SOP NO: SOP-PCARD-01

SUBJECT: Roles and Responsibilities

SOURCE: University Procurement Services

ORIGINAL DATE OF ISSUE: 

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RATIONALE: To provide Indiana University employees a guide to the roles and responsibilities associated with the P-Card program.

**PROCEDURES**

**ROLES**
Fiscal officers and their delegate(s) are responsible for authorizing P-Card users within their department(s), and for reconciling and reviewing P-Card expenses in Chrome River in a timely manner to ensure policy compliance. Roles have been established to facilitate these responsibilities in accordance with IU’s segregation of duties requirement that at least two employees are involved in the reconciliation process to prevent error and misuse.

<table>
<thead>
<tr>
<th>Role</th>
<th>System Where Role is Established</th>
<th>Makes Purchase</th>
<th>Create Expense Report</th>
<th>Approve Expense Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchaser (Employee authorized by Fiscal Officer to use the card)</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes, if added as a Chrome River Delegate for Cardholder</td>
<td>No</td>
</tr>
<tr>
<td>Cardholder (Employee whose employee ID is tied to the card)</td>
<td>Chrome River</td>
<td>Yes</td>
<td>Yes</td>
<td>Can approve if a Chrome River Delegate reviews and submits the expense report</td>
</tr>
<tr>
<td>Chrome River Delegate</td>
<td>Chrome River</td>
<td>N/A</td>
<td>Yes</td>
<td>Yes, this role is available to help the cardholder complete reconciliation, especially in instances where the cardholder is the approver</td>
</tr>
</tbody>
</table>
RESPONSIBILITIES
Cardholders must demonstrate prudent judgement when expending funds. Funds must always be used for university benefit, never for the purpose of personal benefit or privilege of a university employee. Therefore, all procurement card expenses must meet the criteria of a bona fide business expenditure under the university’s accountable plan.

The IU P-Card program uses both internal and external management controls, as well as, extensive reporting to manage and audit the process to ensure that procedures are followed. There are certain steps that you as the purchaser must take to ensure the responsible use of University funds:

- Become familiar with the National Association of Educational Procurement Code of Ethics to align your procurement standards with IU Procurement Services.
- Be mindful that IU is a publically funded University and that we, as its employees, have a duty to ensure that its resources are spent in a responsible and efficient manner.
- Contact the P-Card Administrator for guidance if you are unsure about the appropriateness of the expense.

The fiscal officer is responsible for ensuring the propriety and reasonableness of all procurement card expenditures for adherence to Procurement Card Program Policy Number FIN-PUR-07.

The University will seek restitution for any inappropriate charges made to the card. Fraudulent or intentional misuse of the card may result in disciplinary action up to an including employee termination and/or revocation of P-Card privileges. Violation of state statutes may result in civil or criminal penalties.

The Associate Vice President of Procurement Services reserves the right to restrict or revoke delegation to specific departments or individual for failure to adhere to purchasing policies and regulations or as circumstances warrant.

Appropriate:
- The P-Card may be used to purchase low dollar transactions (generally <=$4,999.00) with suppliers that are not available in KFS.
- One-time only purchases to suppliers that are not in KFS
- Suppliers that do not accept purchase orders (for example, web-based suppliers)
- All conference registration fees, A temporary increase in the single transaction limit is available to facilitate transactions >$4,999.00
- Hospitality transactions that do not require contract signature <=$4,999.00
- Emergency or time sensitive situations in which there is an urgent need that can’t be met by using the purchase order process

Not Appropriate:
- The intended purchase item is available in BUY.IU.
- The intended purchase item is on the Restricted Items list.
- Software and Services that have not been reviewed by UITS IT Community Partnerships via the Software & Services Selection Process Form
- Split or “stacked” transactions (dividing large purchases into smaller payments to avoid the $4,999.00 single transaction limit
- Recurring monthly charges not pre-approved by the IU Purchasing Department.
- If paying an IU department (payments to IU departments should be completed using KFS Internal Billing Procedures)

Sales Tax
The State of Indiana and its instrumentalities are not subject to sales or use tax on any purchases to be used primarily to carry out a governmental function. The governmental function of Indiana University is education, research and public service. Any purchases lying outside this function are a proprietary function and taxable. The [ST-105 Indiana Sales Tax Exemption Certificate](#) is required for an exemption from Indiana sales tax on purchases. Consult the [Purchases Matrix](#) for specific guidance on exempt or taxable purchases.

For the convenience of IU’s P-Card holders, the sales tax exemption number is printed on the face of all P-Cards. It is the purchaser’s responsibility to ensure that tax is not charged. If you are charged tax, contact the supplier and request a credit for that amount.