don'ts:

- Because PCards are primarily meant to support business travel and hosting related expenses (with recruitment and development following under those categories), it is not meant to act as your primary purchasing method.
- The PCard may **NOT** be used for personal purchases, and it is **NOT** transferrable for use by others. Personal use of the PCard will result in an immediate warning; subsequent personal use of the PCard will result in the immediate termination and permanent non-renewal of PCard privileges.
- Before making a PCard purchase, ask the vendor if sales tax can be excluded from the cost of the transaction. The university tax ID number is embossed on the PCard, and most suppliers will accept this as evidence of the university's non-taxable status.
  - This form [Michigan Sales Tax Exemption](#) is used to exempt the University from sales tax on purchases. It is used in conjunction with the IRS determination letter (documenting the University's exempt status). The form can be completed by adding the vendor and date. Please keep in mind that the form should be used in accordance with [SPG 502.03](#), covering Michigan sales and use tax, as it relates to University business.
- PCard activity **MUST** be checked at least weekly, and final reports submitted monthly. You should build one expense report for submission per month. Please submit your expense report to Shared Services at [ExpenseReports@umich.edu](mailto:ExpenseReports@umich.edu)
- Occasionally, the PCard may be used for low-dollar, infrequent transactions per SPG 507.01. Low-dollar items may be purchased with the PCard if the following two conditions exist: (1) the item is not available from a U-M strategic contract or internal service provider; and (2) the supplier will not accept a purchase order and the purchase is necessary to the mission of the unit.
- Continued use of the PCard to purchase goods and services available through another purchasing method will result in the termination of PCard privileges.
- Ongoing failure to reconcile PCard transactions within the timeline noted above will result in the termination of PCard privileges.

## **Submitting Your Report to Shared Services:**

### **How to Submit a Request**

- **Email** [ExpenseReports@umich.edu](mailto:ExpenseReports@umich.edu)
  - Include: shortcode(s), business purpose, scanned copies of or photos of itemized receipts & supporting documentation.
  - Also, if you are using another department's shortcode, please include the approval email authorizing you to use that shortcode.
- **Email Subject:** Note "P-Card" and/or "Reimbursement," the employee's username and a unique report identifier (e.g. April 2016, 2016 Concur Conference, etc.)
- **P-Card Expenses:** Email information & receipts as expenses are incurred or, at a minimum, prior to the 8th business day before the end of the month
- **Returned/Sent Back Expense Reports:** If an employee would like the SSC's help correcting the report, send your request to [ExpenseReports@umich.edu](mailto:ExpenseReports@umich.edu)

## **Keeping the Card Secure:**

The PCard should be treated with the same security as your personal credit cards.

- Keep it with you; do not lock it in a desk or file cabinet.
- Do not write any portion of the PCard number down or share the number with others.
- Do not give the PCard number to a merchant to "keep on file."
- Sending copies of your PCard to vendors is discouraged. This practice opens a greater window of opportunity for fraudulent activity and should be avoided.

## **Lost or Stolen Cards:**

- Call JPMorgan Chase immediately if you discover your PCard is lost or stolen. The JPMorgan Chase customer service number is (800) 270-7760.
- You should also contact the PCard group at (734) 764-8212 or [travelexpense@umich.edu](mailto:travelexpense@umich.edu) and let them know.
- Alert the Financial Manager in the SMTD Business Office that your card is lost or stolen.

## **Fraudulent Charges and Disputing Charges:**

It is the responsibility of the pcard holder when reconciling their pcard to dispute fraudulent charges or duplicated charges. The Business Office or Administrative staff cannot do so on your behalf. Failure to work toward or obtain the credit or refund could result in the disputed amount being taken out of your compensation

## Reporting Fraudulent Activity

- It is very important that you review PCard charges frequently to ensure there are no fraudulent charges on the account. If unauthorized charges appear, contact JPMorgan Chase customer service at (800) 270-7760 (within the US or Canada) immediately. Outside the US, please call (847) 488-3748. The PCard vendor will close your current account and send a replacement card to your campus address. You should also contact the PCard group at (734) 764-8212 or [travelexpense@umich.edu](mailto:travelexpense@umich.edu) and let the Financial Manager in the SMTD Business Office know.

## Disputing Charges

If you're unable to verify the nature or amount of a charge, you should:

- Contact JPMorgan Chase customer service at (800) 270-7760 (within the US or Canada). Outside the US please call (847) 488-3748.
- The JPMorgan Chase customer service team must be notified of any disputed charge within 60 days of the transaction date.
- In Concur:
  - Mark the transaction as "fraudulent PCard transaction" and include a comment to the expense line that the charge has been disputed
  - You will receive a "dispute credit" in your Concur expense list for the amount of the original charge
  - Within 45 days of the original charge, submit both the dispute credit and fraudulent pcard transaction
- Until you've submitted both charges, you may continue to be notified that your PCard expenses are overdue.

## Changes to Your PCard Profile or Monthly Limit:

### Update Your PCard Profile

- It is important to update profile information as changes occur. Use [the PCard maintenance form](#) to make changes to your cardholder profile (e.g., changes to your name or business address).
- Request changes to your monthly credit limit if you need to increase or decrease your monthly limit, use the [PCard limit change form](#) to request changes. Requests must include a clear business purpose for an increase, along with a detailed justification from the PCard holder. The form must be signed by the CAO, Christian Rafidi.
  - PCard limit increases require approval from Procurement Services. Increases will be approved for a temporary period, rather than permanent increases in credit limits.

### **Card Renewal:**

- Your PCard is valid through the last day of the expiration month. Your new card will be mailed directly to your university business address about one month before it expires. If you do not receive your renewal card by the third week of the month, please contact the PCard group at [travelexpense@umich.edu](mailto:travelexpense@umich.edu).

### **Expense Approver-Key Responsibilities:**

The expense approver plays a critical role by identifying potential or actual misuse of the PCard. Units select their own PCard approver(s). Both the expense approver and the cardholder are equally responsible and accountable for transactions.

### **Expense Approvers by Department:**

- Administrative/Dance 1<sup>st</sup> Tier: Megan McClure
- Music/Theatre/MMB 1<sup>st</sup> Tier: Jeanette Bierkamp
- All 2<sup>nd</sup> Tier: Michelle Pnacek
- Uprod: Jeffrey Kuras
- Greater than \$10,000: Christian Rafidi

### **Expense Approvers:**

- Should be in a position of authority and at a higher level than the cardholder.
- Must be able to determine the business appropriateness of the transactions.
- Review the transactions on the expense report and all supporting documentation to ensure compliance.
- Approve the expense report in Concur, thereby attesting that they have thoroughly reviewed each transaction and have verified that all transactions are business appropriate and allowable expenses.

### **Oversight / Monitoring:**

- Units determine who may be good candidates for a PCard. In addition to the eligibility factors above, units should consider the benefit of rapid reimbursement of out-of-pocket expenses through Concur. Units are responsible for making applicants aware of the risks associated with being a PCard holder, such as fraud or misuse.
- Units should monitor their employees' PCard use to ensure that credit limits are appropriate and in line with spending needs. The business objects report FN06 Procurement Travel & Expense PCard Holder & Limits by DeptID, Dept Grp, or EmplID is a recommended management tool.

- In cases of employee leave, Cardholder's supervisor notifies Procurement Services or submits a PCard Maintenance form to temporarily suspend PCards for any employees going on an extended leave of absence.
- In cases of employee termination, Cardholder's supervisor notifies Procurement Services or submits a PCard Maintenance form immediately upon awareness or notice of departure to close PCards for any employees leaving the unit or University, but no later than the termination date.

### **Monitoring**

- The Financial Manager, Michelle Pnacek, will monitor PCard reports regularly to confirm which employees have been issued a PCard.
- The Business Office ensures that cards are collected and shredded.
- Concur activity and SOA are monitored to ensure no charges have been processed after the card has been cancelled.