OBJECTIVE

To ensure that all purchases made with a university purchasing card are authorized and documented, and in compliance with all applicable university policies.

POLICY

Applies to: All university personnel who make or authorize purchases on behalf of The Ohio State University.

Issued: 01/1998
Revised: 05/2006
Edited: 12/2008

I. General Overview

As a large public institution, The Ohio State University is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a purchasing card is a privilege and every reasonable effort must be made to ensure that funds are used responsibly and in a manner consistent with the university's mission, applicable laws and ethical practices. All business related purchases made with a university issued purchasing card must comply with The Ohio State University Expenditure Policies, Travel Policy and Human Resource Policies.

II. Purchasing Card

A. The purchasing card is a tool designed to support Ohio State’s purchasing and payables processes.

1. Purchasing cards are issued to departments.

2. Goods and selected travel services necessary to conduct university business can be purchased with the purchasing card.

3. Travel Services are limited to conference registration; hotel (lodging); airfare; and, rental car services. Airfare may be purchased through travel agencies, direct from airlines and the Internet.

4. Guest travel expenses must not be charged to the purchasing card.

B. The purchasing card is subject to a maximum standard single transaction limit of $1,000 and a maximum monthly spending limit of $5,000.

C. Purchases must not be split to avoid the established single transaction limit.
D. On an exception basis and with proper documentation, including college/vice presidential authorization, limits above the standard may be considered.

E. The purchasing card cannot be used for purchases on sponsored programs administered through the Research Foundation. Please contact the Research Foundation to learn about its procurement card program.

III. Approval

Each transaction must be approved for appropriateness and policy compliance and must be consistent with the college/vice presidential area financial control structure.

IV. Card Security and Purchasing Card Internal Tracking Log

A. Purchasing cards must always be stored in a secure place.

B. Persons with access to the card or any documentation showing the card number should recognize the importance of protecting the account number.

C. Each purchase must be recorded on the university's standard Purchasing Card Internal Tracking Log. The purchasing card manager is responsible for maintaining this log.

D. The individual using the card is responsible for its security while the card is in his/her possession.

V. Sales Tax

A. The university does not pay sales tax or use tax in Ohio and other states that have a sales tax exemption.

B. Purchasers are responsible for making sure that tax is not charged, when applicable.

   1. If sales tax is charged in error, reasonable attempts should be made to recover the charges.

   2. Sales tax charges of $10 or more must be recovered from the supplier or the individual who made the purchase.

C. A list of the states and their sales tax status along with a Blanket Certificate of Tax Exemption are available on the Controller's web site.
VI. Record Retention Requirements

A. The Purchasing Card and Travel Card Transaction Form, required documentation, and the bank statements are the official record for purchasing card transactions and must be retained by the department consistent with the university’s record retention schedule.

B. The department is responsible for ensuring that documentation is available for review and audit.

VII. Misuse of Purchasing Card

A. Progressive disciplinary steps for card infractions are outlined in each college/vice presidential area’s financial control structure. These steps include verbal notification, written notification, temporary suspension and/or permanent loss of privileges.

B. Fraudulent use of the purchasing card will result in immediate revocation of the card and may result in corrective action up to and including termination and/or criminal action. In addition, the university will seek restitution for any inappropriate charge.

VIII. Restricted Purchases

The following purchases cannot be made with a purchasing card.

- All services
- Goods that require the purchaser to sign a contract or document that requires administrative review
- Advertising (except classified ads under $1,000)
- Cash advances or ATMs
- Gas cylinders
- Gasoline (except rental vehicles)
- Guns, weapons, ammunition and explosives
- Internet connectivity (and associated Internet expenses) except while on travel status
- Letterhead
- Painting services
- Personal expenses
- Portable and mobile radio equipment
- Purchases on sponsored programs through the Research Foundation
- Radioactive material
- Satellite dishes/antennas
- Security alarm systems
- Telecommunications/telephone equipment and services
- Signage and graphics
PROCEDURE

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I. Definitions

Purchasing Card Manager – individual designated by the department as custodian of the purchasing card. Responsibilities include security and temporary issuance of the purchasing card to other departmental staff (card user).

Card User – individual assigned temporary use of the card by the card manager.

Reallocator – individual responsible for moving the transaction expense from the default account to the appropriate chartfield in the financial system.

Financial System Approver – individual responsible for approving the transaction expense for policy compliance and appropriateness in the financial system.

Purchasing Card and Travel Card Application – required form to initiate request for purchasing card. Must be completed in full and include the signature approval of the senior fiscal officer.

Dispute/Usage Agreement Form – required form that outlines responsibilities of the card manager; ensures dispute rights with the bank. A fully executed copy should be retained by the department.

Purchasing Card Internal Tracking Log – required form to track the whereabouts and usage of the purchasing card.

Purchasing Card and Travel Card Transaction Form – required form to document transaction detail information and approval.
II. Purchasing Card – Application

A. **Purchasing Card and Travel Card Application** must be completed to request a purchasing card.

B. **Purchasing Card and Travel Card – Dispute / Usage Agreement Form** must be completed by the card manager for each card requested. A fully executed copy should be retained by the department.

III. Transaction Documentation – Purchase of Goods

A. Purchases must be documented on a **Purchasing Card and Travel Card Transaction Form** completed in its entirety and supported by the original itemized receipts. In addition, see the controllers web site for documentation required for purchase of business meals and items in support of departmental business functions.

B. If an item is returned to the supplier, a credit must be applied to the account. Cash or a due bill cannot be accepted for a returned item.

C. A copy of the order confirmation itemizing all costs is required for Internet purchases.

D. If the required documentation for the purchase is not available, an explanation must be recorded on the **Purchasing Card and Travel Card Transaction Form**.

IV. Approval

A. Transaction approval is documented on the **Purchasing Card and Travel Card Transaction Form**.

B. Approval for policy compliance and appropriateness must be conducted in the financial system
V. Transaction Documentation – Purchase of Travel Services

A. Purchases must be documented and approved on a Purchasing Card and Travel Card Transaction Form completed in its entirety and supported by the following documentation. The applicable “T” number must be clearly noted on the transaction form.

- Conference Registration – a copy of the registration materials that itemizes all conference costs
- Airline Tickets – the receipt or e-ticket summary that itemizes all costs
- Hotel – an original hotel receipt/portfolio that itemizes all costs
- Rental Cars – an original car rental agency bill that itemizes all costs

B. If the required documentation for the purchase is not available, an explanation must be recorded on the Purchasing Card and Travel Card Transaction Form.

VI. Reallocation

A. Purchasing card activity is charged to a default account.

B. It is the department’s responsibility to move the expenses from the default account to the appropriate chartfield by the reallocation deadline.

C. The completed Purchasing Card and Travel Card Transaction Form and supporting documentation are required before the reallocation process occurs.

VII. Cancellation of Purchasing Cards

A. If a department chooses to cancel a purchasing card, a completed Purchasing Card and Travel Card Maintenance Form with the cut up card must be sent to the purchasing and travel card administrator in the Purchasing Department.

B. This cancellation process should not begin until all outstanding expenses have been reallocated.

VIII. Disputes

A. The purchasing card manager is responsible for following up on disputed charges.

B. If the purchasing card manager is unable to reach an agreement with the supplier, a formal dispute should be filed.
C. Notification to the bank of the disputed charges must be made within 60 days of the transaction date

IX. Lost or Stolen Cards

A. The purchasing card manager is responsible for notifying the bank, the senior fiscal officer and the purchasing card administrator in the Purchasing Department if a card is lost or stolen. In addition, if suspected that the card has been stolen while on OSU property, the OSU Police Department should be contacted.

B. The purchasing card administrator in the Purchasing Department will issue a new card as appropriate.

X. Bank Statements

A. Each month the bank issues a statement to the name and address associated with the account, if transactions were made within that month. The billing cycle is from the 25th day of one month to the 24th day of the next month.

B. Internal departmental procedures should be followed regarding reconciliation processes.

RESOURCES

The Ohio State University, Expenditure Policies

The Ohio State University, PCard Office, 614-292-9290

The Ohio State University, Purchasing Card Reallocation Schedule, http://purchasing.osu.edu/pcard/calendar.asp

The Ohio State University, Purchasing Card Disputes, http://purchasing.osu.edu/pcard/disputes.asp