



## PCARD REGULATION

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### Purpose and Scope

The PCard Regulation has been approved and issued under the authority of the McGill University Procurement Policy.

The McGill University PCard is a credit card selected by the University and is assigned to authorized McGill Employees in order to make purchases of goods and services.

For the purposes of the Regulation, McGill "Employees" collectively refers to Academics, Researchers, and Administrative Staff of the University.

Refer to the [PCard Procedures](#) for details regarding the implementation and interpretation of this Regulation.

### R1. General

**R1.1.** The PCard is to be used to make purchases of goods and services when a supplier is not an enabled eCatalog supplier on MMP. Enabled e-Catalog suppliers on MMP are defined as: hosted catalog suppliers, punch out vendors and University managed catalog vendors.

**R1.2.** Some suppliers are enabled eCatalog supplier on MMP but only accept payments by credit card. In these situations the purchase can be charged on the Procurement Services PCard.

**R1.3.** The chip-enabled PCard includes both the Cardholder and McGill University names. No individual other than the named, authorized McGill Employee is permitted to use the PCard.

**R1.4.** The PCard must only be used to make purchases of goods and services that are legitimate, appropriate, reasonable and in accordance with the McGill Procurement Policy, the PCard Regulation, and Granting Agency Guidelines. For the purpose of the PCard Regulation, these will be collectively referred to as "the Policies".

**R1.5.** Failure to comply with the Policies will result in **cancellation of the PCard** and may result in disciplinary and other measures taken against the Cardholder. The University will hold the Cardholder fully responsible for all unauthorized purchases and any other fees associated with those purchase(s).

**R1.6.** Central PCard Administration (Transaction Services, Financial Services) has the authority to **cancel PCards** without advance notice should it have cause to believe that the PCard is not being used in full compliance with the Policies or if it otherwise contravenes any of the University's obligations towards the Card Issuer (i.e. the Financial Institution/Bank).

**R1.7.** When a PCard is cancelled by Central PCard Admin, the Cardholder cannot apply for a new PCard for a period of 3 years.

Central PCard Admin will advise the Cardholder and the Faculty Financial Officer/Central Admin Finance Contact via email once the PCard has been cancelled.

## **R2. PCard Limits**

McGill University PCard limits are set as per the following parameters:

**R2.1. Purchase Limit:** Single Transaction not to exceed \$2,500 CDN (including shipping charges, currency exchange and taxes).

**R2.2. Monthly Limit:** \$15,000 CDN total purchases/month. This limit can be lowered.

## **R3. PCards with Low Volume of Transactions**

**R3.1.** Cards that have 5 transactions or less within a 12 month period will be subject to **cancellation** following review and analysis by Financial and Procurement Services.

## **R4. Purchase Splitting**

**R4.1.** It is strictly prohibited to split purchases to circumvent PCard limits.

**R4.2.** The complete purchase must appear as a single transaction record to be compliant.

**R4.3.** If the dollar amount of a purchase exceeds the established PCard limits, a purchase order must be issued through MMP or a Procurement Services PCard purchasing request can be made.

**R4.4.** PCards will be **cancelled** immediately if purchase splitting occurs.

## **R5. Cardholder Responsibilities**

**R5.1.** The Cardholder is a McGill Employee who is authorized by the Fund Financial Manager (FFM) of the Default FOAPAL to receive a PCard for making purchases as per the Policies.

The FFM may also be a Cardholder in which case authorization of one-up is required for receiving a PCard

**R5.2.** Owning a University PCard does not affect the Cardholder's personal credit.

**R5.3.** The cardholder is forbidden to email their credit card number to any supplier or staff member as it can easily be intercepted.

Failure to comply with this clause will result in automatic **cancellation** of the PCard.

**R5.4.** PCards are assigned to a specific individual. They may not be assigned to multiple users. PCards may not be loaned to any other individual (i.e. card sharing is not permitted). The Cardholder is the only person authorized to use the assigned PCard. The Cardholder may effect purchases on behalf of other Employees but remains responsible for all Transactions charged to their PCard.

Failure to comply with this clause will result in automatic **cancellation** of the PCard.

**R5.5.** Cardholders are responsible to secure the PCard and all information relating to the PCard:

- Personal Account Number (PAN): the number on the face of the card
- Card Verification Value (CVV): the 3 digits on the back of the card
- Expiration date
- Personal Information Number (PIN): the number entered when making card present/in-store purchases

**R5.6.** The Cardholder is responsible for notifying the card issuer and Central PCard Admin when the card is lost or stolen.

**R5.7.** The Cardholder can appoint a Departmental PCard Reconciler.

**R5.8.** In the event of an Internal or External Audit, the Cardholder, along with the FFM/Delegate are the primary contacts.

## **R6. The Default FOAPAL**

**R6.1.** The Default FOAPAL (Fund provided by the Cardholder and approved by the FFM at the time of the PCard application) will automatically be used by MOPS to distribute any un-reconciled or un-approved PCard Transactions following the designated reconciliation/approval deadlines.

The Default FOAPAL must be active and valid at all times. Failure or inability to provide a new fund number within one month after the termination date will result in cancellation of Pcard.

The account code used will be a Suspense PCard Transactions Account Code – 700490.

**R6.2.** Restrictions on the Default FOAPAL:

- Tri-Agency Grants cannot be assigned as the Default FOAPAL.
- The Provost' Office will review all PCard Applications where the Default FOAPAL is an Internal Chair Award such as James McGill Professorship Awards, William Dawson Scholarship Awards, Distinguished James McGill Professorships, Endowed Chairs and Endowed Professorships.

## **R7. McGill Online PCard System (Minerva Menu - MOPS)**

**R7.1.** PCard Transactions are generally uploaded from the credit card issuer's system daily to MOPS by Central PCard Admin.

**R7.2.** MOPS is to be used to reconcile and to approve PCard Transactions. Once approved, PCard Transactions post to Banner FIS.

## **R8. Reconciling PCard Transactions**

**R8.1.** The Cardholder can reconcile PCard Transactions to the appropriate fund(s) or can assign a delegate to reconcile PCard Transactions.

**R8.2.** For the purpose of this Regulation, the delegate will be referred to as the Departmental PCard Reconciler since they can be assigned to reconcile PCard Transactions for more than one PCard.

**R8.3.** To ensure Segregation of Duties, the Reconciler (whether the Cardholder or the Departmental Reconciler) must not reconcile PCard Transactions on funds where they are named as the FFM.

Failure to comply with this clause, will result in automatic **cancellation** of the PCard.

**R8.4.** For Research Grants and Contracts (2F/2M fund types):

- An Institutional Representative other than the Principal Investigator/Delegate should review the PCard Transactions. It is recommended that the Financial Services Team Manager (FSTM) be appointed as the Departmental Reconciler.
- Granting Agencies recommend Institutional Oversight on PCard Transactions charged to Research Grants and Contracts. As such, an Institutional Representative other than the Principal Investigator/Delegate should review PCard Transactions. The Institutional Representative can either be the Financial Services Team Manager (FSTM) or the Central Fund Administrator.

**R8.5.** Reconciliations must be done by the Reconciliation Deadline, otherwise PCard Transactions will be charged to the Default FOAPAL and Suspense PCard Transactions Account Code (this is referred to as an auto-reconciled PCard Transaction).

At the third instance of auto-reconciled PCard transactions, the PCard will be automatically **cancelled**.

**R8.6.** Reconcilers must upload the proof of purchase (and other supporting documentation if applicable) for each PCard Transaction prior to submitting the PCard Transaction for approval.

Proof of purchase refers exclusively to invoices, receipts and credit memos. Emails, quotations, and PO's are not proof of purchase.

Failure to comply with this will result in automatic **cancellation** of the PCard.

**R8.7.** Supporting documentation/receipts must be digitized and uploaded at the time of reconciliation. Please refer to the [Digitization Guidelines](#). Once the PCard transaction has been approved and has posted to Banner FIS, the PCard supporting documents must be destroyed (unless Central PCard Admin has communicated otherwise).

The official PCard supporting documentation that will be made available for internal or external audits are the supporting documentation/receipts that have been digitized and uploaded at the time of reconciliation.

**R8.8.** For in-store purchases where a paper receipt is provided by the merchant and the paper receipt must be kept for exchange if defective, or warranty repair/replacement, then the paper receipt should be retained.

## **R9. Approving PCard Transactions**

**R9.1.** PCard Transactions must be approved by the FFM or their Delegate by the Approval deadline. When they are not approved by the Approval deadlines, PCard Transactions will automatically be charged to the Default FOAPAL – Suspense PCard Transactions Account Code (this is referred to as an auto-approved transaction).

**Note:** The Delegate is assigned by the FFM on their funds in the Minerva Menu – Delegate Approvals of Purchase Requisitions, Change Orders and PCards.

**R9.2.** FFM/Delegate must not approve PCard Transactions when proof of purchase is missing.

Failure to comply with this clause will result in automatic **cancellation** of the PCard.

**R9.3.** To ensure segregation of duties, The FFM/Delegate must not approve PCard Transactions they have reconciled to funds where they are named as the FFM/Delegate.

Since implicit approval is turned on in MOPS, it is at the time of Reconciliation that the FFM/Delegate must not reconcile Transactions on funds where they are named as the FFM/Delegate.

Failure to comply with this clause will result in automatic **cancellation** of the PCard.

**R9.4.** When approving PCard Transactions, the FFM/Delegate is acknowledging that the PCard Transaction is a legitimate business expense and is in accordance with the Policies.






**R9.5.** In the event of an internal or external audit, the FFM/Delegate, along with the Cardholder are the primary contacts.

## **R10. Prohibited Transactions**

The following transactions are prohibited on PCard (this is not an exhaustive list).

The alternative purchasing method has been included in the table below.

Cardholders will receive one warning (email message) if PCards are used for any of the prohibited transactions. At the 2<sup>nd</sup> non-compliant occurrence, the PCard will automatically be **cancelled**.

<b><u>Prohibited transactions on PCard</u></b>	<b><u>Alternative purchasing method</u></b>
<p>Purchases made from enabled eCatalog suppliers on MMP (i.e. these refer to hosted catalog suppliers, punch out vendors and University Managed Catalog Vendors – see MMP icons below)</p> <div><div><div>1</div><div> Hosted Catalog Vendor </div></div><div><div> Punch Out Vendors </div></div><div><div>2</div><div> University Managed Catalog Vendors</div></div></div>	<p>MMP</p> <p>Note: If the supplier only accepts payment by credit card, please complete the PCard Purchase Request Form in order for the purchase to be made on the Procurement Services Card.</p> <p><a href="https://www.mcgill.ca/procurement/forms/pcard-purchase-request">https://www.mcgill.ca/procurement/forms/pcard-purchase-request</a></p>
<p>Alcoholic beverages</p>	<p>Please refer to: Alcohol Permits administration</p> <p><a href="https://www.mcgill.ca/eventsbookings/alcohol">https://www.mcgill.ca/eventsbookings/alcohol</a></p>

Purchase of gift cards or gift certificates	Travel Advance and/or Expense Report
Laboratory and research animals	MMP Internal Store – McGill Animal Resource Centre
McGill University department/unit that provides services internally and charges the internal departments/units via Inter-Departmental Charges (IDCs)/Feeds (e.g. Facilities Management, Bookstore, Parking Services)	Please refer to each department/units respective processes and forms to request these services
Internal Stores enabled on MMP (example: McGill Animal Resource Centre, Centre for Neurological Disease Models, McGill Computer Store, McGill Dentistry Stockroom, Chemical Engineering, Goodman Cancer Research Centre, Security)	MMP
Salaries	Workday
Travel & Entertainment	Travel Advances/Expense Reports
Parts, maintenance services, and fuel for University vehicles	Expense Report, Fleet Card (contact your Fleet Manager) and MMP (with contracted suppliers only)
McGill corporate mobile IT assets (cell phones).	Please refer to: <a href="https://www.mcgill.ca/procurement/howto/get-corporate-mobile-device">https://www.mcgill.ca/procurement/howto/get-corporate-mobile-device</a>
Cloud Services	As per 3.8 of the <a href="#">IT Cloud Directive</a> :  The use of a McGill University purchase order is mandatory for the acquisition of Cloud Services. In particular, payment by Pcard or personal credit card (and subsequently reimbursed by McGill University) is not allowed, <b>unless written approval is received from Procurement Services.</b>
Paypal	Expense Report
Home Internet	N/A

## **R11. Cancellation of PCards**

PCards will be cancelled for the following reasons:

**R11.1.** Failure to comply with the McGill Procurement Policy, the PCard Regulation and Granting Agency Guidelines

**R11.2.** When Central PCard Admin has cause to believe that the PCard is not being used in full compliance with the Policies or if it otherwise contravenes any of the University's obligations towards the Card Issuer.

**R11.3.** Cards that have 5 transactions or less within a 12 month period will be subject to **cancellation** following review and analysis by Financial and Procurement Services.

**R11.4.** When purchase splitting occurs.

**R11.5.** If the cardholder emails their credit card number to any supplier or staff member.

**R11.6.** When card sharing occurs.

**R11.7.** If the Reconciler (Cardholder or Departmental Reconciler) reconciles PCard Transactions on funds where they are named as the FFM/Delegate.

**R11.8.** At the third instance of auto-reconciled PCard Transactions.

**R11.9.** When Reconcilers omit to upload proof of purchase.

**R11.10.** If the FFM/Delegate approves PCard Transactions where the proof of purchase is missing.

**R11.11.** When the FFM/Delegate approves PCard Transactions they have reconciled to funds where they are named as the FFM/Delegate.

**R11.12.** At the 2<sup>nd</sup> non-compliant occurrence of using the PCard for any of the prohibited purchases.

**R11.13.** A PCard has not been picked up by the Cardholder within forty-five (45) days following the date of electronic notification from the Central PCard Admin confirming receipt of the PCard.

**Please note:** When a PCard is cancelled by Central PCard Admin, the Cardholder cannot apply for a new PCard for a period of 3 years.

## **R12. Lost or Stolen PCards**

**R12.1.** It is the responsibility of the Cardholder to maintain control and security of the PCard. All precautions should be used to maintain confidentiality of all information relating to the PCard, such as the PCard number, Card Verification Value (CVV or 3 digits on the back of the card), and expiration date.

**R12.2.** If a PCard is lost or stolen, it is the responsibility of the Cardholder to call the Card Issuer and email Central PCard Admin immediately.

## **R13. Disputes**

**R13.1.** The Cardholder is responsible for resolving all discrepancies and disputes directly with the supplier. Every effort must be made to resolve disputes within thirty (30)



days of the transaction. The Cardholder should allow sufficient time for the supplier to issue a credit for the replacement of items.

**R13.2.** If the Cardholder is not able to resolve the dispute with the supplier within 30 days, the Cardholder must:

- Flag the dispute on MOPS
- Call the Card Issuer
- Send an email to [Central PCard Admin](#)
- Refer to the Procedures for further details

#### **R14. Credits**

**R14.1.** The Cardholder must ensure that the supplier issues a credit to the Cardholder account for any item the supplier has agreed to accept for return or for any agreed upon price adjustment. This credit will appear on MOPS and should be reconciled in the same manner as other Transactions.

#### **R15. Supplier Exceptions**

**R15.1.** Cardholders should contact Procurement Services when encountering suppliers who do not accept PCards.