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Prohibition on Venmo and Other Peer-to-Peer Payment Apps [1]

December 8, 2025 by Staff [2]

The Procurement Service Center (PSC) has updated relevant policies on the prohibited use of Venmo-Personal Payments, PayPal-Personal Payments, Cash App, Zelle, and other peer-to-peer (P2P) apps for any university business transaction. This change follows our card-issuing bank's recent decision to designate Venmo payments to individuals as "high-risk," causing related card transactions to automatically decline. While P2P apps are convenient for personal use, they are not suitable for institutional transactions. They lack verifiable receipts, do not provide tax documentation or facilitate W-9 reporting, pose reconciliation challenges, and can expose the University to fraud, PCI-DSS violations, and data-security risks.

Going forward, it is prohibited to pay *individuals* through any P2P platform either using a university-issued commercial card or personal payment/reimbursement. Instead, departments must use approved processes such as the CU Marketplace (including Requisitions/Pos or Payment Vouchers for independent contractors), the Travel & Expense System for allowable reimbursements to non-employees/non-contractors, or through official merchant apps linked to authorized business accounts(e.g., Uber, Lyft). Limited exceptions may apply when a registered business profile (**not an individual**) is the payment recipient (e.g., PayPal Business, Square). Always be sure to include a detailed business purpose description in your expense reconciliations.

This formalized policy guidance strengthens compliance, protects institutional resources and data, and improves audit integrity across all purchasing and expense activities. Updates reflecting this guidance have been posted in:

- The Procurement Card Handbook – Violations and Prohibited Transactions [3]
- Non-Purchase Order Payments – Reimbursements [4]
- The Travel Card – Restrictions [5]

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