Capital University
Ask. Think. Lead.

Title: Credit Card (Procurement Card) Policy

Review Date: Every 5 years

Effective Date: January 1, 2023

Attachments:

Responsible University Officer: Vice President for Business & Finance

Responsible Office: Business & Finance

Applies to: All University Employees

I. Policy

Capital University is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a procurement card (Pcard) is a privilege, and every reasonable effort must be made to verify that funds are used responsibly and in a manner consistent with the university mission. This policy sets parameters for those who may obtain a Pcard and when, how, and for what the Pcard can be used.

II. Definitions

- **Billing cycle** – the period of time between billings. The Pcard billing cycle generally starts on the 29th of a calendar month and ends on the 28th of the next month.
- **Budget manager / department vice president or supervisor** – is the supervisory employee responsible for managing a departmental or divisional budget, usually the department vice president.
- **Cardholder** – Employee who is assigned permanent custody of an individual or a group Pcard issued in the employee's name.
- **Pcard** – bank issued credit card that serves as the university procurement card.
- **Receipts** – are original detailed documents from the store, hotel, restaurant, etc. Credit card slips or bank credit card statements are not proper documentation for travel expenses and must be accompanied by the merchant's detailed receipt showing the individual charges. For example, restaurant receipts detailing the beverages and items ordered should be included along with the credit card slip which typically includes gratuities.

III. Policy Details

Purchases made with a Pcard must comply with all university policies and rules, with special attention to the Purchasing policy and Travel policy. Purchases made with a Pcard must be for official university business only. Personal use is prohibited.

IV. Procedure

Usage Limitations and Requirements:

- Pcards are used to support university purchasing, and must comply with the university's purchasing and travel policies.
- Pcard issuance is limited to university employees that have completed required Pcard training, submitted an authorized Pcard Application and Cardholder Agreement, and been approved by their department vice president and by the Program Administrator.
- Pcards are subject to single transaction and cycle spending limits established for each cardholder. Under certain circumstances and with proper documentation, an increase to the single transaction and cycle limits may be considered, based on department vice president and Program Administrator approval.
- Purchases must not be split to avoid the established single transaction limit.
- If a purchase is returned to the supplier, a credit must be applied to the Pcard account. Cash or store credit cannot be accepted for a returned item.
- The cardholder is responsible for resolution of any disputed transaction. Cardholders must resolve any disputed transaction with the supplier or issuing bank within 30 days of the statement date.
- The university does not pay sales tax or use tax in Ohio and certain states. Cardholders are responsible for ensuring that tax is not charged on purchases in tax exempt states and the State of Ohio, and effort must be made to recover sales tax if inappropriately charged.

Security:

- The Pcard must always be stored in a secure place.
- Employees 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.
- Cardholders must not save or send the full Pcard number in hard copy or electronically, including and not limited to emailing, faxing, texting, voice mailing, or other electronic messaging system; writing it on paper; storing it in a file; and entering it in Excel, Word, or other app/device/program. When making online purchases, "guest checkout" or "do not save card number" options must be used when available to avoid storing the Pcard number in a system. If the cardholder is required by a supplier to store Pcard information in an online merchant site for the procurement of goods, the account must be monitored on a weekly basis for inappropriate activity.
- The department must inform its Vice President and Program Administrator when a cardholder's employment is terminated or transfers to another department or assumes different duties that do not include management or use of the Pcard. The cardholder may be personally responsible for undocumented or unapproved charges.

- The cardholder is responsible for promptly notifying the issuing bank, department vice president, and Program Administrator if a Pcard is lost or stolen. University Police or local law enforcement must be notified as applicable. The Program Administrator will issue a new Pcard as appropriate.
- The cardholder is responsible for monitoring Pcard usage to prevent fraud and for notifying the issuing bank and following the dispute process if fraudulent activity is detected within 30 days of the statement date. The department assumes financial responsibility for charges incurred as a result of failure to follow the dispute process for fraudulent activity within 30 days of the statement date.
- A department Pcard is assigned to a cardholder for use by the manager or by department employees only. If a department Pcard is used by an individual other than the cardholder (i.e. Pcard manager), the transfer of custody must be recorded on a tracking log. The Pcard manager is responsible for maintaining the log to track who has possession of the Pcard. The cardholder (i.e. Pcard manager) is responsible for ensuring all itemized receipts or equivalent documentation for Pcard transactions are collected, reconciled, and submitted monthly. The Pcard manager has the authority to deny usage of the Pcard. The Pcard user is responsible for the security of the department Pcard while in their possession.

Application:

- The Pcard applicant must complete required Pcard training prior to applying for a new Pcard.
- The authorized Pcard Application and Cardholder Agreement must be submitted with each request for a new Pcard to be approved by the department vice president and Program Administrator.

Documentation:

- Cardholders must upload a legible electronic copy (e.g., email receipt, picture, or scan) of the original itemized receipt or equivalent documentation for all transactions to the on-line expense report, which serves as the official record.
- Itemized receipts are required unless equivalent documentation is provided as outlined in the Travel policy.
- Transactions must be documented on an approved expense report to capture business purpose and other transaction details by the cardholder.
- Cardholders must review transaction history or account statements for accuracy within one week of receipt to verify all expenses have been accounted for appropriately.
- All transactions must be accounted for and fully expensed on an expense report by the cardholder by monthly close (4^{th} day of the month following the billing cycle end). If a cardholder will be away during the month end period, they should reconcile and submit their monthly credit card transactions before they leave.
- All transactions must be reviewed and approved by the department vice president by the 10^{th} day of the month following the billing cycle end. If a reviewer will be away during the month end period, they should perform their monthly review before they leave.

- Travel-related expenses must be accounted for by the traveler on the applicable expense report in accordance with the Travel policy.

Accounting:

- The Finance Office will pay the Pcard vendor for all credit card charges from a master monthly statement. Upon payment of the master statement, all Pcard transactions will be charged to the individual object lines within departments by journal entry.
- Cardholders may split a single transaction into multiple GL accounts; however, each transaction must be coded. A list of object codes is available on the Finance Office website.

Policy Violations:

- An expense report must be submitted by the cardholder by the 4th day of the month following the billing cycle end and expense reports must be reviewed and approved by the department vice president by the 10th day of the month following the billing cycle end. Purchases made with a Pcard must be for official university business only and personal use is prohibited. The Office of Business and Finance reserves the right to revoke cardholder privileges if repeated policy violations are noted.
- The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
- The university may seek restitution, as appropriate.
- Criminal charges may be filed, as appropriate.

V. Responsibilities

- Program administrator - The credit card Program Administrator at Capital University is the Director of Accounting Operations who is responsible for the overall administration of the University's credit card program. The Program Administrator acts as the liaison between the Card Vendor and Cardholders. Other responsibilities include:
    - Managing cardholder sign-up and issuance of cards,
    - Changing credit limits on individual cards,
    - Replacing lost or stolen cards,
    - Canceling cards for terminated employees,
    - Resolving billing errors, and
    - Training in the use of the cards.
- Cardholders – Cardholders are responsible for the security of the Pcard and for the purchases made with it. Any and all transactions made with the card must be authorized in accordance with University policies. Cardholders are also responsible for reconciling all charges made on the Pcard. Other responsibilities include:
    - Ensure that sales tax is not charged on purchases in tax exempt states and the State of Ohio.
    - Do not save or send the fully Pcard number in hard copy or electronically. Use "guest checkout" or "do not save card number" when available to avoid storing Pcard number in a system.

    - Protect the Pcard account number from fraud or any other inappropriate use. Monitor the Pcard account weekly for inappropriate activity or fraud.
    - Notify the issuing bank and follow the dispute process if fraudulent activity is detected within 30 days of the statement date.
    - Notify the issuing bank, budget manager, and Program Administrator if a Pcard is lost or stolen. Notify university police or local law enforcement as applicable.
    - Upload a legible electronic copy (e.g., email receipt, picture, or scan) of the original itemized receipt or equivalent documentation for all transactions to the on-line expense report.
    - Document transactions to an approved expense report to capture business purpose and other transaction details; record an explanation in the expense report if required documentation is not available.
    - Review transaction history or account statements for accuracy within one week of receipt to verify all expenses have been accounted for appropriately.
    - Account for and fully expense all transactions on an expense report by monthly close – the 4th day of the month following the billing cycle end. Failure to submit the expense reports with the required documentation on a timely basis may result in the loss of credit card privileges.
    - Resolve any disputed transaction with the supplier or issuing bank within 30 days of the statement date.
- Budget manager or department vice president – Department vice presidents are responsible for the following:
    - Approve issuance of individual Pcards, including credit limits, as indicated on the Pcard Application and Cardholder Agreement.
    - Consider and approve increases to Pcard single transaction and cycle limits for individual card holders as appropriate.
    - Notify the Program Administrator that all applicable Pcards are immediately cancelled if a cardholder's employment is terminated, transfers departments, or assumes different duties that do not include use of a Pcard.
    - Review and approve all credit card reports and expense transactions for the department on-line, including review of appropriate itemized receipts or equivalent documentation, business purpose, compliance with university purchasing and travel policies, and accurate expense GL account line, by the 10th day of the month following the billing cycle end.

VI. Resources

- University policies:
    - Purchasing policy
    - Travel policy
- Forms and other resources:
    - Application and Cardholder Agreement
    - Pcard training materials

VII. Contacts

Should you have any questions about this policy, please contact the Office of Business & Finance.

Capital University
Ask. Think. Lead.

Application and Cardholder Agreement

Cardholder's name ___________________________________

Desired limit $2,000.00

Office phone number ___________________________________

E-mail address ___________________________________

Last 4 digits of SSN ___________________________________

Colleague ID number ___________________________________

Date of birth ___________________________________

Home address ___________________________________

____

Department # ___________________________________

Online supervisor ___________________________________

I certify that I have read and understand the Credit Card Policy and agree to abide by the required procedures outlined herein.

Signature ___________________________________

Printed name & title ___________________________________

Date signed ___________________________________

APPROVAL:
Vice President signature ___________________________________

Date signed ___________________________________

(Please send this completed form to the Director of Accounting Operations)