

TO: Vice Presidents, Division Deans, Directors & Chairs

FROM: Gina Harwood, Assistant Vice-President for Financial Operations

RE: Distribution of Procurement (P) Cards

DATE: December 3, 2014

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The Office of Financial Operations has recently begun distributing Procurement Cards (P cards) to all tax levy departments to assist them with their purchasing needs. These cards will allow departments to purchase and pay for items directly from the vendor without the need for a requisition or purchase order. The types of items that can be charged to the P card include; small dollar value items or services where a written bid or contract is not required, items on a state contract, conference registrations, subscriptions, memberships and advertising. Items that cannot be charged include; items that require a written bid, items or services that are on a contract or require a signed contract (other than a state contract), fuel, travel expenses, alcohol, items classified as a fixed asset or require tagging, items that require coordination, approval and/or inspection from another department and personal expenses. Although the value of the items purchased on these cards will be under formal bidding thresholds, cardholders are responsible for securing the best price so it is still important to call several vendors for comparative pricing. In addition, Purchasing will be working with all cardholders to put the right protocols in place to ensure that all purchases remain exempt from New York State sales tax. More detailed information on how to use these cards will be distributed at the time of issuance.

A P card is a credit card issued by Citibank that is solely intended for government purchases. It will be issued in the name of the person designated by the department as the cardholder. Although some personal information of the user may be asked on the application, the bills are the responsibility of the College and will not affect the credit of the cardholder. The cardholder, however, will be responsible for making all purchases using the card and be responsible for reconciling the credit card statement each month. The cardholder cannot give this card to another person to use, however, can make purchases on behalf of others in the department. The cardholder can designate a proxy to reconcile the credit card statement on their behalf.

The College will be paying these bills immediately upon receipt. Subsequently, the card holder (or proxy) will then need to sign onto CUNYfirst to receive and reconcile the monthly statement and upload receipts for all purchases made during the month, and indicate which chart field code each item should be charged. It is not until after this reconciliation is done that the department's OTPS budget will actually be expensed for the monthly charges. Therefore, it is essential that this reconciliation be done timely and that the cardholder is knowledgeable of the department's budget since they will be responsible for monitoring these charges and ensuring that there are funds available to pay for all purchases including those not yet realized by the department.

The P card has proven to be a very successful state wide program which has significantly streamlined operations and reduced costs. To obtain a card for your department, kindly complete the attached application for the person to be designated as the cardholder and forward it to Purchasing along with the necessary approvals. We are generally recommending one person per department so please be sure to choose someone who is knowledgeable of the department's budget and spending patterns. In addition, per transaction and monthly maximum limits will need to be established for each card. The transaction limit would be the

maximum amount that can be charged for any one purchase in a given month. Depending on the size of the department and budget we are recommending per transaction limits between \$100 and \$2,500. Due to the nature of this card, we are not recommending amounts higher than this during the initial rollout. The monthly maximum limit would be the maximum amount that all purchases combined can total in any given month and will depend on how the card is to be used. These are important controls to prevent over expenditures within your budget, so please review the types of expenditures you anticipate using this card for as well as the size of your budget when making these determinations. These limits can always be changed at a later date if they do not align with the department's spending needs. Purchasing will be reviewing the requested transaction limits to ensure that they are reasonable given your budget and past spending patterns. Lastly, departments that overspend their budget on account of this card, risk being removed from the P card program.

One of the many advantages of using of the P card is to purchase office supplies for your department through Proftech, the state's contracted vendor. With this card you will be able to purchase office supplies on-line using the P card for payment. You will not need a requisition or purchase order for these purchases and they will be processed and shipped by the vendor as soon as the on line order is received. If you would like to use a P card for office supply purchases please contact Purchasing so they can have an on line tax exempt account set up for you. Please be sure to consider this valuable use when establishing per transaction and monthly limits.

When we issue the card, we will be sending all cardholders directions on how they are to be used and will provide training, upon request. Designated persons will need access to the CUNYfirst credit card module which is the same module used to reconcile T card transactions. The appropriate CUNYfirst form is attached to this correspondence. Please be sure that the cardholder obtains access to the credit card module in CUNYfirst since they cannot receive their card until this process is completed.

Please note that at this time this rollout is for tax levy purchases only and that charges to this card can only be for tax levy. Personal expenses and expenses of any non-tax levy sources cannot be charged to this card. Any person who inadvertently does this will need to send a check, written out to the City University of New York, to Accounts Payable in Shuster 018, so a refund of appropriations can be processed. The department will have to absorb this expense until such time Central Office returns the money back to the department's budget. In addition, failure to use the card in a proper manner can result in the cardholder losing privileges to the card.

Lastly, although this initial roll-out is for tax levy P cards only, we are currently working with Citibank to establish programs for non-tax levy accounts and hope to have it ready shortly. If there are persons in need of a non-tax levy card (Auxiliary of Association), please complete the same form and note "Auxiliary or Association" on the top of the application. We will hold those applications and issue those cards as soon as they become available to us.

Kindly have the cardholder complete and return the signed attached P card application to Andrea Pinnock in Shuster 022 as soon as possible. If you have any questions regarding the P card program, you may contact Andrea Pinnock at X8209 or myself at X8245.

Thank you.