



## PROCUREMENT CARD REGULATION

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The following Procurement Card Regulation (the Regulation) has been approved and issued under the authority of the McGill University Procurement Policy.

The McGill University Procurement Card (PCard) is a credit card selected by the University and is assigned to authorized McGill Employees in order to allow purchasing of goods and services up to specified amounts for approved business purposes. For the purposes of the Regulation, McGill “Employees” collectively refers to Academics, Researchers, and Administrative Staff of the University.

The PCard Program aims to simplify purchasing when the use of the University's sanctioned procurement channels of McGill Market Place and Central PCard will not support your needs due to the various characteristics of your typical purchases (for your own business needs or for those of your Unit/Department, if you are assigned this responsibility).

The chip-enabled PCard includes both the Cardholder and McGill University names. The PCard is limited to “Business Use Only” and may not be used for items of a personal nature, for travel and entertainment-related expenses, or certain prohibited card transactions. No individual other than the named, authorized McGill Employee is permitted to use the PCard.

The Cardholder is responsible for ensuring that the PCard is used in accordance with the Procurement Card Regulation and Procedures. The University may cancel the PCard at any time should it have cause to believe that the PCard is not being used in full compliance with the Procurement Card Regulation and Procedures or if it otherwise contravenes any of the University's obligations towards the Card Issuer. The Cardholder may also ask for the PCard to be cancelled at any time, at his/her discretion.

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

## **R1.PCard Glossary**

### **Approval**

The process whereby the Fund Financial Manager/Principal Investigator (FFM/PI) or the delegate approves the reconciled PCard Transaction. Once approved, the PCard Transaction will then be charged to the appropriate fund.

### **Approver**

A McGill Employee who is authorized to review and approve PCard Transactions charged to funds within their jurisdiction. By default, the Approver is the FFM/PI of fund(s) being charged. In addition, delegate(s) may be specified by the FFM/PI. The Approver is responsible in ensuring the purchase is legitimate, appropriate, and reasonable and in accordance with the Procurement Card Regulations and Procedures, and Granting Agency guidelines (if applicable).

### **Cardholder**

A McGill Employee who is authorized by the FFM/PI of the Default FOAPAL to receive a PCard for making purchases within pre-set limits. FFM/PI may also be a Cardholder in which case authorization of one-up is required for receiving a PCard.

### **Card Issuer**

Financial (banking) institution that issues the PCard.

### **Central Fund Administrator**

The employee within Financial Services who is responsible for the administration of the fund/grant.

### **Central PCard Administration Team**

The Team in Transaction Services (Financial Services) that approves PCard applications monitors all PCard usage and may revoke the PCard privilege of Cardholders in the event of misuse.

### **Default FOAPAL**

The FOAPAL which is provided by the FFM/PI on the PCard Application Form. The Central PCard Administration Team will use the Default FOAPAL to distribute any un-reconciled or un-approved charges remaining after the designated reconciliation/approval time limit.

#### 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 and Distinguished James McGill Professorships.

### **Delegate**

A McGill Employee to whom permanent or temporary proxy is specified by the FFM/PI to perform online approvals up to a certain delegation threshold (maximum dollar value). A Delegate is a McGill Employee involved in the ongoing financial management of the fund(s) with the skill and knowledge necessary for the effective exercise of the authority.

**Departmental PCard Reconciler**

To ensure Segregation of Duties, a McGill Employee should be assigned by the Cardholder to ensure a timely review and reconciliation of PCard transactions.

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.

**Documentation Envelope**

An envelope that is designed for storing monthly PCard supporting documents. The front of this envelope is used as the first page of the Transaction Log. The University highly recommends the use of the Documentation Envelope and the Transaction Log.

**Employees**

Collectively refers to Academics, Researchers, and Administrative Staff of the University.

**Encrypted Web Page**

Sensitive information, generated by Web pages, is considered secured when traveling over the worldwide web.

**Financial Services Team Manager (FSTM)**

The Manager responsible for the Financial Service Team in the Faculty/Department/Unit

**Fund Financial Manager / Principal Investigator (FFM/PI)**

The McGill Employee responsible and accountable for a McGill fund/grant.

**Institutional Oversight**

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.

**Merchant Category Code (MCC)**

Assigned to a supplier (called “merchant” in the credit card market) by the Card Issuer, which aims to identify the primary goods or services provided by the supplier.

**Monthly Limit**

The maximum dollar value of charges that may be applied to a Cardholder’s purchasing authority for the month. The default limit is \$15,000 CDN/month. This limit can be decreased.

**McGill On-line PCard System (MOPS)**

On-line system developed for the reconciliation and approval of PCard Transactions. MOPS can be accessed via a Minerva menu.

### **PCard Supporting Documents**

Includes all relevant PCard supporting documents that can support purchases made with the PCard (e.g. receipts, invoices, packing slips with prices, vouchers, etc.).

### **Procurement Card (PCard)**

A credit card selected by the University and assigned to authorized McGill Employees for the purpose of purchasing goods and services up to specified amounts for approved business purposes.

### **Purchase Limit**

The maximum allowable dollar limit of \$2,500 (including shipping charges, currency exchange and taxes) for each (individual) transaction (swipe of the PCard).

### **Reconciliation**

The process whereby the Cardholder or the Departmental PCard Reconciler reviews the PCard Transactions and assigns the appropriate FOAPAL(s) on MOPS.

To ensure the Approver (FFM/PI/Delegate) can fully assume their role, Reconcilers should upload PCard Supporting Documents at the time of reconciliation. This will also facilitate retrieval of documents by Central Offices in the event of internal and external audits.

### **Transaction**

A charge, credit, correction or other activity processed against any Cardholder PCard account.

## **R2.Segregation of Duties**

Segregation of duties should be implemented as an internal control to prevent fraud and error, in particular when the Cardholder is the Reconciler and is also the FFM/PI. Therefore, the Cardholder making purchases on their PCard should assign a Departmental Reconciler who will independently review the legitimacy of the PCard transaction, the supporting documents and will reconcile to the appropriate FOAPAL(s).

## **R3.Cardholder Eligibility**

To be eligible for a PCard the applicant must meet the following criteria:

- The applicant **must be a McGill Employee**;
- If the applicant is an Academic or a Researcher, they must be a FFM/PI with responsibility for a McGill fund/grant;
- The applicant must complete the PCard Application and the PCard Questionnaire;
- If approved, the applicant will be asked to sign the Cardholder Agreement in the presence of a Central PCard Administration Team member prior to receiving the PCard.

## R4.Cardholder Liability

As the PCard is issued to the University for use by authorized McGill Employees, it will not affect the Cardholder's personal credit. However, it is the Cardholder's responsibility to ensure that the PCard is used only within the stated guidelines of the Procurement Card Regulation and Procedures. Failure to comply with the Procurement Card Regulation and Procedures will result in revocation 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).

PCards are assigned to a specific individual. They may not be assigned to multiple users. PCards may not be loaned to any other individual. 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.

## R5.Procurement Card Limits

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

1. **Purchase Limit:** Single Transaction not to exceed \$2,500 CDN (including shipping charges, currency exchange and taxes).
2. **Monthly Limit:** \$15,000 CDN total purchases/month. This limit can be lowered.

**It is strictly prohibited to split purchases to circumvent PCard limits.** The complete purchase must appear as a single transaction record to be compliant. If the dollar amount of a purchase exceeds the established PCard limits, a purchase order must be issued through MMP or a Central PCard purchasing request must be transmitted to Procurement Services.

## R6.Prohibited PCard Transactions

PCards may not be used to purchase goods and services for personal use.

In addition, the following goods and services may not be purchased with the PCard:

- Goods and services available from the enabled eCatalog suppliers on MMP;
- Alcoholic beverages;
- Regulated alcohol (Ethanol);
- Controlled goods ;
- Laboratory and research animals;
- Printing services relating to the reproduction of multiple copies of copyrighted materials where copyright clearance has not been obtained;
- Inter-departmental services (i.e. Facilities Management work orders, McGill Book Store);
- Salary & salary related charges including temporary help and consulting fees;
- Travel & Entertainment related expenses including conference registration;
- Parts, maintenance services, and fuel for University vehicles (Refer to the University Fleet of Vehicles Program);

- Parking, including McGill University Parking Services;
- McGill corporate mobile IT assets (cell phones).
- Cloud Services (refer to [Cloud Directive](#) on the IT Services website)

### **R7.Procurement Card Requests**

Any request for a PCard must be submitted by completing the PCard Application and signed by the FFM/PI of the Default FOAPAL (or one-up if the requester is the FFM/PI). For Faculties, Faculty Financial Officers (FFOs) must also approve and sign the PCard Application.

### **R8.Lost or Stolen PCards**

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.

If a PCard is lost or stolen, it is the responsibility of the Cardholder to call the Card Issuer and subsequently email the Central PCard Administration Team.

### **R9.Disputes**

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 prepare a credit voucher or for the replacement of items.

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 the Central PCard Administration Team

### **R10.Credits**

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.

### **R11.Taxes on Purchases**

McGill University is required to pay G.S.T. and Q.S.T. in the majority of instances. Depending on the type of supplies and location of the supplier, however, the amount of tax or tax implications may vary.

### **R12.Supplier Exceptions**

Cardholders should contact Procurement Services when encountering suppliers who do not accept the PCard.

### **R13.Required Documentation and Record Retention**

In compliance with McGill University's Records Retention Schedule, PCard supporting documents must be retained for a period of 7 (seven) years in the event of an internal or external audit. The FFM/PI is responsible for accumulating and arranging for appropriate secure storage of the supporting documents during the 7 (seven) year period. The FFM/PI may consult McGill University Archives for advice on complying with the retention requirements, including identifying appropriate storage solutions.

Until further notice, this requirement still applies even if PCard supporting documents are uploaded in MOPS.

### **R14.Reconciliation of PCard Transactions**

PCard Transactions are downloaded from the Card Issuer's system to MOPS regularly throughout the week. Once the PCard Transactions are reconciled and approved in MOPS, they are fed into Banner as invoices.

It is the responsibility of the Cardholder or Departmental PCard Reconciler to reconcile PCard Transactions to the appropriate FOAPAL(s) in MOPS by the deadlines established by the Central PCard Administration Team. If not reconciled, the Transactions will be assigned to the Default FOAPAL (using the predetermined account code 700490) and sent for approval to the FFM/PI/Delegate.

PCard Transactions that are automatically assigned the Default FOAPAL are not acceptable and as such, the Cardholder is deemed non-compliant. Two emails containing warning messages will be sent by PCard Admin to non-compliant Cardholders. The third time the Cardholder is deemed non-compliant, their PCard will automatically be cancelled. The period for determining non-compliance is the fiscal year.

To ensure the Approver (FFM/PI/Delegate) can fully assume their role, Reconcilers should upload PCard Supporting Documents at the time of reconciliation. This will also facilitate retrieval of documents by Central Offices in the event of internal and external audits.

The Central PCard Administration Team may impose shorter turnaround times for reconciling PCard Transactions during fiscal year-end.

### **R15.Approval of PCard Transactions**

All Transactions reconciled by the Approver will automatically be considered as approved.

It is the responsibility of the Approver to approve reconciled PCard Transactions to the appropriate FOAPAL by the deadlines established by the Central PCard Administration Team. If not approved, the Transactions will be assigned to the Default FOAPAL (using the predetermined account code 700490).

Approving a PCard Transaction implies that the purchase is legitimate, appropriate, reasonable and in accordance with the Procurement Card Regulations and Procedures, and Granting Agency guidelines (if applicable).

PCard Transactions charged to Research Grants/Contracts (2F/2M fund types) that are reconciled by an employee other than the FSTM, will require Central Fund Administrator approval.

The Central PCard Administration Team may impose shorter turnaround times for approving PCard Transactions during fiscal year-end.

The Cardholder's PCard may be revoked if there are frequent Transactions posted to the Default FOAPAL.

## **R16.Audit**

PCard supporting documents may be requested at any time for examination by the Central PCard Administration Team, Faculty or Department management personnel, Monitoring and Compliance, Research Financial Management Services (Financial Services) and internal or external auditors.

## **R17.Areas of Responsibility**

### ***R17.1 Cardholder's Responsibilities:***

- Securing 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 purchases (i.e. over the counter).
- Notifying the Central PCard Administration Team or Card Issuer of lost or stolen PCards;
- Initiating every purchase (no card sharing);
- Using the PCard in accordance with the Procurement Card Regulations and Procedures and Granting Agency guidelines (if applicable);
- Identifying and resolving disputes with suppliers;
- Communicating disputed charges to the Central PCard Administration Team;
- Appointing a Departmental PCard Reconciler
- Forwarding supporting documents to the Departmental PCard Reconciler (if applicable)
- First point of contact in the event of an Internal or External Audit.

### ***R17.2 Departmental PCard Reconciler's Responsibilities:***

- Collecting, organizing, uploading and/or retaining supporting documents for seven (7) years from the date of transaction.
- Ensuring that all purchases are legitimate, appropriate, and reasonable and in accordance with the Procurement Card Regulations and Procedures, and Granting Agency guidelines (if applicable).

- Identifying and resolving disputes with suppliers;
- Communicating disputed charges to the Central PCard Administration Team;
- Reconciling PCard Transactions to the appropriate FOAPAL(s) in MOPS by the deadlines established by the Central PCard Administration Team;
- Maintaining Transaction Logs;
- First point of contact (along with the Cardholder) in the event of an Internal or External Audit.

***R17.3 Approver's Responsibilities:***

- Approving reconciled PCard Transactions to the appropriate FOAPAL by the deadlines established by Central PCard Administration Team;
- Ensuring that all purchases are legitimate, appropriate, and reasonable and in accordance with the Procurement Card Regulations and Procedures, and Granting Agency guidelines (if applicable).

***R17.4 FFM/PI of the Default FOAPAL is responsible for:***

- Approving PCard Applications where the Default FOAPAL is quoted in the Application;
- Approving increases to spending limits;
- Ensuring all purchases are legitimate, appropriate, and reasonable and in accordance with the Procurement Card Regulations and Procedures and Granting Agency guidelines (if applicable).
- Notifying the Central PCard Administration Team of any change in the Cardholder's employment status (i.e. employment termination, leaves, transfers, etc.);
- Maintaining their approval delegation records in Minerva.

**Procedures**

Refer to the [PCard Procedures](#) on the Financial Services website.