



MSU PCard Manual



University Procurement and Logistics
PCard
MICHIGAN STATE UNIVERSITY

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GETTING STARTED

Welcome to MSU's PCard Program!

Congratulations on receiving your MSU PCard—your first step towards easy, flexible ordering of low-dollar items!

Using an MSU PCard, faculty and staff can quickly purchase items with any merchant who accepts MasterCard®. PCards increase efficiency by eliminating small-dollar requisitions, disbursement vouchers, and petty cash funds for purchases up to (or equal to) the cardholder's purchase limit.

PCards are issued to individual employees following a simple application process. Being a cardholder does not affect your personal credit as the PCard is a commercial account issued by Michigan State University through University Procurement and Logistics (UPL).

Paired with [Section 271 of the Manual of Business Procedures \(MBP\)](#) and [UPL's many PCard tutorials](#), this PCard Manual is an essential resource for cardholders and fiscal officers alike.

PCARD BENEFITS



Quick turnaround time



Reduced paperwork



Order flexibility



GETTING STARTED

Activating your card

When your new PCard arrives from Bank of America, activation instructions will be enclosed.

If a verification code is needed, it will be 50357XXXX, where the X's are the last four digits of the cardholder's social security number. The employee ID is the cardholder's MSU NetID.

Global Card Access program

[*Sign up for Bank of America's Global Card Access program \[PDF\]*](#)

Bank of America's Global Card Access program provides convenient access to card information including recent activity and credit limits, as well as providing instant fraud alert notifications via text, email, or app notification.



PCARD MAINTENANCE

Purchase limits

At the time of application, the cardholder and their departmental approvers select and agree to one of the two default purchase limit options.

DEFAULT PURCHASE LIMIT OPTIONS

1

Single purchase: \$5,000
Monthly total: \$25,000

2

Single purchase: \$9,950
Monthly total: \$50,000

Transactions—including shipping and handling—that exceed the cardholder’s single purchase limit will be denied at the point of sale. It is not permissible to make multiple charges to the same merchant in order to facilitate a charge that exceeds the single purchase limit*.

Requesting a higher limit

Learn more about [editing your PCard \[PDF\]](#).

If needed, cardholders can request higher purchase limits than the default options via a [PCard Exception Request form](#). These exceptions can be granted on a temporary or permanent basis, based on need.

Once the Exception Request form has been approved by the PCard team, the cardholder can update their PCard record in KFS by submitting a Procurement Card Maintenance Document (PCMD) with the new purchase limits and attaching the approval email.

Any PCMD eDocs that affect Contract and Grant Administration (CGA) accounts should be ad hoc routed to the CGA office for approval.

**Multiple charges may be made in the case of conference registration fee payment, where a cardholder needs to register multiple attendees for the same conference.*



PCARD MAINTENANCE

Cardholder information changes

Learn more about [editing your PCard \[PDF\]](#) or [cancelling your PCard \[PDF\]](#).

All changes to a PCard are initiated via the submission of a PCMD by the cardholder. Changes to the following items require an update to the cardholder record:

- Physical/mailling address
- Email address
- Phone number
- Purchase limits
- Department/organization code
- Account number*

Changes will be reflected on the card once the PCard team has approved the eDoc and the bank has made the changes. The PCard team will then send an FYI of completion to the cardholder and default account fiscal officer via the KFS Action List.

Changes to the cardholder's legal name require a new PCard. If the cardholder's legal name has updated, their active PCard must be cancelled and a new PCard applied for.

Any changes to Contract and Grant accounts must be ad hoc routed to the CGA office for approval.

PCARD TIP

Before updating the address or legal name associated with a PCard, the information must first be changed in the HR system. This is how the PCard team verifies accuracy.

Exception requests

Cardholders or fiscal officers may request certain exceptions to PCard policy via the [PCard Exception Request form](#). These exceptions are granted on a limited basis and require detailed justification. Until a member of the PCard team has approved the request, the affected purchase should not be made.



**Account number changes must be requested prior to the desired effective date or, in the case of an expiring account, prior to the expiration date.*



PCARD MAINTENANCE

Lost or stolen card

Follow our step-by-step guide for [reporting a lost or stolen PCard \[PDF\]](#).

If a PCard is lost or stolen, it is the cardholder's responsibility to notify the bank and the PCard team. The credit card will be canceled immediately, and a replacement credit card issued. If the PCard is stolen on campus property, please notify MSU Police. The department/account is liable for any charges that may have occurred prior to the PCard being canceled, so it is important to report lost/stolen cards immediately.

REPORTING A LOST OR STOLEN CARD

Bank of America

24/7 within the U.S.: (888) 449-2273
Outside U.S. (collect): (509) 353-6656

MSU PCard Team

(517) 884-6080
(517) 355-1700

MSU Police

Non-emergency
(517) 355-2221

Card suspension and cancellation

Learn more about [cancelling your PCard \[PDF\]](#).

PCards can be suspended or cancelled at any time by the cardholder, their fiscal officer, or a departmental administrator through the submission of a PCMD eDoc in KFS.

When leaving the university, the cardholder is responsible for canceling their PCard prior to departure. The cardholder must also cut up and dispose of the card, as well as provide their fiscal officer with all documentation for incomplete PCDO transactions.

Card expiration and renewal

PCards will expire at the end of the month shown on the card. For example, a card with an expiration date of 07/28 will expire July 31, 2028.

Prior to their current PCard's expiration date, cardholders will receive a renewal card at the mailing address in the cardholder record. Once the renewal card is activated, the cardholder should cut up and dispose of the old card.

If a renewal card is not received, please check with the business office in your respective area and, if necessary, contact the PCard team for assistance.



REQUIREMENTS AND POLICIES

Compliance overview

Michigan State University is a public, state-funded institution. All PCard records are subject to FOIA and are considered in the public realm. PCards must be used responsibly and in the best interests—service and value considerations—of the university. Fraudulent or intentional misuse (including the use of the PCard for personal purchases) will result in revocation of the PCard, as well as possible criminal charges and discipline, up to and including termination.



The PCard program uses internal controls and reporting to manage and audit cardholder procedures. Despite these built-in controls, there are certain steps that the cardholder and fiscal officer should take to ensure the responsible use of university funds:

- Always check the Manual of Business Procedures (MBP) and PCard Manual for current policies and prohibited purchases
- Never share your PCard
 - ▶ Only the authorized cardholder may use the PCard, delegation of authority is not permitted.
- Avoid faxing and emailing of card details
 - ▶ Instead, include a statement in the billing area of the order form, such as: “Once order is received, please call [cardholder name and phone number] for billing information.”

University policies

PCard purchases must be in alignment with university policies as outlined in the MBP and made in an ethical manner. For example, restaurants are an allowable expenditure on the PCard, provided this use is not during active travel and the transaction complies with MBP Sections 45 and 70.



REQUIREMENTS AND POLICIES

Federal guidelines

The [U.S. Treasury Department's Office of Foreign Asset Control \(OFAC\)](#) maintains a list of countries with which economic trade sanctions have been imposed. The sanctions pertain to the importing and exporting of goods and services to and from countries whose practices are inconsistent with U.S. foreign policy and national security. Under no circumstances should a shipment or purchase be made from a country that appears on the sanctioned list regardless of the funding source.



Federally funded contracts further restrict purchases from certain parties who are excluded from receiving federal contracts, subcontracts, etc. These individuals and/or businesses can be viewed on the [Treasury Department website](#). Never make purchases from these listed parties using a PCard tied to federal funds.

Conflict of interest policy

Conflicts of interest (COI) exist when an employee's financial interest or other opportunities for tangible personal benefit may compromise, or reasonably appear to compromise, the independence of judgment when the employee performs their responsibilities at MSU.

Pursuant to [MBP Section 270](#), employees are obligated to (i) disclose any COI to MSU Procurement prior to making a purchase; and (ii) if a conflict does exist, the employee may not proceed with the purchase until they receive appropriate approval. Once a conflict of interest has been disclosed, additional information regarding the purchase will be requested. All potential conflicts of interest are reviewed initially by the Executive Director of Procurement and Payment Systems to determine if a conflict exists and if the purchase can proceed or if it needs to be escalated to the university's Conflict of Interest Officer.



REQUIREMENTS AND POLICIES

Prohibited purchases

In addition to the current expenditure policies outlined in MBP Section 271 and/or restrictions specified in your contract or grant, the following items are prohibited from being purchased on a PCard:

Air conditioners or space heaters	Lab animals
Alcohol (scientific) ¹	Lasers
Amazon Prime ²	Medical services or fees
Ammunitions, guns, weapons, explosives	Moving companies
Automobile service or repair	Motor freight carriers or trucking services
Bus lines, charters, tour buses	Personal purchases
Cable, satellite, or internet services	Plumbing, electrical, mechanical, or structural materials ⁴ and services
Capital assets (see MBP Sections 19/224)	
Carpeting or window treatments	Radioactive material
Controlled substances	Security and access (locks, lock changes, keypads, security systems and services)
Dehumidifiers or humidifiers	
Deposits or down payments	Tier 3 Software ⁵
Drones	Travel of any kind, including: airlines, auto rentals, cash advances, lodging, meals or per diem, money orders, parking, taxis, travelers checks, tolls, trains, wire transfers, visas
Employment agencies/temp services	
Freelance/gig workers (e.g. Upwork, Fiverr)	Two-way radios
Gas cylinders (incl. rentals)	Uncrewed aerial vehicles (UAVs)
Gasoline or fuel	Uncrewed submersible vehicles (USVs)
Gift cards (see MBP Section 44)	Wholesale/retail club discount purchases and memberships (e.g. Costco)
Internet auction sites (e.g. eBay) ³	

¹ Consumable alcohol purchases must adhere to Manual of Business Procedures Section 45.

² Instead, use your PCard for Amazon Business transactions through Spartan Marketplace.

³ Internet auction site listings with a "buy it now" option are allowed for purchase as long as the purchase aligns with other MBP and PCard policies.

⁴ Materials are permissible for documented lab research projects.

⁵ MSU IT maintains an [Approved Software List](#). Tier 3 software is only allowable for purchase on a PCard if Procurement has approved an [IT Readiness form](#) submitted via a requisition. A PCard Exception Request form is not required. Please [see the IT Procurement process page on the UPL website for additional information](#).



USING THE PCARD

Spartan Marketplace

Learn more about making purchases with [MSU's Amazon Business Account in Spartan Marketplace \[PDF\]](#).

As good stewards of MSU resources, cardholders should check [Spartan Marketplace](#) to see if an item can be purchased through one of our strategic suppliers, prior to making a PCard purchase. With the exception of Amazon Business in Spartan Marketplace—which uses the PCard—all other Spartan Marketplace suppliers invoice MSU against a purchase order. [Procurement's Buying Methods page](#) can help you determine the best way to procure the item or service you need.



Tax exemption

Refer to the [Office of the Controller's FAQ on Sales and Use Tax \[PDF\]](#) and [MBP Section 50](#) for further guidance.

Michigan State University is exempt from the payment of sales and use taxes on purchases of tangible property and applicable rentals. The university's Federal Tax Identification Number (38-6005984) is included on every PCard.

Cardholders should ensure that sales tax is not charged on PCard transactions by providing suppliers with a copy of the Sales and Use Tax Exempt Status Certificate. A pocket-sized version of this certificate is included with each PCard.



Additionally, cardholders should contact the vendor for a tax credit in cases where sales tax was incorrectly assessed on purchases of \$1,000 or greater. Attempts to rectify incorrect sales tax assessment should be documented in the Notes and Attachments section of the PCard transaction eDoc.

If a vendor is not accepting MSU's tax exempt status, please contact the Office of the Controller for assistance.



USING THE PCARD

Recurring payments

The PCard may be used for recurring payments for items or services that do not exceed \$2,000 per month—provided the items or services are not prohibited from purchase per PCard policy.

Shipping addresses

PCard orders can ship to an official MSU address, research facility location, or home address, as authorized by your departmental leadership. PCard deliveries should not be made to MSU Central Shipping and Receiving unless special arrangements have been made in advance. The cardholder is responsible for ensuring receipt of materials as well as any follow up efforts required to resolve delivery problems, discrepancies, damaged goods, billing problems, and returns.

International transactions

PCards may be used for international transactions, as long as the requirements and policies outlined throughout the Manual of Business Procedures are met. If an international transaction is declined at the point of sale, it may have been flagged by the bank as potential fraud. Please contact Bank of America's Fraud Department at (800) 432-1000 for assistance.

A 1% international transaction fee will be automatically assessed by the bank and added as a separate line to the PCard transaction eDoc. No receipt or documentation is necessary for this fee.



RECONCILIATION AND ACCOUNTING

Accounting practices

Although not required, the [PCard Activity Log \[PDF\]](#) can be helpful in reconciling PCard transactions.

PCard transactions are routed to the cardholder's Action List in KFS on a PCard Document (PCDO) eDoc for approval and reallocation. These daily PCDOs consolidate all purchases from each PCard number into one eDoc.

All purchases must have an itemized receipt and a business purpose. The itemized receipts for PCard purchases must be scanned and attached to the corresponding eDoc in KFS. Before submitting the PCDO, please ensure the scanned receipt is legible from top to bottom. The business purpose must be indicated either on the receipt, the description line, or in the Notes and Attachments tab of the PCDO. A business purpose means a clear explanation of how and why the item or service will be used or was needed.

PCARD TIP

Did you lose your itemized receipt? You can contact the merchant for a new copy and then attach the new copy to your PCDO. Make sure that your scanned receipt is legible and itemized, and don't forget to attach a legible business purpose to the PCDO, too.

In addition to receipts and a business purpose, the Object Code for every transaction should be updated from the default (6559) to an appropriate category. Updated Object Codes will allow for better audit trails and ledger reviews.

All associated approvals (cardholder, fiscal officer, and ad hoc approvals) are to take place in KFS within 45 days of the PCDO creation date. In cases where the cardholder and FO are the same employee, the FO is required to ad hoc route the eDoc to their supervisor for approval.

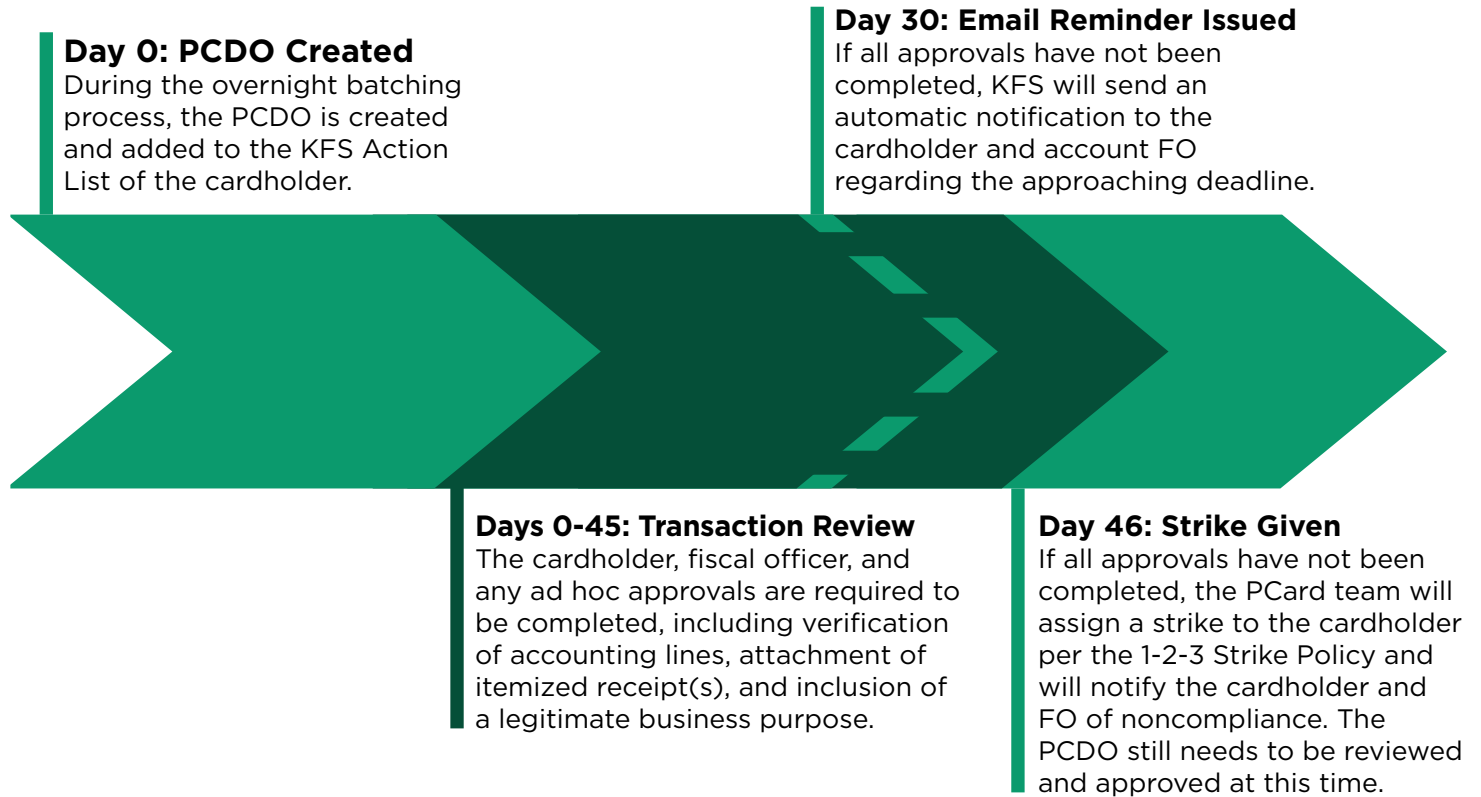


RECONCILIATION AND ACCOUNTING

PCDO processing timeline

Please refer to [PCard Transaction Overview \[PDF\]](#) for detailed information about PCDO routing.

Please refer to the [Office of the Controller's website](#) for Year-End Cut-Off Procedures.



Declined transactions and returns

If a PCard charge is denied by a merchant, call Bank of America Customer Service at (888) 449-2273 for an explanation.

Cardholders are responsible for ensuring receipt of materials as well as any follow-up efforts required to resolve any delivery problems, discrepancies, damaged goods, billing problems or returns. If you need to return an item, contact the merchant to determine their return policy. If the merchant gives you a return authorization number or a name, include it on the return package. If the item is returned for credit, watch for the credit to appear as an eDoc in the Finance System. If the item is being returned due to merchant error (i.e. damaged item, wrong item received), the merchant should pay for return shipping and/or arrange for an item pick-up and return.



RECONCILIATION AND ACCOUNTING

Filing disputes

There is a 60-day period following a transaction in which transaction disputes may be filed with the bank; if filed after this 60-day period, the dispute may not be considered. Disputes should be discussed first with the merchant, and referred to the bank only after attempts to resolve the matter with

the merchant have failed. You can file a dispute with the bank by calling (888) 449-2273.

In the corresponding PCDO, you must check the Dispute with Bank box; however, this checkbox is used for tracking purposes only and you must still formally file the dispute with the bank. If the Dispute with Bank box is checked, the cardholder is required to include a dispute reason in the Notes and Attachments tab and approve the PCDO. The PCDO is still required to be fully routed and approved within 45 days.



ISSUES AND MISCONDUCT

Audits

It is important for your unit to determine a process, document it, and follow it consistently. It is recommended that the FO or appropriate designee perform periodic reviews for each cardholder following our [PCard Audit Requirements guide \[PDF\]](#). By completing this review every four to six months, your unit can ensure university policies are being followed on a collective basis, as compared to the snapshot view provided by daily eDoc reviews.

PCARD TIP

The PCard team recommends that FOs use the FIN017-PCard Transaction Data Extract and UPL010-Spending Limits Report from Cognos when conducting their periodic PCard reviews.

Periodic audits of cardholder eDocs are conducted by the Office of Audit, Risk and Compliance (OARC). In addition, the PCard team conducts compliance reviews, using various reports and transaction audits to ensure that cardholders are adhering to MSU, MasterCard®, and Bank of America policies and procedures. Questionable activity is referred to OARC for further investigation. Anyone who suspects possible PCard misuse should report it to the PCard team (inattentiveness to PCard policy, possible strike /violation) and /or the Misconduct Hotline (criminal or large misconduct such as buying with PCard on MSU funds for personal use).

Fiscal misconduct

All administrators, faculty members, support staff, and other employees should promptly report any known or suspected fiscal misconduct to OARC's anonymous [Misconduct Hotline](#) at (800) 763-0764. Alternatively, reporters may [contact the Chief Audit, Risk and Compliance Officer via email](#) or telephone at (517) 355-5036.



ISSUES AND MISCONDUCT

1-2-3 Strike policy





As a cardholder, compliance with the Manual of Business Procedures and the PCard Manual are required—and policy violations may result in the loss of PCard privileges. A 1-2-3 Strike policy is in place, aimed to correct infractions.

The cardholder and their FO will be notified of all strikes given; however, a warning may be given to cardholders only prior to the incurrence of a strike. Strike 1 will result in a 30-day card suspension; Strike 2, 90-day card suspension; and Strike 3 will result in card cancellation, and the employee will not be able to apply for a new PCard for a period of 12 months.

Example policy violations that may incur a strike include:

- Any violation of any section of the MSU Manual of Business Procedures
- Missing business purpose or itemized receipt on the eDoc
- Purchase of a restricted item, without prior approval from the PCard team
- Splitting charges to skirt the single transaction limit
- Failure to have the PCDO fully approved within the 45-day time limit
- Failure by FO to ad hoc route their own PCard transactions to supervisor
- Exceeding the monthly spending limit
- An audit finding by the Office of Audit, Risk and Compliance
- Inappropriate charge of sales tax without documented attempts to rectify
- Sharing card information

Note that certain violations, such as fraudulent or intentional misuse, will result in immediate revocation of the PCard, possible criminal charges, and discipline up to and including termination.

1-2-3 STRIKE POLICY			
 WRITTEN WARNING <i>May be issued.</i>	 STRIKE 1 <i>Results in a 30-day PCard suspension.</i>	 STRIKE 2 <i>Results in a 90-day PCard suspension.</i>	 STRIKE 3 <i>Results in PCard cancellation; employee unable to apply for new card for 12 months.</i>





Use the PCard responsibly and ethically for university business purposes only. Always try to achieve the best value for MSU, by checking Spartan Marketplace first and asking for educational discounts.

NEVER...

- ...share your PCard with others.
- ...fax or email your PCard information.
- ...use the PCard for personal use.



Carefully review the Manual of Business Procedures Section 271 and the PCard Manual.



Notify merchants that MSU is tax exempt and provide supporting documentation as applicable.

Always get a legible itemized receipt.



Document the transaction's business purpose.

Review PCDOs promptly so that all approvals can be completed within 45 days.



Try to resolve disputes with merchants immediately. If that doesn't work, file a dispute with the bank within 60 days of the transaction.



Always request a card cancellation through a KFS PCMD if leaving MSU. After submitting the card cancellation request, cut up and dispose of your PCard. You are responsible for all purchases up to the point of cancellation.

IMMEDIATELY REPORT A LOST OR STOLEN CARD

Bank of America

24/7 within the U.S.: (888) 449-2273
Outside U.S. (collect): (509) 353-6656

MSU PCard Team

(517) 884-6080
(517) 355-1700

MSU Police

Non-emergency
(517) 355-2221



Review PCDOs promptly ensuring all approvals are completed within the 45-day limit.



Perform periodic reviews of transactions, using the PCard Audit Requirements guide and Cognos reports like UPL-010.

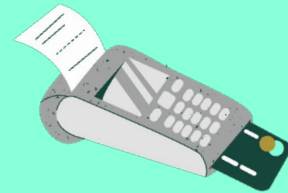


Double-check that no tax was charged as MSU is tax exempt.

Verify the accounting string is accurate and includes an appropriate object code for audits.



Ensure itemized receipts are legible. Confirm that the documented business purpose is allowable.



If you are the cardholder, ad hoc route the eDoc to your supervisor for PCard transaction approval.



Always confirm that your cardholders have canceled their PCard via a PCMD in KFS if they are leaving the university. Ask for the receipts of any incomplete PCDO eDocs to complete on the cardholder's behalf.

Encourage your cardholders to regularly revisit the PCard Manual and MBP Section 271. Ensure cardholders know best practices for saving MSU funds, such as shopping first in Spartan Marketplace.

IMMEDIATELY REPORT A LOST OR STOLEN CARD

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