

Policy Title:	Purchasing Card Policy
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Governing Body:	Southern Oregon University	Policy Number:	FAD.034
Policy Contact:	Director of Business Services	Date Revised:	April 2019
Custodial Office:	Finance and Administration	Date Approved:	May 16, 2019
Approved By:	President	Next Review:	
Related Policy:	FAD.057 and FAD.058		

### Revision History

Revision Number:	Change:	Date:
	Initial version	
1	Revision	April 2019

### A. Purpose

This policy sets forth basic standards and provides overarching guidelines for the establishment and administration of a purchasing card program at SOU. It is the responsibility of the campus administration to establish and administer a purchasing card program and to develop institution-specific procedures that follow the guidelines established herein.

### B. Definitions

1. Account/Business Manager: An individual operating in the Service Center to aid campus departments with monitoring and posting transactions.
2. Budget Authority: The individual who is responsible for the budget of a department or division of the institution; is the person who has requested one or more purchasing cards; and is the person responsible for ensuring the purchases are being made for authorized business transactions within their span of control.
3. Card Custodian: The individual who is responsible for safeguarding the purchasing card of a

department or division, maintaining complete and accurate records of purchasing card use, and preparing reconciliations between the documents supporting charges on the purchasing card and the statement of charges received from the purchasing card vendor.

4. Card User: An individual authorized to procure goods and/or services with a purchasing card.

5. P-Card: Another reference to purchasing cards.

6. Purchasing Card Program Administrator: The individual who is responsible for the administration of the purchasing card program at SOU; is responsible for ensuring the institution purchasing card procedures comply with all applicable SOU policies, that the procedures established by the institution are implemented, and that the purchasing card procedures are being followed.

### C. Policy Statement

1. SOU has contracted with a bank to provide departmental VISA credit cards, also referred to as purchasing cards (P-cards). The cards are used to purchase specific types of goods and services for the university, resulting in significant efficiencies and convenience. Fiscal Procedures establish the guidelines for implementing this policy.

2. The purchasing card is different than the travel (corporate) card used for employee travel expenses.

3. Card Issuance - Purchasing cards will be issued in accordance with the following:

(a) SOU departments will make a request to establish a new P-card or modify an existing P-card, using a Department Purchasing Card Application and Agreement Form (developed by the Service Center and approved by the Business Services Director). In the request, the department will formally establish the individual for each of the required roles associated with the P-card (Budget Authority, Card Custodian, and Card Users).

(b) The Service Center will:

(i) Receive the Department Purchasing Card Application and Agreement Form.

(ii) Develop training materials and online P-card testing sites.

(iii) Ensure that all individuals connected to the P-card have taken training and have passed the SOU P-card test.

(iv) Assign an Account/Business Manager to work with the department to review and process transactions.

(v) Establish a system to track the roles of all individuals associated with each open card.

(vi) Work with the Purchasing Card Program Administrator to create, or modify, P-cards.

(vii) Perform periodic reviews of department P-cards to ensure ongoing compliance with SOU policies and procedures.

(viii) Report instances of misuse of P-cards to the Purchasing Card Program Administrator and work with Business Services to enforce sanctions for misuse where appropriate.

(c) The Purchasing Card Program Administrator will work with the bank to establish, or modify, campus purchasing cards. The Administrator will also establish limits associated with the P-card. Initial limits are to be set at:

(i) \$4,999 for any one single purchase.

(ii) \$10,000 for overall card limits.

(iii) Limits can be increased based on the needs of the individual department.

(iv) Exceptions for limits in excess of \$25,000 are to be approved by the Business Services Director.

(v) Work with the Service Center to initiate sanctions for misuse of P-cards.

#### 4. Card Usage

(a) All purchases made with the purchasing card must comply with SOU policies. Purchases can be made with any vendor that accepts credit card payments. The following are examples of authorized purchases:

(i) Non-capitalized supplies (i.e., consumable items with values less than \$5,000 for any one item, and would therefore not be required to be added to the SOU asset inventory).

Exceptions must be approved by Business Services.

(ii) Library acquisitions.

(iii) Services approved in advance by the Service Center in accordance with an existing valid contract.

(b) Any food purchases will still require an itemized receipt and a completed Hosting Groups/Guests/Candidates form or a Meals or Refreshments at Meetings form, to be submitted to the Service Center along with all required receipts.

(c) Only permanent faculty and staff may be designated as Card Users. Students and temporary employees cannot be designated as Card Users, without special approval from the Director of Business Services.

#### 5. Restrictions on Card Usage

(a) Use of a purchasing card is prohibited for cash advances and personal or non-business purchases.

(b) Use of a purchasing card is generally prohibited for travel costs (39000 account codes). Exceptions include:

(i) Conference registration fees.

(ii) Conference hotel reservations (However, the traveler must use a personal card to pay for the hotel fees at the time of departure, then file a travel reimbursement request).

(iii) Rental car reservations (However, the traveler must use a personal card to pay for the rental car fees and file for reimbursement, or can have the cost billed directly to the university if using the Enterprise Car Rental service).

(iv) Athletic team travel.

(v) Approved student group travel.

## 6. Notifications for Fraudulent Use

Notifications for fraudulent use of a card can occur at multiple levels. When identified, notifications are to be immediately conveyed to all responsible parties on campus.

(a) If the bank detects potential fraudulent activities associated with a card, it may immediately notify the SOU Purchasing Card Program Administrator). When notice is received, the Purchasing Card Program Administrator will immediately notify the department Card Custodian and the Service Center of the actions to be taken to replace the card.

(b) Fraudulent use may be detected by the Service Center and/or the department, as transactions are processed for posting to the accounting records. When the Service Center learns of a fraudulent charge, the Purchasing Card Program Administrator is to be immediately notified so action can be taken to notify the bank and have the card replaced. If department personnel become aware of it first, they will notify the Service Center, who will contact the SOU Purchasing Card Program Administrator to initiate actions to have the card terminated and replaced.

## 7. Documentation and Billing

(a) Departments are required to submit all receipts to their respective Service Center Account Manager in a timely fashion (no later than 10 days after the purchase). The Account Manager will maintain all documents (receipts, Hosting Groups and Guest Forms, etc.). When no documentation exists (such as with telephone orders), the Card User must record the vendor name, item description and purchase cost and sign a statement indicating the charge was for university business and how it is connected to university business activities. Failure of the department to provide documents in a timely fashion may lead to sanctions for misuse.

(b) Back-up documentation is to be held in accordance with SOU Retention Schedule standards.

## 8. Lost or Stolen Cards

If a P-card is lost or stolen, the department must immediately notify its Service Center Account Manager, who will notify the Purchasing Card Program Administrator to terminate the card and issue a replacement card.

## 9. Purchasing Card Abuse

(a) The Card User is responsible for documenting all purchases made using a department P-card. Failure to turn in receipts, or otherwise document purchases for SOU business purposes, may result in the termination of the P-card. Any undocumented purchase will be considered a non-business expense, and the Card User will be required to reimburse the university for the unauthorized purchase.

(b) Repeated misuse may result in restrictions being placed on an individual's ability to function in one of the roles connected with the use of any P-card, based on SOU Purchasing Card Procedures.

(c) Use of campus P-cards for non-business personal purposes is prohibited. If this occurs, the employee will be required to immediately repay the funds to SOU. Improper use of P-cards or failure to immediately repay the funds to SOU may result in disciplinary actions consistent with applicable personnel policies, in consultation with Human Resources.

This policy may be revised at any time without notice. All revisions supersede prior policy and are effective immediately upon approval.

#### D. Policy Consultation

Business Affairs Council, Provost's Directors Council and Policy Council. Policy was posted on April 22, 2019 for community comment.

The Policy Contact, defined above, will write and maintain the procedures related to this policy and these procedures will be made available within the Custodial Office.