Oklahoma State University Purchasing Card

Guidelines

Oklahoma State University
Purchasing Department
1224 N. Boomer Road
Stillwater, OK 74078
https://purchasing.okstate.edu

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OSU PURCHASING CARD PROGRAM

GUIDELINES

PREFACE

It is the intent of Oklahoma State University (OSU) to use a commercial purchasing card (pcard) to facilitate the acquisition of lower dollar goods and services needed for conducting official University business. The pcard is to be issued to selected University employees. The cardholder is responsible for and accountable to the University for all charges made with the pcard. Use of the pcard is solely for official University purchases. Personal purchases are strictly prohibited and may result in disciplinary action. The pcard program may be extended to OSU student organizations provided all compliance requirements can be met.

These guidelines are intended to be a tool to ensure OSU complies with State statutes regarding purchases.

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Pcard Program Contacts

Pcard Administrator:
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The Pcard Administrator is responsible for management of the purchasing card program, including assisting departments in determining how to use the pcard to fit its needs, planning and coordinating training, customer service, processing pcard request forms, processing changes in cardholder information (name, address, increase or decrease in card limits, etc.), assisting with disputed transactions, and transaction review.

Compliance Accountant:
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The Compliance Accountant is responsible for the desktop and field audits, including planning and scheduling reviews of departmental internal controls and transaction detail. Also included are addressing compliance issues with departments and making recommendations for improvements to be included in the compliance review reports.

Bank of America
The cardholder must call Bank of America at (888) 449-2273 immediately upon discovering the card has been lost or stolen. This same number may be called for questions or to discuss denied purchases. Outside the US, call (509) 353-6656.

How to Get a Pcard

Eligible Employees
Cardholder must be an Oklahoma State University full-time, permanent employee (.75 FTE and above). All pcards issued under this program are the property of Oklahoma State University and shall be surrendered to the cardholder's departmental administration at the time of termination of employment with a University department or upon the request of the cardholder's supervisor, departmental administration, the Pcard Administrator, or the Purchasing Department.

Student Employees
Student employee pcards will be issued under the same criteria as employees with the following provisions:

- Unit administrators will hold the student employee's pcard in a secure location and will provide the student employee's pcard to the student when the unit desires the student to use the pcard to procure authorized goods.
- After acquiring authorized goods, the student will return the pcard, along with the receipts for the goods acquired, to the unit administrator for safekeeping.

Roles
Before a card will be issued, individuals must be identified for each of the following roles:

- Cardholder – A full-time, permanent University employee or student employee (as described above) designated by the Vice President, Dean, or Department Head to execute purchases using his/her assigned pcard.
- Approver– One or more full-time, permanent University employees designated by the Vice President, Dean, or Department Head to review and approve cardholder transactions. This staff member should have knowledge of what an appropriate, reasonable, and legitimate transaction for the cardholder and department should be, and is responsible for reviewing and bringing to the attention of administration any purchase that appears to be questionable for any reason. He/she should question any purchase for which he/she does not fully understand the need and business purpose.
- Accountant – One or more full-time, permanent University employees designated by the Vice President, Dean, or Department Head to review transactions for compliance with policy and procedure, confirm required documentation is present, confirm the purchase matches the description entered by the cardholder and the Level 3 detail (if provided), and ensure the chart/fund and account are correct. The accountant is to examine the documentation and the purchase for "red flags" or violations, such as tax charges or items that should not be purchased with the pcard, and to notify the cardholder and other administrative areas as required of the non-compliance. The accountant is to sign and date the cardholder's Bank Statement (monthly statement from the bank) to indicate the supporting documentation has been reviewed.

- Group Owner – Usually the Department Head, Director, Dean, or other staff member who has administrative responsibility for the cardholder's department.

In addition, a Group Proxy Reconciler may be identified. This is a full-time, permanent University employee designated by the department to act as a backup only when a cardholder is away from the office and is unable to sign off online on his/her transactions in a timely manner. The group proxy reconciler can sign off for any cardholder in his/her group so the transaction will move up the chain and the approval process will not be delayed.

Application Form

An Application Form for Pcard or Works User Access must be completed to request a pcard **or** to be assigned a role in Works. The form must be signed by the cardholder or user, approver, accountant, and appropriate administrator, and sent to the Purchasing Department for processing. A link to the Application Form may be found at https://purchasing.okstate.edu/pcard.

Departments are to establish controls and limits on each pcard as required by the bank. Requested credit limits must be reasonable and in line with the cardholder's duties and expected spend. For employees/faculty:

- Credit Limit (dollar amount per cycle) – shall not exceed $50,000. Departments will be required to provide justification for any monthly credit limit over $10,000.
- Single Transaction Limit (dollar amount per transaction) – shall not exceed $5,000.

For student employees, justification will be required for a credit limit over $2,500 and a single transaction limit over $500.

The Application Form must be accompanied by a **Conflict of Interest Reporting Form** and a **Purchase Card Employee Agreement Form**. The Application cannot be processed unless these forms are attached and training is completed. These forms can be found at https://purchasing.okstate.edu/pcard.

The Conflict of Interest Reporting Form documents any outside financial interest which may affect purchasing decisions. The cardholder must fill out a new form by October 1 of each year or at the time an interest becomes reportable. The initial form is attached to the Application Form. Subsequent forms are to be kept on file by the department and made available for review by Pcard staff.

Once the Application Form is processed by the Purchasing Department, Bank of America will send the card directly to the cardholder at the address listed on the Application Form within 7-10 business days.

Training
The cardholder and all individuals in the required roles must complete training before a card will be issued and access granted to Works. In addition, all cardholders must complete refresher training every two (2) years to retain their pcard. Employees may access Pcard Training on the Human Resources website.

Issuance of Pcard
The pcard is issued by Oklahoma State University in coordination with a bank. The pcard will include the institution's name, FEI number, the cardholder's name, cardholder's department, and a unique individual account number.

Using the Pcard

The cardholder is the only person authorized to make purchases using his/her card. Loaning a pcard to another person may result in revocation of the card.

The fact that the cardholder has been issued a card does not imply prior approval of all purchases. The cardholder must follow applicable University policies and procedures and departmental procedures, including any departmental pre-approval procedure.

Many companies provide discounts through their Education Sales Department, so ask for that department.

There should be no up-charge by merchants to use the pcard except where there are specific contractual arrangements with OSU to do so.

The following procedures should be followed for all purchases made by pcard:

Decision to Use Pcard for Purchase
When making the decision whether to use the pcard for a purchase, the cardholder should:

- All purchasing, regardless of dollar volume, should start with a search of ~~the~~ OK Corral. The Corral contains competitively bid contracts that exist to promote efficiency in business transactions and provide cost savings for all departments. This is a best practice and board policy (30:10-1-2(8)) "When established purchasing contracts exist, purchases must be made from these contracts."
- Review the lists of prohibited and restricted purchases to ensure the purchase is allowable on the pcard.
- Be sure the total amount will not exceed the cardholder's single transaction and/or cycle limit.
- Give fair treatment to all merchants and determine if the price obtained is reasonable.

Making the Purchase Using a Pcard
There are three main methods of making purchases:

Over the Counter – When making an over the counter purchase, the cardholder should:

- Verify the vendor accepts VISA. If the merchant accepts VISA, provide the pcard for payment and make certain the merchant understands the purchase is exempt from sales tax. (The cardholder must have a copy of the Oklahoma Tax Commission Sales Tax Exemption Certificate for most merchants to exclude sales tax. This certificate can be downloaded from the Purchasing Department's website.)
- Verify no sales tax is included in the final purchase total before signing the sales receipt.
- Obtain a receipt at the time of purchase. (This receipt must be maintained as documentation with the cardholder's Bank Statement.)

Mail, Phone, or Fax – When placing an order by mail, phone, or fax, the cardholder should:

- Provide the merchant with the requested card information.

- Indicate to the sales representative or on the order form that OSU is a tax exempt institution. While OSU is not necessarily exempt from sales tax in other states, some vendors will not tax OSU.
- Provide the merchant with detailed shipping instructions to include your name, department name, phone number, and appropriate campus address.
- Obtain a confirmation number from the merchant and request that a receipt with itemized descriptions and pricing information be sent with the purchase.
- Retain appropriate documentation, including receipt / invoice and packing slip, of the purchase. (The documentation must be maintained with the cardholder's Bank Statement.)

Internet – When placing internet orders, the cardholder should:

- Use a reputable merchant and ensure purchases are made from a secure site or a site that provides account number encryption.
- If available, use the Educational section of the merchant's website.
- Complete the necessary order process and provide cardholder information to include the billing address that appears on the cardholder's bank statement.
- Verify no Oklahoma sales tax is included in the final purchase total before completing the order process.
- Print appropriate screens to include vendor name, date, item description(s), itemized cost, and total cost including shipping and handling.
- Retain appropriate documentation, including receipt / invoice and packing slip, of the purchase. (The documentation must be maintained with the cardholder's Bank Statement.)

Delivery Address

Items purchased with the pcard should always be delivered to a University address. Any exception must be approved in advance. If circumstances require goods to be shipped to an address other than a University address, a Request for Exception – Goods/Items to be Shipped to a Non-University Address Form must be completed and approved by the Associate Vice President and Controller. (This form can be found at https://controller.okstate.edu/exceptions-forms-guidelines.) The approved form must be maintained as a part of the purchase documentation and attached to the cardholder's Bank Statement.

Returns, Damaged Goods, and Credits

Boxes, containers, special packaging, etc. should be retained until you have determined you are going to keep the materials. Some items, such as software or fragile pieces, cannot be returned without the original packaging material.

If the cardholder determines materials purchased with a pcard need to be returned, the cardholder should:

- Work directly with the merchant.
- Carefully read all instructions enclosed with the order. A phone number and/or instructions for returning the materials are usually included on the receipt and/or packing slip.

- Request a Return Authorization Number from the merchant if required.
- Request a credit receipt for returned items. Some merchants may not provide this receipt unless it is requested.
- Determine if a restocking fee will be charged. If the merchant is responsible for the error or problem, you should not have to pay a restocking fee. If the merchant is not responsible, you may have to pay the restocking fee. A pcard may be used to pay this fee provided it does not exceed your limits or violate policies.
- Check your monthly Bank Statements to ensure the charge for the returned item(s) is credited properly.
- Retain appropriate documentation of the return and associated credit. (The documentation must be maintained with the cardholder's Bank Statement.)

Backorders
No charges should be incurred for back orders. Charges may only be applied for material that has been received by the University or shipped from the merchant's dock.

Card Denied
If the pcard is denied for any reason, the cardholder should contact Bank of America at the number on the back of the pcard. Bank of America can provide the cardholder with the reason the card was denied. The cardholder may be asked to provide the name embossed on the card, the address listed on the pcard application form, or the phone number listed on the pcard application form. The cardholder can also check the Authorization Log in the Works system to determine the reason for the decline.

Transaction Flow
A typical pcard transaction consists of the following steps:
- Cardholder follows his/her department's pre-approval procedure.
- Cardholder makes a purchase from a merchant using the pcard and obtains an itemized receipt.
- Merchant delivers the goods or service and submits the transaction to the credit card company.
- The bank pays the merchant.
- Cardholder reviews his/her transaction in Works, enters a detailed description and the purpose of the purchase, and signs off electronically on his/her transaction.
- The transaction is routed to the cardholder's approver. The approver reviews and electronically approves the transaction.
- The transaction is routed to the cardholder's accountant. The accountant reviews and electronically approves the transaction.
- Bank of America furnishes cardholder with a Bank Statement of purchases at the end of the billing cycle.
- Cardholder reconciles his/her receipts with the Bank Statement and forwards the Bank Statement, receipts, and other required supporting documentation to the cardholder's accountant.

- Accountant reviews the Bank Statement and all supporting documentation for completeness and compliance, and signs and dates the Bank Statement in a timely manner. Original records shall be maintained in a central location within the department. Within five (5) days of the end of the billing cycle, all transactions are reviewed, approved, and the chart/fund and account are updated. At the end of the five (5) day period, University Accounting downloads all transactions into the financial accounting system and makes a single payment to the bank on behalf of all OSU departments.
- **NOTE:** The cardholder, approver, and accountant must be three different people and may only sign off in one role per transaction. Approvers and accountants may not sign off on their own transactions.

Spending Controls

Cardholder Spending Limits
Because OSU, not the individual employee, will pay for purchases made with the pcard, authorization controls have been added to the pcard accounts. These limits are imposed at the point of sale when the card is swiped or applied. The available limits on a pcard include, but are not limited to:

- Credit Limit (dollar amount per cycle) – shall not exceed $50,000
- Single Transaction Limit (dollar amount per transaction) – shall not exceed $5,000

The single transaction limit includes shipping and handling charges or any applicable allowable transaction fee.

Individual cardholder limits are set by departmental administration and indicated on the pcard application form. Departments will be required to provide justification for any monthly credit limit over $10,000 for a cardholder. (For student employees, justification will be required for a credit limit over $2,500 and a single transaction limit over $500.)

Merchant Activity Type Limits
OSU prohibits the use of pcards for certain types of transactions. Businesses are identified by Merchant Category Codes (MCC), a standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. MCC groups are defined for OSU by the Purchasing Department and are used to control whether a cardholder may purchase from a particular type of merchant. If an otherwise allowable pcard purchase has been denied due to an MCC, contact the Pcard Administrator.

Cardholder Limit Recertification
Cardholder limits will be reviewed annually to determine whether actual usage is consistent with a cardholder's spending limits.

- If the usage is consistent with the spending limits, there will be no change to the card limits.
- If the usage is not consistent with the spending limits, the Pcard Administrator will recommend an adjustment be made to the card limit(s), or recommend an inactive card be cancelled. If the department does not agree with the recommendation, departmental administration may file an appeal. The appeal must be in writing to the Pcard Administrator and should provide justification for why the card limit(s) should not be adjusted (or why the card should not be cancelled). Any appeal that cannot be resolved at that level will be forwarded to the Chief Procurement Officer for final determination.

Cardholder, Approver, and Accountant Responsibilities

Cardholder Responsibilities

When accepting a pcard, the cardholder becomes an authorized purchasing agent for the University and has certain responsibilities. These include:

- Protection of the Card – The cardholder must protect the security of the pcard and the card number. The cardholder is the only person authorized to make purchases using his/her card. If the card information is compromised or if the card has been lost or stolen, the cardholder must contact the card provider and also email the Pcard Administrator.
- Limitations on Merchants – Purchases from friends or family, from a company owned by any University employee, or from companies where the cardholder has a financial interest are prohibited using a pcard. The cardholder must not accept any gift or gratuity from any merchant when it is offered, or appears to be offered, to influence the cardholder's decision regarding a pcard purchase.
- Card Changes – The department is responsible for completing a Change Form if there are changes to card information, i.e. name change, credit limit change, change to the default chart/fund, etc.
- Purchase Limitations – The cardholder accepts the responsibility for ensuring unallowable, prohibited, or restricted items are not purchased.
- Receipt Maintenance – The cardholder must ensure appropriate documentation, including the original invoice/receipt and packing slip, if applicable, is received and maintained for each purchase. The documentation is to be matched with the cardholder's Bank Statement and forwarded to the cardholder's accountant for review.
- Transaction Processing – The cardholder is required to complete pcard training. The cardholder is responsible for timely review of his/her transactions in Works to verify the purchases are legitimate and in compliance with policy and procedures, the required supporting documentation is present, and a description of the purchase and business purpose has been entered in the description field in Works. The cardholder may be required to update the chart/fund and account. Once the verification process is complete, the cardholder must sign off on the transaction in Works. At the end of each billing cycle, the cardholder must reconcile the individual receipts and supporting documentation with his/her Bank Statement to verify the purchases and returns are accurately listed, and forward the Bank Statement and all supporting documentation to his/her accountant.

Approver Responsibilities

An approver should have knowledge of what an appropriate, reasonable, and legitimate transaction for the cardholder and department should be. The approver has the following responsibilities:

- Transaction Processing – The approver is required to complete pcard training. The approver is responsible for timely review of cardholder transactions for appropriateness, reasonableness, and need for the items or services being purchased. The approver may be required to update the chart/fund and account. The approver should question any purchases which do not appear to be legitimate.

Failure to do so could result in disciplinary action up to and including termination of employment. After transactions have been reviewed, the approver must sign off on the transaction in Works.

- Violations – The approver is responsible for identifying and discussing any violations he/she detects with the cardholder and/or department administration. Discussions should be documented and attached to the purchase documentation. Violations are to be reported to the Pcard Administrator.
- The Approver may not sign off on his/her own transactions.
- Approvers are responsible for reviewing and verifying that all cardholder transactions are appropriate and for a legitimate University purpose. Failure to do so may result in disciplinary action up to and including termination of employment.

Accountant Responsibilities

The accountant reviews documentation for completeness and compliance, ensures transactions are coded appropriately, and maintains appropriate documentation. The accountant has the following responsibilities:

- Transaction Processing and Review – The accountant is required to complete pcard training. The accountant is responsible for reviewing the cardholder's transactions, Bank Statement, and transaction documentation. Purchases are to be matched with the description entered by the cardholder and the Level 3 detail (if provided). Documents are to be reviewed for inappropriate purchases, and the cardholder and other departmental administration are to be notified of violations. In addition, the accountant is to report violations to the Pcard Administrator. The accountant is responsible for ensuring transactions are coded to the correct chart /fund and account. The accountant must sign off on the cardholder's transactions in Works. The accountant must also sign and date the cardholder's Bank Statement (as evidenced by an original signature) to indicate the supporting documentation has been reviewed and is in compliance with applicable policies, procedures, and guidelines. The statement must be signed and dated in a timely manner.
- The Accountant may not sign off on his/her own transactions.

Prohibited Purchases

Certain types of purchases are prohibited by the State/State statutes. Certain purchases may be allowable if processed on a requisition, but may not be made with a pcard.

A pcard may **not** be used for the following:

- **Split Purchases** – Split purchasing means dividing or failing to consolidate a known quantity of goods or services for the purpose of evading the pcard single transaction limit of $5,000 and/or a quotation/bidding requirement. Examples include, but are not limited to; splitting an amount over $5,000 between two (2) or more swipes of the card, splitting the purchase between two (2) or more cardholders, splitting the purchase between two (2) or more vendors, or splitting the purchase between two (2) or more chart/funds or projects. Split purchasing is a serious violation of both OSU Policies and Procedures and State statutes.

- **Regular Monthly Payments > $5,000 per Fiscal Year** – Maintenance, lease/rental, and service agreements for office or scientific equipment should be processed on a requisition and a PO issued if the total for the fiscal year is greater than $5,000.

- **Sales Tax** – The cardholder is responsible for ensuring Oklahoma sales tax is not charged at the time of purchase.

- **Cash, Cash Advances, Automated Teller Machine (ATM) Transactions**

- **Donations / Sponsorships**

- **Gifts, Gift Cards, Gift Certificates** – The purchase of gifts is a violation of State statutes.

- **Expenses for food and mileage while in travel status –** Per diem for food expenses and mileage may be claimed on a travel voucher.

- **Items that do not Serve a Business Purpose** – Includes, but is not limited to, flowers, candy, meals, greeting cards, health care items, etc.

- **Personal Purchases** – **The pcard may not be used under any circumstances to purchase items for personal use.**

- **Apple Products (For the Stillwater Campus Only)** – Apple products available through the Student Union Bookstore must be purchased through the Bookstore. Please refer to "Guidelines for Purchases of Apple Products" at http://it.okstate.edu/facstaff/computers.php for more information. (For associated data plans, see Restricted Purchases.)

- **Trade-in's** – Includes any purchase involving the trade-in of a University asset.

- **Conflict of Interest Transactions** – A cardholder may not purchase goods or services from themselves or a member of their immediate family or realize personal gain on a purchase transaction. Potential conflicts of interest must be disclosed by the cardholder.

- **Any Purchase from a Company Owned by a University Employee** – Any purchase from any company owned by any University employee must be bid.

- **University Departments and/or Auxiliaries** – The campus vendor invoice (CVI) system is to be used for the purchase of goods or services from University sources.

- **Gasoline** – Gasoline should be purchased from Transportation Services or with the gasoline credit card provided with each University vehicle.

- **Mail, Postage** – All U.S. mail, including parcel post, certified, and registered mail, should be sent through University Mailing.

- **Weapons and/or Ammunition** – A requisition must be completed for the purchase of weapons and/or ammunition.

- **Moving Expenses** – A requisition must be completed for moving expenses for University employees.

- **Service and/or Incentive Awards (or Any Items Purchased for an Employee)** – Service and/or incentive awards (or any items purchased for an employee) must be processed on a requisition.

- **Late Fees**

- **Insurance** – Insurance must be processed on a requisition through Risk and Property Management.

- **Purchases for Student Organizations** – A tax exempt University pcard may not be used to make purchases for student organizations. A fiduciary fund pcard assigned to a student organization must be used.

- **Alcohol**

- **Decorations**

- **Personal/Individual Memberships** – Payment of personal memberships and dues are a violation of State statutes.

- **Prepayments or Deposits** – Prepayments and deposits are a violation of State statutes. *For determination of when subscriptions or registration fees (approved exceptions) may be paid in advance, see the Restricted Purchases section below.*
- **Salary / Wages and/or Benefits**

- **Other Purchases not Permitted under OSU Policies and Procedures, Purchasing Policies, and State Statutes**

Restricted Purchases

For certain types of purchases, specific requirements/conditions must be met in order to use the pcard.

- **Food** – Food may only be purchased:
  - For food service or food sales areas (i.e. University Dining Services, Ranchers Club),
  - When specifically included in a Ledger 5 grant or contract budget and approved by a sponsoring agency,
  - When required for an instructional and/or research purpose,
  - When participants pay a fee and the documentation specifically indicates the fee will cover the food/meal, or
  - When all conditions of the Office of Management and Enterprise Service's Policy on the Payment for the Purchase of Refreshments are met.

    MEETING REFRESHMENTS – OMES Policy
    Light food and drink items (e.g., doughnuts, cake, coffee, tea, soft drink, etc.) used as refreshments and ***required*** *in connection with meetings or similar type activities* ***held/conducted for and in the interest of the general public.*** *May also include related service items (e.g., disposable plates/flatware, stirrers, sweeteners, etc.).*

    NOTE: Meetings as used in this definition do not include those activities and functions related to or associated with the day-to-day internal operations of an agency (e.g., staff meetings, staff retreats, employee training sessions/seminars, etc.). Inappropriate purchases of coffee and other refreshments outside of the "Refreshment Policy" listed above could be considered purchase of gifts under prohibited acts.

  - <u>If you make a food purchase, you must justify the purchase in writing and attach a copy of the justification to the invoice requisition prior to processing payment to the vendor. The written justification must include how the food purchase complies with one of the policies and guidelines provided above. You are responsible for ensuring the justification meets the requirements of the policies and guidelines. As you are determining whether to purchase food from any funding source, keep in mind that you may be asked by an auditor and/or reporter how and why you justified the purchase.</u>

- **Travel Expenses –** including airfare, baggage fees, lodging, parking, ground transportation, car rental (for out of state travel only), etc. – Compliance with all University and State travel policies and procedures is required. Allowable travel expenses, such as food and mileage, not permitted on the pcard may be submitted on a travel voucher.

- **Items Purchased for Resale** – Only authorized areas that hold a sales tax permit may purchase items for resale.

- **Conference and Training Expenses** – The pcard may be used to contract for conference and training expenses incurred for events conducted by the University. This includes conference equipment (i.e. audio or video equipment), conference/training rooms, set-up services, conference/training materials, and other goods and services that are not prohibited purchases.

- **Purchase of Clothing and/or Uniforms for Employees** – Before clothing can be purchased for an employee, a Clothing and/or Uniforms to be Provided to Employees – Request for Determination of Taxability Form must be completed by the department (This form can be found at https://controller.okstate.edu/exceptions-forms-guidelines). Only clothing and/or uniforms determined to be non-taxable as a fringe benefit may be purchased by pcard. The Determination form must be kept on file with the cardholder's documentation.

- **Data Plans for iPad** – A data plan may be purchased for a University owned iPad.

- **Institutional Membership** – Documentation must indicate the membership is an institutional membership, and the complete name of the organization must be identified. Justification must be provided upon request. Individual memberships are prohibited.

- **Equipment / Fixed Assets** – In order to properly record equipment acquired through pcard usage, departments are required to provide copies of any invoices involving equipment acquisitions that meet the capitalization requirement or that are deemed "high profile items" to Budget and Asset Management within 24 hours of purchase. Each invoice must accurately reflect the item(s) purchased, unit cost, quantity, and all accounting information including departmental chart/fund and credit invoice information if applicable. The department should also report the custodian number, number of asset tags needed for the equipment purchased, and any other pertinent information that would assist in adding the equipment to the University's fixed assets inventory. (The list of "high profile items" can be found in the Fixed Assets Handbook at http://bam.okstate.edu/asset-managemen.)

- **Purchases on Grants and Contracts** – Purchases made by pcard on a grant or contract account must comply with the terms and conditions of the award, award budget, and all OSU policies and procedures. Purchases must be made within the appropriate time frame of the award. If a sponsored account supports any purchase that is otherwise restricted (i.e. food), upon request, the cardholder must provide a copy of the approved grant or contract, the approved budget, and the page describing the otherwise unallowable purchase. As a part of the documentation maintained for food purchases for meetings, luncheons, etc. allowable under the grant or contract, the cardholder should maintain the receipt for the purchases, dates of the meeting, and a list of attendees. The agency award requirements will dictate record retention requirements. Any pcard purchase determined by audit, or otherwise, to be

unallowable on a grant or contract, will be transferred to the employee's departmental chart/fund.

- **Subscriptions** – Only one year may be paid at the time. Multiyear subscriptions may not be processed on a pcard.

- **Conference Registration** – The pcard may be used to pay for conference registration at the time of the conference or after the conference has taken place. Conference registration may be prepaid / paid in advance if the following three (3) criteria are met and documented.
    - A discount for early registration must be received.
    - If the registered participant cannot attend, someone else may attend in his/her place.
    - If the conference is cancelled, OSU will receive a 100% refund.

      OR
    - Prepayment is required in order to attend the conference <u>and</u>
    - No other form of payment is accepted.

- **Student Organization Expenses** – The pcard program may be extended to student organizations provided all compliance requirements can be met. See Student Organizations section for additional information.

- **PayPal Purchases** – .Cardholder must obtain a complete, detailed receipt from the vendor for each PayPal purchase

Payment of Travel Expenses with a Pcard

All pcard guidelines, OSU Travel Policies and Procedures, and the State Travel Reimbursement Act apply to the payment of travel expenses using a pcard. (See also Travel Policy 3-0201, Travel 10.01.) The following guidelines specifically pertain to pcard travel purchases:

Direct Purchase of Airfare and Baggage Fees with the Pcard

- An Out-of-State/Country Travel Request must be completed and approved prior to the purchase of airfare.
- The pcard may be used to purchase airfare through the FCm travel portal.
- If the FCm travel portal is not used, a printed quote for the lowest fare from the FCm travel portal must be obtained. The quote must be attached to the travel voucher to verify the airfare purchased was a lower price than could be obtained through the FCm travel portal.
- Baggage fees may be charged at the time of purchase or at the airport not to exceed the approved number of baggage per travel rules. No overweight, extra baggage, etc. is permissible.
- Required documentation includes the Out-of-State/Country Travel Request, the receipt, and any emails or other supporting documentation. If the FCm travel portal is not used, a printed quote from the FCm travel portal is required.
- The receipt must include the vendor's name, date, total cost of ticket, class accommodation, and name of traveler.
- This documentation may be printed and attached to the cardholder's monthly Bank Statement or to the travel documentation in the AIRS system. The cardholder must include the trip number in the description field on the Works system so the documentation may be identified by Pcard staff.

Direct Purchase of Lodging with the Pcard

- If traveling out-of-state, an Out-of-State/Country Travel Request must be completed and approved prior to the purchase of lodging.
- If a paid deposit is required, no more than one night's stay may be posted to the pcard in advance. A refund cancellation policy must be in place in order to pay the one night's deposit in advance.
- The room rate must be supported by either:
  - Sponsor's announcement, agenda, brochure, registration form, and/or notice to verify designated lodging site and single occupancy room rate **OR**
  - Printed documentation of the Federal lodging rates for city and/or county.
- No taxes should be paid on in-state lodging. This includes, but is not limited to: sales tax, hotel occupancy tax, entertainment tax, city tax, etc.
- Required documentation includes the Out-of-State Travel Request, if required, itemized receipt, and documentation supporting the room rate, i.e. conference brochure or GSA rate.
- This documentation may be printed and attached to the cardholder's monthly Bank Statement or to the travel documentation in the AIRS system. The cardholder must

include the trip number in the description field on the Works system so the documentation may be identified by Pcard staff.

Direct Purchase of Other Travel Expenses with the Pcard

- All other travel expenses, including parking, ground transportation, car rental (for out of state travel only), etc., must be supported by an itemized receipt. This documentation may be printed and attached to the cardholder's monthly Bank Statement or to the travel documentation in the AIRS system. The cardholder must include the trip number in the description field on the Works system so the documentation may be identified by Pcard staff.
- Shuttles for out of state transportation may be prepaid only if required by the shuttle company.
- Rental cars, shuttles, and taxis may not be purchased for in-state travel.
    - If the car rental includes both business and personal travel, the pcard may not be used.

- **REMINDER -** Per diem (meals/food) and mileage are not permitted on the pcard. Allowable travel expenses not permitted on the pcard may be submitted on a travel voucher.

Student Organizations

Student organizations may participate in the pcard program if all compliance requirements can be met. Student organizations may use the pcard to pay for supplies, food, student travel, and other expenses as needed by the organization. In order to participate:

- The advisor of the student organization must request the issuance of pcards for the organization and the advisor must complete pcard training.
- Only the advisor, president, and/or treasurer are eligible for a pcard.
- For students, justification will be required for a credit limit over $2,500 and a single transaction limit over $500.
- Cards will be imprinted with "Fiduciary Funds" rather than "Tax Exempt." The student organization is not exempt from sales tax.
- Alcohol may not be purchased.
- Student organization cards must be kept by the advisor or department administration, checked out by the student for use, and returned, along with an appropriate receipt/invoice, after the purchase is made.
- Cards for the president and treasurer will become inactive on May 15. This date may be extended at the request of the advisor to the Pcard Administrator. Justification for extension of the date must be provided. The advisor's card may remain active until the advisor is no longer associated with the student organization.
- Purchases for the student organization may not be made on a tax exempt OSU pcard.

Rebates, Rewards, Cash Back, Gifts with Purchase

At times, University purchases may result in cash or non-cash incentives. The incentives from University purchases are the property of the University and may not be used personally. Examples of such incentives include, but are not limited to, rebates, gift cards, two-for-one purchases, coupons, spend rewards, and expendable or non-expendable supplies. Any monetary, cash or non-cash incentive, or other type of reward received as a result of an OSU purchase becomes the property of the University and should be used for a University purpose. If the incentive received does not serve a University purpose, the department should not take advantage of the incentive.

Receipts

Requirements
The cardholder is responsible for obtaining original receipts, packing slips, and other required documentation from the merchant to support each purchase. Receipts should include:

- Date
- Merchant Name
- Itemized list of purchases
- Itemized pricing
- Total, including shipping and handling

Original packing lists and any other shipping documentation must be maintained with the official receipt.

Lost Receipts
If a receipt has been lost, the cardholder must contact the merchant and request a duplicate receipt. If a purchase was made online, the cardholder may be able to obtain a receipt from an order history or order status tab on the merchant's website. If the merchant cannot provide a duplicate receipt, the cardholder can contact the bank's Dispute Department at (800) 410-6465 to request a duplicate receipt. (Note – Federal regulations prevent Bank of America from ordering receipts under $25 that did not require a signature.) Repeated loss of receipts may be grounds for disciplinary action or cancellation of the pcard.

Reconciliation

Billing Cycle
Billing cycle dates run from the 21st of the month to the 20th of the next month. If the 20th of the month falls on a weekend or a holiday, the billing cycle ends on the previous business day. Transactions made on or near the end of the billing cycle may not post until the next billing cycle; therefore, these transactions may appear on the next billing cycle's Bank Statement.

Reconciliation Process
Pcard transactions are available electronically on the Works system to the cardholder, approver, and accountant on a daily basis as the transactions are received by the bank. A logon ID and password will be assigned to each cardholder and user of Works. Transactions must be reviewed in a timely manner. The Bank Statement, receipts, and other required documentation must be reconciled by the cardholder and submitted to the cardholder's accountant at the end of the billing cycle. Departments may establish procedures for the cardholder to submit receipts and other required documentation to the accountant on a daily or weekly basis. The accountant is responsible for reviewing documentation for completeness and compliance, ensuring transactions are coded appropriately, signing and dating the Bank Statement in a timely manner to indicate the review, and maintaining appropriate documentation.

Chart/Fund and Account Changes
All chart/fund and account changes must be completed no later than five (5) calendar days after the end of a billing cycle.

Record Retention

Original pcard records shall be maintained in a central location within the department (i.e. the departmental accounting office) and be made available for review by Pcard staff at any time. Records shall include, but are not limited to, monthly cardholder Bank Statements, receipts, invoices, charge slips, credits, packing lists, and dispute documents retained to support charges incurred by OSU and any other pertinent documents whether in paper or electronic form.

All records shall be maintained as prescribed in OSU Policy and Procedures statement #3-0190 (Records and Documents Retention, Security, and Control). Pcard records must be retained in the department for seven (7) years, then may be destroyed provided all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies and provided no legal actions are pending. If legal action is pending, records may be destroyed two (2) years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements.

Before destroying any records, a written request must be submitted to the Archivist in the Edmon Low Library or through the University's Record Retention Officer. No original records may be destroyed until approval is granted.

Destruction of the paper copies and electronic storage of documents must be in compliance with University policies and guidelines. Below is additional information regarding electronic imaging and destruction of documents.

The State Archives and Records Commission, in the General Records Disposition Schedule for State Universities and Colleges states in Schedule 5-116 that the disposition guideline State Pcard records is 'Retain in office for seven (7) years, then destroy after all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies, provided no legal actions are pending. If legal action is pending, destroy two (2) years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements."

If your department is imaging records, Schedule 5-116 has also been approved for continuous records destruction. Should you wish to include your Pcard records as a part of your continuous records destruction process, you should contact the Assistant Director, Asset Management, to make that request. Your department will be required to report annually as is done with all other records being imaged, the inclusive dates of records being imaged and destroyed for the fiscal year that is ending, the location of the imaged records (the images should always be saved in Web AppXtender or to a common departmental drive that is backed up nightly to the University's mainframe. At NO time should imaged documents be saved on a personal computer hard drive. The State must be able to access imaged records in an environment which is being saved and backed up routinely. Should you have any questions, please contact Budget and Asset Management, Assistant Director, Asset Management, x46787.

Payment

University Accounting will make timely payment to Bank of America for all credit card purchases without regard to individual discrepancies in transaction billings.

Resolving Disputes with Vendors

In the event of an erroneous charge, the cardholder must contact the merchant and attempt to resolve the problem. The communication should be documented in writing and include the date, persons involved, a brief description of the problem, and the outcome.

If the cardholder is unable to resolve the dispute with the merchant, a dispute may be filed with Bank of America through the Works system. The dispute may be filed by the cardholder, group proxy reconciler, or accountant.

Pcard Security

The cardholder is responsible for safeguarding his/her pcard and account number at all times. To prevent unauthorized use and limit the potential for fraud, the cardholder should use the basic security measures outlined below:

- Keep the pcard and account number in a secure location and safeguard it as if it were your own personal credit card.
- Do not loan or share the pcard with others, including co-workers in the department.
- If purchasing by phone, caution the vendor to refrain from placing the card number on the shipping label or on the invoice.
- To detect unauthorized transactions quickly, review transactions in the Works system in a timely manner.
- Upon receipt, immediately review the Bank Statement.
- Before placing an order with an online merchant, ensure that the site is secure.
- Immediately report lost, stolen, or fraudulent use of the pcard to Bank of America by calling (888) 449-2273. Outside the U.S., call (509) 353-6656.

Returning Pcards

Pcards are the property of OSU. Upon termination, transfer, or retirement, the card must be surrendered to the cardholder's departmental administration. In addition, a card must be surrendered upon the request of the cardholder's supervisor, departmental administration, the Pcard Administrator, or the Purchasing Department.

When a card is cancelled, the department must reclaim and destroy the card. A Deletion Form for Pcard or Works User Access is to be completed and forwarded to the Pcard Administrator.

Leave of Absence

If a cardholder will be away for an extended period of time (i.e. 30 days or greater), the department is to contact the Pcard Administrator. The card will be placed in suspension in order to protect the cardholder against loss and fraudulent charges. Upon return, the department is to contact the Pcard Administrator, and the card will be returned to the previous limits.

Information for Management

Information via the Internet
Account information may be viewed and reports generated at http://payment2.works.com/works. Account information is maintained on the Works server for two (2) years. Departments should establish a procedure for securing and maintaining necessary data before it is removed from the server.

Replacement of Pcards

Card Renewal
Prior to a pcard's expiration date, the bank will issue a replacement card and send it directly to the cardholder.

Defective Pcards
Pcards may be replaced when the original pcard is defective or mutilated. The cardholder must contact the Pcard Administrator. The replacement card will be mailed by Bank of America to the address listed on the Application Form for Pcard or Works User Access. The defective or mutilated card is to be destroyed by the department.

Lost or Stolen Pcards

Immediately upon discovering a pcard is lost or stolen, the cardholder must notify Bank of America at (888) 449-2273. Outside the U.S., call (509) 353-6656. These phone numbers are available 24 hours per day. Cardholders should keep these numbers readily available,

but separate from the card. When calling these numbers, the cardholder may be asked to provide the name embossed on the card, the address listed on the pcard application form, or the phone number listed on the pcard application form.

Upon notification, the customer service representative will block the use of the card, and a replacement card will be issued. If fraudulent charges have appeared on the card, the cardholder will be asked to sign an affidavit confirming which transactions are fraudulent so a credit can be issued for those charges.

Cardholder and Departmental Compliance Reviews

The Purchasing Department conducts ongoing desktop reviews of transactions appearing on the Works system. Cardholders and/or departments may be contacted for copies of receipts and/or an explanation of purchases.

The Purchasing Department will conduct on-site compliance reviews of ~~each~~ departmental pcard purchases as necessary in order to determine compliance with OSU policies and procedures and pcard guidelines, all required documentation is present, and appropriateness of purchases.

Pcard Violations

Misuse of the pcard in any manner by a cardholder may result in revocation of the privilege to use the pcard, disciplinary action, termination of employment, and/or the pursuit of any legal action available to the University.