

**Harvard Library  
Purchasing Card (“PCard”) Policy and Procedure**

<b>I.</b>	<b>Key Elements of HL Pcard Policy .....</b>	<b>2</b>
<b>II.</b>	<b>HL PCard Procedures and Responsibilities:.....</b>	<b>3</b>
<b>III.</b>	<b>Special Section on the Use of the HL Pcard For Collections Purchasing.....</b>	<b>4</b>
<b>IV.</b>	<b>Obtaining an HL Pcard .....</b>	<b>5</b>
<b>V.</b>	<b>Requesting Changes to Card Spending Limits and/or Tub/Org.....</b>	<b>6</b>
<b>VI.</b>	<b>Lost, Stolen or Damaged Cards.....</b>	<b>6</b>
<b>VII.</b>	<b>Card Termination .....</b>	<b>6</b>
<b>VIII.</b>	<b>Contacts.....</b>	<b>7</b>
<b>IX.</b>	<b>Links.....</b>	<b>7</b>
	<b><i>Appendix A: Workflow for Pcards used for collections purchases.....</i></b>	<b>8</b>

## Harvard Library Purchasing Card (“PCard”) Policy and Procedure

Harvard has a Purchasing Card to enable staff to efficiently make purchases necessary for business use, and reduce the University’s cost of paying bills. We encourage the use of the PCard, if the card is used properly and transactions are reviewed promptly. The PCard cuts down on HCOM and web voucher reimbursement preparation and approval, the vendor is paid more quickly, and the University’s processing costs are significantly lower. This card is available to HL staff with the approval of their manager, and has varying limits according to the purchasing needs of the staffperson. This document will summarize the HL policy, procedures and responsibilities regarding the use of and accounting for PCards.

### I. Key Elements of HL Pcard Policy

The University Pcard Policy (linked below) must be followed at all times. Highlighted sections here are not meant to imply that other sections of the policy are not applicable. This section is simply meant to highlight the key components of University policy, and policies specific to the HL.

*In addition, please see the particular policies and processes for cards to be used for Collections Purchasing in Section III below.*

1. Use of the card for personal purchases is strictly prohibited.
2. Sharing of the Pcard with another individual, including a student, temporary staffperson, or other Harvard staff who do not have a Pcard, is strictly prohibited. This includes providing the card number, expiration date and other information for another to execute a purchase, as well as physically handing the card to another person for use.
3. Purchases on the Pcard must fall within the HL Expense Policies, and have the appropriate permission from managers as called for in the HL Expense Policies.
4. Pcardholders may not “split” transactions in order to avoid single purchase spending limits. If a vendor suggests this to a cardholder, they must decline. ***This is considered misuse of the card under Section 7 below, and will result in immediate suspension of the card upon second offense.***
5. PCards may **not** be used for the following transactions:
  - Travel: airline, bus, railroad, travel agency fees, hotel rooms, car rentals, taxis outside of the Boston/Cambridge area, or gasoline for nonHarvard-owned vehicles.
  - Zipcars or other such shared vehicle services, even if for use in Boston/Cambridge area
  - ***Gift Cards or Gift Certificates in ANY amount***
  - Meals in restaurants outside of Cambridge/Boston area.
  - Telecommunications services that are not 100% Harvard business
  - Cash advances or travelers’ checks.
  - Prescription drugs and controlled substances
  - Hazardous materials
6. Business meals taken off the Harvard campus (i.e., not food brought in to an onsite meeting, but meals taken offsite, usually in restaurants) charged to the PCard must have the verbal approval of the cardholder’s manager prior to the meal.
7. Gifts or flowers under \$75 may be purchased with the Pcard, as long as the purchase falls within the HL Expense Policy criteria.

8. PCard holders must ensure that providers understand that Harvard is **not** subject to sales tax here in Massachusetts. In some cases, we may not be subject to sales tax in other states as well.
9. Misuse of the card, both personal misuse and administrative misuse, can result in the suspension or termination of PCard privileges. Improper use of the PCard may also result in disciplinary action, up to and including termination of employment.

## II. HL PCard Procedures and Responsibilities:

1. *See Section III for additional requirements for Collections Purchases made with the Pcard.*
2. Pcardholders have the following responsibilities:
  - Ensure purchases are within University and HL policy.
  - Obtain official supporting documentation for each transaction with the dollar amount and credit card reference.
  - Prepare and sign a Missing Receipt Affidavit for any transactions where an official receipt cannot be obtained. (MRAs should be an exception, not the norm.)
  - Enter a business purpose and appropriate coding in Oracle for all transactions before transactions are swept.
  - Submit original receipts and MRAs to the Pcardholder's assigned reviewer each week.
3. Each PCard holder will have a "reviewer" assigned to his/her card, which should generally be the staffperson's manager. **No staff are allowed to review their own transactions.** Reviewers must take the online Eureka training (linked below) if they are not Pcardholders themselves. Reviewers have the following responsibilities:
  - Obtain original documentation from cardholders in their group.
  - Review each transaction in Oracle **by Wednesday** of each week.
    - i. Determine that transaction complies with HL and University Pcard policy.
    - ii. Mark reviewed once the transaction has:
      1. an adequate description of business purpose
      2. appropriate and accurate coding, and
      3. appropriate documentation submitted by the Pcardholder
  - Once reviewed, print out the weekly Pcard Sweep Report from the Oracle reviewer menu. Sign the report.
  - Attach receipts or MRAs for all transactions. MRAs should be signed by the reviewer.
  - Maintain the Pcard Sweep Reports, receipts, and any supporting documentation in files for reference by University staff (including HL management, UFS and RMAS) and the University's auditors. See the Harvard University Records Retention Schedule for paperwork retention guidelines, linked in Section IX of this document.
  - Notify the Pcard Local Administrator of any transactions that concern them or that they know to violate University or HL Pcard policy.
  - Follow up on transactions on which the HL Finance Pcard Reviewer or Pcard Local Administrator has questions or concerns.
  - Notify the Pcard Local Administrator when their absence will preclude them from the weekly review so that HL Finance can back up the review responsibilities during the reviewer's absence.
  - Notify the Pcard Local Administrator of any cards that need to be terminated when an employee leaves their position.

## HL Pcard Policy

4. The HL Finance PCard Reviewers' responsibilities are as follows:
  - Review reports on a weekly basis to ensure that the University and HL PCard policies have been followed.
  - Contact reviewers about unreviewed transactions, inadequate business purpose descriptions, coding that does not seem correct, and missing or inadequate documentation.
  - Notify the Pcard Local Administrator of any transactions that concern them, and consistent noncompliance with meeting Pcard sweep deadlines.
5. The Pcard Local Administrator will follow up with cardholders, reviewers and managers as necessary to resolve any noncompliance issues. If improvement is not noted, the failure to follow these policies and procedures will refer the matter to the HL Controller for further followup with the cardholder's manager and/or Shared Services head.
6. All matters that cannot be resolved satisfactorily by the HL Controller will be referred to the Director of Administration and Finance for a decision on whether to suspend or terminate card privileges. The decision to suspend or terminate a card will be made solely by the Director of Administration and Finance.
7. Misuse of the card for personal transactions is considered fraud, and can lead to the termination of employment. The HL Controller will make this determination in consultation with the Director of Human Resources, the Director of Administration and Finance and the staff member's Shared Services head.

### III. Special Section on the Use of the HL Pcard For Collections Purchasing

The Harvard Library Held-in-Commons organization has the unique function and privilege to be able to utilize the HL-issued Pcards for Collections purchasing for *some* Harvard libraries. As such, HL has been placed in a position of trust and stewardship by the Harvard Schools to spend against their funds and resources, and we must be vigilant in ensuring that all purchases made by us are executed properly, reviewed on a timely basis, and assigned to the appropriate funds as directed by the local library staff.

Failure to comply with all of the University and HL Pcard policies and processes, as well as the unique processes needed to ensure accurate accounting of School funds, will be taken very seriously and may result in the suspension or termination of Pcard privileges for lesser violations and/or more quickly than suspension or termination for non-collections purchasing Pcard violations

The workflow for purchases made with Pcard for Collections are included in Appendix A to this document. The following additional policies apply with regard to cards issued for Collections Purchasing:

1. PCards issued for Collections Purchasing may not be used for other purposes. If an ITS staffperson needs a Pcard for non-collections purchasing purposes, they will be issued a separate card with Tub 195 and org-specific access only.
2. ITS staff with Collections purchasing responsibilities will be assigned a group of libraries for which they can purchase, and only the tub-org combinations for those libraries will be eligible for charges on that Pcard. No purchases may be made for any other libraries without manager request to the HL Pcard Local Administrator for additional security access.
3. The HL Finance Pcard Reviewers for Collections Purchases will report all violations of HL Pcard Policies and Processes, on a weekly basis to the Pcard Local Administrator.
4. If the card was used for nonCollections Purchasing, coded to a school library, and not corrected prior to the Pcard sweep,

## HL Pcard Policy

- The Pcard Local Administrator will notify the Head of Acquisitions, the staffperson's manager, and the library local administrator immediately.
  - The Pcard Local Administrator will prepare a journal to move those costs from the local library to the appropriate coding within tub 195.
  - An emailed warning will be sent to the staffperson that a repeat violation will result in the immediate suspension of Pcard privileges.
5. If the violations involve frequent misassignment of purchases to the incorrect budgets, frequent failure to obtain appropriate receipts, or frequent failure to enter an adjustment invoice into Aleph, the Pcard Local Administrator will:
- Email the Pcardholder, the Pcardholder's manager and the Department head that remedial action must be taken to improve compliance within the next three months, with a cc to the HL Controller.
  - Monitor the Pcardholder's activity for the next three months to look for improved compliance.
  - If improvement does not occur, notify the Pcardholder's manager, the Department Head, Head of Technical Services, and the HL Controller with a recommendation that the Pcardholder's privileges be suspended or terminated.
6. Because the suspension and/or termination of a Collections Purchasing card may significantly affect the ability of an ITS staffperson to perform the duties of their position, the HL CFO will consult with the Head of Technical Services and the Director of Human Resources in making this decision. However, the ultimate decision will be made by the HL CFO.

### IV. Obtaining an HL Pcard

1. A staffperson's manager may initiate a request to issue a Pcard by writing an email to the Pcard Local Administrator. The manager should supply the following information to the Pcard Local Administrator:
  - Staffperson's name
  - Brief description of typical purchases to be made by staffperson
  - 33 digit default coding for staffperson (staffperson may change the default costing within their tub/org/activity rights once the card is activated)
  - Requested spending limit.
    - i. Justification for anything other than Option 1 (\$5,000 monthly/\$500 single purchase) must include the types of transactions that will be greater than \$500 in a single purchase that the staffperson will be incurring.
    - ii. All spending limit requests greater than \$10K monthly spending limit and/or \$1K single purchase limit will require HL Controller review and approval.
  - The name of the reviewer.
2. The Pcard Local Administrator will send an application to the staffperson, with the information obtained from the manager completed on the application.
3. The applicant and manager (as department administrator) sign Part I.
4. The Reviewer signs Part 2D.
5. The application is sent to the Pcard Local Administrator.
6. The Pcard Local Administrator completes Part 3, signs, and initiates Pcard request with University Financial Services. (If the Pcard application requires review by the HL Controller for spending limits, the HL Controller signs in Part 3.)
7. The Pcard Local Administrator emails the Pcard applicant (with a cc to the Reviewer and the Manager) that the card is ready, encloses the University Pcard policy and this document to the applicant, and informs the applicant that the policy documents must be read and the University Pcard training in Eureka must be taken.

## HL Pcard Policy

8. Pcard Local Administrator reviews with HL Controller if limit requested is in excess of \$10K monthly and/or \$1K single purchase, and has HL Controller sign application as evidence of request approval.
9. The Pcard applicant notifies the Pcard Local Administrator by email that the training has been completed, and that they have read the University Pcard policy and this document and understand all requirements.
10. The Pcard Local Administrator confirms the training completion by checking the Training Report online, and notifies the Pcard applicant of when the card can be picked up at the HL Finance office.
11. The Pcardholder is then responsible for activating the card.

### V. Requesting Changes to Card Spending Limits and/or Tub/Org

1. Increases in Pcard Spending Limits:
  - Manager sends email to Pcard Local Administrator with limit requested, and reasons needed.
  - Pcard Local Administrator reviews with HL Controller if in excess of \$10K monthly and/or \$1K single purchase, and has HL Controller sign email as evidence of request.
  - Pcard Local Administrator requests the increase in limit from University Financial Services.
2. Change in Tub/Org Privileges
  - This situation is likely to only occur when a staffperson is doing Collections purchasing, and changes the portfolio of libraries for which they purchase. In this case, the manager should send an email to the Pcard Local Administrator with the information outlined in Section V.1 above, and the email must include a cc to the Department Head.

### VI. Lost, Stolen or Damaged Cards

1. If a card is lost or stolen, the Pcardholder must:
  - **Immediately** notify Citibank at 1-800-248-4553.
  - After notifying Citibank, **immediately** email the Pcard Local Administrator, with a cc to the manager and reviewer. This email should be sent regardless of working hours. The Pcard Local Administrator will be sent a replacement card within 7-10 business days.
  - After receipt of replacement card, change all scheduled automatic charges to the new card number as necessary.
2. If a card is damaged, the Pcardholder should turn in the damaged card to the Pcard Local Administrator and request a new card. The card will have the same number.

### VII. Card Termination

1. An HL Pcard must be terminated if the Pcardholder:
  - Leaves Harvard University.
  - Transfers to another Harvard unit outside tub 195.
  - Transfers within tub 195, but no longer needs a Pcard in their new capacity.
  - Has a Pcard for Collections purchasing, but changes responsibilities and no longer will be executing Collections purchases.
2. In any of these cases, the Pcardholder's manager must notify the Pcard reviewer, if it is someone other than the manager.
3. The Pcardholder's reviewer must:

## HL Pcard Policy

- Email the Pcard Local Administrator with the date the card should be cancelled.
- Obtain the card and any final receipts from the Pcardholder prior to the termination date.
- Review the Pcardholder's activity for scheduled automatic charges, and ensure that the Pcardholder has terminated all scheduled automatic charge arrangements.
- If a standing order arrangement needs to be established on another person's card, determine who should have that standing order, and work with the other cardholder to establish the standing order on their card.
- Obtain the physical card from the Pcardholder, destroy the card, and email the Pcard Local Administrator that the card has been destroyed.

### VIII. Contacts

Role	Name	Email	Phone
HL Controller	Ellen Greene	<a href="mailto:ellen_greene@harvard.edu">ellen_greene@harvard.edu</a>	6-2716
Pcard Local Administrator	Leah Nickel	<a href="mailto:leah_nickel@harvard.edu">leah_nickel@harvard.edu</a>	6-4881
HL Finance Pcard Reviewer – nonCollections	Aidan Alleyne	<a href="mailto:aidan_alleyne@harvard.edu">aidan_alleyne@harvard.edu</a>	6-1448
HL Finance Pcard Reviewer – Collections	Jill Hiller	<a href="mailto:jill_hiller@harvard.edu">jill_hiller@harvard.edu</a>	6-4707
HL Finance Pcard Reviewer- Collections	Edmund Tam	<a href="mailto:edmund_tam@harvard.edu">edmund_tam@harvard.edu</a>	6-2597

### IX. Links

[University Pcard Policy](#)

[Pcard Application](#)

[Required Pcard Training](#)

[Card Activation Instructions](#)

[University Pcard FAQs](#)

[University Pcard and Corporate Card I-Site Home Page](#)

[Harvard University General Records Schedule - Accounts Payable Records](#)

## ***Appendix A: Workflow for Pcards used for collections purchases***

### **When a collections purchase is made with an HL Pcard, the Pcardholder will:**

- 1 Obtain official supporting documentation for each transaction with the dollar amount and credit card reference

For online purchases, the Pcard purchaser will typically have access to an invoice, or adequate proof-of purchase documentation immediately. For Pcard purchases made over the phone, Pcardholders should use the invoice that the merchant provides, a packing slip with the price of each item clearly noted, order confirmation, or something similar as their proof of purchase. Pcardholders can also request that the vendor email or fax them a receipt. To be considered valid proof of purchase documentation, an invoice must include:

- Merchant Name
- Location of Merchant
- Transaction Date
- Transaction Amount
- Item(s) purchased – detail of the purchase including the price of the materials and any postage/shipping charges.

Transactions post to Oracle within 1 to 3 days of the purchase and are generally available for editing 8-10 days before the sweep to the Oracle General Ledger. The Pcardholder should complete all steps below as soon as the transaction is available in Oracle, in order to provide adequate time for the secondary reviewer to perform their required steps.

- 2 Create an Adjustment invoice in Aleph to accompany the Collections Purchase

The Pcardholder creates an Adjustment Invoice, (Invoice Type ADJ) in Aleph that reconciles to the total dollar value of the Pcard transaction and assigns the appropriate budget(s) for the purchase.

For the Adjustment Invoice date, use the date on the invoice. If the receipt does not have a date, use the transaction date from the Oracle settlement system as the Adjustment Invoice date in Aleph.

Previously Pcardholders were asked to write the description “Pcard transaction outside of Aleph” in the note field of the Aleph general invoice screen. The description can now be shortened to “Pcard” and the Oracle transaction date. For example: Pcard 1/13/13

- 3 Enter a business purpose and appropriate coding in Oracle for all transactions.

Business purpose should consist of a short description of the transaction (Book for Fine Arts Library), Aleph vendor code (HRSW), Aleph invoice number (1234), and an Aleph order number (123456-1)<sup>1</sup>. If there are multiple order numbers, the input can be limited to the first order number. Here is an example of a complete business purpose in Oracle:

Book for Fine Arts Library HRSW 1234 order #123456-1

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<sup>1</sup> The Pcardholder must create an order in Aleph, which will generate this order number.

Ensure that the coding in Oracle matches the Aleph Adjustment invoice coding (i.e. splitting out the postage portion of the charge to acquisitions postage coding, changing the transaction's coding from default coding to the appropriate collections budget)

#### 4 Prepare documentation and submit to the PCard reviewer

After completing their review, the Pcardholder writes the Aleph vendor code and the Aleph invoice number on the top right of the original receipt/invoice, and attaches a print of the Oracle screen. The Oracle screen print must show the transaction coding, business purpose, and display the Pcardholder's name in the "Reviewer" field. Pcardholders will submit the documentation to their reviewer as soon as complete, but at least four business days prior to the sweep date.

#### The Pcard Reviewer will:

Each Pcardholder will have a "reviewer" assigned to his/her card. *No staff are allowed to review their own transactions.* Reviewers must take the online Eureka training (linked below) if they are not Pcardholders themselves. Reviewers have the following responsibilities:

- Obtain original documentation from cardholders in their group.
- Review each transaction in Oracle by Wednesday of each week.
  - i. Determine that transaction complies with HL and University Pcard policy.
  - ii. Mark reviewed once the transaction has:
    1. an adequate description of business purpose
    2. appropriate and accurate coding, and
    3. original documentation consisting of invoice or proof-of-purchase documentation and a screen print from Oracle showing that the Pcardholder has completed their review

To review Oracle transactions, the reviewer will click the "Edit" tab next to each listed transaction to verify the above points. Next, click "Mark as Reviewed, Save, and Return to List", after which the reviewer's name will overwrite the Pcardholder's name and appear in the "Reviewed" field in Oracle.

- After this step is complete, the reviewer will print out the Oracle screen that shows the reviewer's name in the "Reviewer" field.
- Forward the original documentation from the Pcardholder as well as the PCard Sweep printout to HL Finance immediately.
- Contact the collections purchasing backup reviewer in cases when an absence will prevent the reviewer from completing a weekly review.

**[See next page for Best Practices and Recommendations]**

**Best practices for Pcardholders:**

- **Logging-in to Oracle:** Pcardholders should log into the Oracle settlement system at least once a week to monitor account activity and review all transactions, not only the transactions for the next sweep.
- **Aleph Vendor Setup:** For one-time purchases from a vendor who is not already set up in Aleph, the Pcardholder can choose XPCARD as the Aleph vendor. However, if it is likely that the Pcardholder will be making regular purchases from the vendor, they should set up the vendor as a coded Aleph vendor.

When using a payment system such as PayPal, if the vendor shows in Oracle as PayPal VendorName, please use PAYPAL as the Aleph vendor code for the Aleph Adjustment Invoice.

- **Invoice Numbering:** When possible the invoice number in Aleph should exactly match invoice number as it appears on the invoice original. This includes leading zeros, letters, hyphens, dashes, and other punctuation. However, spaces should be eliminated.

If there is no invoice number, please use the account number, or reference number, followed immediately by the invoice date. The preferred date format is year-month-date (i.e. 20120131). **If there is space available, add the 3-letter library code (FAL, WID, LAM, etc.) at the end. Example: 123420130308WID.**

If the invoice number exceeds the maximum number of 15 characters allowed by Aleph, contact HL Finance for guidance. For Amazon invoices, please use the numbers following the last dash. If the Amazon invoice number is 002-7032918-1625817, the Aleph invoice number should be 1625817.

- **Order Cancellations:** The Pcardholder must always review both the debit and credit transactions in Oracle when an order is canceled. If the credit is posted to Oracle within the same sweep as the debit, the Pcardholder does not need to do a debit Adjustment Invoice and credit Adjustment Invoice in Aleph. However, if the credit is not in the same sweep as the debit, the Pcardholder must do credit and debit Adjustment Invoices in Aleph.