BIOS P-Card Policies and Procedures Manual

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1. How Does the P-Card Work?

The P-Card is a Mastercard™ from JPMorgan Chase. It is issued to cardholders to simplify University-authorized small dollar purchases and the payment and tracking of those purchases.

With the P-Card a cardholder can make purchases, costing $4,999 or less, directly from any vendor that accepts MasterCard. Each day the Bank transmits records of what a cardholder have purchased into the P-Card Web Solution, which is interactive statement-like software. The software facilitates the reconciliation of P-Card charges and posts financial information to Banner General Ledger. This allows units to monitor and reconcile purchases, keep records, and create reports.

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1. https://www.obfs.uillinois.edu/
2. P-Card Purchases – Main Guidelines

The P-Card may be used only for University purchases, and the cardholder is personally responsible for all charges made on his or her P-Card. A P-Card may be used only by the person to whom it is issued. It may not be loaned to others, including employees in the same department.

When making P-Card purchases, remembering the following guidelines is crucial:

⚠ Dollar limit per transaction is **$4,999**. “Stringing” or making successive purchases to avoid the P-Card’s single transaction limit is a direct violation of the Illinois Procurement Code.

⚠ Maximum monthly cycle limit: **$25,000** (cycle is the 25th of the month to the 24th of the next month).

⚠ For purchases over **$5,000**, a purchase order must be processed via iBuy.

⚠ The University of Illinois is granted a **governmental exemption from sales and use taxes** on purchases for University use. When placing orders, cardholder should always inform the vendor the purchase is made on behalf of the university of Illinois, which has a tax-exempt status.

⚠ Supplying BIOS Accounting Department with all documents related to P-Card purchases is a fundamental part of the reconciliation and recordkeeping, as required by University record retention policies. For each transaction, a **P-Card Requisition Form and a corresponding invoice, receipt or order confirmation must be submitted**.

⚠ It is strictly prohibited to place a P-Card account number on file with any vendor unless otherwise specifically stated by policy. This includes the use for recurring payments (such as, subscriptions, dues, memberships, etc.) or on-demand use where the P-Card account number is retrieved from the vendor's database, customer profile, or account, and not uniquely provided with each transaction.

⚠ Cardholders are responsible for all returns, disputes and obtaining credits for purchases made on the P-Card.

⚠ Cardholders must be familiar with all restrictions and prohibited purchases.

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2 Please see Appendix 1 for P-Card Procedure Worksheet
3 Business and Financial Policies and Procedures, section 7.6
4 Please contact BIOS Accounting to establish a PO
5 Please see Appendix 2
6 Please see section 3 for details
7 Business and Financial Policies and Procedures, section 7.6
3. Restrictions and Prohibited Purchases

P-Card purchases must be in compliance with all procurement, allowable expenditure and funding, and tax-related policies.

BIOS list of the most common prohibited purchases:

- Purchases from University employees, their spouses, parents, or children.
- Purchases from business concerns of which an employee (or an employee’s spouse, parent(s) or children) is a sole or principal owner, major officer, or primary employee.
- Purchases for which the vendor requires a deposit, an agreement, or a contract, except as allowed under Restricted Purchases.
- Employee expenses while in Travel Status
- Alcoholic beverages
- Business Meals
- Capital Development Board purchases.
- Cash advances.
- Catering
- Charter bus and charter air services.
- Chemicals as specified (specific precursor and chemicals/toxins not allowed for purchase with P-Card).
- Drugs and pharmaceuticals.
- Fuels including but not limited to: alcohol, ethanol, gasoline, diesel, kerosene, propane, fuel oil, aviation, and any other combustible liquid or gas.
- Furniture with a unit cost of $500 and above.
- Gift certificates, gift cards, cash-equivalent prepaid cards (Section 8.13, Allowability and Funding of Certain Expenditures).
- House accounts, e.g., extension of credit by a vendor allowing the payment of goods or services over a period of time, or on a summary invoice or bill.
- Imported goods that must pass through customs.

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8 Business and Financial Policies and Procedures, section 7.6, Please see Appendix 5 for Restricted Purchases
• Lab or specialty gases, including but not limited to: liquid or compressed nitrogen, helium, and oxygen.
• Laboratory animals.
• Laminar flow fume hoods and biological safety cabinets.
• Moving expenses (Section 15.5, Employee Moving Expenses).
• Parking tickets or other fines.
• Payments for or on behalf of Foreign Nationals.
• Personal purchases of any kind.
• Personal electronic communication services and equipment, including but not limited to: cell phones and accessories, internet service (ISP), cable, satellite, On-Star™, GPS devices, or any other service that is activated and/or billed in the name of the employee.
• Professional and artistic services, including but not limited to: fees or expenses for attorneys, consultants, health-care providers, and independent contractors (Section 17.1, Consultants, Independent Contractors, and Honoraria).
• Radioactive materials.
• Recombinant deoxyribonucleic acid (RDNA).
• Rental or lease of equipment or meeting space that is not University-owned, unless listed as a contracted vendor at The Source.
• Services involving labor and/or installation, e.g., tent rental, catering (see Restricted Purchases), on-site repairs, furniture setup, unless listed as a contracted vendor at The Source.
• Stringing successive purchases to circumvent the P-Card single transaction limit or to avoid the competitive bid requirement. The practice of ‘stringing’ is a violation of the IL Procurement Code.
• Trade-in of inventoried equipment.
• Travel and lodging expenses for employees and non-employees, including students and guests of the University.
• Uniforms, including safety shoes.
• Vehicle purchases, reservations, or rentals, e.g., autos, trucks, and cycles.
• Weapons, ammunition, or detonating equipment or material.

Section 8.13, Allowability and Funding of Certain Expenditures provides a comprehensive list of unallowable expenditures from various or any fund sources.
4. Travel Expenses for BIOS Department

P-Cards may not be used for employee travel expenses. Such travel expenses must be reimbursed on an Employee Travel/Miscellaneous Reimbursement Form. They include:

- Airport shuttles
- Automobile rentals and replacement fuel
- Hotel rooms and services
- Payment or reserving of hotel rooms
- Limousines
- Parking
- Per diem allowance
- Personal or University vehicle fuel
- Tolls
- Taxi cabs

⚠️ Exception - airline, rail, and bus tickets:

For BIOS department, only Brian Zied’s T-Card has authorization for purchases of airline, rail, and bus tickets for employee travel.

Brian Zied’s T-Card should also be used to book hotel rooms for non-employees, i.e. visiting speakers and candidates interviewing for faculty and staff positions, and/or meetings rooms for events that do not require a contract.

Contact:
Brian Zied: 312-996-2223, zeidb@uic.edu

5. P-Card Disputes and Handling Illegitimate Charges

Cardholders are responsible for follow-up first with the vendor and, if necessary, with JPMorgan Chase on any erroneous charges, disputed items, or returns. A vendor has 30 days to issue a credit. If the vendor fails to issue an anticipated credit in the allowed time period, a formal dispute of the charge should be issued to the bank.

For formal disputes, cardholders should contact the Bank's Customer Service Center:
(800) 316-6056
or (847) 488-3748
between 7:00 a.m. and 7:00 p.m.,
Monday through Friday.

⚠️ When calling, UIN number (instead of SSN) should be used to access a Cardholder’s P-Card account.

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9 Please contact Alex Alonzo for travel reimbursement processing (312-996-2218, alexa@uic.edu)
10 https://www.obfs.uiuc.edu/
6. P-Card Transactions - Supporting Documentation

Due to administrative controls and sound business practices, BIOS Accounting Department developed practices that must be followed when using the P-Card.

For each transaction, Reconcilers at BIOS Accounting Department must retrieve a P-Card Requisition Form and a corresponding invoice, receipt or order confirmation.

⚠️ **Reconcilers must process (reconcile) transactions within 7 days of receiving the bank records.**

If transactions are not reconciled in a timely manner, future use of the P-Card may be jeopardized.

### 6.1 P-Card Requisition Form (PRF)

P-Card Requisition Form (PRF)\(^{11}\) is an internal document that is used for recording details on a given transaction (order) originated by a cardholder.

⚠️ **PRF must be completed in its entirety immediately, or as soon as possible, after an order is submitted to a vendor.**

Once a PRF is completed, it should be emailed to the appropriate Reconciler at BIOS Accounting Department along with supporting documentation.

BIOS P-Card Reconcilers:

**Brian Zeid:** 312-996-2223, [zeidb@uic.edu](mailto:zeidb@uic.edu)

**Yang Hu:** 312-996-0829, [huyang@uic.edu](mailto:huyang@uic.edu)

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\(^{11}\) Please see Appendix 3
Required information that should be listed on a PRF:

- Date of purchase
- Business Purpose – is this for instruction or Research?
- Vendor’s name, address and phone number
- Detailed order description:
  - a. item description information as to what goods or services were purchased
  - b. quantity
  - c. unit price
  - d. extended price = quantity X unit price
  - e. units of measure
  - f. shipping cost (exact or estimated), if known at the time of purchase
- Reference number – order confirmation number assigned by the vendor at the time of purchase
- Funding source (i.e. Start-up, grant name)
- Extended order total
- Any additional notes or instructions for Reconcilers

FedEx, UPS and other courier shipping charges:

PRF should contain the shipping tracking number, cost and a brief description of the business-related purpose. The purpose should reflect relevance of the shipping service to the funding source (especially if it is a grant).

Business meals (can only be used with Brian Zeid’s TCard):

If the purchase is for a business meal or refreshment, the PRF must contain the names of all attendees (for 20 attendees or less) and their business affiliation, the business purpose of the meal, and a statement that no alcohol was charged to the P-Card, unless allowable and approved by BIOS Department Head. Attendees greater than 20 should be broken down by number of employees, guests and students.
6.2 Sales Invoices

All original receipts, invoices or order confirmations must be submitted to BIOS Accounting for reconciliation. The Reconciler will file the receipts centrally as required by University record retention policies. Most of transaction detail information, to comply with University policies and guidelines, can be documented on PRF’s.

If a vendor provides an electronic order confirmation, it should be forward to the Reconciler along with the PRF.

If a vendor doesn’t generate electronic confirmations, it is imperative to request the original invoice to be sent (mailed or faxed) directly to the cardholder. The cardholder is responsible for submitting the invoice to the Reconciler. The Reconciler can process a charge based on the PRF and add the corresponding invoice once it is provided by the cardholder.

In instance where a receipt or an invoice is lost or misplaced, the cardholder should contact the vendor to obtain a copy of the invoice. The vendors can locate it based on the order confirmation number, date and total value of the order/charge. If the invoice is irretrievable, the Lost Receipt Form12 must be completed and sent to the Reconciler.

The Purchasing offices and Office of University Audits have made the following recommendations about retaining supporting documentation for P-Card transactions13.

Table 1: Supporting documentation provided by vendors.

<table>
<thead>
<tr>
<th>How Order Was Placed</th>
<th>Acceptable Documents</th>
<th>What the document should contain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bought in person at a store</td>
<td>• Original receipt.</td>
<td>• Vendor name.</td>
</tr>
<tr>
<td>Ordered by telephone</td>
<td>• Order confirmation - Electronic format - sent to the requestor’s email address or - Hard copy - sent via fax.</td>
<td>• Date of purchase.</td>
</tr>
<tr>
<td></td>
<td>• Detailed invoice - electronic or hard copy.</td>
<td>• Order Confirmation or/invoice number.</td>
</tr>
<tr>
<td></td>
<td>• Shipping document - only if all prices are listed.</td>
<td>• Product information-model #, catalog #, units of measure, item price.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Total price.</td>
</tr>
</tbody>
</table>

12 Please see Appendix 4
13 Please see Table 1
7. Consequences of Violations

The OBFS, CCO, and internal and external auditors conduct periodic reviews of P-Card use.

P-Card violations will result in a review of cardholder privileges include but are not limited to:\textsuperscript{14}:

- Use of the card for unallowable purchases;
- Lack of documentation of purchases;
- Unacceptable documentation of purchases;
- Late documentation of purchases;
- Failure to reconcile charges;
- Use of a P-Card by individuals other than the Cardholder; and/or
- Placing the P-Card account number on file with any vendor.

\textsuperscript{14} Business and Financial Policies and Procedures, section 7.6
Employees who participate in the P-Card program as Cardholders, Department Card Managers, Reconcilers, or Approvers assume serious fiscal and ethical responsibilities\textsuperscript{15}.

8. References:

When using the P-Card, all University policies outlined in the Business and Financial Policies and Procedures manual apply, particularly sections:

- 7.6, University P-Card
- 8.12, Business Meals and Refreshments
- 8.13, Allowability and Funding of Certain Expenditures
- 16.1.1, UIUC - Cost Principles for Educational Institutions OMB Circular A-21
- 16.4.1, UIC - Unallowable Costs Under OMB Circular A-21

\textsuperscript{15} Business and Financial Policies and Procedures, section 7.6
Note from BIOS Accounting:

Thank you very much for taking your valuable time to read this manual. Your efforts to comply with the fiscal policies and cooperation with our unit are greatly appreciated.

Please contact us with any questions and concerns related to financial policies and procedures.

We strive to support the BIOS community!
BIOS Accounting Contacts:

Thomas Lagen – P-Card Manager, thomlage@uic.edu, 312-996-2222

Brian Zeid – P-card Reconciler, zeidb@uic.edu, 312-996-2223

Yang Hu – P-card Reconciler, huyang@uic.edu, 312-996-0829

Almas Sias, Contact for Employee Reimbursements, arsias@uic.edu, 312-996-2218