

Special Considerations for Shared Services Center Cardholders

This section describes special permissions that have been granted to the Shared Services Center procurement cardholders for the payment of catering other event-related expenses, and various services. To qualify for a payment (including a deposit) on a Shared Services Center (SSC) pcard, all of the following general conditions must be met, in addition to any specific restrictions listed in each topic below.

Payment for Cornell faculty, staff and student group travel and visitor travel may be processed on a Travel and Meal (T&M) card. Please see section 352, for a description of transactions prohibited on a T&M card. Please note the following cautions:

- Payment of travel expenses for students are subject to many rules and regulations and must often be processed through Financial Aid. Class trips, conference attendance, or other mission related educational travel may be directly paid from unrestricted department funds only. Travel awards (regardless of sources of funds), travel stipends and payment for travel from funds designated for scholarship **must be processed through the Financial Aid System** (RUSS form). Pay special attention to documenting the business purpose for student travel. Contact the University's Tax Manager for more information or clarification. Before paying any travel related expense directly on behalf of a student, consult with tax@cornell.edu to verify that it does not need to be processed through Financial Aid.
- If the hotel requires only a "confirmation/reservation form" that notes just the number of rooms, dates, cost, and cancellation policy, then it is acceptable for the unit to complete and sign this form.
Caution: If the hotel requests completion of a form that has any additional terms and conditions that may be considered a "contract", then a purchase order **must** be issued and the contract signed by Procurement, prior to any payment (including a deposit) being made.

General Conditions for all SSC PCard Transactions

- Payments must be made using an SSC pcard; authorization may NOT be extended to a regular card or cardholder, unless specifically stated.
- The SSC will be allowed to pay a deposit up to the first \$10,000 of the expenses described in this section using an SSC pcard so long as the necessary purchase order has been issued **prior** to any such payment (including a deposit) being made.
- When the transaction's total exceeds \$10,000, payment of the balance remaining after the deposit is paid via SSC pcard, **must** be requested via the purchase order process.
- When collection of insurance certificates is required (as listed in each topic below), the insurance must be verified **prior** to any payment (including a deposit) being made.
- When a transaction is paid for using both a pcard and the PO process, each transaction must contain a reference to the other to create an appropriate audit trail. The SSC will record the Procurement Card Doc (PCDO) number found in KFS from the initial pcard payment in the Notes tab of the PO that was issued for the remaining balance. In addition, the PO number will be recorded in the Notes tab of the PCDO.
- When extenuating circumstances indicate that a payment that is prohibited on pcard must be made via the procurement card, the SSC cardholder will obtain prior written

permission from Credit Card Programs, which will be included with the pcard documentation.

- ❖ **Caution:** Payments may not be requested via Disbursement Voucher (DV) because this payment method does not advance “administrative ease” for the institution.

◆ **Note:** Procurement Services (Procurement) will assist in the collection of insurance certificates from vendors when required per Section 405. Notify Procurement far enough in advance of any payment (including a deposit) to allow adequate time to request and receive the required insurance certificates.

University Events: Catering and/or Event Space Rental

Outlined below are the limited instances in which an SSC pcard may be used for payments up to \$10,000 for catering, event space rental, and events that include both food and space. All conditions outlined must be met for any payment (including a deposit) to be made on an SSC pcard.

- ❖ **Caution:** A university Travel and Meal card may NOT be used for the payment of catering and/or event space rental.

Considerations when Making Payments for Catering and/or Event Space Rental:

- Catering occurs when a vendor prepares, sets up, serves, or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell’s control for the period of the event, i.e., rented banquet hall. Catering should not be confused with simple delivery where no service is provided on site, i.e., pizza delivery.
- The SSC should confirm insurance certificates are on file for [high-risk activities](#) and, when possible, attach the documents to the pcard doc (PCDO) in KFS. Deposit payments via pcard need not be delayed based upon receipt of the insurance documents since Cornell’s standard PO terms and conditions contain language on indemnification.
- It is recommended that deposits be limited to 50% of the total and that 100% of the order total is **not** paid in advance.
- Only Procurement Services has the authority to sign vendor contracts for goods or services (see section 409, Contracts for additional information).

Catering Only

- The unit will submit an IWNT document with the vendor contract and quote or scope of work.
- The SSC will create a requisition and submit to Procurement if a vendor contract or quote with terms and conditions (requiring a signature) is attached. See [section 700, Paying for Services](#).
- If any payment is due in less than ten days, please note the due date on the Requisition. Consider following up with Procurement Services via email, as described below in Conditions for Review and Approval of Contracts by Procurement Services.
- After the purchase order is issued, the SSC may proceed with a deposit up to 50% of the total, not to exceed \$10,000.
- The final balance should be paid on the purchase order.

- After the deposit (if any) is made, the Service Center will note the PCDO number on the purchase order. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

❖ **Caution:** *If a caterer provides its own contract, mark the requisition as line-item restricted to route the order to Procurement Services.*

◆ **Note:** If the caterer has signed a University Contract or Pricing Agreement, then that caterer has already agreed to Cornell University's terms and conditions and a purchase order can be issued with a quote. Additional Procurement review is not necessary. To determine if your caterer has signed a University Contract or Pricing Agreement, see the "[Caterer and Restaurant List](#)" on Procurement Services website at <https://www.finance.cornell.edu/procurement/buyers/hiring-caterers>.

Event Space Rental and Event Space with Catering (same process)

In nearly all cases, vendors supplying event space or event space with catering will present the unit with their own contract.

- Attach the vendor contract and quote to the requisition. Mark the requisition as line-item restricted to route the order to Procurement Services. See [section 700, Paying for Services](#).
- **After** the purchase order has been issued, the Service Center may proceed with a deposit up to 50% of the total, not to exceed \$10,000.
- The final balance should be paid on the purchase order.
- After the deposit (if any) is made, the Service Center will note the PCDO number on the purchase order. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

For your convenience, this information is in a chart on the Procurement website at <http://www.finance.cornell.edu/procurement/buyers/hiring-caterers>.

Please refer to the following:

- Buying Manual [Section 700, Paying for Services](#)

Other Services

Service Centers are routinely requested to pay for services (or deposits on a service) via pcard. This occurs even at low dollar levels since regular cardholders have been restricted to a finite list of services that are considered low risk (see details in [Section 302, PCard Prohibited Transactions](#)). For these reasons, we are providing below some general information on issues to consider when procuring services.

Most services, regardless of where they are performed, require a contract. Even when the service provider does not require a contract, it is the responsibility of the Service Center to evaluate the service being provided to determine if the resources of the university would be best protected by the issuance of a contract. This may be a contract that is specific to the service being provided and/or the standard terms and conditions associated with a purchase order. The Service Center should consider the total value of the services, the possible need for a warranty, and risk to property and persons that could create a liability to the university. Safeguarding the assets of the university must be the first consideration when engaging a service provider.

◆ **Note:** There are some commonly used service providers that have already signed a university wide contract; see the preferred and contract supplier list on the Procurement website at <http://www.finance.cornell.edu/procurement/supplierlistview>.

For a service to be eligible for payment up to \$10,000 via SSC pcard, all the following conditions for use must be met.

Conditions for Use

- A. The entity being paid for the service must be a corporation, partnership, LLC or LLP. If you are paying an individual, i.e., not one of the business entities listed, you must refer to [Section 700](#) of this manual and perform the Independent Contractor analysis in order to ensure that you are NOT paying an individual who should be classified as an employee and paid through the payroll system.
 - ❖ **Caution:** *You may **not** pay a current employee via pcard. You may **not** pay an individual who has been employed by Cornell at any time in the current calendar year via pcard. You may **not** pay a foreign national for services performed within the United States via pcard. You may **not** pay for services performed by an individual outside the United States via pcard.*
- B. The contract (when needed) must be executed by Procurement prior to any payment (including a deposit) being made. *See Conditions for Review and Approval of Contracts by Procurement Services below.*
- C. The service provider must meet Cornell's insurance requirements. This rule applies regardless of where the services will be performed.

Conditions for Review and Approval of Contracts by Procurement Services

For those limited instances, when an expedited payment or deposit is needed, a requisition should be submitted with a note that the deposit or payment is due by a certain date and permission is needed to issue the payment via pcard. Procurement will review the contract and issue the purchase order. When a contract is necessary, the appropriate Unit representative will review the document and signify review and acceptance of the vendor's terms by submitting an I Want Doc. The SSC will process the requisition and route to Procurement. Procurement will perform the final review and sign the agreement on behalf of the University.

Gift Cards and Gift Certificates

Gift cards, also known as gift certificates or e-gifts, are considered equivalent to cash by the Internal Revenue Service and in most instances must be reported as taxable income to the recipient. Service Center pcard holders may pay for a gift card/certificate on behalf of a unit when **all** the following conditions are met:

- The use of the gift card/certificate must comply with University Policy 3.14, Business Expenses, particularly related to expenses benefiting faculty, staff or students.
- When the recipient is an employee (U.S. citizen, foreign national, and resident and nonresident aliens) or a student employee, the Service Center will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate at all dollar levels.
- When the recipient is a non-employee, the Service Center will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate when the value exceeds \$75.
- The authority to pay for a gift card/certificate on pcard may NOT be delegated by the Service Center to any regular cardholder except as outlined below under "Gift Cards and Gift Certificates for Human Subjects Participating in Research".

- Gift cards/certificates may not be charged to sponsored fund accounts unless the recipient is a human research participant.
- Service Center pcard holders procuring gift cards/certificates will familiarize themselves with the following information located at www.finance.cornell.edu/tax/fordepartments/giftcards:
 - Instructions and requirements for completing the Gift Card/Certificate Reporting form
 - Tax reporting rules, including withholding charged to the unit, that must be communicated to the unit
 - The Cornell Appreciation and Recognition award program (alternative to a gift card/certificate)
- Direct questions on gift cards/certificates reporting to the University Tax Office at tax@cornell.edu.

Gift Cards and Gift Certificates for Human Research Participants

Units should be directed to section 630, Human Research Subject Payments, which includes information on the use of Tango Cards to purchase gift cards for these unique payments. For those rare instances, when a physical gift card is necessary or when Tango Cards cannot be used, then the service center may issue a memorandum of understanding as described below.

When gift cards/certificates are being provided to individuals who are participating in a research project and that project requires the identities of the human subjects to remain confidential, the service center may delegate the authority to pay for gift cards/gift certificates with a pcard to a regular cardholder in the unit. The Service Center will create a memorandum of understanding with the unit that includes, at a minimum, the following:

- Name of individual cardholder approved to purchase gift cards/gift certificates.
 - Begin and end date of the delegation, which should align with the specific research project for which the gift cards/certificates are needed.
 - Name of individual in charge of the research who will be requesting the unit cardholder to make gift card/gift certificate purchases.
 - The number of gift cards/gift certificates and value of each, if known.
 - Requirement that the explanation of business purpose for the purchase include a reference to the MOU and date.
 - Requirement that the unit maintains all relevant private payment information for possible tax reporting.
 - Requirement that unit has procedures in place to track any unused gift cards/certificates.
 - Requirement that the unit and Service Center maintain an MOU in compliance with University Policy 4.7, Retention of University Records.
- ❖ **Caution:** Procuring gift cards/certificates for human subjects participating in a research project where the subjects' identify must be kept confidential is the ONLY circumstance under which the Service Center may delegate the authority to pay for gift cards/certificates to a regular cardholder in the unit. The Service Center may NOT authorize these payments at amounts greater than the maximum \$2,500 per transaction limit currently available to a regular cardholder.
- ◆ **Note:** When the recipient is a human subject or research participant (regardless of employment status), the Gift Card/Certificate Reporting form is not required. However, units should maintain all relevant private

payment information for possible tax reporting. Consult Cornell's [Institutional Review Board for Human Participants](#) or [Survey Research Institute](#).

Donations

The voluntary contribution of cash or property to any organization outside of the university, regardless of the sources of funds, is considered a “donation.” When requested by its customer, a Service Center may utilize a pcard for a donation when **all** the following conditions are met:

- The donation must comply with University Policy 3.12, Business Expenses.
- Donations with a value of more than \$500 must be approved by The Office of University Relations, and approval must be attached to the PCDO.
- Object code 6390 will be used for contributions from Cornell to an outside entity.
- Object code 6420 will be used for payments in lieu of flowers.
- The authority to donate utilizing a pcard may NOT be delegated by the Service Center to any regular cardholder.

Please note that sponsorships, advertising, or other engagements with reciprocal value are not considered “donations” and are not subject to prior approval, even if using Object Code 6390 Donation from Cornell. For example, a department sponsorship of a conference with or without recognition of such sponsorship is not considered a donation that requires approval from Community Relations.