Applies to:  All university personnel who make or authorize PCard purchases on behalf of the university.

Responsible Office  Office of Business and Finance

POLICY

Issued:  01/01/1998
Revised:  07/01/2014
Edited:  03/01/2017

Purpose of the Policy

This policy is established to ensure that all purchases made with a PCard are authorized, documented, and in compliance with all associated university policies, applicable laws and ethical practices.

Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bid threshold</td>
<td>The maximum purchase tolerance with a non-contracted supplier ($25,000 for goods and $50,000 for services including planned purchases that will cumulatively reach or exceed these totals during a fiscal year).</td>
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<tr>
<td>Billing cycle</td>
<td>The period of time between billings. The university’s PCard cycle starts on the 25th of the month and ends on the 24th of the next month.</td>
</tr>
<tr>
<td>Business purpose</td>
<td>The business description (who, why, what, etc.) that is required in all/most procurement-related systems to document appropriate justification for purchase.</td>
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<tr>
<td>Capitalized equipment</td>
<td>Any moveable item that has a useful life of one or more years, has a cost or value of $5,000 or more, and is not attached permanently to a building or system.</td>
</tr>
<tr>
<td>Misuse</td>
<td>Inappropriate or improper use of the PCard or policy infractions on purchases. Examples would include, but are not limited to: personal charges, split transactions, missing receipts or equivalent documentation.</td>
</tr>
<tr>
<td>Service center</td>
<td>The shared services center established within each college/vice presidential area that is responsible for the handling of specific operational tasks.</td>
</tr>
<tr>
<td>Special approval</td>
<td>Specific goods/services that require additional approval from internal university offices before purchase.</td>
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</tbody>
</table>

Policy Details

I. General Overview
A. As a large public institution, The Ohio State University is held to a high degree of public scrutiny and accountability for its business practices.
B. Issuance of a PCard 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.
C. All business related purchases made with a university issued PCard must comply with the Expenditures, Travel, Purchasing, Internal Controls, and other university policies.

II. Card Types, Limits, and Eligibility for Issuance (table follows)
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| Individual Card          | $5,000/transaction | $10,000/cycle | • Issued in an individual’s name.  
  • Travel frequency must include 6+ trips per year or minimum business spend of $1,000/month. |
|--------------------------|--------------------|--------------|------------------------------------------------|

| Group/Extended Travel Card | Based upon the needs of the traveler. | • Issued in an individual's name; contingent upon 2 or more travelers or for an individual's travel that spans 7 or more consecutive days.  
• Must provide valid T#.  
• May be used for purchases on sponsored programs. |

III. Card Usage Limitations and Requirements

A. General Requirements
  1. PCards are used to support The Ohio State University’s purchasing and payable processes.
  2. Card issuance is limited to employees of the university that have submitted an authorized PCard Application and Memorandum of Agreement and completed the required PCard training courses.
  3. Cards are subject to the single transaction and monthly spending limits established for each card type. On an exception basis and with proper documentation, including senior fiscal officer authorization, an increase to the single transaction and monthly spending limits may be considered.
  4. Purchases must not be split to avoid the established single transaction limit.
  5. If a purchase is returned to the supplier, a credit must be applied to the card account. Cash or a due bill cannot be accepted for a returned item.

B. Procurement Limitations
  1. **Bid threshold** – PCard purchases that exceed the university’s bid threshold are prohibited.
  2. **Capitalized equipment** – PCard purchases that meet the definition of capitalized equipment must be tagged according to Asset Management policy.
  3. **Special approval** – Goods and services deemed as special approval must be authorized before purchase, by the applicable university unit. See Purchasing policy for special approval list.
  4. Contracts/Agreements – Goods and services that require a signed contract, agreement or equivalent documentation must be authorized by the Purchasing Department before purchase.
  5. Preferred suppliers – When possible, card users should take reasonable steps to obtain the best pricing by using preferred suppliers the Purchasing Department has established to provide university-wide discounted pricing.

C. Sales Tax
  1. The university does not pay sales tax or use tax in Ohio and other states that have a sales tax exemption.
  2. Users of the PCard are responsible for ensuring that tax is not charged and for making reasonable attempts to recover any tax charged in excess of $10. See Tax Compliance, Office of the Controller for the State of Ohio Sales and Use Tax Blanket Exemption Certificate.

D. Travel
  1. Use of the PCard while on university business travel must follow the Travel policy, in addition to the other policies specifically mentioned.

IV. Transaction and Retention Documentation

A. Transaction Documentation
  1. An original itemized receipt or equivalent documentation is required for any/all transactions.
  2. Transactions involving the purchase and delivery of goods must also be documented by a packing slip to validate receipt of goods. Packing slip must be scanned into eRequest (or appropriate alternative), if $75 or greater.
  3. Transactions must be further documented by an approved eRequest (or appropriate alternative, such as eTravel request) to capture business purpose and other transaction details.

B. Record Retention Requirements
Applies to: All university personnel who make or authorize PCard purchases on behalf of the university.

1. The transaction receipt (or equivalent documentation), which must be scanned into eRequest (or alternative transaction documentation), and the bank statement are the official record for PCard transactions.
2. These documents must be retained by the department consistent with the General Records Retention Schedule and must be available for review and audit.

V. Reallocation and Approval
A. Reallocation
1. Transactions should be reallocated in the Financials System to the appropriate chartfield combination by the reallocation deadline.

B. Approval
1. Transactions must be approved in eRequest (or alternative transaction documentation) for appropriateness and policy compliance consistent with the Internal Controls policy and the college/vice presidential area internal control structure. Appropriate segregation of duties must be maintained.
2. Transactions must be approved in the Financials System no later than 30 days from the transaction’s reallocation deadline. For travel-related expenses, approval must occur within 30 days from the end of the month in which the trip was completed. Appropriate segregation of duties must be maintained.

VI. Card Security and Tracking
A. Card Security
1. The PCard must always be stored in a secure place.
2. Personnel with access to a PCard or any documentation showing a PCard account number must protect the account number from fraud or any other inappropriate use.
3. All PCards should be immediately cancelled if a card manager or cardholder’s employment is terminated, transfers to another department, or assumes different duties that do not require use or management of the PCard.
4. Card managers and cardholders must immediately contact the issuing bank if a PCard is lost, stolen or fraudulent activity is detected.
5. Card managers and cardholders must dispute any questionable charge with the supplier and the issuing bank within 60 days of the statement date.

B. Tracking
1. Service center card:
   a. The service center card must remain in the service center for use by service center affiliates only.
   b. If the service center card is used by an individual other than the card manager, the transfer of custody must be recorded on the Tracking Log.
      i. The card manager is responsible for maintaining this log to track the whereabouts of the PCard.
      ii. The card manager is responsible for ensuring receipts are collected.
      iii. The card manager has the authority to deny usage of the card.
   c. The service center affiliate (card user) is responsible for the security of the service center card while in their possession.

2. Department card:
   a. The department card may be shared with department users.
   b. If the department card is used by an individual other than the card manager, the transfer of custody must be recorded on the Tracking Log.
   c. The card manager is responsible for maintaining this log to track the whereabouts of the PCard.
   d. The card manager is responsible for ensuring receipts are collected.
   e. The card manager has the authority to deny usage of the card.
   f. The department affiliate (card user) is responsible for the security of the department card while in their possession.

VII. Conduct and Consequences
A. User Conduct
1. All purchases made with a PCard must be for official university business only.
2. Personal use is strictly prohibited.
B. Consequences of Misuse
   1. Misuse must be tracked as an exception according to the Expenditures policy.
   2. Disciplinary actions for inappropriate use or policy infractions are outlined in each college/vice presidential area internal control structure.
   3. Personal or fraudulent use of a PCard 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.

PROCEDURE
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I. Application Process
   A. Applying for a New PCard
      1. The PCard Application and Memorandum of Agreement must be submitted with each request for a new card account.
   B. Training
      1. Applicant must complete the required training applicable to PCard use, prior to the issuance of a new card account.
      2. PCard training courses may be accessed via u.osu.edu/financialtraining/pcard-training/.

II. Transaction Documentation
   A. Card managers, cardholders, and card users must submit an original itemized receipt (or equivalent documentation) for all transactions. Receipts must be scanned to the eRequest (or appropriate alternative).
   B. Transactions must be documented by an approved eRequest (or appropriate alternative, such as eTravel request) to capture business purpose and other transaction details.
   C. Transactions involving the purchase and delivery of goods must also be documented by a packing slip to validate receipt of goods. Packing slip must be scanned into eRequest (or appropriate alternative), if $75 or greater.
   D. If the required documentation is not available, an explanation must be recorded in eRequest (or appropriate alternative, such as eTravel request).
   E. Account statements are issued monthly by the bank to the card manager and cardholder, when transactions occur within the billing cycle.
   F. Statements should be reviewed for transaction accuracy by the card manager and/or cardholder.

III. Sales Tax Recovery
   A. If sales tax is charged in error, the service center should send a reminder to the card manager, cardholder, or card user to reinforce the tax exemption status of the university.
   B. Reasonable efforts should be made to recover tax charged in excess of $10. Recovery is not recommended if the cost to recover exceeds the tax amount paid. All actions should be documented.

IV. Reallocation and approval
   A. Transactions are charged to a default account (61206) when imported by the bank’s daily feed. It is the reallocator’s responsibility to move the expenses from the default account to the appropriate chartfield by the reallocation deadline. Any applicable PR# or T# number should be entered.
   B. With use of the Group/Extended Travel Card only, charges may be reallocated to the sponsored project chartfield during the reallocation process.

B. Approval Process
Applies to: All university personnel who make or authorize PCard purchases on behalf of the university.

1. Transactions are approved for appropriateness and policy compliance in eRequest (or appropriate alternative, such as eTravel request), and in the Financials System consistent with the Internal Controls policy and the college/vice presidential area internal control structure.

2. Transactions must be approved in the Financials System no later than 30 days from the transaction’s reallocation deadline. For travel-related expenses, approval must occur within 30 days from the end of the month in which the trip was completed. Appropriate segregation of duties must be maintained.

3. Approvers should have the transaction documentation (e.g., itemized receipts or equivalent documentation), along with an eRequest (or appropriate alternative, such as eTravel request) to complete the approval process.

4. Transactions marked as “not approved” (e.g., disputed or fraud charges), must be documented in the comment field with the actions taken to rectify the transaction.

V. Transaction Dispute
   A. Disputing a Transaction
      1. The card manager or cardholder is responsible for resolution of any disputed charges.
      2. If the card manager or cardholder is unable to reach an agreement with the supplier, a formal dispute must be filed with the bank within 60 days of the statement date.

VI. Lost, Stolen, and Fraudulently Used Cards
   A. Lost or Stolen Cards
      1. The card manager or cardholder is responsible for notifying the bank, the senior fiscal officer and the PCard Office if a card is lost or stolen. Local or campus police should be notified as applicable.
      2. The PCard Office will issue a new card as appropriate.

   B. Fraudulently Used Cards
      1. The card manager or cardholder is responsible for monitoring card usage to prevent fraud.
      2. If spending trends vary from the normal pattern or fraudulent use by a supplier is detected or suspected by the bank, the PCard account will be immediately blocked from further use.
         a. The bank will notify the PCard Office to verify the legitimacy of the transactions.
         b. The PCard Office will issue a new card as appropriate.

VII. Card Maintenance/Cancellation
   A. Account Changes
      1. Limit Increase Requests – On an exception basis, limits above the card type standards may be considered. Limit Increase Requests must be submitted to the PCard Office on a completed PCard Maintenance Form, with written justification defining need for increase.
      2. System Change Requests – Change to the default chartfield, reallocators and approvers must be submitted to the PCard Office on a completed PCard Maintenance Form.

   B. Cancellation
      1. If a department chooses to cancel a card prior to the card’s established expiration date, a completed PCard Maintenance Form must be sent to the PCard Office.
      2. All PCards should be immediately cancelled if a card manager or cardholder’s employment is terminated, transfers to another department, or assumes different duties that do not require use or management of the PCard.

Responsibilities

<table>
<thead>
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<th>Responsibilities</th>
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<tr>
<td>Card user</td>
<td>The card user is assigned temporary use of a card and is responsible for following PCard policy requirements (and other applicable university policies) when using the PCard.</td>
</tr>
<tr>
<td>Cardholder</td>
<td>The cardholder is assigned permanent custody of an individual or group/extended travel card issued in the cardholder’s name, and is responsible for completing PCard training courses and following PCard policy requirements (and other applicable university policies) when using the PCard.</td>
</tr>
<tr>
<td>Card manager</td>
<td>The card manager is assigned permanent custody of a department or service center card and is responsible for maintaining the security of the shared use card, tracking card use, monitoring spend usage</td>
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<td>Service center</td>
<td>The service center is responsible for the handling of the PCard operational tasks for the associated college/vp area; including reallocation, approval, etc.</td>
</tr>
<tr>
<td>Reallocator (FS)</td>
<td>The reallocator is assigned by the senior fiscal officer of the college/vp area to one or more PCard(s) and is responsible for completing PCard training courses and moving the transaction expense from the default account to the appropriate chartfield in the Financials System. Appropriate segregation of duties must be maintained.</td>
</tr>
<tr>
<td>Approver (FS)</td>
<td>The approver is assigned by the senior fiscal officer of the college/vp area to one or more PCard(s) and is responsible for completing PCard training courses and approving the transaction expense for policy compliance and appropriateness in the Financials System. Appropriate segregation of duties must be maintained.</td>
</tr>
<tr>
<td>PCard Office</td>
<td>The PCard Office is responsible for new account issuance, account maintenance, issue resolution, reporting and other program duties.</td>
</tr>
</tbody>
</table>

Resources

University policies (all university policies are available at policies.osu.edu):

- Asset Management, 4.21, busfin.osu.edu/FileStore/PDFs/421_AssetManagement.pdf
- Expenditures, 4.11, busfin.osu.edu/FileStore/PDFs/411_Expenditures.pdf
- General Records Retention Schedule, library.osu.edu/documents/records-management/general-schedule.pdf
- Internal Controls, 1.11, busfin.osu.edu/FileStore/PDFs/111_InternalControls.pdf
- Purchasing, 2.21, busfin.osu.edu/FileStore/PDFs/221_Purchasing.pdf
- Travel, 2.11, busfin.osu.edu/FileStore/PDFs/211_Travel.pdf

Forms, Training, and Systems:

- PCard Forms, controller.osu.edu/forms/forms.shtm#pcard
- PCard Training, u.osu.edu/financialtraining/pcard-training/
- eRequest, erequest.osu.edu
- eTravel, etravel.osu.edu
- Financials System, finance.it.ohio-state.edu/psp/sfnosu/?cmd=start

Office of Business and Finance websites (busfin.osu.edu/):

- Office of the Controller, Office of Business and Finance, controller.osu.edu/
  - PCard, Office of the Controller, controller.osu.edu/pcard/pcard-home.shtm (forms and quick links to PCard tools are found on the PCard website)
  - Tax Compliance, Office of the Controller, controller.osu.edu/acc/tax-home.shtm
- Purchasing Department, Office of Business and Finance, purchasing.osu.edu/

Contacts

<table>
<thead>
<tr>
<th>Subject</th>
<th>Office</th>
<th>Telephone</th>
<th>E-mail/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy interpretation</td>
<td>PCard Office, Office of the Controller,</td>
<td>614-292-9290</td>
<td><a href="mailto:PCard@osu.edu">PCard@osu.edu</a> controller.osu.edu/pcard/pcard-home.shtm</td>
</tr>
<tr>
<td></td>
<td>Office of Business and Finance</td>
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