

Policy Analysis: Purchasing/Travel/Get Cards #2.23 – 12/2010

Policy Objective:

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

Applies To:

All university personnel who make or authorize purchases on behalf of The Ohio State University, using the purchasing card, travel card, or group/extended travel card.

Explicit Policy Requirements: (Items for which non-compliance will result in a policy Exception):

The following items are explicitly defined in the policy and should be considered as policy requirements; items which if not followed, will result in policy “exceptions.”

Ref #	Description	Page	Para
1	• PCard – issued to departments for small dollar purchases of goods/services necessary to conduct university business	1	II.
2	• PCard – issued in a department’s name and administered by a card manager; shared use by department staff. PCard tracking log is required.	1	II.
3	• Travel Card – used for business travel expenses for faculty and staff whose job responsibilities require travel for university business	1	II.
4	• Travel Card – issued in an individual’s name; card expenditures are exclusive to the individual named on the card	1	II.
5	• GET Card – used for business travel related expenses for 2 or more travelers or for an individual’s travel that spans 7 or more consecutive days. Valid for one specific trip only.	1	II.
6	• GET Card – issued in an individual’s name; use of card may accommodate multiple travelers; ATM use permitted with authorization; may be used for purchases on sponsored programs.	1	II.
7	• Card issuance is limited to employees of the university	2	II.B.
8	• The <u>Application</u> must be submitted with each request for a card. A fully executed <u>Acceptance Form</u> must be retained by the department for each card.	5	II.A.
9	• Units are not authorized to sign contracts for goods/services unless specifically delegated by the Office of Business and Finance	2	II.C.
10	• Cards are subject to the prevailing single transaction and monthly spending limits.	2	II.D.
11	• Purchases must not be split to avoid the established single transaction limit.	2	II.D.1.
12	• On an exception basis and with proper documentation, including college/vice presidential authorization, single transaction and monthly	2	II.D.2.

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	spending limits above the prevailing rate may be considered.		
13	<ul style="list-style-type: none"> Transactions must be documented on the applicable Transaction Form or eRequest, completed in its entirety and supported by original, itemized receipts or equivalent documentation. 	2	II.E.
14	<ul style="list-style-type: none"> If the required documentation is not available, an explanation must be recorded on the applicable <u>Transaction Form</u> or <u>eRequest</u>. 	5	III.B.
15	<ul style="list-style-type: none"> 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. 	5	III.C.
16	<ul style="list-style-type: none"> Transactions must be approved for appropriateness and policy compliance consistent with the university's Internal Control Policy and the college or vice presidential area's internal control structure. Appropriate segregation of duties must be maintained. 	2	III.A.
17	<ul style="list-style-type: none"> Transactions must be approved in the financial system no later than 30 days from the end of the month in which the transaction was made. For travel related expenses, approval must occur within 30 days from the end of the month in which the trip was completed. 	6	V.
18	<ul style="list-style-type: none"> The purchasing card, travel card or GET card must always be stored in a secured place. 	2	IV.A.
19	<ul style="list-style-type: none"> If the purchasing card is used by an individual other than the purchasing card manager, the transfer of custody must be recorded on the Purchasing Card Tracking Log. The purchasing card manager is responsible for maintaining this log. 	2	IV.C.1.
20	<ul style="list-style-type: none"> The university does not pay sales tax or use tax in Ohio and other states that have a sales tax exemption. Purchasers are responsible for making every reasonable effort to ensure that tax is not charged. If tax is charged, reasonable attempts to recover the charges must be documented. 	3	V.A.
21	<ul style="list-style-type: none"> 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. 	3	V.B.
22	<ul style="list-style-type: none"> If a department chooses to cancel a card prior to the card's established expiration date, a completed <u>Maintenance Form</u> must be sent to the PCard Office. 	6	VI.A.
23	<ul style="list-style-type: none"> The purchasing card manager or card holder is responsible for resolution of disputed charges. 	6	VII.A.
24	<ul style="list-style-type: none"> If the purchasing card manager or card holder is unable to reach an agreement with the supplier, a formal dispute must be filed with the bank within 60 days of the transaction date. 	6	VII.B.
25	<ul style="list-style-type: none"> The applicable Transaction Form or eRequest, required documentation, and the bank statements are the official record for card transactions and must be retained by FSS consistent with the university's record retention schedule and must be available for review and audit. 	3	VI.A.
26	<ul style="list-style-type: none"> Disciplinary actions for card infractions are outlined in each college/vice presidential area's internal control structure. 	3	VII.A.
27	<ul style="list-style-type: none"> Fraudulent use of the card will result in immediate revocation of the 	3	VII.B.

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	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.		
28	<ul style="list-style-type: none"> Reallocation – It is the department’s responsibility to move the expenses from the default account to the appropriate chartfield by the reallocation deadline. Any applicable T#’s should be entered. 	5	IV. A.

Summary of Potential Policy Exceptions:

- Individual signed a contract in conjunction with the use of a purchasing/travel/GET card purchase or expense
- Transaction is split to avoid the single transaction limit.
- Transaction is not approved by a delegated approver.
- Cash or a due bill accepted for a returned item.
- Missing receipts.
- Receipts that do not meet the criteria of original, itemized receipts or equivalent documentation.
- Travel card used for individuals whose name is not on the card, i.e., purchased lunch for another university staff member or guest.
- Purchasing card tracking log is not used to record the transfer of responsibility of the card.
Please see attached flowchart re: Department Purchasing Card (No Log Required) for approved alternative.
- Reasonable attempts to have sales taxes removed are not documented.
- Purchase was made for non-Coke products.
- Required transaction documentation is not available and a reasonable explanation is not recorded in eRequest.
- Required documentation is not made available to be able to reallocate the transaction within the required timeframe.
- Applicable “T” number not referenced.
- Credit not applied to the card account for returned items.

Policy Areas of Potential Student Life Interpretations and/or Follow-up with Business & Finance:

The following items are potential areas of policy interpretation, left to the discretion of Student Life:

Ref #	Description	Page	Para
1	<ul style="list-style-type: none"> What is considered as “equivalent documentation”? 	2	II.E.
2	<ul style="list-style-type: none"> Transactions must have approval for appropriateness and policy compliance consistent with the university’s Internal Control Policy and 	2	III.A.

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	the college or vice presidential area's internal control structure.		
3	<ul style="list-style-type: none"> • What is considered a secured place; related to the policy requirement that the purchasing card, travel card or GET card must always be stored in a secured place? 	2	IV.A.
4	<ul style="list-style-type: none"> • Can we purchase using a purchasing card once a contract has been approved/signed by Purchasing, for example Conference and Rental Agreements? 		
5	<ul style="list-style-type: none"> • Are pre-approvals (business purpose and/or budget) required for purchases made using purchasing cards? <i>We would encourage that at least a pre-approval conversation/email has occurred but it is not required.</i> 		BuFi
6	<ul style="list-style-type: none"> • Are two purchases purchased from the same vendor a week apart considered a "split" transaction? <i>Basically if it's more than two business days apart, it is not considered a "split" transaction but you still need to look at it to make sure it wasn't truly splitting a single purchase.</i> 		BuFi
7	<ul style="list-style-type: none"> • If three different items for three different areas were purchased on the same day, would they be considered a "split" transaction? <i>Not if the three items are distinct and independent of each other.</i> 		BuFi
8	<ul style="list-style-type: none"> • When purchasing something with a purchasing card and an original "Receipt" is obtained, if the original receipt indicates the vendor, the items received, date, and the total cost, is this acceptable documentation for performing the reallocation and/or financial approval? Or is it required to have a printed zero balance document? <i>The items you describe... are fine. Those items along with the PCard bank statement are sufficient Proof of Payment.</i> 		BuFi

Areas of Consideration for Defining as "Reasonable" in the ICS:

- Sales tax removal attempts.
- Timeframe to provide the original itemized receipts or equivalent documentation to the service center.
- Approval process.
- Disciplinary actions.
- Split transactions

Potential Training Topics:

- Institutional Data Policy
- Business Responsibilities
- Pcard Policy Overview
- Business Expenditure Policy
- Travel Policy
- Purchasing Policy