



## OVERVIEW

Using the P-Card according to best practices published on the [IU Procurement Services Website](#) allows you to focus more time and attention on strategic tasks while assuring benefits are not eroded by lack of fiscal oversight, misuse or lack of accountability by you, the end user.

## APPROPRIATE USE

Limiting the P-Card to the purchase of allowable goods and services is the surest way for you to contribute to the success of IU's P-Card program and to avoid potential audit issues or suspension of your P-Card privileges.

**Allowable:**

- Conference registration fees for external conferences;
- A true emergency;
- One time only payment of \$1000 or less to a vendor that is not a Shop Catalog, a contracted vendor or KFS approved purchase order vendor;
- Transaction pre-approved by Purchasing.

**Not Allowable:**

- Restricted goods and services described here: <http://www.indiana.edu/~purchase/pcard/restrictions.php>;
- Payments to internal accounts, (see examples below);
- Recurring payments;
- Payments to contracted vendors;
- Split or "stacked" transactions (dividing large transactions into smaller payments to avoid the \$1000 transaction limit).



Thanks to your due diligence, P-Card payments to contracted vendors declined by 36% in FY16!

## AMAZON BEST PRACTICES



You may shop at Amazon to purchase allowable goods that are compliant with Purchasing policy and procedures, and with prior approval from your fiscal officer. However, Amazon should not be utilized for products in lieu of existing contracts.

Fiscal officers can designate buying authority to one or more departmental buyers by creating a departmental Amazon account and enrolling in Amazon's Tax Exemption Program. The fiscal officer will create a departmental account using an IU group email address (i.e., [mydepartment@indiana.edu](mailto:mydepartment@indiana.edu)), add relevant university addresses and payment methods associated with the department, and upload IU's tax exemption certificate.

The departmental account is solely for the purpose of purchasing items on behalf of IU. To avoid co-mingling of IU related purchases with non-IU related purchases, we require that anyone who wants to purchase items independently of IU establish a separate Amazon account dedicated to personal use. The fiscal officer and departmental buyer cannot use the tax exemption certificate in their personal Amazon account and/or with a personal credit card.

**IU's Amazon Business Account**-If your department is interested in receiving an invitation from Amazon to join IU's Amazon Business Account, contact P-Card help at [pcardhlp@iu.edu](mailto:pcardhlp@iu.edu) and request an invitation. IU's Amazon Business Account extends free, two-day shipping on orders \$49+, higher education discounts on a curated selection of goods, and enhanced reporting to all accounts joined to IU's business account. Note: If your department is currently using Amazon Purchase Delegation, it must be disabled prior to joining IU's account.

## P-CARD RESTRICTIONS



The P-Card **must not** be used to pay **travel and travel-related expenses**. If you want to avoid the embarrassment of a declined transaction, do not attempt to use the P-Card as payment for:

- Airlines, i.e., flights, wireless access, meals/beverage service;
- Ground transportation, i.e., taxis, buses, limos, shuttle service and car rental;
- Hotel accommodations, Airbnb, VRBO, Etc.;
- Parking, i.e., parking garages, valet parking, meters;
- Restaurants, bars and coffee shops when traveling;
- Passports and visas by vendors other than CIBT.

**Appliances both large (ex. stove, refrigerator) and small (ex. space heater, microwave)** are restricted on the P-Card.

Purchasing cannot track warranties and energy star compliance on appliances purchased on the P-Card. Write to [pur-help@iu.edu](mailto:pur-help@iu.edu) for prior approval to use the P-Card on any appliance purchase.



**Payments to IU Internal Accounts** are restricted on the P-Card. The Internal Billing (IB) document is the appropriate procedure to bill for goods or services provided by one university department to another university department. You can learn more about internal billing here: [FMS Services - Auxiliary Standard Operating Procedures](#).



**Purchasing requires departments to seek approval prior to purchasing software on the P-Card.** Software has the potential to open the University up to risk as it relates to critical data, contractual requirements and licensing obligations. It is necessary for Purchasing to review and provide approval or denial depending on these variables. Contact [purhelp@iu.edu](mailto:purhelp@iu.edu) for approval.

## DOCUMENTATION, AUDITS &amp; RECONCILIATION

Program benefits can be quickly undone by not following AP's best practices for P-Card reconciliation. IU campus departmental units are responsible for assembling P-Card statement and receipt documentation. Transactions are to be audited at the departmental level to confirm policy compliance and to resolve any non-compliant transactions before uploading P-Card paperwork to AP for the final policy review.

Here is what you **must** include in the U.S. Bank statement monthly upload to AP:

- Itemized receipt that exactly matches the U.S. Bank record of the transaction.
- Support documentation to complete the audit record. Some examples include:
  - \* An approval email from Purchasing for the goods or services purchased when the item is restricted, unallowable or potentially unallowable (ex. software, computers, recurring charges);
  - \* A cash receipt document number that processed a reimbursement to IU included on the receipt for a personal transaction;
  - \* Hospitality approval on food purchases;
  - \* A note explaining how the purchase supports the academic mission.



## QUESTION

As a P-Cardholder, do I need to be concerned about a potential audit of my P-Card and what would help reduce that chance?

Consider these statistics on FY16 P-Card Audit Findings:

P-Card Audit Issues	% of Total
Receipt (missing, lack of itemization, difference in totals)	45%
Unallowable purchases	39%
Hospitality	14%
Tax	1%
Other (stacking, fraud, disputed with vendor, rewards card)	1%

Taking an extra minute at the point of sale to make sure you received an itemized receipt from the vendor will have the biggest impact on reducing the administrative burden associated with audit findings.

Transaction pre-approval also helps; but generally understanding appropriate use and keeping your fiscal officer in the loop will reduce your chances of an audit finding.

The Purchasing Department has resources to help departments run a successful P-Card program. Contact [pcardhlp@iu.edu](mailto:pcardhlp@iu.edu) for information and to schedule customized training for your unit.

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