



**THE CITY OF NEW YORK
OFFICE OF THE COMPTROLLER**

INTERNAL CONTROL AND ACCOUNTABILITY DIRECTIVES

**DIRECTIVE #24: AGENCY PURCHASING CONTROLS FOR
CERTAIN NON-PROCUREMENT TRANSACTIONS PROCESSED
THROUGH THE CITY OF NEW YORK'S FINANCIAL
MANAGEMENT SYSTEM**

INTRODUCTION

The purpose of this Directive is to establish standards governing the basic internal controls and accountability requirements for certain non-procurement transactions processed through The City's Financial Management System (FMS).

The City's integrated accounting and budgeting system is FMS. One of the primary purposes of FMS is to provide the Office of the Comptroller the ability to report on the financial operations of the City in the Comptroller's Annual Comprehensive Financial Report.

Effective internal control of the purchasing process is accomplished, in part, by use of the correct accounting and purchasing documents, appropriate authorization, segregation of duties, and proper inspection, supervision, and review. Agency monitoring of FMS transactions is an important component of internal control. Agency management is responsible for ensuring that agency FMS reports and other outputs are properly reviewed for accuracy.

This Directive states the Comptroller's policy on accountability and internal control requirements related to purchasing transactions by City agencies that use the Non-Commodity Purchase Order document, also known as the "PON1." Such transactions pose a risk of being entered erroneously or misused. In this context, 'non-commodity' simply means there is no dollar threshold for this type of encumbrance. This Directive also addresses the proper use of the Miscellaneous Payment Request document, also known as the "PRM1." Like the PON1, transactions using the PRM1 pose a risk of being entered erroneously or misused.

Finally, this Directive addresses internal controls required of City agencies for participating in the Citywide purchasing card (P-card) program.

Please note this Directive does not provide detailed instructions regarding FMS procedures. For detailed information about FMS Training and Reference Materials, please review the materials available on the [FISA Applications Portal](#).

Note Regarding Contracts

As stated in its title, this Directive is focused on non-procurement-related methods of purchasing goods and services. Such methods are not to be used to circumvent procedures for agency acquisitions that are subject to the City's procurement rules and the New York City Charter (Charter) requirement that contracts be registered with the Comptroller's Office.

This Directive is issued pursuant to the authority of the Office of the Comptroller, as provided in Chapter 5, Section 93 of the [New York City Charter](#).

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1. GENERAL INFORMATION

1.1 *Effective Date*

This Directive is effective immediately and supersedes the previous version, issued April 15, 2004. In addition, this Directive supersedes Comptroller's Memoranda #1-1, *Guidelines for Use of Procurement/Purchasing Cards*; #14-1, *Updates to Comptroller's Memorandum #1-1*; and #15-1, *Updates to Directive #24*.

1.2 *Assistance*

Questions or comments concerning this Directive should be addressed via [Technical and Professional Standards Unit Email](mailto:directives@comptroller.nyc.gov) (directives@comptroller.nyc.gov); by telephone at: (212) 669-3675; or by mail to: The Office of the Comptroller, Attention: Technical & Professional Standards Unit, Bureau of Accountancy, David N. Dinkins Municipal Building, One Centre Street, Room 200 South, New York, NY 10007.

1.3 *Comptroller's Internal Control and Accountability Directives*

An inventory of existing [Comptroller's Internal Control and Accountability Directives](#) is available on the Comptroller's Website.

2. GENERAL PURCHASING GUIDANCE

2.1 *Applicable Law Compliance*

All City expenditures must comply with applicable rules and laws including, but not limited to, the rules and regulations of the [New York City Charter](#), [Procurement Policy Board \(PPB\) Rules](#), [New York City Administrative Code](#), [Comptroller's Internal Control and Accountability Directives](#), Mayor's Office of Contract Services' (MOCS) minority- and women-owned business enterprise (M/WBE) [Policies, Procedures and Best Practices](#) and all relevant agency procurement rules, such as the [Department of Education's Procurement Policy and Procedures](#). All agencies must regularly review these rules and regulations, as applicable, for changes in City purchasing policy, including current dollar limits for small purchases and micropurchases.

All agency purchase transactions are subject to audit by the Office of the Comptroller.

2.2 *FISA Applications Portal*

Detailed information about FMS Training and related documentation can be found on the [FISA Applications Portal](#).

3. PURCHASING PROCESS OVERVIEW

3.1 *Introduction*

The effective and efficient conduct of City agency business requires a thorough understanding of procurement statutes, rules, and processes. Agencies must anticipate future needs and ensure adequate time to accommodate procurement processes that are often complex and require multiple steps and approvals to complete. Determinations

regarding the extent of competition, estimated cost, scope of work, and contract delivery timeframes must all be made and then reflected in the relevant purchasing documents.

3.2 Small Purchases

As defined in the [PPB Rules](#), ‘small purchases’ are those procurements with a set maximum dollar value, known as the small purchase limit. The PPB Rules also set maximum dollar values for ‘micropurchases’ for construction- and non-construction-related services, and stipulate associated rules governing whether competition is required for the procurement.

As detailed in the MOCS’ M/WBE [Policies, Procedures and Best Practices](#), agencies are strongly encouraged to contact MOCS about best practices regarding utilization of M/WBEs. Refer to the [City's Online Directory of Certified Businesses](#) for detailed information on certified M/WBE companies.

3.3 Segregation of Duties and Timely Monitoring

No single employee may perform all three of these functions for a single procurement:

- Authorizing transactions.
- Recording transactions.
- Maintaining custody of assets.

The segregation of these duties prevents any one person from being in a position to both perpetrate and conceal unauthorized and/or inappropriate transactions in the normal course of performing his or her duties.

An appropriate segregation of duties often appears to present difficulties in smaller agencies. Agencies that have few employees must, however, attempt to assign responsibilities to achieve proper segregation, even if it requires involving non-financial staff and/or executive leadership in some functions. If this is not possible, agencies should direct the details of relevant issues and/or questions by email to: [Technical and Professional Standards Unit Email](#) (directives@comptroller.nyc.gov).

Agency purchasing managers are responsible for promptly identifying, investigating, and resolving any unusual items or circumstances, and implementing appropriate procedures to prevent them from recurring.

For effective internal control, management may need to assign users from several work units different monitoring tasks. See Comptroller’s [Directive #1- Principles of Internal Control](#) for guidance.

4. FMS PURCHASING-RELATED DOCUMENTS

There are three types of FMS documents related to the purchasing process, discussed in this Directive:

- (a) Requisition Documents.
- (b) Purchase Order Documents.
- (c) Payment Request Documents.

4.1 Requisition Documents

Generally, agencies begin the purchasing process by creating a Requisition in FMS to pre-encumber funds from the agency's budget. Agencies should use Requisition Documents to pre-encumber funds for purchases from external vendors. A Requisition is entered by an agency to pre-encumber funds for purchases before an order is placed with an external vendor.

In order to maintain adequate internal controls, FMS has built-in segregation of duty and approval parameters. Agencies must ensure that this segregation is well documented, and an agency's IT Security Officer should maintain a list of the agency's personnel's system authorizations. In order to maintain adequate internal control, only those employees who do not prepare or approve other Purchasing Documents should be authorized to enter Requisitions.

4.2 Purchase Order Documents

A Purchase Order Document must be entered into FMS to close or clear the Requisition associated with the purchase before an order is placed with an external vendor.¹ Besides closing or clearing Requisitions, Purchase Order Documents also reserve or encumber funds from the purchasing agency's budget and reclassify the pre-encumbrance as an encumbrance.

This section of the Directive focuses on the PON1 document, since the PON1 poses a potential risk of being entered erroneously or misused.

4.2.1 Appropriate Uses of PON1 Documents

The use of the PON1 document should be strictly limited. A PON1 should be used only as a general agency encumbrance for special, non-procurement expenditures for which a contract or other Purchase Order Document does not apply or, due to the timeliness of the payment, is not possible.

Appropriate uses of the PON1 document are limited to the following:

- (a) U.S. Postal Services – payments made to USPS or a commercial vendor such as Pitney Bowes.
- (b) Federal, State, and City legally-mandated or court-ordered payments, as well as arbitration-related fees and awards that a City agency must pay

¹ Contract Documents may also be used to close or clear a Requisition in order to encumber funds; however, this Directive focuses on non-procurement transactions only.

pursuant to the terms of a City-registered contract or agreement. Where a payment is being made pursuant to a Federal, State, or City law, a citation to the relevant law must be included in the PON1 document. Where a payment is being made pursuant to a court or arbitration order, a copy of the court or arbitrator's order and, in the case of arbitration, a copy of the contract and a citation to the relevant section of the contract requiring the payment of arbitration-related fees, must be included as an attachment to the PON1 document.

- (c) Health insurance companies.
- (d) Major cultural institutions, i.e. payments processed by the Department of Cultural Affairs.
- (e) Pension funds.
- (f) Union welfare funds.
- (g) Members of City Boards and Commissions – statutory per-diem payments.
- (h) Required payments under union contracts.
- (i) Metro Cards and E-Z Passes – specifically for the direct operations of a City program.

All other uses of the PON1 document require the submission and approval of an *Application for Waiver from Requirements of the Comptroller's Internal Control and Accountability Directives*. Instructions on the Waiver process and a link to the Waiver Application can be found on the Comptroller's Website: [Comptroller's Directives and Memoranda](#).

4.2.2 Inappropriate Uses of PON1 Documents

Inappropriate uses of the PON1 document include, but are not limited to:

- (a) Using a PON1 document for any vendor payment other than those specifically listed in [Section 4.2.1](#), above.
- (b) Splitting payments using multiple PON1 documents when a contract is required per PPB Rules. Intentionally splitting a purchase to circumvent law, rules, regulations, or Comptroller's Directives is a prohibited violation thereof, whether using a PON1 document or any other FMS document.
- (c) If an agency currently has a registered contract with a vendor, increases and decreases to that contract must be made by amending the contract.
- (d) If the City has a Master Agreement (represented in FMS as an MA1 document), it is not permissible to use a PON1 document for the acquisition. In these instances, the FMS Master Agreement document must be used to record the transaction in FMS. If the Master Agreement is for goods, then the appropriate FMS document must be used to encumber funds for vendor payment. *Refer to the Citywide FMS Training manual on Contract Processing.*

4.2.3 Purchase Order Document Approvals

Purchase Order Documents require the approval of the purchasing Agency's Chief Contracting Officer (ACCO) or designee. FMS does not allow approval of a Payment Request Document (discussed in *Section 4.3*, below) by the same individual who approved the Purchase Order Document.

4.3 Payment Request Documents

Payment Request Documents referencing a contract document or a Purchase Order Document liquidate the encumbrance and record the expenditure. As a result, the agency can tender payment to the vendor against the liability.

A Payment Request Document must be approved in FMS before a payment can be issued. Payment requests must be recorded in FMS in the fiscal year for which the associated expenditure was incurred. For contracts requiring registration, no payment request can be made without the contract first being registered.

Payment Request Documents require two approvals by FMS users as assigned by the agency. Each approver acts as a check on the other's decisions; therefore, appropriate consideration must be made when assigning employees approval authority. FMS users may either enter or approve Payment Requests. FMS does not allow the same user to enter and approve a Payment Request.

Payment Request Document approvers are responsible for, among other information, ensuring that:

- (a) The correct payment type is being used.
- (b) Supporting documentation (including the invoice) is attached to the Payment Request Document.
- (c) The corresponding referenced encumbrance document on the Payment Request Document, is appropriate.
- (d) The document description field of the Payment Request Document clearly describes the purpose of the payment.
- (e) All required contact information for the agency is entered.
- (f) The goods or services have been received, and the receipt has been signed or approved by an authorized person.
- (g) The goods or services are of a type and in a quantity normally ordered (unless a special need has been cited on the Purchase Order Document).
- (h) The appropriate invoice is being paid.
- (i) The appropriate accounting and budget structures are being charged. This includes charging the correct unit of appropriation and the correct object code and budget code, within that unit of appropriation.

- (j) Invoice gross amounts are entered, taking any applicable discounts into consideration.
- (k) All unit prices and totals are accurate.
- (l) Taxes from which the City is exempt are not included (such as New York State sales tax).

This Directive focuses on the Miscellaneous Payment Request (PRM1) document, since this document poses a greater risk to be entered erroneously or misused.

4.3.1 Appropriate Uses of Miscellaneous Payment Request Documents

The use of the PRM1 should be strictly limited. PRM1 should be used only when estimated or actual future liability is not determinable, or when encumbering funds is not required or applicable. PRM1 should be used for one-time payments, not repeated payments for which an encumbrance or contract should be established.

Permissible uses of PRM1 documents are limited to:

- (a) For agencies without an imprest fund, all imprest fund type expenditures under \$250 (examples include small purchases of supplies, materials, and equipment).
- (b) Reimbursements, increases, and advances to agency demand accounts.
- (c) Payments for accrued leave and death benefit payments to beneficiaries of City employees.
- (d) Payments to court appointed attorneys who handle cases for indigent individuals.
- (e) Reimbursements to employees for out-of-pocket expenses, including carfare, tolls, telephone, mileage and out-of-City travel costs.
- (f) Real estate tax payments to a municipality other than the City.
- (g) Payments to providers of medical examinations for Uniformed Employees' Line of Duty Injury (LODI) claims.
- (h) Miscellaneous payments for Social Services when paid to an individual receiving assistance; not for use in making payment to provider agencies (not-for-profit vendors).
- (i) Miscellaneous payments for Fixed and Miscellaneous Charges, recorded within the Object Class 700 series.
- (j) Miscellaneous payments for Transfers for Debt Service, recorded within the Object Class 800 series.

All other uses of the PRM1 document require the submission and approval of an *Application for Waiver from Requirements of the Comptroller's Internal Control and Accountability Directives*. Instructions on the Waiver process and a link to the Waiver Application can be found on the [Comptroller's Directives](#) page of the Comptroller's website.

4.3.2 Non-Permissible uses of a PRM1 document include, but are not limited to:

- (a) Any payment not listed in *Section 4.3.1* above.
- (b) Payment for any purchase for which a PON1 may be used (see [Section 4.2.1](#) above).
- (c) The purchase of supplies, equipment, materials and services for which a contract and/or Purchase Order Document is required.
- (d) Monthly rent payable on lease or license agreements or other uses of real property.
- (e) Payments to postal and phone service providers.
- (f) Union welfare and annuity contributions and payments.
- (g) Payments to pension funds.
- (h) Monthly advances to libraries and major cultural institutions.
- (i) Internal payments.
- (j) Reimbursements to Imprest Funds.

For detailed information on FMS Purchasing-related documents, including how to process these documents and definitions for most of the documents, refer to the FMS Training Section of the [FISA Applications Portal](#).

5. PROCESSING CONTROLS

Agency management must ensure that agency transactions are properly recorded in FMS. The sections below describe resources that are available to help agencies satisfy this requirement.

5.1 Reports on FMS Transaction Data

City agencies must verify that data inputted into FMS is accurate and properly entered.

FMS reports serve as a useful tool for monitoring and controlling the purchasing process. Among other functions, agencies can access reports to scrutinize budgets, monitor open balances, track types of expenditures, and examine contract end dates.

A wide range of reports is available in the FMS reporting tool, *InfoAdvantage*. Among the topics covered in *InfoAdvantage* reports are:

- Budgets.
- Requisitions.
- Contracts.
- Purchase Orders.
- Payment Requests.
- Cash Receipts and Invoices.
- Vendors.
- Commodities.
- Document Catalog Activity.

For more information on these reports, please refer to [FMS Accounting Reporting Handbook](#).

5.2 Fiscal Year-End Closing Instructions

5.2.1 Comptroller's Website

Appropriate agency staff should attend the annual fiscal year-end seminar held by the Office of the Comptroller's Bureau of Accountancy, and follow the annual [Fiscal Year-End Closing Instructions](#) on the Comptroller's website. New instructions are posted in June of each year. Agency heads are responsible for their agency's handling of the procedures detailed in the instructions, and all responsible agency staff should be informed of the requirements to ensure compliance with Comptroller's Office policy.

5.2.2 FISA Applications Portal

The [FISA Applications Portal](#) provides numerous year-end closing-related materials, including FMS Bulletins related to the roll-over process, pre-processing, end-of-year contract procedures, and accruals.

6. PURCHASING CARDS

The purpose of this section of the Directive is to aid in the facilitation and use of P-cards by describing their appropriate usage and establishing basic internal control mechanisms. Agencies must utilize this Directive in addition to other related P-card information, which is available by accessing this link on the City's network:

<https://cityshare1.nycnet/content/cityshare/pages/agency-resources/p-card-resources>. The *CityShare* site provides further details with respect to maintaining controls over this process. In an effort to speed up processing times and lower transaction costs for small purchases, many City agencies are using P-cards for faster acquisition of micropurchases, to facilitate lower transaction costs, and to simplify routine expense reporting.

The use of P-cards is a permissible business practice, provided that agencies incorporate appropriate internal controls. The controls must ensure that payments are made only as appropriate, that P-card transactions are accurately reflected in the City's accounting records, and that all purchases comply with the City's procurement policies.

Agencies are encouraged to use P-cards for any purchasing situation where the use of the P-card can achieve financial and/or operational benefits within the applicable dollar-amount threshold.

6.1 P-Card Process Review

P-cards are a purchasing vehicle and payment mechanism. The P-cards can be used by office purchasing personnel from a central or distributed location, or by employees with field or road assignments. The primary benefits to the agency are user convenience, the elimination of intermediate steps required by the City's traditional procurement processes,

and a reduction in the internal documentation needed to support a purchase and its payment. Vendors benefit by speedier payment and reduced transaction costs. Although this Directive refers to ‘Cards’ and ‘Cardholders’, it is not necessary that a physical card be used, since authorized employees (i.e. Cardholders) can make P-card purchases via phone, internet, fax, or other means, using the account number.

6.2 P-Card Internal Controls

Internal P-card controls are an integral part of satisfying an agency’s responsibility for achieving its mission, while assuring full accountability of its resources. Effective internal P-card controls provide necessary and continuing surveillance over the various processes, plans, and procedures that are the foundation upon which management relies to successfully achieve the purpose, goals, and objectives of the agency. To this end, agencies must ensure that these controls, as approved by management, are well documented, circulated to all staff, and kept on file for reference. These controls must continuously be reviewed and modified as needed in order to mitigate risk of mismanagement and misappropriation of funds. Internal P-card controls serve as the first line of defense in safeguarding City assets and help prevent or detect errors and fraud.

The internal controls for P-card usage fall into three primary categories: (1) authorization controls; (2) payment controls; and (3) compliance controls.

6.2.1 Authorization Controls

Agency procedures must incorporate measures to ensure that only authorized personnel use P-cards, and that the P-cards are used only for the kinds of purchases and under the conditions set forth by the agency.

- P-card providers incorporate a variety of internal controls into their products that agencies can use to help ensure that the P-cards are used by only authorized individuals for specified purposes. When selecting a P-card provider, the City must ensure that the control mechanisms offered are adequate for the planned use environment.
- These controls include spending and use restrictions that can be defined by the agency, such as: limitations on the amount that can be purchased in any individual transaction; restrictions on the accumulated purchases during any specified time period; permitting transactions only for particular categories of goods and services; limits on the frequency of use; prohibitions on cash advances; or combinations of these factors by individual or groups of P-card users.
- In addition to P-card provider-based controls, agencies must ensure that:
 - Cards are issued only to trustworthy employees who are adequately instructed in the security risks that accompany P-card assignments;

- Employees are advised that P-cards are City property that have been assigned to the employee only for official business purposes.
- Cards are not ‘loaned’ or used by anyone other than the employee or employees authorized to use them;
- Physical P-cards and relevant card information (e.g. account number, card security code) are adequately safeguarded when not in use;
- Cards are deactivated immediately when employees change assignments, retire, or are terminated.
- It is recommended that agencies use ‘Purchasing Card User Agreements’, signed by the employee, which detail the terms and conditions of the P-card assignment. For P-card procedures, a Sample Purchasing Card User Agreement, P-card forms, frequently asked questions (FAQs), and other related P-card information, access this link on the City's network: <https://cityshare1.nycnet/content/cityshare/pages/agency-resources/p-card-resources>.

6.2.2 Payment Controls

Agency procedures must include steps that ensure that the P-card provider is paid promptly and only for authorized purchases. These procedures include:

- (a) Use of a P-card Transaction Log or spreadsheet to maintain a record of P-card usage as it occurs. The log should include enough information to enable agency vouchering staff to match P-card transactions with the P-card provider’s month-end statement.
- (b) Agencies must have procedures in place that ensure that P-card provider invoices are paid within the contractually stipulated timeframe. P-card provider payment requirements may differ from the payment timeframe in the City’s cash management policy. When necessary, agencies may have to use the FMS Online Disbursement Request (OD1) document to ensure that the P-card provider is paid in a timely manner.
- (c) Agencies must ensure that the P-card provider’s reports and statements are sent to individuals who are independent of those authorized to use the P-cards. Generally, this would be someone in the agency’s vouchering/accounts payable area.
- (d) When the P-card provider’s statement arrives it must be promptly compared and reconciled to the P-card usage record or P-card Transaction Log and receiving reports before authorizing payment. If there are no discrepancies between the P-card provider’s statement, the agency P-card Transaction Log, and the receiving reports, the bill should be paid.

- (e) Discrepancies between the agency record and the P-card provider's Statement must be investigated and resolved to the satisfaction of vouchering personnel or other appropriate agency staff.
- (f) Certain P-card provider agreements may require agencies to pay bills promptly in full even though there may be an unresolved discrepancy or billing dispute. In such cases, it is critical that agency documentation and recordkeeping is adequate to maintain close control over such billing errors, disputes and similar matters to ensure that appropriate adjustments are made in successive billing periods.

6.2.3 Compliance Controls

Agencies must implement controls to ensure that P-cards are not used to circumvent the applicable City's procurement policies and procedures, the City's accounting system (FMS) rules and procedures, or any policies and procedures established by the agency. The controls must include the following:

- Purchases made with P-cards must comply with all City procurement guidelines and Comptroller's [Internal Control and Accountability Directives](#) applicable to the dollar amount of the purchase made.
- Agencies must implement and adhere to a policy whereby unauthorized or inappropriate use of P-cards results in immediate sanctions, including suspension or revocation of P-card privileges, reimbursement for unauthorized use, any appropriate disciplinary proceedings, or referral to NYC Department of Investigations (DOI).
- Agencies must not use P-cards to acquire items that are available through NYC Department of Citywide Administrative Services (DCAS) Master Agreements, Open Market Price Agreements, the DCAS Central Storehouse, or any other Citywide approved purchasing mechanism.
- Agencies may not use P-cards to circumvent imprest fund, split ordering, or other rules limiting a procurement's dollar value.
- Agency staff independent of the Cardholders must conduct monthly reviews of each Cardholder's activity to ensure that the card is being used in accordance with the rules and procedures established by the agency. Such reviews include verifying that the card is being used in the manner intended, for the specified purchase types, and within the specified purchase limits.
- Agencies must not use P-cards to purchase from a vendor if the agency is aware that the City has a lien against the vendor.

Agencies and Cardholders must comply with this Directive and all procurement or purchasing and payment guidelines including, but not limited to, applicable [Procurement Policy Board \(PPB\) Rules, Directive #1 – Principles of Internal Control, Directive #3 – Administration of Imprest Funds, and Directive #6 – Travel, Meals, Lodging, and Miscellaneous Agency Expenses.](#)

6.3 Card Usage

P-card use is limited to ‘Official City Business Use Only’; P-cards shall not be used to purchase items of a personal nature, even if the Cardholder intends to reimburse the City, or other prohibited card transactions (as noted later in this Section). Assigned cards shall not be loaned out to City staff not named on the card, Cardholder family members, work colleagues, or any other individuals who are prohibited from using a card for any reason.

Although the P-card is issued to an authorized Cardholder, it remains the property of The City of New York. Use of P-cards is not a right of employment; it is a privilege. The Cardholder is the only person authorized to use the assigned P-card, and is responsible for all transactions connected with its use. The City may hold the Cardholder personally responsible for the purchase price, fees, interest charges, or other penalties associated with unauthorized purchases. It is the Cardholder's responsibility to ensure that the card is used only within these guidelines, and other supplemental agency guidelines or procedures.

The agency may cancel or suspend any card, at any time, for any reason or purpose, by notifying the P-card Unit² in writing. Agencies do not need approval from the DCAS P-card Unit to suspend or cancel cards. The DCAS P-card Unit reserves the right to suspend or cancel the card use of any Cardholder or agency at any time and for any reason.

6.3.1 Allowable and Prohibited P-card Transactions

6.3.1.1 Allowable P-card Transactions

The types of allowable P-card purchases include, but are not limited to, training class registration, memberships and subscriptions, books and publications, mail, copy and small print services, professional services, hardware and software.

6.3.1.2 Prohibited P-card Transactions

Cards may never be used to purchase goods and/or services for personal use, even if the Cardholder intends to reimburse the City. In addition, the following goods and/or services are currently prohibited:

- Personal use;
- Prescription drugs, or any controlled substances;

² Refer to the Citywide Purchasing Card (P-card) Policies and Guidelines for contact information by accessing this link on the City's network: <https://cityshare1.nycnet/content/cityshare/pages/agency-resources/p-card-resources>.

- Most travel, hotel/lodging, automotive, and out-of-town transportation-related purchases (e.g. airplane flight, train trips, car rentals, automobile repairs, etc.);
- Alcoholic beverages;
- Capital-funded transactions;
- Judgments or claims, or fees pertaining to any form of penalty and/or interest charges, other than those permitted by City rules, regulations, or Directives;
- Salary, and/or non-employee compensation (i.e. volunteers or temporary employees);
- Leases or rentals of land or buildings/structures (other than temporary meeting venues);
- Cash advances, cash back on purchases, or cash refunds of any kind;
- Cash, bank, certified checks, travelers checks, money orders, savings bonds, gift cards, or gift certificates;
- Goods and/or services prohibited by PPB Rules, Comptroller’s Directives, [DCAS Citywide Purchasing Card Policies and Guidelines](#), or other City rules and regulations.

Refer to the [DCAS Citywide Purchasing Card Policies and Guidelines](#) for any changes to the allowable and prohibited uses of P-cards.

6.3.2 Out-of-Policy Transactions

The P-card Unit accepts and evaluates requests to utilize P-cards in a manner not currently authorized or allowed by these guidelines and works with appropriate stakeholders to determine if approval can be granted. Such requests may include, but are not limited to: the temporary suspension of current P-card guideline restrictions, requirements, and spending limitations. Approved requests are communicated to the relevant P-card community. Approved out-of-policy transaction types may be subject to enhanced or additional reporting requirements. Agencies may independently solicit relevant oversights to approve P-card use in a manner not currently authorized by these guidelines.

6.3.3 Lost or Stolen Cards

If a card is lost or stolen, the Cardholder must immediately notify the P-card provider using the number on the back of the card to cancel the card and request the issuance of a new card. The Cardholder must also notify the Agency Program Administrator.

6.4 Recording Transactions

Accurate recordkeeping is essential to ensure the integrity of P-card use. For many agencies, standard payment and reimbursement policies require the retention of receipts and other documentation. In addition, purchase documentation helps expedite the

reconciliation and approval process by providing detailed information about the transaction, including what was bought, how many items were purchased, a complete justification, and the total amount charged. All receipts, charge slips, and other documentation must be maintained and made available to vouchering personnel.

A receipt may be a cash register receipt, fax confirmation, e-mail, internet order confirmation, invoice, packing-slip or mail order, or other vendor-supplied document. All such information must be clear and legible. Upon delivery of the order, the Cardholder should document receipt of the items or services. If the receipt does not clearly indicate the purpose of the purchase, then documentation should be included that states the reason for the purchase. Supporting documentation should clearly indicate the name of the actual vendor with whom the purchase was made. Lack of vendor clarity can be present in some types of third-party billing/payment services (e.g. PayPal, Intuit, etc.).

For P-card procedures, P-card forms, frequently asked questions (FAQs), and other related P-card information, access this link on the City's network:

<https://cityshare1.nycnet/content/cityshare/pages/agencyF-resources/p-card-resources>.