# OHIO UNIVERSITY

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**Purpose:** This document contains the procedures that govern the operation of the university Payment Card (Pcard) program.

**For Questions Contact:** Director of Payments

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# 1. INTRODUCTION

The payment card program (pcard) provides a method to procure and pay for small dollar goods (and limited services, such as travel) for university business purposes. While the pcard is available to departments to make purchases, we must also balance its use with respect to the established policies and procedures and our fiduciary duty to safeguard university funds. As a large public institution, the university is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a pcard is a privilege, and every reasonable effort must be made to verify that funds are used responsibly and, in a manner consistent with the university mission. Policy 55.074 – Payment Card Program and the procedures outlined in this manual, set the expectations and requirements for those who may obtain a pcard through this program.

All cardholders should become familiar with the university policy manual, which contains the university's purchasing policies and policies related to specific types of business expenditures.

Cardholders, reconcilers, approvers, and proxy/delegate users are responsible for understanding and following all guidelines put forth within both the payment card policy and the pcard manual. Violations of the pcard policy or procedure may result in disciplinary action.

# 2. PROGRAM AND CARD ADMINISTRATION OVERVIEW

## 2.1. PROGRAM ADMINISTRATION

Administration of the pcard program is the responsibility of the division of finance and administration. The following groups have oversight and compliance roles:

### 2.1.1. Accounts Payable

Pcard administrators are accounts payable staff members who are responsible for the day-to-day management of the program. A pcard administrator's roles and responsibilities are:

- Serve as point of contact between the university and financial institution issuing pcards
- Provide customer service to card users as it relates to the program
- Issue pcards once approved by the planning unit Chief Financial and Administrative Officer (CFAO)
- Maintain the configuration of the cards' merchant controls, end dates, credit limits, etc. in the banking system
- Maintain training modules, procedures, websites, and job aids related to the payment card program
- Perform program reconciliation
- Perform audits as necessary
- Perform annual cardholder reviews, in partnership with the CFAOs, to ensure credit limits are reflective of the scope of responsibilities and role of each cardholder
- Suspend or place cards on hold as necessary and in accordance with policy and procedures

- Close and cancel cards in the banking system, as necessary
- Monitor the termination list received from HR to identify cardholder accounts that should be closed and close them
- Place cards on hold for extended leave periods that are greater than one month (I.e., furlough leave; Family Medical Leave when employee is unable to work; unpaid leave of absence). Does not apply to faculty fellowship leave or sabbatical leave; exceptions for other situations when university duties continue during an extended leave period may be considered in consultation with HR and the planning unit CFAO
- Ensure that all pcard transactions are entered into the university financial records

### 2.1.2. Procurement

Procurement reviews buying patterns and analyzes pcard usage data to ensure compliance with purchasing policy and identify opportunities for price negotiation or the solicitation of bids.

### 2.1.3. Internal Audit, External Auditors, External Reviewing Agencies

All transactions are subject to appropriate review by the university office of internal audit, the university's external auditors, and other reviewing agencies in order to test for compliance with university policies and procedures; federal, state and local laws; and regulations and constraints imposed by agencies and donors.

## 2.2. CARD USER ROLES

For the purpose of the pcard program, **card users** include cardholders, reconcilers, and approvers. The roles and responsibilities of each of these types of card user are described below.

### 2.2.1. Cardholder Responsibilities

- The card is for business expenses only. It must not be used for personal purchases. Even if the cardholder later fully reimburses the university, the use of public funds for personal expenses could violate several Ohio laws including R.C. 2921.41. Those found in violation of this policy may be subject to disciplinary action, up to and including termination.
- The cardholder shall abide by all university policies and procedures when using a payment card.
- The cardholder must determine if the payment card is the appropriate payment method when making purchases.
- In accordance with the banking regulations, the card is not transferable and may only be used by the cardholder (e.g., loan your card or provide your card number to another person to make a purchase, giving your card to a delegate to make a purchase on your behalf). If there is a need to have a card that is transferable, talk with the planning unit CFAO about a departmental card and whether that is a more appropriate solution to meet the business need.
- The cardholder must obtain an itemized receipt for all payment card transactions (regardless of what type of card). See Section 8.3 for more information.

- The cardholder is responsible for adequately substantiating all transactions on their university payment card. This includes providing a clear business purpose, the correct account number to charge, and any other documentation necessary to adequately document the charge (ex., such as an agenda and attendees of a business meeting). See section 8.4 for additional details.
- All card transactions must be verified in Concur within 28 calendar days of the transaction post date. The cardholder can delegate updating their transactions in Concur to another employee; however the cardholder is still responsible for the transactions charged to the payment card and for providing all necessary documentation to the delegate to update the transaction in the system in accordance with policy within 28 days of the post date in Concur.
- Cardholder cannot pyramid their transactions to circumvent card limits (e.g., dividing a purchase into two or more transactions to avoid the limits associated with the card being used).
- Cardholders cannot receive cash advances of any form using a university payment card.
- Cardholders are responsible for resolving discrepancies and ensuring credits are received as necessary.
- Cardholders may not receive cash back or in-store credits for any refunds or exchanges. Such amounts must be credited back to the university payment card. If the supplier mistakenly issues a refund check, it must be submitted to the Cashier's Office within five calendar days of receipt by the cardholder.
- The cardholder should ensure that Ohio sales tax is not paid on purchases, when required. See section 7.5 for information on Sales Tax.
- If grant or foundation funds are being charged, cardholders are responsible for seeing that all granting agency or foundation account spending guideline requirements are met. Charges must be reasonable, allocable and allowable to the specific grant.
- Ohio ethics law and the related statutes  generally prohibit public officials and employees from misusing their official positions for their own personal benefit or the benefit of their family members. As such, cardholders may not make purchases that may be perceived as a conflict of interest (purchases from a business in which you or a relative have a financial interest). Also see policies 55.030 "Purchasing," and 19.058 "Conflict of Interest in Sponsored Programs."

### 2.2.2.    Reconciler

A reconciler is an employee who is responsible for reconciling pcard transactions. Most cardholders serve as reconcilers for their own cards; however, some cardholders choose to use proxy/delegate reconcilers. The proxy/delegate can be set up in Concur to create the report only or submit on the cardholder's behalf. Both reconcilers and proxy/delegate reconcilers have the following responsibilities:

- Abide by all university policies and procedures when reconciling transactions
- Report suspicious or erroneous charges through appropriate channels (see Section **Error! Reference source not found.** for reporting fraudulent or incorrect charges on a payment card)
- Compare itemized receipts to card transactions to ensure accuracy of charges.

- Attach scanned copies of all required documents to adequately substantiate the transaction (e.g., if a business meeting a list of attendees should be included along with an agenda)
- Ensure that the business purpose provides an adequate description of the charge(s). If the transaction is allocated to a grant or cost share, the business purpose must indicate the benefit to the grant. See section 8.4 for additional information on business purpose.
- Allocate each transaction to the appropriate account number and object code
- If the cardholder and the reconciler are not the same person, transactions still must be reconciled and the report submitted for approval within 28 days of the post date in Concur.

### 2.2.3. Approver

Approvers are accountable for the review of all charges made with a payment card. Approver responsibility is a formal delegation from the planning unit CFAO to approve the commitment or spending of university funds within the scope of their management authority. This type of authority is delegated in the Financial Approvers and Related Metadata (FARM) system (which uploads financial approver data into university financial systems) and pertains only to the approval of transactions within those systems. Approver authority does not include signature authority (an approver cannot enter into a legally binding commitment on behalf of Ohio University as they most generally do not have signature authority to do so). Should a financial approver fail to exercise the due diligence and control vested with this role, they may be removed as an approver.

Approvers serve a critical internal control function within the University. It is important that approvers be well versed in their understanding of university policies and procedures; the payment card requirements; any restrictions associated with the account number being charged (ex., grant and foundation accounts); and in a position to determine if the expense is appropriate for the stated business purpose. As an approver, you serve as the check and balance on behalf of your planning unit to ensure compliance is maintained within the planning unit for all card transactions.

Approvers have nine (9) calendar days to approve the report in Concur once it has been submitted by the cardholder or proxy/delegate.  Section 9 continues details about approving transactions. Section 10 contains information about policy and procedures violations.

### 2.2.4. Chief Financial and Administrative Officer

The CFAO for each planning unit is responsible for ensuring compliance for their unit with payment card policy and procedure. The responsibilities of the CFAO include:
- Reviewing and determining appropriate and reasonable payment card transaction limits based on the scope and responsibilities of the position applying for the payment card
- Approving all payment card applications for the planning unit
- Ensuring that cardholders complete all training as required by the Payment Card policy
- Verify that cardholder attempted to resolve any sales tax charged to the transaction (if required). Refer to the  webpage and section 7.5 for further information.
- Establishes the cardholder default account number in Oracle for all planning unit cardholders (see section 8.2).
    - The default account number can be changed by the planning unit Chief Financial and

Administrative Officer (CFAO) or designee in Oracle (see the eBiz - Quick Reference Guide for instructions). The default account should be either the cardholder's main departmental account number or the account number most often charged. It is advisable to not use a grant account number as the default account number (those Award values starting with a 1, 2, or 3) for a cardholder. However, if a department chooses to do that, they need to ensure they have appropriate controls in place (particularly when transactions are reviewed by the financial approver) to ensure that charges to the grant account are allowable in accordance with the sponsors spending guidance and Uniform Guidance.

- If the CFAO discovers a policy or procedure violation on the payment card at any time, they must ensure that the approver reported this instance to Finance Customer Care. If that did not occur, the CFAO should report the violation. See section 9 for details.

# 3. OBTAINING A PAYMENT CARD

## 3.1. Applying for the card

Applications must be completed for each new card type issued. To be eligible for a university payment card:
- the individual must be an active University employee or a graduate student with an employee status based on the current Human Resource records at the time of request.
- Undergraduate students, non-employees, and temporary agency employees are not eligible to receive most types of university payment cards but may be eligible for a declining balance card with proper business justification and approvals.

Every applicant must complete the application in its entirety.

- Cardholder Information - All cards are issued under legal names with a maximum of 21 characters (no nicknames). If your legal name has more than 21 characters, please provide information on how your name should be shown on the card.
- Cardholder Specifications – Descriptions of card types and monthly credit limits are found in section 3.1.1 and 3.1.2 of this manual.
- Signatures/Approvals
  - All applications must be signed by the cardholder and CFAO.
  - There are optional signature lines available for the department/chair and/or dean/vice president for those planning units that require that level of approval.

The applications can be found at:
https://www.ohio.edu/sites/default/files/sites/finance/PCard/pcard_application.pdf.
Once complete, applications should be emailed to financecustomercare@ohio.edu. with a subject line of: PCard Application - <name>.

### 3.1.1. TYPES OF PAYMENT CARDS

Ohio University has partnered with the Bank of America to provide the payment card program. All Bank of America cards are contactless chip cards and require a PIN to be set up and used at many merchants. In some instances, double entry of the PIN may be required to account for the transaction and the tax exemption on the card.

This program encompasses several different kinds of cards. New card types may be added as they become available in the banking industry as business needs dictate. Each card is configured with a set of merchant category codes (MCC) that are part of each card's spend profile. An MCC is a code that classifies a business according to the types of goods or services that it provides (e.g. airfare, books and periodicals, hardware equipment, etc.). An MCC group is made of similar MCCs and is included or excluded from a pcard's spend profile in order to allow or disallow purchases from various types of vendors.

The program consists of the following types of cards and MCC groups:

- **Purchasing card**: a university payment card that can be used to make qualified purchases that may not be available in the university e-procurement system. See section 7.3 and 7.4 for unallowable and restricted purchases on the card. Purchasing cards include MCCs that apply to the majority of vendors with which the university does business. Excluded MCC's include items like cash advances, bank transfers, loan payments, etc.

- **Departmental Card**: a university payment card that can be used to make qualified purchases that may not be available in the university e-procurement system. It includes MCCs that apply to the majority of vendors with which the university does business. Departmental cards require the Chief Financial and Administrative Officer to have control procedures in place and to designate a card custodian for each departmental card. See Section 6 for details related to control requirements associated with departmental cards.

- **Travel card**: a university travel card can be used to pay for hotels, airfare, transportation, conference fees, membership and other types of transactions that may occur when one is traveling (e.g., grocery stores, bookstores, drugstores, office stores, etc.).  It includes MCCs that apply to the majority of vendors used for transactions such as those listed. See Section 5 for additional details on the travel card.

- **Declining balance card**: a declining balance card can be used in certain circumstances for non-university employees. A declining balance card has a set limit that declines with each qualified purchase on the card.

- **Corporate travel card**: a corporate travel card is a virtual card (meaning it is not a physical card) that is available in Concur that can be used to charge airfare for university employees and guests (including students), and rental cars for arrangements made through university vendors.

- **Accounts Payable Card**: the accounts payable card is a central card that is maintained by the Finance area to pay vendors on an emergency basis and serves as part of the business continuity plan.

### 3.1.2. TRANSACTION LIMITS

Every pcard has two types of transaction limits associated with the card, referred to as the spend profile – a monthly credit limit and the single transaction limit.  Available limits are listed on the Pcard Application.

The monthly credit limit is the total dollar amount that can be charged to a card over the course of a card billing cycle. Monthly credit limits should be requested based on spending needs. CFAO's may request changes to a monthly credit limits when necessary. All card applications requesting monthly credit limits greater than $25,000 require chief financial officer approval.

Single transaction limits are the limits set on individual transactions. Single transaction limits are selected at the time of card application and should be reflective of the role and business need of the cardholder. Exceptions to the standard single transaction limits are not common. However, exception requests can be made by the CFAO [or delegate maintained in the Financial Approver and Related Metadata (FARM) system] using the "Card Limit Exception Process" outlined in Section 4.7.

## 3.2. Completing Training

After submitting a new application for a pcard, the cardholder must complete the required training before they are able to receive the card.

- The training is online and can be found on the Blackboard website at: blackboard.ohio.edu
  - After you log in to Blackboard, select the Organizations tab (on the right) and then the Professional Development Pathways Organization.
  - Next, select the Finance Pathway, then Core Learning
  - The name of the course is: Ohio University Payment Cards.
  - If you encounter problems logging into blackboard, please contact the OIT Service Desk: servicedesk@ohio.edu
- You will need to do three things on the Blackboard course:
  - First – complete the entire training course
  - Second, after you complete the course, a new link till unlock to complete the course assessment.
    - The passing score on the assessment is 80%.  Cardholder will be given multiple attempts to pass the assessment.
    - You must continue to take the assessment until you receive a score of 80%.
  - Third, after completing the course and assessment, a third link will unlock to sign the Cardholder Agreement.  You must electronically sign the agreement before you can receive your card.

After you have completed all three steps in Blackboard, you will be ready to receive your card.

After the initial training, the cardholder must complete a refresher training course (also with a passing score of 80%) before any renewal card is issued.  You will also need to complete the agreement for the new card.

### 3.3. PCard Pickup and Activating Card

The pcard administrator will order a new card upon receiving a card application. Generally, these cards arrive within five to seven business days; the bank mails all payment cards directly to Accounts Payable.

When the card arrives, the pcard administrator will contact the cardholder to arrange pickup.

- Athens campus cardholders must pick up cards in person in the Accounts Payable office (photo identification is required).
- Cardholders from other campuses and locations may arrange, with Accounts Payable, to have another employee pick up the card (photo identification is required) or may elect to have cards delivered to their campus business office.
- Remote cardholders may have cards mailed to their home addresses with CFAO approval. To request a card be mailed to a home address, the CFAO should indicate in the ticket with the application that they are authorizing mailing of the card and providing a department account to charge shipping costs.
- Anyone who picks up a payment card must sign and show the identification to the staff person

Once the cardholder receives their new card:

- Cardholders are strongly encouraged to activate their card through Global Card Access using the instructions provided on the Finance website (apply-activate). During the activation process it will be necessary to provide the 16-digit card number, expiration date and security code on card, and a verification ID. For employees, the verification ID is eight characters-OU followed by your six digit employee ID (ex: OU123456).  For non-employees, the verification ID will be established at the time of pickup.
    - Global Card Access allows the user to set up their 4-digit PIN which will be required when making a transaction at many merchants. (Some merchants require the PIN to be entered twice to account for the transaction and the tax exemption)
    - See Global Card Access webpage for more information about updating PIN and customizing alert preferences.
    - Global Card Access also has a smartphone app that allows you to view recent transactions, along with your credit limit and available balance.
- Although we know that activating by phone is an option, using the instructions above will allow users to set up their PIN, update their mobile number to receive alerts, check their credit limit, and see activity on their account.

## 4.  MAINTAINING YOUR PCARD

### 4.1. Payment Card Billing Cycle

The pcard billing cycle is a calendar month. For university pcards, the billing cycle begins on the first day of the month and ends on the last day of the month. Cards begin each month with their full credit line available. Every transaction made throughout the cycle decreases the available credit,

until the new cycle begins. Cardholder's available credit is restored to the full credit limit at the beginning of each pcard cycle.

- NOTE: Declining balance cards do not reset each month.  Your available balance will always be the issue amount of your card less any posted transactions.

## 4.2. Payment Card Billing Address

When making purchases online the purchaser may be asked for the billing address associated with the payment card. The billing address for all University payment cards is:

> Ohio University – Accounts Payable
> 1 Ohio University Drive
> Athens, OH 45701

## 4.3. Expiration And Reissuance of Payment Card

When you receive your new payment card be sure to properly destroy your old credit card. The best way to destroy a credit card is to cut through the EMV chip, cut the card a few times along the short side, and dispose of the sections in more than one trash can. You can also feed the plastic card into a paper shredder designed to handle them.

All card types expire five (5) years from the date of issuance, with the exception of declining balance cards. Declining balance cards generally are closed when the funds are depleted, or when the CFAO cancels them.

## 4.4. Changing Information on a Card or Cancelling a Card

If a cardholder needs to change information associated with their card such as new permanent credit limits, organization changes, or name change, a new application must be submitted. When submitting the new application, mark the radio button next to Update Account. A name change is the only instance where a new card would need to be issued.

Planning unit CFAO's have the authority to close cards at any point in time in accordance with policy, by sending an email to financecustomercare@ohio.edu with the subject line: Cancel Payment Card - <Name> <effective date>.

## 4.5. Lost or Stolen Card

**Report a lost or stolen payment card immediately!**

Contact Bank of American lost or stolen card service at 888.449.2273 or 1.602.379.8753 (collect outside the US and Canada). Have your card number or verification ID number ready. Toll free numbers are available 24/7.

## 4.6. When A Cardholder Leaves the University or Moves to Another Planning Unit

- **Employee Leaving the University** - CFAOs are responsible for ensuring that procedures exist within their planning unit to collect university payment cards and any necessary documentation for outstanding transactions from employees leaving the university as part of the exit process within the planning unit. CFAOs must immediately cancel the university card when employment is terminated, by sending an email to financecustomercare@ohio.edu with the subject line: Cancel Payment Card - <Name> <effective date>.

- **Employee duties change within the department/planning unit** – CFAOs need to have a process of reviewing payment cards for employees that have a new position or change in position scope to ensure that the card type is matched appropriately to the cardholder's roles and responsibilities.

- **Employees moving from one planning unit to another within the university** – CFAOs from the old and new planning unit must coordinate to determine if the employee's new role requires the use of a university payment card. If the new role does not require the use of a card, the CFAO for the departing planning unit must request cancellation of the card. If the employee's new role requires the use of a payment card, the CFAO for the new planning unit should review the type and limits of the current card to determine if those are reflective of the employee's new role and responsibilities. Changes to the card, including the new planning unit/organization, should be coordinated with the pcard administrator through a new application.

## 4.7. Card Limit Exception Process

A planning unit CFAO (or delegate maintained in FARM) can request either or both a temporary increase to either the single transaction limit or the monthly card limit by submitting the request to financecustomercare@ohio.edu. The temporary increases can be requested in standard increments as shown on the pcard application. (ex. Cardholder has a single transaction limit of $1,500 but needs to make a purchase for $2,000. The cardholder would be increased to the next standard limit which is $2,499.) The request will be routed to the pcard administrator to make the adjustment in the banking system and the requestor will be notified once the adjustment has been applied. Please keep the following items in mind when making a card limit request:

- Requests for increases to single transaction limits up to $10,000 and monthly transaction limits must be submitted and approved by the planning unit CFAO or designee and must include detail to support the proposed increase.

- Any increases approved by the CFAO must be for an allowable expense for the card under the purchasing card policy and procedures.

- All requests above $10,000 must be approved by the Director of Payments or designee. The payment card is not a substitute for standard procurement processes (Purchase order, contract review, insurance requirements, etc.) and, as such, increases may be denied.

- Requests for increases will only be granted using standard spend profiles as shown on the card application. This PCard program can no longer support various spend limits.

Single transaction limits can also be adjusted using Bank of America's Exact Override feature. To use this feature the request sent through Finance Customer Card would need to give the EXACT amount of the transaction to be processed, which is over the cardholder's permanent spend profile. The PCard Administrator would put a one-time exact override on the cardholders account allowing the transaction to flow through without changing the spend profile on the card.

## 4.8. Fraud Prevention & Card Security

The cardholder should use basic security measures, as outlined below, to guard against fraud:

- Do sign your card as soon as it arrives or write "ask for ID" on the back. This should prompt merchants, at least when using a card in-person, to ask for ID to prove your identity as the cardholder.
- Do keep your card in a secure location and guard the card number carefully to ensure that no fraud or inappropriate use occurs on the card. It is a best practice to place your university payment card separate from your personal cards so that you do not inadvertently use your university payment card for a personal purchase.
- Do make sure you save your receipts in a secure location so that you have them when it is time to update your transaction in Concur.
- Do keep an eye on your card during a transaction and retrieve it as soon as possible.
- Do always know where you card is! If you can't find the card, assume the worst – cancel the card and request a new card.
- Do be aware of what you are signing so that your signature does not inadvertently end up on something that you do not have university signature authority to sign (like a contract or terms/use of agreement document).
- Do visit reputable, familiar vendors whenever possible.
- Do report possible fraud immediately to Bank of America using the number on the back of your card.
- Do not lend your card to any other person to use.
- Do not give your card number to anyone over the phone unless you know you are dealing with a reputable vendor.
- Do not save or send the full credit card number in hard copy or electronically, including and not limited to emailing, faxing, texting, voice mailing, or other electronic messaging system; write it on paper; store it in a file; or enter it in Excel, Word or other app/device/program.
- When making online purchases, "guest checkout" or "do not save card number" options must be used when available to avoid storing the university payment card in the system (this also helps avoid inadvertently using the university payment card for personal purchases).
- If the cardholder is required by a supplier to store payment card information in an online merchant site for the procurement of goods and some travel services, the account must be monitored on a weekly basis for inappropriate activity. This is one of the most common reasons that a university payment card is used for personal purchases because the university card is setup as the default card on the account for all charges. It is highly recommended that if you have to do this to make a purchase, you immediately remove the university pcard number from the site/application.

# 5.  TRAVEL CARDS

The Travel Card is the preferred payment method for all purchases of University travel, booking and other business entertainment expenses in accordance with Policy 41.121 Reimbursement for Official Travel and Entertainment.

*Note: that the preferred method for payment of airline tickets is the Corporate Travel Account Card (CTA Card).*

The travel card may also be used for many types of expenses related to activities that occur when traveling, such as: conference registration fees, journal subscriptions, membership fees, or dues for professional organizations, and bookstores.  Additionally, in accordance with university policies, the travel card can be used at grocery stores, drugstores, bakeries, convenience stores, restaurants and fast food stores, computer networking services (related to travel) and amusement and recreation services.

# 6.  DEPARTMENT CARDS

Department cards are used like a pcard for every-day business related purchases (subscriptions, office supplies, etc.) when an area needs the ability for authorized employees or students to use a card without having their own pcard. Each department card must have a "Card Custodian" of record identified and trained before a departmental card can be issued.

In order for a department to qualify for a departmental card, the CFAO must have documented processes in place that have been reviewed and approved by Finance that are in accordance with the Departmental Card Requirements document. See Appendix A (section 11) for the departmental card procedures and sample tracking log.

# 7.  MAKING PURCHASES WITH THE PCARD

## 7.1. General Requirements for all Card Purchases

- As a public institution, the university is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a payment card is a privilege, and every reasonable effort must be made to verify that funds are used responsibly and in a manner consistent with the purpose and mission of the university. Payment cards are issued by Ohio University as a convenience for purchasing goods and some limited services (e.g., travel) by university employees.  As such, payment cards are issued at the discretion of the University.
- PCards are subject to the single transaction and cycle spending limits established for each card type. Cardholders need to be aware of these limits; they are communicated on the card application and included when you receive your card.  You are also able to monitor your available balance through the Global Card Access app.  You should talk to your CFAO if you feel you have inadequate limits.

- Purchases must not be split to avoid the established single purchase transaction limit on a card. This practice is referred to as pyramiding (e.g., if you are buying five items and instead split them into two transactions of two(2) items and three (3) items to get around the single transaction limit).
- If a purchase is returned to the supplier that was paid using a university credit card, the credit must be applied to the credit card. Cash or store credit cannot be accepted for a returned item. The same is true if you were overcharged and a refund is due; it must be applied to the card.
- Auto-renewal payments should not be setup using the university pcard. In many cases, auto-renewals have terms and conditions associated with the purchase that are required to be reviewed through the process and executed with appropriate signature authority in place.
- All purchases must comply with all University policy and procedures and must meet all grant or foundation account requirements.

## 7.2. Acceptable Purchases

Payment cards may be used to pay for business expenditures that are allowable under the university purchasing policy and which align with their spend profiles (MCC groups, monthly credit limit, and single transaction limits.) In addition, purchases must comply with all other university policies that guide specific categoriesof purchases.

In general, a university card may be used to purchase any item that falls within the guidelines provided by the Purchasing policies (whose numbers start with 55.), Policy 41.121, "Reimbursement for Official Travel and Entertainment," Policy 41.123, "Entertaining Official Guests," and Policy 03.016, "Foundation Expenditures." However, it should be noted that all university policies must be followed, and the payment card should not be used to circumvent any university policy.

A purchasing guide is also available at: https://www.ohio.edu/finance/purchasing/purchasing-guide. This provides a quick reference tool that outlines what types of purchases can be made using a university payment card.

## 7.3. Unallowable Purchases

The university payment card may not be used to purchase the following items:
- Personal items
- Live animals (contact Lab Animal resources in Research Compliance Office for details, questions or assistance)
- Controlled substances requiring a DEA license
- Employee relocation and relocation-related expenses
- Purchases that involve signing an agreement, license, contract or terms of use agreement ugh – send the terms and conditions to Purchasing Contracts Office at contracts@ohio.edu for review and action
- Long term rentals (1 year or longer) whether for equipment or facilities
- Contracted or personal service providers or payments to individuals – specific to 1099 service providers (e.g., photographic studios, physicians, medical labs, consultants, temporary staff,

vehicle repair, etc.) – such services almost always come with some sort of agreement or contract that requires review by Purchasing Contracts Office

- Radioactive materials (contact Environmental Health and Safety Office for details, questions or assistance)
- Weapons or ammunition
- Donations (which are strictly prohibited with public dollars)
- Fuel for privately-owned vehicle or aircraft (reimbursement is based on federal per diem rates)
- Modifications to building structures (e.g., labor, installation fees, mechanical or electrical reports, etc.)

## 7.4. Restricted Use

These items may be allowable on the card, if you follow and abide by the outlined process. You should attach required documentation as part of the substantiation. Please see the Pcard Procedure Manual for more details.
You do not need to request an exception, as long as you have followed the process and have the necessary approvals, as they relate to OIT, Purchasing Contracts Office, Legal Affairs, etc. Failure to comply with conditions may result in a violation.

- **Alcohol** for consumption can be purchased with a university payment card but must be charged to a foundation account. Such charges are also subject to University Spending Guidelines
  - *Note: Some conferences may include something called "drink tickets" for dinners that are included in the cost of attendance of the conference. When such costs cannot be determined (because the cost of the drink tickets are embedded in the conference fee), this can be charged to a university operating account. However, if the cost of the alcohol is separate, it must be charged to a foundation account when the card transaction is reconciled.*
- **Capital equipment** is allowable on operating funds only (it is not allowable on grant funds). Capital equipment is defined in policy 19.054 "Equipment Inventory Control" and is defined as university owned moveable equipment items having a minimum cost of five thousand dollars ($5,000) and a useful life of over one year and includes donated items and equipment purchased with grant or gift funds. Certain equipment purchased with grant funds remains the property of the sponsoring agency and must be tracked and recorded in compliance with Federal Acquisition Regulation (FAR) and Uniform Guidance (UG). If equipment is purchased via payment card on operating funds the following information must be provided in Concur when the transaction is updated in order for the equipment to be recorded and properly tagged as university equipment:
    - Manufacturer's name, serial number, and model number
    - Location of equipment (building and room number)
    - Acquisition date or date received
    - Unit acquisition cost (if not already clearly identified)
    - Name of department taking ownership
    - Contact name to be tracked as responsible for the equipment
    - Select the expense type in Concur entitled "Capital Equipment"

- **Out-of-state printing** is restricted according to policy 55.035 "Purchasing – Printing Procurement." It is the responsibility of the cardholder to determine if the purchase falls within these requirements. Questions should be directed to Printing Resources. Though it is not strictly required, the University encourages all cardholders to use Ohio based printing facilities per the State's "Buy Ohio" initiative.
- **Maintenance or Service agreements** are generally not allowable on a payment card as they often require the execution of an agreement that legally binds the university to certain terms and condition for a length of time. As such, these types of agreements should be processed on a requisition (request for purchase order).
- **Gifts and gift certificates** are allowable only when certain criteria are met. Also refer to the University Spending Guidelines; policy 03.016 "Foundation Expenditures;" and the Purchasing Guide for additional information.
- **Any "clickwrap" or "clickthrough" agreement** (internet based, including software agreements and digital marketing agreements, e.g., Facebook, Linkedin, Twitter) required in connection with a payment card purchase must be reviewed and approved by Information Technology (in the case of software agreements) and Purchasing Contracts Office or Legal Affairs and signed by an authorized employee under University Signature Authority, prior to purchase.
- **Software** cannot be purchased without first completing the Information Technology Security & Accessibility Review process and having the terms and conditions associated with the software reviewed and approved by Purchasing Contracts or Legal Affairs and signed by an authorized employee under University Signature Authority prior to the purchase.

## 7.5. Sales Tax

Ohio University has a tax exempt status and, as a result, is exempt from most sales tax depending upon the type of purchase and location of the supplier. Always check the Sales Tax webpage before using a payment card to ensure you have the proper tax exemption certificate. When making tax exempt purchases on the PCard, the cardholder may be required to enter their PIN twice to account for the transaction and the tax exemption.

The tax exempt webpage outlines what states Ohio University is exempt from sales tax and if any paperwork is needed to claim the tax exemption. Copies of exemption certificates can also be found on this page.
- The cardholder should ensure that Ohio sales tax is not paid on purchases, when required.
- The cardholder must tell suppliers the University is exempt from Ohio sales tax. A copy of the University's Tax Exempt Certificate is available if the supplier needs to see it. In some cases, the University has applied for sales tax exemption in other states. Before you purchase, make sure you check the Tax Exempt Purchases page for other states in which the University has secured sales tax exemption status.
- If purchasing online and having items shipped to Ohio, purchaser should use the Ohio Tax Exemption certificate no matter where vendor is located.

CFAOs are responsible for having processes in place that ensure a reasonable effort was made to recover sales tax amounts from vendors charged in error for amounts in excess of $25. However, the

effort (hourly cost) must not exceed the sales tax cost. If sales tax is inadvertently charged, cardholders should not be asked to reimburse. If a vendor will not honor a sales tax exemption, an explanation should be included with the transaction in Concur. All actions should be documented as part of the transaction in Concur.

## 7.6. Fraudulent Activity on Payment Card

Contact Bank of America customer service using the number shown on the back of your card immediately upon discovery of fraudulent charges. See section 8.5.2 for details on reconciling the transaction.

Bank of America will automatically send Suspicious Activity alerts to the cardholders' mobile numbers (if on file) in addition to email and phone call. This notification can help quickly identify when a transaction should or should not be flagged as fraudulent. As a best practice, the bank suggests that all cardholders include a mobile number in their GCA profile for the fastest receipt of suspicious activity alerts.

## 7.7. Disputed Activity on Payment Card

Cardholders should attempt to resolve all disputed charges, such as overages or duplicate charges, with the merchant prior to filing any disputes with the bank. If attempts with merchant are unsuccessful, the cardholder can then file the dispute by calling the number on the back of their card within 60 days of transaction. Please be advised that dispute resolution are handled by a third party vendor and can take up to 90 days to resolve.

Cardholders should still process their report within 28 calendar days of posting in Concur, and mark any unresolved disputed charges as documented in section 8.5.2.

# 8. PURCHASE DOCUMENTATION

## 8.1. Concur Transaction System

Ohio University uses Concur to post payment card transactions from Mastercard. Posting a transaction in Concur simply means that is now visible to the cardholder or delegate for verification purposes. Any processing dates associated with reconciling and approving the card transaction are calculated from the post date in Concur.

*Example: Cardholder purchases office supplies from a vendor on 1/31/2022. The transaction posts in Concur on February 4, 2022. The cardholder has 28 calendar days to reconcile and substantiate the transaction in Concur from February 4, 2022.*

When the transaction report is submitted in Concur and subsequently approved by the approver, the transactions will be posted to the university financial statements.

## 8.2. Establishing Concur Default Accounts

Pcard default account numbers are stored in Oracle for each cardholder. These default accounting strings can be changed by the planning unit Chief Financial and Administrative Officer (CFAO) or designee in Oracle (see the eBiz - Concur Default Cost Center Quick Reference Guide for instructions). The default account should be either the cardholder's main departmental account number or the account number most often charged. It is advisable to not use a grant account number as the default account number (those Award values starting with a 1, 2, or 3) for a cardholder. However, if a department chooses to do that, they need to ensure they have appropriate controls in place (particularly when transactions are reviewed by the financial approver) to ensure that charges to the grant account are allowable in accordance with the sponsors spending guidance and Uniform Guidance.

## 8.3. Itemized Receipt

Pcard purchases must be supported by **itemized** receipts, which list the items purchased, the dollar amount of each item, and the total amount of each transaction. Internet orders require a copy of the order that itemizes all costs. (Exceptions apply for some types of business travel transactions if the expense is less than $75. See Policy 41.121, "Reimbursement for Official Travel and Entertainment," for details.)

An itemized receipt is defined as an invoice, cash register receipt, sales slip, or packing slip which contains the following information:

- o   Business/Vendor Name and location
- o   Date of Purchase
- o   Description of items purchased
- o   Price of each item purchased
- o   Total amount of purchase
- o   Method of payment (sometimes is included but not always)
- o   Attach the packing slip (if available)

Electronic copies of receipts are acceptable. Handwritten receipts must be signed by an employee of the supplier. If the cash register tape does not itemize what was purchased, this should be legibly written on the tape so that an adequate description is provided for what was purchased. If you have a packing slip you should also attach that as backup to the purchase.

Tips for ensuring you have itemized receipts for your transactions:

- Purchases made in person – retain the itemized receipt in addition to the credit card copy to properly substantiate the purchase. Note: a credit card slip is not an itemized receipt!
- Faxed or mailed purchases – retain a copy of the order as faxed or mailed and the fax confirmation for your records.
- Online purchases – keep copies of the online ordering form and the email confirmation received from the supplier (if available).

| Example | Documentation Required | Comments |
|---|---|---|
| Goods | Itemized receipt that shows the date of purchase, an itemized list of the goods purchased, with dollar amounts and the name and location of the supplier | All purchases must be in compliance with University Purchasing policies (Generally those that start with "55"); University Spending Guidelines and any other relevant University policy associated with the purchase |
| Business Meeting Meal | Itemized receipt for the meal showing the date of purchase, itemized list of meals/beverages purchased, with dollar amounts and the name and location of the supplier; attach a copy of the business meeting agenda; list the participants of the business meeting | Remember to follow University Spending Guidelines when having business meetings; An itemized receipt does not include the credit card slip that the cardholder signs (the credit card slip does not provide the itemized detail to adequately document the purchase) |
| Professional Dues or Membership | Itemized receipt showing the date of the purchase, the amount paid, the supplier name, and a description of what was paid (preferably one that includes the effective start and end dates of the purchase) | Follow University Spending Guidelines as it relates to memberships and dues; Policy 03.020 Payment of Memberships and Dues in Selected Organizations |
| Equipment | Itemized receipt showing the date of purchase, the itemized detail of the equipment purchased, with dollar amount and the name and location of the supplier | Follow Policy 19.054 Equipment Inventory Control and be sure to list all of the information necessary to capitalize the equipment if the cost is $5,000 or more |

If the receipt is misplaced, the cardholder is responsible for contacting the merchant to request a duplicate. Any transaction that is not supported by an itemized receipt may have to be reimbursed to the university since there is not supporting documentation for the purchase.

When attaching the itemized receipts in Concur the reconciler needs to ensure that the receipt copy is legible. Since electronic receipts are often the only copy that is maintained, it is critical that internal and external auditors and reviewers can clearly see the receipt details.

## 8.4. Business Purpose

Business purpose is a critical piece of information that is necessary with every purchase you make on a pcard. When using university funds or requesting a reimbursement from university funds, documentation of a clear business purpose is required so that an approver, and /or auditor may reasonably conclude and agree that the expenditure is an appropriate business expense.

The *business purpose* is a statement that adequately describes the expense as a necessary, reasonable, and appropriate business expense for the University. All expenses must support or advance the goals, objectives, and mission of the University.

Expense approvers are responsible and accountable to determine whether expenses comply with the business purpose guidelines and the expenses are necessary business expenses.

When defining a business purpose, the 5 "Ws" (Who, What, Where, When, Why) can help you create a well-documented business purpose:

- **Who:**  The documentation must note specifically who the expense is for or who was at the event funded by the university.
    - Examples:
        - Business Meal: John Smith (external guest of the university) and Susie Bobcat.
        - Classroom Supplies: History 101, Professor Smith

- **What:**  The University needs to know what type of event or activity occurred, or what was purchased. All receipts or invoices should be itemized.
    - Examples:
        - 2 dinner entrees, 2 beverages, and 1 desert
        - 3 notebooks and box of yellow highlighters

- **Where:**  Document where the business activity took place. For example: Hotel room for Conference XYZ in Atlanta

- **When:**  Document when an event occurred. For example: 5/3/2022 Graduation reception*.*

- **Why:**  Most importantly, substantiate why the expenses are reasonable and appropriate for the university.  The "Why" should include the primary reason for the expense.  The table below provides examples of both appropriate and insufficient business purposes for the same expense.

| Type of Expense | Adequate Business Purpose | Inadequate Business Purpose | Comments |
|---|---|---|---|
| Business Meal | Met with Conference Co-Chair to finalize budget and agenda for Conference 123 being held June 1, 2022 through June 5, 2022 in Atlanta, GA | Business meeting | Remember to follow university policy for business meals as well as University Spending Guidelines |
| Event | Reception for visiting lecturer and author, Dr. Joe Smith, who presented a lecture in Art 403 on April 10, 2022 | Reception | All attendees should be listed. If you are dealing with large groups you may instead describe the group (i.e., Cardholder plus Art History department faculty and graduate students – spring 2022) |
| Travel | Conference registration fee for Conference XYZ on 4/15/2022 through 4/18/2022 | Conference | |

| Type of Expense | Adequate Business Purpose | Inadequate Business Purpose | Comments |
|---|---|---|---|
| Purchases | Copy paper and ink pens for English department office supply inventory | Office supplies | Remember, office supplies should be purchased through BobcatBUY whenever possible |

The business purpose field is very important and should be as specific as possible without exceeding the 48 character limit. If the purpose is longer than the 48 character limit, use the Comment field below the business purpose field in Concur to provide additional information.

*Note: when you are spending grant dollars, it is best practice to include in your business purpose why the expense is of benefit to the grant. Most granting agencies that review pcard transactions want to understand how the purchase has benefited the work being paid for by the grant.*

## 8.5. Reconciling Transactions Timely

Reconciling a transaction involves allocating it to the correct account number and object code, attaching all required documentation, providing an adequate business purpose and having it approved in Concur. A cardholder has 28 calendar days to reconcile a transaction and submit the report. An approver has nine calendar days to approve the report in Concur. Cardholders are encouraged to reconcile their pcard transactions as soon as possible.

After a report is approved, the transactions are transferred to the Oracle financial system (also referred to as Ebiz).  These transactions are generally posted to eBiz the day after they are approved and will be visible in Oracle Business Intelligence (OBI) dashboards the day after that.  Reconciling transactions in a timely manner ensures that you and your department can see a true view of your financial status as soon as possible.  In the case of grants funds, the sponsors cannot be invoiced for these expenses until they appear in the financial statements.

### 8.5.1. Substantiating Personal Charges

Charging a personal expense is strictly prohibited on a payment card. However, if a personal transaction does get charged to a payment card inadvertently, you still need to update the transaction in Concur within 28 days:
You must update the transaction in Concur by selecting the Expense Type=Miscellaneous
Charge the personal transaction to the default cost center (if it is a grant account you must change the account number to a departmental operating cost center – you cannot charge fraudulent transactions to a grant account) and charge it to object code 718355 (REIMBURSEMENT DUE OU FROM EMPLOYEE).
Cardholder must immediately refund the University by dropping off a check to the Bursar's office or electronically through Cashnet, and apply the credit to the same cost center and object code (718355) as the original charge, with the description "Refund for Personal Charge".

### 8.5.2.         Reconciling Fraud/Disputed Transactions

After you have reported a fraudulent transaction (following procedure in section 7.6) or have an unresolved disputed transaction, you still need to update the transaction in Concur within 28 days:

- o You must update the transaction in Concur by selecting the Expense Type=Miscellaneous.
- o Charge the fraudulent transaction to the default cost center (if it is a grant account, you must change the account number to a departmental operating cost center – you cannot charge fraudulent transactions to a grant account) and charge it to object code 718350 (REIMBURSEMENT DUE OU FROM A NON-EMPLOYEE). Once the credit is received, it should be charged to the same cost center and object code (718350) as the original charge, with a description of "Credit for Fraudulent Purchase."

## 8.6. Concur Email Reminders

Concur is configured to send reminders to both cardholders and approvers to help them meet the deadlines established in policy.

### 8.6.1. Unassigned Transactions

Reminders will be sent to the cardholder for transactions that have not been included in an expense report. You will be advised that reports are to be submitted within 28 days of the post date.

- Reminders will be sent at 7, 14, and 26 days and you'll be encouraged to notify your CFAO if you are traveling and unable to meet the 28 day time limit.
- On day 29, you will be advised that your card will be suspended until the transactions are substantiated and report submitted. Additionally, this will count as a violation of policy

*Note: if you have reported to your CFAO prior to day 28 that you are travelling, the card will not be suspended, nor will it be a violation of policy. Please disregard notice.*

### 8.6.2.        Unsubmitted Report

Reminders will be sent to the cardholder for reports that have been prepared, but have not yet been submitted for approval. You will be advised that reports are to be submitted within 28 days of the earliest transaction post date.

- Reminders will be sent at 21 and 26 days and you'll be encouraged to notify your CFAO if you are traveling and unable to meet the 28 day time limit.
- On day 29, you will be advised that your card will be suspended until the report is submitted. Additionally, this will count as a violation of policy

*Note: if you have reported to your CFAO prior to day 28 that you are travelling, the card will not be suspended, nor will it be a violation of policy. Please disregard notice.*

### 8.6.3.        Unapproved Report

A reminder will be sent to the approver on day 7 reminding them that policy requires that reports must be approved within 9 days. On day 10, the approver will be advised that it is a policy violation to not approve reports within 9 days.

### 8.6.4.        Returned Reports

Reminders will be sent to the cardholder reminding them that a report was rejected/returned from an approver, and needs to be resubmitted. Reminders will be sent at 7 and 14 days.

# 9. APPROVING REPORTS

In addition to verifying that required information is included,

Approvers have nine (9) calendar days to approve the report in Concur once it has been submitted by the cardholder or proxy/delegate.  An approver must check the following items before approving a payment card transaction reports:

- That the expense complies with all university policy and procedure
- That the business purpose supports the expense as necessary, reasonable and appropriate, and adequately describes the reason for the purchase
- That an itemized receipt is attached and that the details of the receipt match what is being charged
- That all necessary supporting documentation is attached to substantiate the transaction (see Section 8 for more info on substantiating/documenting a transaction)
- That the cost center being charged allows the expense
- That the object code charged is correct for the type of expense

If the approver discovers a policy or procedure violation on the payment card at the time of review (listed in section 10), they are required to report this to the CFAO and document the violation on the transaction in Concur and report it to financecustomercare@ohio.edu.  This information will be logged with the cardholder record for audit purposes by the Pcard Administrator. Information to send to Finance Customer Care includes:

- o Name of cardholder
- o Vendor for exception transaction
- o Date of Transaction
- o Amount
- o Violation or exception circumstance description

If the CFAO discovers a policy or procedure violation on the payment card at any time, they must ensure that the approver reported this instance to Finance Customer Care. If that did not occur the CFAO should document such exception by reporting it to financecustomercare@ohio.edu (this is only necessary if the approver did not complete this step). This information will be logged with the cardholder record for audit purposes by the Pcard Administrator. Information to send to Finance Customer Care includes:

- o Name of cardholder
- o Vendor for exception transaction
- o Date of Transaction
- o Amount
- o Violation description

# 10. VIOLATIONS

To ensure that all cardholders are clear on expectations associated with the policy violations (versus something that requires a corrective action be taken) a policy violation matrix was created to clearly identify known violations. A cardholder can incur five (5) total policy violations over a rolling two-year period of time, a card will be suspended for at least one two-year cycle. For example, if a pcard violation occurs on September 20, 2022 - that counts as an infraction until September 20, 2024 and the clock resets on September 21, 2024 for another 2 year period of time.

In extraordinary circumstances, the cardholder may receive executive approval to continue card usage as approved by the Executive Vice President and Provost (for academic and academic support units) or the Vice President for Finance and Administration (for administrative units).

If a cardholder requires suspension of their card due to receiving five policy violations during the two-year measurement period, the CFAO will be contacted. If the CFAO feels that they want to invoke the exception process, the CFAO will be required to document why they feel the card should not be suspended and that information, along with the history of the cardholder, will be forwarded to either the Executive Vice President and Provost (for academic and academic support units) or the Vice President for Finance and Administration (for administrative units) for review and determination.  In extraordinary circumstances, the cardholder may receive executive approval to continue card usage as approved by these individuals.

Certain violations may result in the university seeking restitution from the cardholder for inappropriate charges. Policy violations may also result in disciplinary action, up to and including termination, in accordance with applicable policies and rules or criminal charges, if appropriate.

Policy violations noted at the departmental level must be reported to Accounts Payable using the following process. Both the CFAO and the Financial Approver have responsibility to ensure that the appropriate policies, procedures and guidelines are followed by cardholders in their unit.

| Policy Violation | If the Approver or CFAO become aware of the violation they must: |
|---|---|
| Approval of unallowable transactions | 1) Document the violation on the transaction in Concur and<br>2) Report the policy violation by sending the information to financecustomercare@ohio.edu so that the violation can be logged on the cardholder record.<br> * Cardholder may be asked to reimburse an unallowable expense. |
| Duplicate transaction submitted for reimbursement when the charge had already been paid for on a university credit card | 1) Request reimbursement be made to the University from the cardholder and ensure that this occurs<br> 2) Notify financecustomercare@ohio.edu of the policy violation so that it can be logged on the cardholder record and in Concur. |

| Policy Violation | If the Approver or CFAO become aware of the violation they must: |
|---|---|
| Late submission of report (28 CALENDAR DAYS + 9 CALENDAR DAYS FOR APPROVAL) in Concur after Concur posted date.<br><br>*Faculty with limited availability due to travel associated with research or student engagement activities may seek exception from CFAO who will then communicate to Finance* | Finance receives notifications from Concur.  No action needed. |
| Missing itemized receipt (except certain travel less than $75 as defined Policy 41.121 Reimbursement of Official Travel and Entertainment) | 1) Ask the cardholder to provide the information/attach it to the Concur transaction<br>2) If the cardholder cannot produce the required itemized receipt they need to document the policy violation on the transaction in Concur and<br>3) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record and in Concur. |
| Personal use - Accidental or Intentional | 1) Request reimbursement be made to the University from the cardholder and ensure that this occurs<br> 2) Make note of the policy violation and the reimbursement information in Concur<br> 3) Notify financecustomercare@ohio.edu of the policy violation so that it can be logged on the cardholder record. |
| Professional Services without prior Purchasing approval of terms & conditions | 1) Document the violation on the transaction in Concur and<br>2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record. |
| Pyramiding - splitting a large dollar transaction into smaller amounts to circumvent card limits | 1) Document the violation on the transaction in Concur and<br>2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record. |
| Software Purchases without prior OIT approval of use case and Purchasing approval of terms & conditions | 1) Document the violation on the transaction in Concur and<br>2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the |

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| Policy Violation | If the Approver or CFAO become aware of the violation they must: |
|---|---|
| | violation can be logged on the cardholder record. <br> * Software purchased without going through the appropriate review process may need to be reimbursed by the cardholder |
| Use of Pcard for unallowable purchases per the University Purchasing Guide | 1) Document the violation on the transaction in Concur and <br> 2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record. |
| Use of Pcard by another individual | 1) Document the violation on the transaction in Concur and <br> 2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record. <br> *CFAO should also have a conversation with the cardholder about the unallowability of loaning out their university provided payment card as this is unallowable under policy |
| Use of another Pcard while card suspended | 1) Document the violation on the transaction in Concur and <br> 2) Report the policy violation by sending the information to financecustomercare@ohio.edu so the violation can be logged on the cardholder record. <br> *If a cardholder has had their pcard suspended, they cannot use any type of university payment card (including departmental cards) |

# 11. APPENDIX A – DEPARTMENTAL CARD PROCEDURES

## 11.1. Overview

The departmental purchasing card (Department Card) is one of the cards available through the University's credit card program and is used for departmental purchases. The Department Card is issued to the department or service center (e.g., "XXXXXX Department"), and does not contain a specific employee name. Every card has an assigned "Card Custodian" who is a departmental requisitioner who has been trained on purchasing policies and procedures.  The monthly limit for a department Card is $25,000.

The Department Card should be used for low dollar value goods (less than $5000 for a single transaction) that cannot be purchased via BobcatBUY from a contract or through a university preferred supplier as allowed by policy.  Based on the business need, this card may also be used for payment of group and event expenses, in accordance with policy.  The Department Card can also be used at local stores by a departmental employee; however, the university does not control whether a merchant will accept the card given it does not have a

specific person's name on the card.  The Department Card cannot be taken on a trip and be used by employees while traveling.

It may be used by those individuals who have the responsibility to purchase on behalf of their department. The card is also a viable option for individuals that only have a sporadic need for a card (i.e., an occasional membership or purchase) that doesn't warrant being a permanent cardholder.  For someone to use the Department Card, they must "sign out" the card from the Card Custodian for a specified period of time and must be familiar with the university purchasing policies and procedures.  They will be responsible for any misuse of the card, while it is in their possession.  They are also responsible for providing all required transaction documentation to the card custodian.

## 11.2.  Responsibilities for the Department Card

### 11.2.1.  Planning Unit Chief Financial and Administrative Officer (CFAO)

The planning unit Chief Financial & Administrative Officer (CFAO) of record in FARM, along with the Card Custodian are responsible for the oversight and proper usage of the Departmental P-Card.  The CFAO is responsible to ensure that all cardholders, users of the card, expense delegates, and approvers observe University policies and procedures, including state and federal laws and regulations, and complete any required trainings.

While the planning unit CFAO may delegate purchasing authority and payment approval, the CFAO retains the ultimate responsibility for ensuring the integrity of the University credit card purchase and approval process, even if specific tasks have been delegated.

The CFAO is responsible for establishing the planning unit's procedures for use of the Department Card program.  At a minimum, these guidelines must include:

- Department Cards are issued in the department's name and the department is administratively responsible for the card.
- There must be a Card Custodian (and potentially a backup) who handles the Department Card. This includes maintaining the Card Tracking Log to sign out the card, maintaining the documentation and verifying the transactions in Concur.  The Card Custodian must be familiar with and adhere to the University purchasing and p-card policies.
- The Department Card must always be stored in a secure place.
- The Department Card can be shared with other employees within a department provided the use is approved by the Card Custodian and in accordance with university policies and procedures, including allowability of expenses
- If the Department Card is used by an individual other than the Card Custodian, the transfer of custody must be recorded on the Tracking Log. The Card Custodian is responsible for maintaining the Departmental Card Tracking Log.
- Random audits of the Departmental Card Tracking Logs may be performed by Internal Audit or Finance to ensure proper recording of card activity.  The Card Custodian will be responsible for providing the logs upon request.
- Any misuse of the Department Card will be flagged for violation and the CFAO will be notified to determine any consequences for the misuse in accordance with policy and HR processes.


- Repeated violations on a Department Card (regardless of infraction type) will cause the Department Card to be closed.

If the Departmental Card is not returned by the designated date, the CFAO must follow up in writing immediately with the user to return the card. If the user is unresponsive, the CFAO should have the card placed on hold until it can be safely returned to prohibit unauthorized transactions.

**REPEATED VIOLATIONS ON A DEPARTMENT CARD (REGARDLESS OF INFRACTION TYPE) WILL CAUSE THE DEPARTMENT CARD TO BE CLOSED.  THIS INCLUDES NOT RECONCILING TRANSACTIONS IN A TIMELY MANNER.  THE CFAO MUST ENSURE THAT THEIR PLANNING UNIT IS IN COMPLIANCE WITH ALL PCARD POLICIES AND PROCEDURES WHETHER THEY PERTAIN TO INDIVIDUAL OR DEPARTMENT CARDS.**

### 11.2.2.     Card Custodian

The Card Custodian is identified in Concur as the cardholder.  The Custodian needs to be administratively responsible for the Card, maintaining the Card Tracking log, reconciling all transactions on the card, and advising users on all purchasing and p-card policies and procedures.  Specific duties include:

- Must store both the Department Card and the Card Tracking Log in a secure place.
- May transfer the custody of the Department Card to department users via the Tracking Log.
- Must maintain the Card Tracking Log in the department for four (4) years from the last date of activity on the log, as required by the retention policy for all P-Card related documents.  These logs will be subject to random audits by Internal Audit or Finance to ensure proper recording of card activity.
- Is responsible for reconciliation of all transactions and ensuring receipts and all required supporting documentation is collected and entered into Concur, in accordance with policy.
- Has the authority to deny usage of the card, particularly if they are aware that the card will be used for something unallowable under University policy.
- May not sign the card out for use on a trip as employee cannot use the card when travelling.
- Is responsible for ensuring there are adequate funds available on the card before it is signed out to a user. If changes to the Department Card monthly limit are needed, the CFAO or delegate can contact the Pcard Administrator to make any adjustments.
- Provides a tax-exempt form (if needed) to the user, so that purchases are properly processed as tax-exempt.
- Notifies the CFAO when the user has not returned the Department Card by the designated date.

Provided the Card Custodian maintains the "chain of custody" for the Department Card, they will not be responsible for misuse when the card is signed out to another employee.  This custody is maintained through the use of the Departmental Card Tracking log.

### 11.2.3.     Department Card Users

The employee that signs out the department card (i.e., the user) is responsible for the security and safeguard of the Department Card while in their possession.

- Must provide all required information on the Departmental Card Tracking Log, in its entirety.
- Must return the card to the Card Custodian by the designated date.
- Must return all the required documentation for the purchases made while the card is in their possession.  This includes providing itemized receipts and all necessary supporting

documentation (i.e, business purpose, account information, list of participants, agendas, etc.) to the Card Custodian upon return of the Department Card.

Any charges that occur when the card is signed out to a user are the sole responsibility of the user.

Departmental P-Cards cannot be taken on a trip and used by employees while traveling.

## 11.3.    Reconciling Transactions

The same rules apply to reconciling transactions as included in section 8.5.  While you will complete separate reports for each department card (if the department has more than one), it is not necessary to complete separate reports for each individual user of the card.

## 11.4.    Department Card Tracking Log

Planning Units are allowed to develop their own logs; however we suggest that it include the following information:

### Dept Card Tracking Log

Department:

Departmental Pcard Holder:

Last 4 Digits of Card:

In signing the Department Card Tracking Log, the individual signing out the card acknowledges that they have read Ohio University's Pcard and Purchasing Policies. The individual checking out the card acknowledges they are responsible for keeping the card secure and are responsible for all charges on the card while it is signed out to them. Individual also acknowledges they are responsible for providing ALL necessary supporting documentation when the card is returned to support the transaction(s) made while the card

| Card Out | | | | Card Returned | | |
|---|---|---|---|---|---|---|
| Date & Time | Individual Receiving Card | Vendor Name/ Purpose of Expense | Estimated Amount | Date & Time | Departmental Pcard Holder (acknowledges that the card had been returned with all receipts) | All Supporting Documentation Received |
| | Print: | | | | Print: | |
| | Signature: | | | | Signature: | |
| | Print: | | | | Print: | |
| | Signature: | | | | Signature: | |
| | Print: | | | | Print: | |
| | Signature: | | | | Signature: | |
| | Print: | | | | Print: | |
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| | Signature: | | | | Signature: | |
| | Print: | | | | Print: | |
| | Signature: | | | | Signature: | |
| | Print: | | | | Print: | |
| | Signature: | | | | Signature: | |

## 12. RESPONSIBILITY FOR REVIEW OF POLICY AND PROCEDURES

The finance and administration division of Finance is responsible for both policy and procedures for the payment card program. Policy and procedures will be reviewed every two years for any required changes or modifications. Should changes or modifications be made to the policy or procedures, they will be reviewed with the policy reviewer groups listed in the "Reviewers" section of policy 55.074 – Payment Card Program.

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## 13. RESOURCES

The Payment Card website (www.ohio.edu/finance/pcard) contains links to policy and procedures related to the Payment Card program. This includes links to the training program, as well as, job aids, banking information, and relevant FAQs.

## 14.   LOG OF CHANGES TO PROCEDURES

| Date of change | Description of Change | Updated Sections |
|---|---|---|
| 4/5/2022 | Initial issuance of document | ALL |
|  |  |  |