

Regulation on University Procurement and Purchasing Card Programs

I. Purpose, Responsibility, and Procedures.

A. Purpose.

By virtue of G.S. 143-49, the North Carolina Secretary of Administration has the power and authority to establish and maintain a procurement card program for use by State agencies, community colleges, and nonexempted constituent institutions of The University of North Carolina. Pursuant to Section 01 NCAC 05B .1523 of the North Carolina Administrative Code, procurement cards (“P-Cards”) are utilized for official use only and shall be used in accordance with applicable state law and with the statewide contract established and maintained by the Division of Purchase and Contract (946A).¹ The University has elected to utilize P-Cards in accordance with the law. While P-Cards present an inherent enterprise risk, P-Cards used optimally, with proper compliance management, provide a ready-made and convenient tool for the professionals serving the business needs of the University.²

This regulation is designed to protect both P-Card users and the University. It is expected that all P-Card holders and P-Card program administrators, officers, and staff will uphold this regulation and applicable state law to the highest degree.

B. Responsibility.

The provision of P-Cards places a great deal of trust in University employees to utilize University resources solely in the best interests of the University. Thus, all purchases on a P-Card shall be strictly for official University business. As such, it is expected that University employees authorized to use a P-Card will do so in compliance with this regulation and applicable state law.

Misuse of a P-Card, including but not limited to violation of this regulation or applicable state law, or failure to adhere to the terms and conditions of the cardholder agreement as defined below, will result in revocation of the P-Card, potential disciplinary action up to termination, and possible filing of criminal charges. In addition, as a condition for use of the P-Card, an employee who is issued a P-Card agrees that his or her respective institution may direct repayment or withhold from the employee’s paycheck an amount equal to any unauthorized P-Card charges made by the employee.

C. Procedures.

1. Authorizing a P-Card.

¹For purposes of this regulation, P-Cards are defined as all transactional cards where the University’s resources are being utilized, including cards used specifically for travel expenses and commonly referred to as T-Cards.

²In accordance with 01 NCAC 05B .1523., the UNC System will submit a copy of this regulation to the Division of Purchase and Contract within 90 days after the regulation’s implementation and thereafter whenever this regulation is updated. Use of procurement cards by any agency is contingent on satisfactory compliance review, as determined by the Division of Purchase and Contract.

a. Eligible Cardholders. A P-Card may be made available to all University departments or units. P-Cards shall only be issued to a permanent employee, who purchases goods or services on behalf of the University on a recurring basis. An exception to this requirement may be granted by the Chief Procurement Officer or his or her designee for special circumstances. Such exceptions must be documented in writing.³

b. All P-Cards shall show the institution's name, cardholder, the state seal or institutional logo, and indicate they are for official use only.

c. P-Card Application, Training, and Agreement. All P-Card applicants must complete a P-Card application, a P-Card usage training session, and a P-Card holder agreement, outlining the terms and conditions of P-Card authorization and usage ("Agreement") prior to issuance and usage of a P-Card. The Agreement must state that failure to uphold the terms and conditions will result in revocation of the P-Card and may result in disciplinary action, potentially including termination of employment and criminal prosecution, as well as direct repayment or potential paycheck withholding equal to any unauthorized P-Card charges made by the employee.

2. Appropriate use of the P-Card.

a. Use of a P-Card is restricted to the authorized P-Card holder. Delegation of P-Card use is not allowed. An exception to this requirement may be granted by the Chief Procurement Officer or his or her designee for special circumstances. Such exceptions must be documented in writing.

b. P-Card use is to enable institutions to expedite applicable transactions quickly and efficiently by minimizing paperwork and processing time, acquiring appropriate goods and services in a timelier manner, and decreasing departmental difficulty with vendors.⁴

c. P-Card holders shall complete training regarding use of the P-Card at least every other year.

II. P-Card Program Personnel. Chancellors are responsible for ensuring the institution has adequate personnel to administer and monitor the P-card program. Rebates to the institution as a result of P-Card activity shall be prioritized to support these staffing costs.

A. P-Card Program Administrator. Each institution's Chief Financial Officer or designee shall designate a P-Card program administrator for the institution ("Administrator"). The Administrator is responsible for implementing the P-Card program, the requirements of this

³Regardless of any exception granted under this regulation, P-Cards shall only be issued to employees of the institution.

⁴Use of a P-Card is not intended to replace the University's formal bid process where that process is appropriate or required by law or University policy.

regulation, and the requirements in each P-Card holder Agreement.

1. Responsibilities. The P-Card Program Administrator shall, at a minimum:

- a. Receive and review P-Card holder applications⁵;
- b. Review transaction limit exceptions for disposition by the Chief Procurement Officer;
- c. Ensure transaction limit and merchant category code controls are activated;
- d. Review payments of monthly P-Card bills;
- e. Enforce P-Card holder terms and conditions; and
- f. Ensure P-Cards are deactivated for P-Card holders who no longer meet the requirements of this regulation, their cardholder Agreement, or applicable state law.

2. Transaction Limits. The Administrator, in consultation with the institution's Chancellor, or, if so, designated by the Chancellor, the institution's Chief Financial Officer, shall establish transaction limits for P-Cards in accordance with applicable law.⁶ Transaction limits for each P-Card shall not exceed \$5,000 per transaction and \$25,000 per month unless an exception is approved, in writing, by the Chief Procurement Officer or his or her designee.

B. Reconciliation Staff. The Chancellor or their designee shall ensure the institution has Reconciliation Staff ("Staff") to review, reconcile, and approve P-Card expenditures within thirty days of either (1) payment or (2) the conclusion of applicable travel.

1. The Staff shall, at a minimum, be responsible for ensuring they have received supporting documentation for each purchase, each purchase has been made pursuant to this regulation and state law, and that any discrepancies are pursued immediately.
2. Discrepancies reviewed by staff may include but are not limited to failure to receive the goods or services purchased, fraud or misuse, altered charges, duplicate charges, and incorrect amounts.

C. Delegations. The institution shall document in writing any delegations of authority. Any such delegations shall be included in the Audit report pursuant to Section IV. of this regulation.

D. Personnel training. At a minimum, P-Card Program Personnel, including the Administrator and Staff, shall complete P-Card training every other year. Each institution may require further training or certifications.

⁵All P-Cards requested on behalf of a department or unit shall be sent to the Administrator (not to individual cardholders) by a traceable delivery method.

⁶ [01 NCAC 05B .1523](#)

III. Institutional Regulations.

Each institution shall implement their own respective policies and regulations on P-Card usage consistent with the requirements of this regulation and applicable state law. At a minimum, each institution's P-Card policy shall be reviewed annually by the institution's Chief Financial Officer and Chief Procurement Officer, making revisions as needed.

IV. Audit Oversight.

Each institution's Chief Audit Officer shall evaluate its institution's compliance with this regulation and state law as it relates to use of P-Cards. The Chief Audit Officer, or his or her designee, shall report the findings of their P-Card program compliance to the institution's Board of Trustees' Audit Committee on at least an annual basis. Inclusive of this review and report, the Chief Audit Officer, along with the Chief Procurement Officer, shall review the list of their institution's active P-Card holders at least once a year.

V. Certification.

Each institution's Chancellor, Chief Financial Officer, and Chief Procurement Officer shall certify their institution's compliance with this regulation by January 31, 2025, and again on or before January 31 annually thereafter. The president may, from time to time, in his or her discretion, impose further requirements on an institution's P-Card program, particularly when an institution fails to uphold the standards outlined within this regulation.

VI. Other Matters.

A. Effective Date. The requirements of this regulation shall be effective on the date of its adoption by the president.

B. Relation to State Laws. This regulation as adopted by the president supplements, and does not supplant or modify, those statutory enactments, regulations, and policies which may govern the activities of public officials.