



Purchasing Card Policy Appendix A – Common PCard Related Situations and Information

1. Lost, Stolen, or Damaged PCards

- a. In the event of a lost or stolen PCard, the cardholder must immediately notify:
i. Citibank Customer Service
ii. The PCard Tub Administrator (a list of administrators is available at http://PCard.fad.harvard.edu/) or PCard reviewer, depending on local procedures
b. A replacement card will be issued to the PCard Tub Administrator in 7-10 business days.
c. A cardholder with a damaged PCard (e.g., a card with a defective magnetic strip) should contact his or her PCard Tub Administrator to request a new card with the same account number as the damaged card.
d. When the new card arrives, the cardholder must destroy the damaged card and discard it.

2. Disputing Charges and Reporting Fraudulent Charges

Disputing an erroneous charge and reporting a fraudulent charge require different actions on the part of the cardholder. Here is the distinction between the two types of charges:

Erroneous charge: PCard charge from a vendor that is not a result of fraud but that must be disputed; examples include:

- a. A charge for an item never received
b. A charge for a returned item
c. A charge that includes sales or meals tax
d. A charge mistakenly placed on the account by the vendor

Fraudulent charge: PCard charge not made by the cardholder, sometimes from an unknown merchant, usually a result of:

- a. Theft or loss of the physical PCard
b. Theft of the PCard account number

It is sometimes difficult to distinguish between an erroneous charge and a fraudulent charge. If in doubt, the cardholder must immediately contact Citibank Customer Service for guidance.

Below is a grid outlining steps a PCard holder must follow in the event of either an erroneous charge or a fraudulent charge.

Table with 2 columns: Disputing an Erroneous Charge, Reporting a Fraudulent Charge. It details the steps for resolving disputes and reporting fraud, including contacting the merchant, Citibank, and the PCard administrator.



3. Sales and Meals Tax

Harvard University is exempt from Massachusetts state sales and meals tax. To avoid paying sales or meals tax when purchasing goods with a PCard, cardholders must:

1. Inform the vendor at the time of purchase that the purchase is for Harvard University business and is exempt from Massachusetts state sales tax
2. Provide vendor with Harvard's tax exempt number (E 042-103-580), which is printed on the front of the PCard
3. Provide a copy of the Harvard's Massachusetts Certificate of Exemption (ST-2) and Sales Tax Exempt Purchaser Certificate (ST-5), if requested.
4. If purchasing goods from other states for use in that state, download the certificate for that state from <http://vpf-web.harvard.edu/procurement> (the Massachusetts ST-2 and other tax-exemption certificates are also available here; Harvard is not tax-exempt in all states)
5. If sales or meals tax is billed to the cardholder's account, departments can ask the vendor to remove the tax. However, note it is at the vendor's discretion to honor or reject Harvard's sales tax exemption.

4. Declined PCard Transactions

In the event of a declined transaction, the cardholder must call Citibank Customer Service, to determine the reason for the decline (in some situations, the vendor may be able to determine the reason for the decline, or call Citibank on behalf of the cardholder). Transactions are typically declined for the following reasons:

1. The cardholder's monthly or single-purchase spending limit was exceeded
2. The vendor is categorized under a Merchant Category Code (MCC)—sometimes called Standard Industry Code (SIC)—that Harvard has blocked to help prevent misuse (e.g., airlines). The cardholder will need to use a different mechanism, i.e., HCOM, to make the purchase.

In some cases, spending limits may be increased to allow for the previously declined charge. A cardholder with questions should contact his or her PCard Tub Administrator.

5. Canceling a PCard

1. In the event that a cardholder terminates employment, or needs to cancel a PCard for any reason, the cardholder must notify the following:
 - a. Citi Customer Service, at 800-270-7760
 - b. Cardholder's PCard Tub Administrator
 - c. Cardholder's PCard reviewer
 - d. Cardholder's PCard Tub Local Administrator
2. Return PCard and any outstanding receipts to relevant PCard Tub Administrator.
3. Cancel all standing orders/recurring transactions with vendors; if necessary, arrange to transfer payments to another valid payment source, like the PCard of another employee.

6. Renewal of an Existing PCard

1. Renewal PCards are automatically sent to the program administrator in University Financial Services 2-6 weeks prior to the expiration date of the card.
2. Renewal PCards are forwarded to the appropriate local administrator.
3. If a PCard has expired and the renewal card has not been received, the cardholder should contact his or her local administrator.

7. Requesting Changes to Spending-Limit Levels

A cardholder seeking to increase his or her PCard single-purchase limit and/or monthly purchase limit must obtain approval from his or her supervisor. The supervisor must make the request by e-mail to the appropriate PCard Tub Administrator. The maximum single-purchase limit allowed on the PCard is \$2,500, though some units may have policies with lower thresholds. Cardholders and supervisors with questions should contact their local administrator.



8. Transferring to another Department within Harvard University

When transferring from one Harvard department to another, a cardholder must cancel the PCard from the originating department and reapply for a different PCard at the new department.

9. Charging to another Unit's Budget

Cross-school charging on the PCard is not allowed. An employee affiliated with more than one school must apply for PCards from each respective school that requires him or her to carry a PCard. (A list of local administrators by tub is available on the PCard iSite.)

10. Cardholder Name Change

A PCard holder that has changed his or her name due to change in marital status or for any other reason must contact the PCard Program Administrator via e-mail at PCard@harvard.edu and provide the following information:

- a. Former name
- b. New name (exactly as it should appear on the PCard)
- c. Reason for change (e.g., change in marital status)
- d. Harvard department
- e. Last four (4) digits of Harvard ID number

A card bearing the new name will be issued to the local administrator in 7-10 business days. When the new card arrives, the cardholder must destroy the old card and discard it.

11. PCard Statement Address Change

A PCard holder that has changed his or her office address location must notify Citi Customer Service, to update his or her PCard monthly statement address. All PCard holders must use a Harvard University office address as a PCard statement address.

12. Suppressing Paper Statements

Those who wish to receive monthly statements electronically may suppress paper statements, which is strongly recommended due to information-security concerns. For more information on receiving electronic Citibank statements, visit the PCard iSite and click on "Online Account Access."

13. Extended Absence from Harvard

It is strongly recommended that PCard holders taking an absence from Harvard of six months or more temporarily close the PCard account for the duration of their leave. The PCard account may be re-opened upon the cardholder's return to Harvard. A PCard holder in this situation must contact his or her local administrator for details.

14. PCard Used in Error by Cardholder

If a cardholder uses the PCard in error—for instance, makes a personal purchase thinking that he or she has used a personal credit card—the cardholder must immediately contact his or her PCard Tub Administrator. In some cases, the vendor may be able to credit the PCard for the amount charged in error and accept a personal credit card instead. If this is not possible, the cardholder must write a check made payable to Harvard University for the full amount of the charge. A cardholder in this situation must contact his or her local administrator for details on the check process. All charges made in error must contain a detailed explanation in the settlement system, and copies of supporting documentation indicating that the University was reimbursed in full must be retained locally in the event of an audit.

15. Charges to Sponsored Funds

Business expenses placed on a PCard and charged to sponsored programs must follow the guidelines set forth by this policy plus any additional restrictions imposed by the funding agency. Refer to the terms of a particular grant or contract for specific guidance on allowable expenses. For more information on sponsored programs, visit the "Policies" page of the Office for Sponsored Programs website.