



# P-Card Course

Procurement Services  
June 2015

### Who Should Take This Course?



Completion of this course is required for faculty and staff applying for a U-M P-Card.

If you click a link in the course, use the “back” button in your Browser to return to the P-Card Course .

### Introduction

In this course you will learn about the proper use of the P-Card and the requirements for reporting the transactions.

Having a P-Card carries certain responsibilities, including an understanding of the policies and procedures that must be followed when using the card for business travel, hosting, and the purchase of goods.

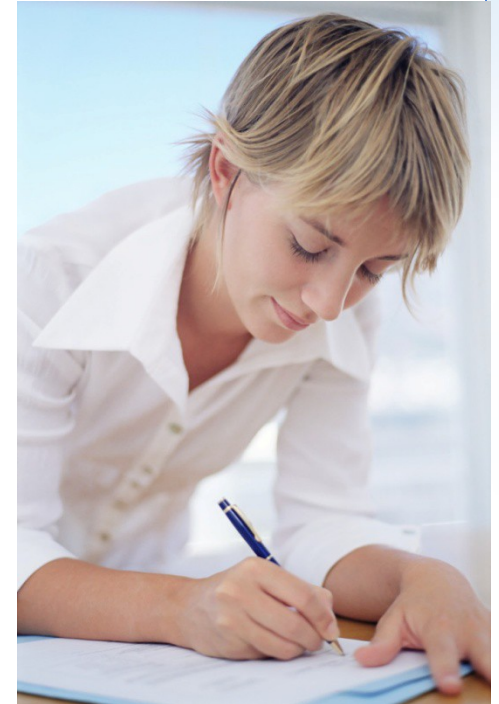
The [University Standard Practice Guide](#) is the source document for these policies and procedures. Information is also available on the [Procurement Services website](#).

# Course Completion Requirements

All applicants for the P-Card must complete this course.

After completing the course, you (the P-Card applicant) are able to submit an [online application](#), which will require you to read and agree to the [University of Michigan Terms and Conditions](#).

■



## Course Outline

You are required to complete four modules:

### **Module 1**

**P-Card Basics**

### **Module 2**

**Purchasing with the P-Card**

### **Module 3**

**Use of the P-Card for Business Travel**

### **Module 4**

**Use of the P-Card for Business Hosting and Business Meals**

### Module 1 – P-Card Basics

The University of Michigan's P-Card Program was implemented to reduce or eliminate the need for petty cash, special checks, and travel advances; and to facilitate the low-dollar, general supply purchasing process when products and services cannot be obtained through a [University Contract](#).

P-Cards are issued by a financial institution to University of Michigan employees approved by Procurement Services. Departments and units determine which of their staff are eligible for P-Cards.

Procurement Services is authorized to suspend or cancel P-Card privileges for any cardholder considered to be in violation of university and P-Card policies and procedures.

# P-Card Program Administration

The P-Card Program is administered by Procurement Services in accordance with university policies and procedures.



### Procurement:

- reviews cardholder buying patterns to determine use of the P-Card as the appropriate buying method
- collects and analyzes card usage data to identify opportunities for negotiation with merchants to offer university-wide volume discounts
- manages the P-Card application process
- performs program compliance auditing and reimbursement processing
- provides customer service to the university community
- maintains the relationship between the university and the P-Card financial institution

### P-Card Roles

The following roles are involved in the P-Card process:

- Cardholder
- Expense Approver
- Delegate (optional)

#### Cardholder

- You are responsible for the proper use of the card and the recording of the charges in the university's Travel and Expense Management System (Concur).
- You must abide by all university procurement, travel and hosting policies and procedures when using the P-Card.
- Your P-Card remains the property of the P-Card financial institution.
- Your P-Card may not be transferred to, assigned to, or used by anyone other than you.
- The P-Card financial institution or the university may suspend or cancel your cardholder privileges at any time for any reason.
- If reconciling patient related expenses, do not include [Protected Health Information](#).



## P-Card Course

### Expense Approver

The expense approver is the critical role in the P-Card process--the “check” to identify potential or actual misuse of the card. The unit determines who among its staff will serve as expense approver. The approver should be in a higher level position of authority than the cardholder. The expense approver and the cardholder are **equally responsible and accountable** for the transactions.

The expense approver

- must be able to determine the business appropriateness of the transactions
- reviews the transactions on your expense report and all supporting documentation to ensure compliance
- approves the expense report in the Concur Travel and Expense Management System, thereby attesting that s/he has thoroughly reviewed each transaction and has verified that all transactions are business-appropriate and allowable expenses

*For guidelines on creating an appropriate business purpose in your Concur expense report, see <http://finance.umich.edu/procurement/travelexpense/concur/bestpractices>*

## P-Card Course

### **Delegate (optional)**

University policy encourages all faculty and staff to prepare and submit their own expense reports. Concur provides the ability for a designated assistant, or “delegate”, to create an expense report on behalf of another employee. The employee who incurred the expense, however, must personally submit the expense for electronic routing to the appropriate expense approver(s) by logging into Concur, reviewing, and submitting the report.

The delegate can create expense reports, view/attach receipts, and/or book travel on behalf of another employee(s).

## P-Card Course

### P-Card Reconciliation

P-Card transactions must be expensed monthly in Concur or they will be considered late. Transactions can be added to the same expense report throughout the month, and the report submitted for approval at least 5 business days before month end.

Out-of-pocket business expenses can be submitted more frequently to ensure timely reimbursement to the employee. But when possible, combine these expenses into a single report.

For documentation on how to create expense reports with P-Card transactions, visit the Concur Travel and Expense System training resources in My LINC at <https://wolverineaccess.umich.edu>).

## P-Card Course

### Expense Report Review

The expense approver reviews your expense report to ensure you are using the card appropriately. All purchases must be university business related and necessary expenses. Each transaction must also be consistent with departmental budgetary and project/grant guidelines.

### Key Compliance Issues\*

The approver also reviews the transactions to ensure they are consistent with the following compliance policies:

- Items purchased with the P-Card are not restricted
- Each transaction complies with Sponsored Funds guidelines
- A single item costs less than \$5,000 and is not a “split” transaction
- There is no conflict of interest involvement in the transaction
- Sales tax was not paid (where applicable)
- The P-Card was the appropriate buying/payment method for the transaction

*\*These compliance issues are discussed in more detail in **Module 2**.*

## P-Card Course

### **Incomplete Expense Report and/or Supporting Documentation**

If your expense report is incomplete (e.g., you have not provided all required receipts), the approver will return the expense report to you electronically for correction. Once corrected, you must resubmit the report to the approver to complete the review process.

### **Unapproved Purchases**

If you use the P-Card inappropriately (e.g., to purchase personal items or items not approved by your unit), you must reimburse the university for those charges by expensing the item(s) as “personal” in the Concur expense report. Monies owed to the university will be processed through payroll deduction in your next pay cycle.

### **Suspicious P-Card Activity**

The approver should report promptly any suspicious use of the P-Card to the U-M Office of [University Audits](#) or to the university’s [Compliance Hotline](#).

# P-Card Ownership

## Keeping the Card Secure

The P-Card should be treated with the same security as a personal credit card:

- Keep it with you—do not lock it in a desk or file cabinet.
- Do not write any portion of the P-Card number down or share the number with others.
- Do not give the P-Card number to a merchant to “keep on file”. Sending copies of the front and back of your P-Card to vendors with whom you are doing business is discouraged. This practice opens a greater window of opportunity for fraudulent activity to be placed on the card.



## P-Card Course

### Lost or Stolen Card

Call the P-Card financial institution immediately if you discover your P-Card is lost or stolen. The telephone number is published on the Procurement Services website, or you may contact Procurement Solutions at (734) 764-8212, option 2, or [procurement.services@umich.edu](mailto:procurement.services@umich.edu).

### Card Renewal

Your P-Card is valid through the last day of the month in which it is due to expire. Your renewal card will be mailed directly to your university business address approximately one month prior to the card expiration date. If you do not receive your renewal card by the third week of the month, contact Procurement Solutions at (734) 764-8212, option 2, or [procurement.services@umich.edu](mailto:procurement.services@umich.edu).

## P-Card Course

### Leave of Absence

If you will be on leave from the university, your unit should notify the P-Card Group through the P-Card Maintenance Form of your anticipated dates of absence so that your account can be suspended.

### Changes to Your P-Card Profile

Use the P-Card Maintenance Form to make changes to your cardholder profile, such as changes to your name or business address.

### Card Surrender

Your P-Card remains the property of the P-Card financial institution. You are required to surrender the P-Card upon request to your unit administrator. If the card is not surrendered upon request, it will be considered stolen and appropriate action will be initiated by the university. Use of the P-Card or card account after notice of its cancellation may be fraudulent and may cause the P-Card financial institution or the university to take legal action.

## P-Card Course

### Changes to Your Monthly Credit Limit

Use the P-Card Limit Change Form to request changes to the monthly credit limit. A clear business purpose for an increase must be provided and the form signed by the unit administrator or expense approver.

Requests for increases in excess of \$10,000 per month require approval from Procurement Services leadership and must include a detailed justification from the P-Card holder. In all instances, temporary two-month credit limit increases will be pursued, rather than permanent increases in credit limits.

## P-Card Course

### **Transfer to Another University Unit**

If you transfer to another unit within the university you are required to submit a P-Card Maintenance Form to the P-Card Group to close your P-Card account.

If your new unit approves you for a P-Card, you must submit a new P-Card application form.

## P-Card Course

Thank you for completing **Module 1**.

You should now have an understanding of:

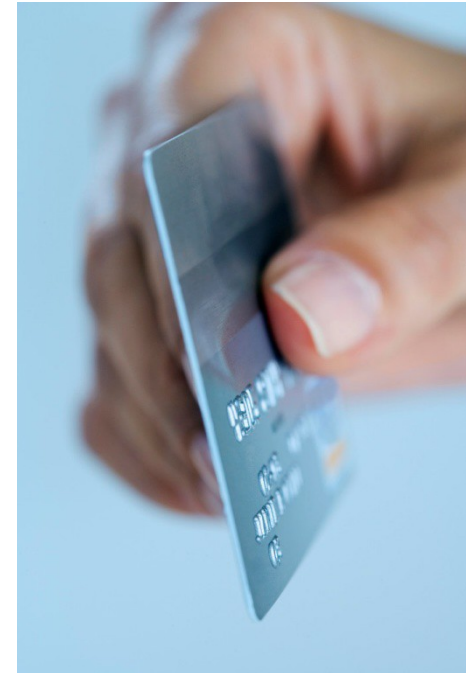
- the key roles in the P-Card process
- P-Card reconciliation and expense report submission
- the basics of P-Card ownership
- procedures for noncompliance or misuse of the card

We now review the fundamentals of buying on behalf of the university in **Module 2: Purchasing with the P-Card**.

### Module 2: Purchasing with the P-Card

Module 2 reviews procurement policies and procedures—including the approved buying methods—to guide you in making wise and responsible purchases.

If you are new to the procurement process, it is recommended that you complete an eLearning course in [My LINC](#) called Fundamentals of Procurement (PRE101). The course explains the university's ordering methods; university, state, and federal procurement policies; and provides campus resources for procurement-related questions and issues.



## P-Card Course

### Your Fiscal Responsibility

Stewardship of the university's financial resources is the responsibility of all employees. Those who purchase or authorize purchases on behalf of the university are responsible and accountable for those transactions. In the P-Card process, the cardholder, the expense approver, and the delegate (if used) must each ensure they are fulfilling their fiscal duties.

As an authorized participant in the buying process for the university, you must understand and adhere to the following policies and procedures:

- Spending authority
- Signature authority
- Ethical responsibility
- Conflict of interest
- Appropriate buying methods
- Purchasing with sponsored funds
- Restricted items and services
- Avoid paying sales tax

## P-Card Course

### Spending Authority

The Regents of the University of Michigan delegate spending authority to the Executive Vice President and Chief Financial Officer, who in turn delegates that function to the Director of Procurement Services.

Faculty and staff are authorized to commit funds totaling less than \$5,000 per transaction through the ePro requisition (purchase order process), the P-Card, and under very limited uses, the Non-PO voucher. Conference registrations, subscriptions, memberships, dues, business hosting, and business travel are not subject to the less than \$5,000 limit.

**Note:** Splitting a purchase into smaller dollar amounts to avoid the university's authorized spending limit of up to \$5,000 is a policy violation and a serious misuse of the P-Card and the other approved buying methods. It is also a misuse of the card to deliberately purchase related items on different days from the same supplier in order to avoid the \$5,000 per transaction limit.

### Signature Authority

The P-Card can not be used for services or any transaction involving a contract or agreement. Purchases that require a university signature—no matter what the dollar amount or the buying method—must be handled by Procurement Services. Authority to sign contracts and agreements has **not** been delegated to university faculty and staff.



## P-Card Course

### Your Ethical Responsibility

As a P-Card holder, you are actively involved in the procurement function. You are in a position to provide or withhold substantial rewards from suppliers who serve the university. You must maintain a keen sense of professional ethics to serve the university in a responsible manner.

If you are ever unsure about a situation, give yourself the Ethics Test:

- How would the headline read if the newspaper printed a story on the situation?
- Does it hurt or offend anyone?
- Was the decision made in an open and competitive environment?
- Would you be comfortable defending the decision criteria in court?
- Is the price fair and reasonable?
- Is it worth the risk of having your purchasing capabilities removed permanently?
- Are you risking your job or reputation?

## P-Card Course

### Conflict of Interest

As required in [SPG 201.65-1](#), *"Faculty and staff must not use their official University positions or influence to further gain or advancement for themselves, parents, siblings, spouse or partner, children, dependent relatives, or other personal associates, at the expense of the University."*

All university employees owe their primary professional commitment to the university of Michigan. In order to comply with SPG 201.65-1 and the State of Michigan Conflict of Interest (COI) statute, Procurement Services **strongly discourages purchases from suppliers where an actual or potential conflict of interest may exist**. Departments must make every effort to procure goods and services from non-COI suppliers.

*For more on Conflict of Interest in the procurement process, visit <http://finance.umich.edu/procurement/howtobuy/policies/coi>*

## P-Card Course

### Choose the Appropriate Buying Method

The following buying methods are available for the purchase of supplies and services. The methods are listed in the order in which you should consider using them.

- 1) University Contracts:** formal agreements with suppliers established by Procurement Services that support the procurement needs of the entire university for specific goods or services. University Contracts are available for use by U-M employees who have the authority to purchase the goods or services covered by the contract.

**University Contracts should be considered the primary sources for any purchase of goods or services.** If the required good or service is available through a University Contract it should be purchased from that contract.

### Choose the Appropriate Buying Method (continued)

- 2) **Internal Service Providers:** university business units that provide goods or services to other university units and departments (e.g., Print-Copy-Mail). Buying goods or services from internal service providers is exempt from the university competitive bid policy because the transactions are internal to the university.
  
- 3) **ePro Requisition:** used for all transactions that require a purchase order be sent to the vendor (any dollar amount). It is also used for transactions \$5,000 and over, and those requiring special approvals.



### Choose the Appropriate Buying Method (continued)

- 4) **P-Card:** may be used to pay for business travel and hosting expenses, dues, and subscriptions. It may also be used to buy small dollar supply-type items that are not available through a University Contract or internal service provider, and with a value less than \$5,000 per transaction.
- The P-Card should not be used for purchases that are recurring in nature and amount to greater than \$5,000 in total transactions per year to an individual supplier. These transactions should be handled by Procurement Services.

## P-Card Course

### Restrictions on the Use of Sponsored Funds

Use of federally sponsored accounts must strictly adhere to the Federal [A-21 Guidelines](#). These guidelines require certain expenses to be reviewed by Sponsored Programs to determine if they are allowable.

The A-21 Guidelines are more restrictive than university P-Card requirements in certain instances.

You and your approver must ensure purchases made with the P-Card are allowed on the specific project/grant being charged.

## P-Card Course

### Restricted Items and Services

There are several commodities that are not allowed on the P-Card, due to compliance issues, safety reasons, opportunities for aggregating volume pricing, etc.

Refer to the [restricted commodities](#) document for a list of the current restricted items. Because this list is subject to change, it is recommended that you review it periodically.

Examples of restricted items and services include, but are not limited to, personal items; furniture; building renovations and alterations; vertebrate laboratory animals; and hazardous materials.

Remember: It is your responsibility to be aware of restrictions, and also of restrictions on the account being charged. If you have questions about whether an item may be restricted, contact the P-Card Group ([purchcard@umich.edu](mailto:purchcard@umich.edu)) or a Procurement Services buyer **before** you make the purchase.

## P-Card Course

### Avoid Paying Sales Tax

P-Card holders should avoid paying sales tax whenever possible. University purchases are exempt from the payment of Michigan sales and use tax. Several other states also allow this exemption (for more information, visit [http://finance.umich.edu/tax/exemption\\_certificates](http://finance.umich.edu/tax/exemption_certificates) ).

Your P-Card is embossed with the tax exemption identification. The “University of Michigan” is displayed on the face of the P-Card, along with the words “tax exempt.” This should assist you in your effort to avoid paying sales tax. Be sure to reference the university’s tax exempt status when placing phone or online orders.

Some merchants may request a copy of a document describing the university’s sales tax exempt status (the Michigan Sales and Use Tax Certificate of Exemption). It can be found on the [Procurement Services](#) website under **Forms**.

## P-Card Course

### Submit Appropriate Receipts

A proper receipt is original, shows the itemized description of the items purchased, the date of purchase, the amount paid and the method of payment. It is your responsibility to obtain original proper receipts from the merchant each time you use your P-Card. Packing slips without itemization are not proper documentation.

If you are not able to obtain a receipt from the merchant, or the receipt is lost, you must enter a comment on your Concur expense report explaining the circumstances. Your expense approver must also add a comment attesting that the transaction is allowable and in compliance with departmental and university policies.

In the Concur system, the receipts required by university policy will be identified for you as you build your expense report. Your unit may require additional receipts be attached to the report. You will submit receipts electronically with each report by attaching them as PDF images, or faxing them to a dedicated fax number for Concur.

For instructions on how to attach receipts, reference the Travel and Expense System training resources in My LINC at <https://wolverineaccess.umich.edu>.

## P-Card Course

Thank you for completing **Module 2**.

You should now have an understanding of key university purchasing policies and buying methods.

We now review the use of the **P-Card for Business Travel** in **Module 3**.

## Module 3: Using the P-Card for Business Travel

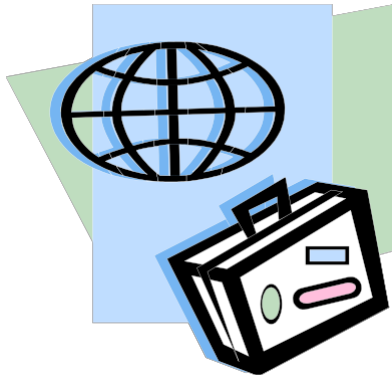
The travel policies discussed in this course are documented in the [Standard Practice Guide](#).

An employee is considered to be on “travel status” when s/he is required to be away from her/his “tax” home overnight or for 12 or more hours in a single day.

You **should not use your P-Card when reimbursement is expected from another source**, unless the following **two** conditions are met:

1. Written notification is received from the source of reimbursement. It should list the expenses eligible for reimbursement and state that payment will be made to the University of Michigan, and
2. The written documentation referred to above must be submitted to an appropriate unit approver before the trip occurs and submitted with the expense report in the Concur system.

## P-Card Course



### Travel Receipts

Required receipts must be attached to the expense submission in the university's Travel and Expense System. Your unit may require additional receipts be attached to the report. You will submit receipts electronically with each report by attaching them as PDF images, or faxing them to a dedicated fax number for Concur.

For instructions on how to attach receipts, reference the Travel and Expense System training resources in My LINC at <https://wolverineaccess.umich.edu>.



## P-Card Course

### Travel Receipts (continued)

Receipts must contain appropriate detail, including starting and ending destinations, hotel charges, and detailed item charges. A specific business purpose for the expenditure must be noted on every expense submitted.

Receipts are required for the following:

- Lodging, air, rail, all non-taxi transportation, and rental cars
- Conference registration fees (unless paid for with the P-Card)
- All single expenditures \$75 and greater

Other travel-related purchases under \$75 made on your P-Card do not require receipts according to university policy, but departmental requirements may be more stringent. If an external project sponsor requires a lower documentation threshold, receipts should be submitted at the lower threshold.

Refer to the [Reimbursable Expenses for Travel](#) document for a summary of reimbursable and non-reimbursable expenses.

## P-Card Course

### Travel Accident Insurance

As part of its benefits program, the university carries a Group Travel Accident insurance policy. This policy provides accidental death and dismemberment insurance for all university employees while traveling on university business.

Accordingly, reimbursement will not be made for any supplemental insurance purchased by the traveler. You should not use your university P-Card to purchase travel accident insurance.

Questions regarding excluded methods of travel, definition of university business, or other aspects of this insurance should be directed to the [Benefits Office](#).

### Trip Cancellation Insurance

Trip cancellation insurance is an allowable business travel expense. It protects the travel investment by allowing you to cancel your trip for specific covered reasons. The expense approver must enter a comment on your expense report to indicate that the department considers this a legitimate business expense.

## P-Card Course

### Travel by Air

It is recommended that travelers use the university's Travel and Expense System (Concur) to book business travel, or the university's designated travel agency (TSI USA) for agent-assisted calls.

The university will reimburse the cost of coach airfare. Travelers should always select the lowest price airfare within the bounds of the most logical schedule. All flights should be booked *at least 14 days in advance*. Flights booked with less than 14 days advanced purchase require an explanation for the booking delay for the approver. Approvers may deny charges that result from last minute airline booking.

First class/business class is only allowable when the university traveler is accompanying a major donor or dignitary flying first/business class. Business class is reimbursable for international flights when the portion of the flight that is nonstop exceeds 8 hours in duration. Pre-trip approval from a senior university official is required.



## P-Card Course

### Travel by Air (continued)

Federal regulations require that U.S. carriers be used for both foreign and domestic travel, unless one is not available. The Fly America Act Exception Form must be completed whenever non-U.S. flag air carrier service is used and intended to be charged to a federal project/grant. The completed form must be submitted with the expense report. This form also includes the Federal Travel Regulation sections that describe the requirement for the use of U.S. flag air carriers when charged to federal dollars, as well as the exception criteria used to determine when the use of a non-U.S. flag air carrier is acceptable.

In the event travelers require a flight change, explanation of flight changes that incur additional costs are required. Travelers must state the business reason for the need to alter the flight reservation and the total cost of the flight should be evaluated and approved as reasonable by the approver when reviewing the expense report.

## P-Card Course

### Unused Airline Ticket

When an airline ticket has been purchased using a P-Card and cannot be used for the original business trip, the following procedures must be followed:

- If the trip is canceled and no future business trip is scheduled, any credit from the original ticket must be credited back to the **same** P-Card that was used to purchase the original ticket.
- If the original trip is canceled and the airline ticket can be reissued by the airline for another university business trip, whatever credit that can be transferred may be used to reissue the new ticket as long as it is for university business travel. The cardholder must attach all documentation to show the “paper trail” of the ticket reissue process.
- The ticket may **not** be used to obtain a reissued airline ticket for personal travel.

If the ticket is totally non-refundable then it is a “loss” to the department. The expense report must include a receipt for the original ticket and an explanation that the trip was canceled and the ticket is non-refundable.

## P-Card Course

### Travel by Rail

The university will reimburse the cost of train fare when it is less than the cost of coach airfare and airport transportation costs.

### Rental Car

When a rental car is necessary, it is recommended that reservations be made through the university's designated travel agency (TravelFocus). This will ensure that proper waivers are met and university rates are acquired. The Office of [Risk Management](#) advises that travelers should decline all collision insurance (Loss Damage Waiver or Collision Damage Waiver) on rental vehicles, because the university self-insures for commercial rental vehicle loss/damage.

When traveling to destinations outside the Continental U.S. (OCONUS) with the exception of Canada, Risk Management recommends that travelers accept collision insurance.

Reimbursement will be made for reasonable charges for gasoline. Maintenance and oil changes are the responsibility of the rental company and will not be reimbursed by the university.

## P-Card Course

### Use of Private Vehicles

A personal vehicle may be used in order to save time, transport equipment or reduce costs when several people are traveling together. Reimbursement is calculated per-mile based on the [current rate](#). This reimbursement may not exceed the maximum allowable rate for federally sponsored programs, and is limited to the amount of coach airfare.

Note that fuel costs are included in the per-mile reimbursement rate. If you request reimbursement for mileage you will not be reimbursed for fuel costs. Tolls and reasonable parking charges will be reimbursed in addition to the mileage allowance.

The university does not assume liability for damage to personal automobiles used on university business and does not assume liability for deductibles or any other uninsured loss to the vehicle. Cost of repairs to a vehicle, whether or not they result from the traveler's acts, are not reimbursable.

## P-Card Course

### Other Transportation Costs

The university will reimburse for shuttle or taxi fares to and from airports and railroad stations plus reasonable tips when such service is not included in air and rail fares, and where public transportation is not practical. Round trip taxi fare from Ann Arbor and Dearborn to Detroit Metro Airport or from Flint to Bishop Airport or Detroit Metro Airport is reimbursable.

This policy includes transportation between hotels, railroad stations, airports, and business meetings, as long as they are reasonable in amounts and frequency.

### Parking Fines or Moving Violations

Under no circumstances will the university reimburse parking fines or moving violations.

## P-Card Course

### Lodging

The university will reimburse lodging expense at a reasonable single occupancy, standard business room rate, which would be incurred routinely by a regular business traveler. The traveler should select the least expensive option available, taking into consideration proximity to the business destination and safety. The traveler or the travel arranger must inquire about the government rate available, the Big Ten consortium rate, or the conference lodging rate and select the lowest available rate. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rate, if available.

If you used your P-Card to pay for lodging and any personal expenses were charged to the card by the hotel during your stay, you must mark them “personal” when submitting your expenses in Concur. These personal expenses will be deducted from your payroll.

## P-Card Course

### Per Diem for Travel Meals and Incidentals

Travelers will be provided a per diem rate for travel days in accordance with the United States General Service Administration (GSA) rate tables ([www.gsa.gov](http://www.gsa.gov)).

Per diem rates include both the cost of meals and incidental expenses (e.g., tips to baggage carriers). Incidental expenses cannot be reimbursed separately as they are included in the per diem rate.

While it is permissible for the P-Card to be used to pay for travel meals, it is not the recommended approach when collecting per diem because of the extensive accounting and reconciliation work it creates.

Per diem meals and incidental expenses do not require receipts. Your unit may have more restrictive requirements pertaining to receipts.

*For more information about the travel meals and incidentals per diem, see the [Travel and Business Hosting Expense Policy](#)*

## P-Card Course

Thank you for completing **Module 3**.

You should now have an understanding of the policies and procedures pertaining to the use of the P-Card for business travel.

We next review the use of the P-Card for Business Hosting and Business Meals in **Module 4**.

### Module 4: Use of the P-Card for Business Hosting and Business Meals

Use of the P-Card to pay for necessary and reasonable business hosting and business meals is allowed as long as the expenses are directly related to university business.

It is acceptable for university units to recognize the efforts of their staff members with group recognition functions. However, discretion should be used, and all events should be reviewed for appropriateness prior to the occasion.



## P-Card Course

### Unit Policies

Check with your department prior to hosting an event or business meal to verify any specific departmental policies.

Some departments require a person other than the P-Card approver review and sign hosting and business meal documentation forms. Check with your department to identify the appropriate person for approving hosting expenses.

### Business Purpose

A clear business purpose contains all information necessary to substantiate the expenditure including a list of attendees and their purpose for attending, business topics discussed, or how the expenditure benefited the university.

For information on creating an appropriate business purpose in your Concur expense report, see the Concur Business Purpose Guideline available at <http://finance.umich.edu/procurement/travelexpense/concur/bestpractices>.

## P-Card Course

### **Business Hosting and Business Meal Allowances**

Business meal expenses and hosting meals include food, non-alcoholic beverages, taxes and tips, and should not exceed the maximum allowances listed on the [Procurement Services](#) website. Alcoholic beverage allowance is limited to \$20 per person, per event. Alcohol expense must be flagged with an “X” Class and charged to non-General, non-Federal, non-Sponsored funds or may be covered with personal funds.

An explanation must accompany all expense submissions for business and hosting meals. Any business meal costs that exceed the maximum allowances as stated on the [Procurement Services](#) website must be accompanied by a detailed explanation and have approval from a supervisor or higher level administrative authority. The expenses including tips that exceed the amounts on the Travel and Expense website must be segregated and cannot be charged to General or Federal funds.

## P-Card Course

### Employee Recognition Events

University departments may recognize the efforts of their staff members with group recognition functions. However, discretion should be used, and all events should be reviewed for appropriateness prior to the occasion.

University funds may be used to cover non-food related costs of a hosted event. Care must be taken to select the most reasonable options available when planning a hosted event. Following are examples of reimbursable hosting expenses, which are permitted in excess of the meal limits per guest/employee:

- Venue deposit/rental
- Linens, glassware, place settings
- Centerpieces (e.g., flowers)
- Wait staff and parking staff
- Staging, podium rental
- AV equipment and materials

## P-Card Course

### **Business Meal and Business Hosting Documentation**

Original itemized receipts are always required for business meal and business hosting activities. Tear-away meal stubs are not acceptable. A proper receipt will show the itemized description of the items purchased, date of purchase, amount paid and method of payment.

You are required to track attendees for hosted meals or events when you create the expense report in Concur. For instructions on how to prepare an expense report for business hosting, see the document *Add Attendees to a Hosted Meal or Event in a Concur Expense Report* in My LINC (<https://wolverineaccess.umich.edu>).

## P-Card Course

### Using the P-Card for Awards, Gifts and Prizes

It is consistent with university policy to recognize individual or team achievements with awards or gifts and to have prizes at university events. Awards, Gifts and Prizes costs should be flagged as ICRX (Indirect Cost Recovery Excluded) expenses on the expense report.

### Using the P-Card to Purchase Gift Certificates

When purchasing gift certificates with the P-Card, you **should purchase only the exact number of gift certificates** that will be used within the month. P-Card transactions must be expensed monthly in Concur or they are considered late.

The purpose of the gift(s) must be provided in the Business Purpose field at the Concur report expense line level. The name(s) of the recipient(s) must be included in the Comment field or attached as a “receipt” to the expense report. **The unit must also report gifts, awards and prizes using the [PeoplePay](#) process within 10 days of the payment or the award of the gift/prize.**

## P-Card Course

Thank you for completing **Module 4**.

You should now have an understanding of the policies and procedures pertaining to the use of the P-Card for university business hosting and business meals.

## P-Card Course

# Thank you for completing the P-Card Course.

This course is designed to give you the information you need to fulfill your responsibilities as a P-Card holder and to exercise proper use of the card.

■

■