

Cleveland State University

Purchasing Card Guidelines and Procedures

Revised September 25, 2020

Purpose

This document 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.

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 VISA provided by Bank of America.

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 the 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. Delivery of Cards

Bank of America will send PCard directly to cardholder's home address. Cardholder must provide current home address on the Purchasing Card application and notify CSU PCard administrator of any address changes. CSU Campus addresses will not be accepted as cardholder address.

V. 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 cardholder's home address.

VI. Changing Information on a Card, or Canceling a 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. The Application for Purchasing Card may be used to make changes to home address, default general ledger chartfields or supervisor/approver.

VII. Forms & Manuals

CSU forms and cardholder guidelines and procedures are available on Purchasing Services web site. Bank of America training guides and videos can be accessed on the Works website.

VIII. Receipts

Cardholders should always obtain an itemized receipt for each transaction. 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 CSU Guidelines on Refreshments).

The monthly statement must be downloaded from the Bank of America Global Access website each month. The monthly statement, with receipts attached, must be signed (electronically or non-electronic) by the cardholder and the supervisor and retained in the departmental files per State record retention guidelines. An electronic copy of the statement and receipts must be sent to AP@csuohio.edu by the 15th of the following month.

IX. Approving Transactions

All transactions must be approved by the cardholder on the Works website. Access to the system website is available to all cardholders and their designees. Transactions must be reviewed, receipts uploaded and transactions approved promptly, no later than the last day of the month.

X. Allocation of Transactions

Transactions will initially 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 must be reviewed online promptly and no later than the last day of the month. Cardholder may change the general ledger chartfields or split the transaction to two or more accounts if needed.

XI. Documentation and Record Retention Requirements

A pdf copy of the receipt should be uploaded and attached to each transaction online. The cardholder must retain the hardcopy of the receipt attached to the monthly statement in the departmental files per State record retention guidelines. Once the transaction in Works has the correct chartfields and receipts attached, the cardholder should approve the transaction online.

Receipts must be attached to the monthly cardholder statement. The statement is available electronically via the *View Statements* link on Bank of America's Global Access website. The monthly statement, with receipts attached, must be signed by the cardholder and the supervisor. An electronic pdf copy of the statement and receipts should be emailed to AP@csuohio.edu no later than the 15th day of the following month.

XII. Approvals

A. President

The PCard transactions of President require approval by the Associate General Counsel.

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.

XIII. 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

XIV. 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 for internet purchases.
5. Pyramiding is not permitted – i.e., dividing one purchase into two or more, in order to stay within your transaction limit.
6. Cardholders may not receive cash advances of any form nor may they purchase gift cards 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. The University's tax exempt number is printed on the face of the PCard. 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.
6. **Always know where your card is**. If you cannot find your card, **assume the worst**. Call or email Purchasing at x3600 or AP@csuohio.edu to cancel your card.
7. **Be aware of what you are signing**: Your signature can copy through to other slips deliberately placed underneath.
8. **Audit your monthly statement closely**. Make sure all charges shown are legitimate charges.
9. **Visit reputable, familiar merchants** whenever possible.
10. **Report possible fraud immediately** to Purchasing Card Administration at x3600 and Bank of America at 866-500-8262.

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
12. Gift Cards are classified as taxable income by IRS and may **not** be purchased with a PCard.

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 Guidelines 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.

XV. Problems with card use

- A. If the PCard is rejected by a supplier:** The cardholder should contact the Purchasing Card Administrator at x3600 or email AP@csuohio.edu. 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 Works to reflect the dispute.
- C. If the cardholder has difficulty resolving a transaction dispute:** The cardholder should select the transaction in Works and dispute it there. The bank will attempt to resolve the situation with the merchant.
- D. If your card is stolen or if you detect a transaction in Works you believe to be fraudulent:** Report loss, theft, or fraudulent use of the card immediately as follows
1. Contact Bank of America at 866-500-8262. 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, you may notify department administrators and Purchasing Card Administration 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 Bank of America using the toll free number on the back of the card. The replacement card will be sent to your home address 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 Application form (available on Purchasing Services web site) to notify PCard Administration to change the name in the Works system as well.

XVI. 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.

XVII. Follow-Up Accounting Procedures

The cardholder must download an electronic copy of their statement each month. The statement is available electronically via the *View Statements* link on Bank of America's Global Access website. In addition to reviewing and approving transactions in Works, each cardholder must:

1. Reconcile receipts* with the monthly statement immediately.
2. Attach receipts to the statement, sign and date the statement, have your supervisor sign (electronically or non-electronically) the statement. An electronic pdf copy of the signed statement and receipts should be emailed to AP@csuohio.edu no later than the 15th day of the following month.
3. The hardcopy of the statement and receipts should be retained in the departmental files per current ORC (Ohio Revised Code) record retention guidelines.
4. If a receipt is missing, the cardholder must complete the Missing Receipt Affidavit and include it with the statement. The Missing Receipt Affidavit is available on Purchasing Services web site.
5. Statements must be emailed to AP@csuohio.edu by the 15th of the following month. Non receipt of statements is in violation of policy and cardholder may be subject to suspension or cancellation of card.

*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.

Fiscal Officer Responsibilities

XVIII. Determining who should receive a card

The Fiscal officer should review applications and forward to Dean or VP for approval. Once approved, the Fiscal Officer will forward approved applications to p.card.application@csuohio.edu. Cards may be issued to University employees only.

XIX. Designating default account codes for all departmental cardholders

Grant project numbers can only be used with the approval of SPRS due to federal and state audit and reporting requirements. Gift and other class numbers are not allowed to be used as PCard default codes or in Works. Gift or cost share charges must be moved via journal entry after the transaction appears in the GL.

XX. Retrieving cards from employees whose status changes

The cardholder's supervisor 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 Purchasing Card administrator should be notified of the change immediately. The card should be destroyed, and sent to the Purchasing Card Administrator.

XXI. Establishing PCard software system users

Each area should designate one person as the main individual trained to oversee purchasing card usage and who can review and update transactions in Works. One backup person must also be designated in the event the main user is out of the office.

XXII. Overseeing appropriate use of the card

Instructions for Fiscal Officers:

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 have receipts attached and are marked 'Approved' in the Works system by the last day of the month.

XXIII. Ensuring documentation requirements are met

Instructions for Fiscal Officers:

1. Ensure necessary detail is provided on all transactions in Works by the last day of the month.

2. Ensure that itemized receipts are obtained, uploaded to Works, attached to monthly card statements and emailed to Accounts Payable.

CARDHOLDER LIMITS

XXIV. Credit Limit

Credit cards have a daily limit and a monthly limit, which you may not exceed without prior written approval or your card will be declined. Departments also set budget limits which determine the amount of spending that is authorized. It is the responsibility of the cardholder to determine whether their department authorizes a purchase. Furthermore, the cardholder must ensure the purchase does not violate any departmental or University policies or guidelines.

To increase your credit limit, a written authorization request must be emailed to the Purchasing Card Administrator by your Department Head or fiscal officer. Documentation must state cardholder's first and last name, last four digits of the card number, amount of increase, and whether the increase is permanent or temporary. A temporary increase must list the merchant name and explanation of purchase.