

Cleveland State University Purchasing Card Policy and Procedure Revised June 2014

Purpose

This policy describes the proper use of a Cleveland State University (the University) purchasing card. It is in place to protect the University from fraud and other deliberate or accidental misuse of its funds.

Policy

The Purchasing Card (PCard) is a University credit card that delegates small dollar purchasing power to individual University employees. The PCard allows the cardholder to charge work-related expenses directly to the appropriate University account. Only University employees may be issued a PCard. The PCard may be used for business purposes only, and all purchases must comply with all University policies and procedures, in particular the Travel Policy and the Purchasing Policy. A cardholder must comply with all applicable policies and procedures to retain use of the card.

Procedures

Program Overview

I. Eligibility

Purchasing cards may be issued to any employee who requires one, with the approval of the appropriate Dean or Vice President.

II. Type of Card

The University uses a MasterCard provided by JP Morgan Chase.

III. General Use

The PCard is the preferred method for high volume, low dollar buying, and for travel expenses. In general, the PCard may be used to purchase any item that falls within the guidelines provided by Purchasing Policy or the Travel Policy. The purchase must be within the assigned dollar limit. IMPORTANT NOTE: There are some unique exceptions and restrictions to PCard use.

IV. Expiration and Reissue of Cards

Cards expire on the last day of the month embossed on the front of the card (expiration date). Cards are automatically reissued within 1 to 6 weeks prior to the expiration date. The cards are sent via regular mail to the PCard Administrator.

V. Changing Information on a Card, or Canceling a Card

A PCard Addendum form available on Purchasing Services web site must be used to apply for changes to the card. To cancel a card, destroy the card and send an e-mail message to the Purchasing Card Administrator, indicating department name, cardholder name, cardholder account number, and the reason for canceling the account.

VI. Forms & Manuals

Forms and user manuals are available on Purchasing Services web site. Revisions to the forms and the manuals are frequent; all cardholders must check the website often for current versions.

VII. Updating Transactions

All transactions appear in the PCard software system. Access to the system is available over the web to all cardholders or their designees. The University uses the PaymentNet system from JP Morgan Chase. Transactions must be updated promptly (if needed) to ensure proper mapping to the appropriate chart fields, etc.

VIII. Allocation of Charges

Transactions will be allocated to the default account number assigned to the PCard at the time of issue. The cardholder selects the default account number on the PCard application. Transactions may be moved to another account once they appear in PaymentNet. Transactions will be charged (mapped) to the General Ledger, as designated in PaymentNet, 5 days after the end of the month. To make changes after transactions have been mapped, a journal entry must be requested.

IX. Documentation Requirements

Cardholders should always obtain an itemized receipt for each transaction. Receipts must be attached to the monthly cardholder statement. A description of the transaction should be provided; for

meals, this should include the names of those in attendance and the business purpose (in accordance with the Policy on Refreshments). The statement, with receipts attached, must be signed by the cardholder and the supervisor and forwarded to Accounts Payable.

X. Approvals

A. President

The PCard transactions of President require approval by the Vice President for Business Affairs & Finance.

B. All other cardholders

The Pcard transactions of all other cardholders require approval by the cardholder's supervisor or his/her designee.

C. Approval methods

Approval is accomplished by requiring the supervisor to sign off on monthly statements, after receipts have been attached. The on-line approval in PaymentNet may be used if desired, but does not substitute for the sign off on the monthly statement.

XI. Audits

All purchases, documents and departmental procedures are subject to audit by the Department of Audits at any time. In addition, the University's external auditors will audit PCard transactions during the annual audit.

Cardholder Responsibilities

XII. Everyday Use

A. Rules and procedures:

1. The card is for business expenses only.
2. The card is not transferable. It may be used by the cardholder only.
3. Itemized receipts must be obtained for all PCard transactions.

4. The PCard may be used over the internet.
5. Pyramiding – i.e., dividing one purchase into two or more, in order to stay within your transaction limit – is not permitted.
6. Cardholders may not receive cash advances of any form using the PCard.
7. Cardholders may not receive cash back for any refunds or exchanges. Such amounts must be credited to the PCard account.
8. Cardholders should not pay Ohio sales tax. The cardholder must tell in-state suppliers the University is exempt from Ohio sales tax. A copy of the University's tax exempt certificate is available on Purchasing Services web site.

B. Preventing Fraud

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

DO

1. **Sign your card** as soon as it arrives.
2. **Keep the card in a secure location**; guard the card number carefully.
3. **Save receipts and statements in a secure area** (they may contain your card number).
4. **Keep an eye on the card during the transaction**, and retrieve it as soon as possible.
5. **Always know where your card is.** If you can't find the card, **assume the worst.** Call Purchasing at 3600 and cancel your card.
6. **Be aware of what you are signing:** Your signature can copy through to other slips deliberately placed underneath.
7. **Audit your monthly statement closely.** Make sure all charges shown are legitimate charges.
8. **Visit reputable, familiar merchants** whenever possible.

9. **Report possible fraud immediately** to PCard Administration at extension 3600 and the bank at 1-800-270-7760.

DON'T

1. **Discard credit card slips.** Thieves can acquire your card number from receipts, slips and statements.
2. **Lend your card to anyone.**
3. **Give your card number to anyone over the phone** unless you know you are dealing with a reputable vendor.

C. Unauthorized Purchases

The PCard may NOT be used to purchase unauthorized items, such as:

1. Personal items
2. Live animals
3. Controlled substances requiring a DEA license
4. Employee relocation expenses
5. Leases
6. Long term rentals (1 year or longer)
7. Professional services: Payments to individuals, consultants and employees
8. Radioactive materials
9. Weapons/ammunition
10. Donations
11. Fuel for a privately-owned vehicle

D. Restricted Use

Certain items are restricted from purchase with a PCard unless the following requirements are met:

1. Purchase of **alcohol for consumption** is prohibited, unless the purchase is to be paid from CSU Foundation funds (as provided in the Policy on Refreshments).
2. Purchase of **capital equipment** is prohibited.
3. **Out-of-state printing** is allowable only when printing is done by a company that has an Ohio Printing Facility. It is the responsibility of the cardholder to determine if the purchase meets this requirement. PCard holders can contact the Purchasing Office for additional information prior to purchase.
4. Purchase of **personal services** is prohibited.
5. **The travel/entertainment expenses of other University employees** are allowable on the PCard for the following items ONLY:
 - . Airline tickets
 - . Conference registrations
 - . Hotel reservations (one night deposit if required)
6. **Conflict of Interest (purchases from a business in which you or a relative have a financial interest):** Cardholders may not make purchases that violate University policy restricting business transactions that may be perceived as a conflict of interest.

XIII. Problems with card use

- A. If the PCard is rejected by a supplier:** The cardholder should contact the PCard Administrator at extension 3600. The Administrator will make an effort to correct the problem.
- B. Disputed items (damaged or incorrect shipments, etc):** It is the cardholder's responsibility to obtain credit from the merchant by notifying the merchant of the difficulty as soon as possible, and affecting a resolution. Further, the transaction should be updated in PaymentNet to reflect the dispute.
- C. If the cardholder has difficulty resolving a transaction dispute:** The cardholder should select the transaction in PaymentNet and dispute it there. The bank will attempt to resolve the situation with the merchant.

D. If your card is lost or stolen, or if you detect a transaction in PaymentNet you believe to be fraudulent: Report loss, theft, or fraudulent use of the card immediately as follows:

1. Contact JP Morgan Chase at 1-800-270-7760. Have your card number and/or social security number ready.
2. To report a fraudulent transaction, have the transaction number and basic transaction information (vendor, dollar amount) ready. Inform your department administrator(s). Inform the Purchasing Card Administration.
3. The toll free number is open 24 hours a day. If reporting during evenings or weekends, department administrators and Purchasing Card Administration Office can be notified the next business day.

E. Damaged cards: If the card is damaged or demagnetized, or requires a correction in the cardholder name or department name, replacement card may be requested. Contact JP Morgan Chase using the toll free number on the back of the card. The replacement card will be sent to you via regular mail in 7 to 10 days. The card will contain the same number as the current card. The number will be placed on hold until the new card is received. The old card can be destroyed at the time of order. For name changes, fill out a PCard Addendum form (available on Purchasing Services web site) to notify PCard Administration to change the name in the PaymentNet system as well.

XIV. Purchasing Card as Travel Card

The PCard is the preferred method to pay for travel expenses. The following rules apply:

1. Only the traveler's PCard may be used for his/her travel expenses with the following exceptions: The department head or department secretary's card may be used for conference registrations, airline tickets, or hotel reservations (first night charge is allowable if prepayment is required by hotel policy).
2. Original receipts for travel expenses should be filed with the Travel Approval and Expense Report. A copy should be filed with the PCard statement, and a reference to the Travel Report number where the original receipt was filed included.

3. Any personal charges on the hotel bill (e.g., personal calls, movies) must be paid out-of-pocket at checkout or reimbursed to the University immediately upon return to campus.
4. The PCard may not be used to purchase fuel for a privately owned vehicle. Reimbursement for use of a privately owned vehicle is done using the mileage rate. Purchase of fuel for a car rented for business purposes is permitted.
5. All purchases must be in accordance with University travel policy.

XV. Follow-Up Accounting Procedures

A monthly statement of purchasing card activity will be sent to each cardholder. In addition to reviewing transactions in PaymentNet, each cardholder must:

1. Reconcile receipts* with the monthly statement immediately upon its arrival.
2. Attach receipts to the statement, sign and date the statement, have your supervisor sign the statement, and then forward it to Accounts Payable.
3. If a receipt is missing, the cardholder must complete the Missing Receipt form and include it with the statement. The Missing Receipt Affidavit is available on Purchasing Services web site.

*NOTE: Receipt is defined as follows: An invoice, cash register receipt, sales slip, or packing slip which contains an itemized list of goods purchased, with dollar amounts, and the name and location of the supplier. An employee of the supplier must sign handwritten receipts.

Budget Unit Manager Responsibilities

XVI. Determining who should receive a card

The Budget Unit Manager should review, approve and forward approved applications to the Purchasing Card Office. Cards may be issued to University employees only.

XVII. Retrieving cards from employees whose status changes

The Budget Unit manager must retrieve cards from employees who leave the University, change departments, or move to a job in which they will no longer require a purchasing card. The card should be destroyed, and sent to the Purchasing Card Administrator.

XVIII. Establishing PCard software system users

At minimum, each area should designate one person as the main individual trained to review and update transactions in PaymentNet. One backup person must also be designated in the event the main user is out of the office.

XIX. Overseeing appropriate use of the card

Instructions for Budget Unit Managers:

1. Review the Purchasing Card transaction and management reports to ensure that the Purchasing Card is being used appropriately.
2. Ensure that all transactions are assigned to the appropriate University account number.
3. Ensure all transactions are marked 'Viewed' and 'Approved' in the PaymentNet system prior to mapping into the General Ledger.

XX. Ensuring documentation requirements are met

Instructions for Budget Unit Managers:

1. Ensure necessary detail is provided on all transactions in the PaymentNet, prior to the mapping date. Charges are mapped to the General Ledger 5 business days after the end of the month.
2. Ensure that itemized receipts are obtained, attached to monthly card statements and forwarded to Accounts Payable.