

# Overview of P-Card Policies for Cardholders and Approvers

Procurement Services

December 2025

**MONTCLAIR**  
STATE UNIVERSITY



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# P-Card Program Benefits

- Simplifies the acquisition of goods and services
- Accepted by all vendors who take VISA
- Payment to vendors within 48 hours
- Combines ordering and payment into a single process, streamlining the Procurement & Accounts Payable process and reducing cycle time
- All purchases are reviewed and approved in Workday

# P-Card Program Overview

- Designed for purchases related to University Business only
- Designed for Small Dollar Purchases
- A designated P-Card Approver in a position higher than that of the cardholder must be assigned
- Merchant code restrictions are built into all P-cards based on University policies

# P-Card Program Limits

With small dollars in mind, two (2) limits are set on the P-Card:

- **The base profile single-dollar transaction limit**
  - \$3,000 is assigned to cardholders
- **The base profile monthly transaction limit**
  - \$10,000 is assigned to cardholders

Splitting a transaction into smaller amounts to avoid dollar limits placed on the card is prohibited.

# P-Card Holder Use and Assignment

- The cardholder is the only individual permitted to use the P-Card assigned to them
- A card may not be transferred or assigned to another person. The Card is the property of the University and must be returned when an individual changes departments or leaves the University
- If a department needs a P-card for a new employee, a new application must be submitted

# P-Card Program – Need to Know

- Shipping permitted to University locations only
- The cardholder & manager must ensure there is enough money in budget to cover purchases
- The P-card should not be used for supplies available from existing punch-out catalogs
- Receipts, packing slips or acknowledgements must be attached to all transactions – receipts must contain date of purchase, vendor name, item description and amount paid for item(s)
- Address basic questions such as limits or balances by calling the Bank's support at 1-800-822-5985 or via the Global Card Access platform (see slides 17, 18)

# P-Card Program – Need to Know

- The cardholder can change purchase details until the item is posted
- Budget Checking - Should the P-Card purchase fail budget check, it is the responsibility of both the P-Card Holder and the Cost Center Manager to request additional funds from the Budget Office. If after five (5) days the budget has not been updated Workday will notify both the cardholder and the Cost Center Manager
- Billing Cycle - The first of the month through the last business day of the month. Funds are returned to the P-Card on the first day of the month that follows
- Purchases must be verified and approved by both the cardholder and the P-Card Approver by the end of the billing cycle



# P-Card Program Purchases

## Acceptable P-card Purchases:

- Educational Supplies
- Printing Supplies/Business Cards
- Subscriptions
- Housekeeping Supplies
- Maintenance Supplies
- Vehicular Parts and Repairs
- Computer Accessories
- Conference Registration
- Professional Memberships

## Restricted Items:

- Professional Services
- Desktop/Laptops & Software
- Consulting Services
- Construction/Renovation Services
- Charitable Contributions or Gifts
- Travel or Entertainment
- Food or Catering Services
- Bus Charters & Van rentals
- Office Supplies
- Gift Cards
- Amazon Via Website

# Merchant Codes

There are electronic blocks called Merchant codes (MCC) in each P-Card profile to prevent use of the P-Card at the locations listed below:

- Cash machines/Money Orders
- Car Washes
- Restaurants
- Catering Services
- Liquor Stores
- Drug Stores
- Grocery Stores and Bakeries
- Doctor's Offices and Hospitals
- Insurance
- Florists
- Car/Van Rentals
- Bus Charters
- Taxi Services
- Hotel Reservations
- Airline/Train Tickets
- Professional Services
- Hotels
- Gas Stations

# P-Card Program – Why we Verify

The purpose of verifying a transaction in Workday is to ensure they are legitimate University expenses and are charged to the proper University account.

Unlike requisitions, you should not wait until the goods are in hand to verify the P-Card transaction because:

1. MSU must pay Bank of America within 5 days upon receipt of the consolidated billing statement to avoid late fees (on or about the 3rd day of each month following the end of the billing cycle).
2. At month end, General Accounting must allocate all charges to the correct account and close the books.

## P-Card Program – Using Paypal

PayPal is the least preferred method of payment and can only be used when there is no other payment option available. However, if this is the only option the following procedure must be followed:

- The cardholder must take a screenshot of the items being purchased which must include a description of the item, the cost of the item and the vendor's name
- The screenshot, and the PayPal receipt are attached to the transaction in Workday.

## P-Card Program - Audits

- All cardholder transactions are audited by the Procurement Services Office on a monthly basis to verify compliance with the University's P-Card Policies and Procedures.
- Instances of non-compliance with policies by cardholders or P-Card approvers will likely result in revocation of P-Card privileges.
- Should additional information or backup be requested, it is mandatory to respond in a timely manner.



# P-Card Program - Taxes

Because the University is exempt from sales tax, every effort should be made by the cardholder to ensure that a purchase does not include it.

If a cardholder is charged tax on a purchased item, it is the individual's responsibility to follow up and obtain credit from the vendor. If the vendor requires a tax exempt form in addition to the tax ID number that is on the front of the P-Card, the University uses the ST-4 Exempt Use Certificate which can be found at the following link:

- <https://inside.montclair.edu/departments/finance-and-treasury/procurement-services/procurement-resources/p-card-program>

# P-Card Program – Cardholder Roles & Responsibilities

## Cardholder Responsibilities:

- Safeguards the P-Card
- Verifies transactions posted in Workday by the end of each billing cycle
- Work with the Cost Center Manager/P-Card Approver to replenish funds to cover the expense when a budget failure occurs
- Resolves any discrepancies directly with the vendor
- Ensures access to electronic copies of monthly statements, receipts, etc., for future audits
- Report lost or stolen cards immediately to Bank of America and to the P-Card Administrator.
- Ensures taxes are not charged for a purchase

# P-Card Program – Approver Roles & Responsibilities

## Approver Responsibilities:

- Forwards applications and agreements to the P-Card Administrator
- Monitors card activity
- Assures that correct spend category and department information are used, and that the appropriate receipt is attached to the transaction
- Approves all transactions posted in Workday by the end of each billing cycle
- Collects P-Cards from terminated employees
- Informs P-Card Administrator of any changes in personnel

# P-Card Program – Card Suspension

## Reasons for Card Suspension (30 Days):

- Items purchased that are prohibited by the University
- Approval by both cardholder and approver did not take place by end of billing cycle
- Taxes over \$1,000 were charged to the P-Card and not credited back
- Open balances remain at the end of billing cycle due to a failed budget check
- Splitting a charge into two or more in order to avoid the single transaction dollar limit
- Did not respond to an auditors request for information
- Amazon Purchase using the P-card

# P-Card Program – Card Termination

## Reasons for P-Card Termination:

- Any inappropriate, unauthorized use of the P-Card will result in cancellation and will subject the cardholder to disciplinary action, including possible termination of employment and criminal prosecution.
- Failure to approve transactions within the required time frame in excess of two billing cycles within one fiscal year.

# Bank of America Global Access (GCA)

## Introducing the Benefits of Using Global Card Access (GCA)

- Self-Service – Use it When You Need it
- View Balances, Credit Limits and Recent Transactions
- Set Up Email, Text or Phone Alerts to Reflect Card Activity
- View or Change Your PIN Number
- Lock or Unlock Your Card

To register, go to: <https://www.bankofamerica.com/gca>. The Global Card Services Team is available 24/7 to provide any needed assistance. Just call 888-449-2273.



# P-Card Program Information

P-Card Information & Forms are listed on the P-Card Website at:

- <https://inside.montclair.edu/departments/finance-and-treasury/procurement-services/procurement-resources/p-card-program>

# Questions?