Established 1909

OPSU POLICIES AND PROCEDURES

TITLE: Purchasing Card Guidelines

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Before using your OPSU issued Purchasing Card, carefully read and understand the guidelines listed below:

1. Program Description

1.1 The Oklahoma Panhandle State University purchasing card (p/card) program establishes the use, by designated University employees, of commercial purchase cards to facilitate the acquisition of lower dollar goods and services needed for conducting official University business. It is intended that the p/card be issued to selected University employees to enhance departmental effectiveness or economy of operation. P/cards are issued in the name of Oklahoma Panhandle State University and include the cardholder's name, department, and a unique account number. Liability for payment and total responsibility and accountability for the p/card resides at the departmental level.

1.2 It is accepted that no policy and procedure statement can cover all eventualities. Exceptional cases will be resolved as circumstances and prudent business practices warrant on a case-by-case basis.

1.3 The cardholder is responsible for and accountable to the University for all charges made with the p/card. Use of the p/card is solely for official University purchases. Personal purchases are strictly forbidden and may result in disciplinary action.

2. Purchase Card Operations

2.1 Issuance of the P/Card

2.1.1 The p/card is issued by Oklahoma Panhandle State University in coordination with a bank. The p/card will include the institution's name, tax ID, cardholder's name, cardholder's department, and unique individual account number.

2.1.2 Cardholder must be an Oklahoma Panhandle State University permanent employee (.75 FTE and above). P/cards will not be issued to temporary employees with the exception of head coaches for men's golf, women's golf, and cross country.

2.1.3 All P-card's will be issued by the card administrator, who is currently the Director of Purchasing at OPSU. When it is determined and approved for an employee to have a P-card, the administrator will submit the application to the credit card company. The P-card request form must be complete. (Attachment #1) Once the card is received the administrator will contact the new card holder. After the purchase card employee agreement (Attachment #2) and training are complete the card will be given to the employee. You must also sign the training acknowledgement form. (Attachment #3)

2.1.4 Property of Oklahoma Panhandle State University: All p/cards issued under this program are the property of Oklahoma Panhandle State University and shall be surrendered to the approving official upon termination of employment with the department or upon request of the cardholder's supervisor or the Purchasing Director.

2.2.1 Card Controls and Limits

2.2.1.1 Departments are required to establish the following categories of controls and limits on each p/card as required by the bank. The mandatory categories are:

- Credit limit (dollar amount per cycle) - $20,000.00 or less. (if your budget allows)
- Single purchase limit (dollar amount per transaction) shall not exceed $1,000.00.
- There could be exceptions to this on a case by case basis. Examples could be computers, or other IT equipment that if purchased by credit card, saves the university money. The director of purchasing will approve these types of purchases.

****If purchase is more than $2,500, you must follow the regular purchasing guidelines; this involves filling out a requisition and waiting for approval from the Director of Purchasing, before ordering anything!**

2.2.2 **Transaction Flow:** A typical p/card transaction consists of the following steps:

- Cardholder makes purchase from merchant using p/card. Cardholder retains receipt from purchase and maintains a log of all p/card purchases including those by phone or Internet. (See attachment #4)
- Merchant delivers goods or service and submits transaction to credit card company.
- The bank pays merchant.
- The bank furnishes OPSU cardholders with a report (memo statement) of purchases. These are mailed once a month directly to the cardholders.
- Cardholder reconciles receipts and logs with memo statement and forwards to the vice president or supervisor for approval, and then forwards to the purchasing director.

- Approving official reviews and approves reconciliation. **Departments have 5 calendar days after cycle ends to complete account reconciliation.**
- OPSU Accounting Department makes a single payment to the bank on behalf of all OPSU departments.

2.2.3 How to Use the P/Card

The cardholder of record is the only person authorized to make purchases using his/her card. The p/card shall not be loaned to another person. Such occurrences may result in revocation of the card.

The fact that the cardholder has been provided a card does not imply prior approval of all purchases. The cardholder must follow proper University and departmental procedures to obtain authorization to purchase.

After determining that the anticipated purchase does not conflict with University policies, the cardholder may select a vendor that can supply the items with the best method of purchase.

2.2.3.1 Purchase in Person (Point of Sale, phone, internet)

- Determine whether the p/card is the most appropriate method for this purchase. (Check the list of excluded charges to make sure it is not a restricted item.)
- It is recommended that Internet purchases be made from a secure site or sites that provide account number encryption. Departmental policies and good judgment should be used when ordering over the Internet.
- Be sure that the total amount (including all shipping, handling, freight, etc.) will not exceed the card's single purchase limit.
- Determine if the price is the best you can reasonably obtain.
- Ensure that sales tax is not charged. (Cardholder must have a copy of the Oklahoma Tax Exemption letter for most merchants to have sales taxes excluded.) Although merchants out of state are not required to give tax exemption, some may honor exemption if requested. (Attachment #5)
- Note: Many companies provide discounts through their Education Sales Department, so ask for that department. In some cases, there may be an additional charge for using the p/card, i.e. University contract items where vendors have cut their previously bid profit margins too close to allow p/card use without an up-charge. There should be no up-charge for vendors outside of these discount arrangements. Report violations to the Program Administrator. (Exceptions are vendors using a 3rd party service group with a fee i.e. some Internet purchases.)
- If items will be shipped, remember to give the vendor your name, department name, phone number and complete delivery address.
- Ask for a confirmation number after the vendor takes the order. Give the vendor your p/card number and expiration date. Request a receipt and /or packing slip with itemized description and pricing information to be sent with the purchase. A best

practice would be to request vendor to print only the last 4 to 6 digits of the account number on the packing slip. Retain these documents with your record of the purchase.

- Obtain a receipt at the time of purchase and keep the receipt for documentation.
- After you receive the items, keep packing lists and any other documentation.
- Log purchase on the Transaction Log. (Attachment #4)
- Before making purchases on the Walmart website, see Walmart instructions for tax exemption (Attachment #9) to ensure tax exemption.

2.2.3.2 Returns, Damaged Goods, Credits, Backorders

- If materials purchased with the p/card need to be returned, the cardholder should work directly with the supplier.
- Retain boxes, containers, special packaging, packing slips, etc. until you are sure you are going to keep the materials. Some items, such as software or fragile pieces, cannot be returned without the original packaging materials.
- Read all enclosed instructions carefully. Often a phone number or instructions for returning the materials are included on the packing slip and/or receipt.
- Many suppliers require a “Return Authorization Number” before they will accept a return. A “Return Authorization Number” is obtained from the shipper. In cases where a “Return Authorization Number” is required, if a package is returned without it, the package will be refused and no credit will be issued to your account.
- Request a credit receipt for returned items. Some companies may not provide this receipt unless requested.
- In some cases there may be a restocking fee (usually a percentage of the purchase price). If the vendor is responsible for the error or problem, you should not have to pay a restocking fee. If the vendor is not responsible, you may have to pay the restocking fee. You may use the p/card to pay this fee, as long as it does not exceed any of your limits or violate policies.
- Keep on file all documentation pertaining to returns and credits. Check the monthly statement to make sure that the charge for the returned item(s) is credited properly.
- No charges should be incurred for backorders. Charges can only be applied for material that has been received or shipped from vendors dock.

2.2.3.3 Disputed Transactions

- If the cardholder and the supplier cannot resolve the issue, contact Bank of America Customer Service at 888-449-2273. Disputed items should be reported within 60 days of the statement date. Mark the transaction as disputed on transaction log.

- Bank of America will investigate the dispute on the cardholder's behalf and assist in resolution. A Dispute must be completed online for complete processing. Contact the P-card Administrator to complete this step. Regardless of the status of the dispute, payment will be made to the Bank. Adjustments will be made upon resolution.

2.2.4 <u>Excluded Charges</u>

- **Split Purchases: "Split purchasing"** means dividing or failing to consolidate a known quantity of goods or services for the purpose of evading (1) the p/card single transaction limit of $1000.00 and/or (2) limit(s) established for an individual p/card and/or (3) a quotation/bidding requirement
- **Regular monthly payments that total more than $5,000 within the fiscal year.**
- **Oklahoma Sales tax:** The cardholder is responsible for ensuring that sales tax is not charged at the time of purchase. The University's tax ID number is on the front of the card. Vendors may request a copy of the tax-exempt letter. (Attachment #5)
- **Cash:** Cash advances, automated teller machine (ATM) transactions.
- **Donations/sponsorships**
- **No Itunes cards.**
- **Gifts, gift cards, gift certificates.**
- **Travel expenses** including but not limited to food and beverages and other items that normally would be paid on a travel voucher. (Reference travel policy)
- **Service and/or incentive awards (any item purchased for an employee)**
- **No individual memberships**
- **Items that do not serve a business purpose.**
- **Maintenance**/service/licensing agreements and lease/rental agreements requiring contract signature.
- **Personal items**, such as flowers, candy, haircuts, meals, etc.
- **Trade-in**: Purchases involving trade-in of University property.
- **Conflict of interest:** As with any purchase made for the University, a cardholder shall not purchase goods or services from a member of their immediate family or realize personal gain. The cardholder shall inform his/her supervisor in writing of reasonable foreseen potential conflicts of interest.
- **Purchases from a company owned by a university employee.**
- **Speaker fees**
- **Late fees**
- **Insurance**
- **Decorations for offices/classrooms**
- **Prepayments or deposits**
- **Moving expenses**
- **Weapons/ammunition**
- **University Departments/Auxiliaries:** Goods or services available from University sources, such as the Student Union Bookstore (use the Campus Vendor system).

- **Gasoline** should be purchased with a gasoline credit card.
- **Professional/Personal services** rendered by individuals, corporations, partnerships, or any other entity, including but not limited to consultants, attorneys, physicians, engineers, architects, public accountants, or computer programmers.
- **Other purchases** not permitted under OPSU Policy and Procedures.

2.2.5 Documentation

2.2.5.1 Transaction Log: Cardholders shall maintain a current Transaction Log (Attachment #4) for all p/card purchases. A separate log shall be maintained for each p/card for each cycle. A sample transaction log is attached, however departments may add data fields. The cardholder, Approving Official, and purchasing director must sign the Transaction Log.

2.2.5.2 Receipts: An original receipt from the vendor shall support each purchase. Refer to procedures for purchases. Copies or faxes are acceptable only if the original is lost or destroyed. (See Lost Receipts below.)

Receipts should include:

- Date
- Vendor
- Amount
- Itemized description of item(s) purchased. If the p/card receipt includes only the total amount of purchase, attach the detailed receipt or packing list with detail information.

Lost Receipts: If receipts are lost, the cardholder shall note the loss on the Transaction Log and complete a Missing Receipt Form. (Attachment #7) The bank can provide a copy for a fee, which will be charged to the cardholder's account. Repeated loss of receipts may be grounds for discontinuing a cardholder's p/card use or other disciplinary action.

2.2.5.3 Memberships: Dues for institutional memberships in professional societies, associations, social service or civic clubs shall contain documentation stating the complete name of the organization. The purpose of the membership should be clearly written on the receipt. Individual memberships are prohibited.

2.2.6 Reconciliation

P/card transactions shall be reconciled by the cardholder and submitted to the approving official not later than five (5) calendar days after the end of the billing cycle. If you will be absent during the time when p-card paperwork is due, please submit it in advance. The Purchasing Director can provide you with a statement ahead of time if it will not arrive in the mail before your departure.

2.2.6.1 **Billing cycles** run from the 11th of the month to the 10th of the next month.

2.2.6.2 **Cardholder responsibilities:** Cardholder must reconcile the individual receipts to their monthly statements to verify that purchases and returns are accurately listed and charged to the appropriate account. The monthly statement must be made available to the cardholder and after review and reconciliation departments may store the statements in a central location. Departments may choose to delegate the reconciliation of cardholder receipts to another individual. However, the cardholder is responsible for the purchases, as well as obtaining appropriate documentation, and maintaining a Transaction Log. The cardholder shall sign the Transaction Log and date the signature, indicating that the cardholder did make those purchases.

Transactions made on or near the cycle date (10th of the month) may not post until the next cycle. These transactions would appear on the next cycle memo statement and would need to be carried over on the transaction log.

Although not required, it is recommended the P-Cardholder not carry the P-Card on their person outside of normal duty hours unless required.

Note: In reconciling transactions, approving officials/cardholders should use appropriate documents, such as Transaction Log, purchase receipts, receiving documents, and credit receipts.

2.2.7.3 **Approving Officials Responsibilities:** Approving officials shall review documentation for accuracy, completeness, appropriateness of the purchase and whether the transactions were conducted in accordance with policies and procedures. The approving official shall sign and date the Transaction Log indicating that the purchases were reviewed and reconciled. Any issue which cannot be resolved between the official and the cardholder shall be brought to the immediate attention of the cardholder's supervisor.

2.2.8 **Payment**

OPSU will make timely payment to the bank for all credit card purchases without regard to individual discrepancies in transaction billing.

2.2.9 **Lost or Stolen Cards**

Immediately upon determining that a p/card is lost or stolen, the cardholder shall notify Bank of America 888-449-2273.

These numbers are available 24 hours per day. Cardholders should keep these phone numbers readily available but separate from the card. (Note: When calling these numbers, you may be asked to input the first four digits of the card number. If you do not know this number, hold for a customer service representative.) Upon notification, the customer service representative will block the use of the card. The cardholder shall record the date and time the bank was notified, as well as the name of the bank

customer service representative contacted. Next, the cardholder shall complete a Lost or Stolen P/Card Notification Form (Attachment #8) and promptly provide it to the Purchasing Department with a copy to the appropriate approving official.

The cardholder's department is responsible for all charges incurred against a lost/stolen card until the card is reported to the bank as lost or stolen.

2.2.10 P/Card Cancellation

All p/cards issued under this program are the property of Oklahoma Panhandle State University and shall be surrendered to the department administrator upon termination of employment with the department that authorized the card, or upon request of the cardholder's supervisor, department p/card administrator, or the OPSU Purchasing Director.

2.2.11 Misuse of the P/Card

Misuse of the p/card in any manner by a cardholder may result in revocation of the privilege to use the p/card, disciplinary action, termination of employment, and/or criminal charges being filed with the appropriate authority.

2.2.12 Card Renewal: Prior to a p/card's expiration date, the bank will prepare a replacement card and send it to the Director of Purchasing, who will notify the cardholder to pick up their new card. The expired card must be returned to the Director of Purchasing to be destroyed before the new card will be given to the cardholder.

2.2.13 Replacement of Defective, Lost, Stolen Cards: P/cards may be replaced when the original p/card is defective or mutilated or when the p/card has been lost or stolen. The Oklahoma Panhandle State University P/Card Administrator shall submit a Commercial Card Cardholder Account Form. The bank will prepare a new card with a new account number and forward to the cardholder. Additionally, in the case of a defective or mutilated p/card, the card shall be forwarded to the Oklahoma Panhandle State University P/Card Administrator for disposal.

2.3.1 Cardholder/Departmental Audits

Each month, the Purchasing Department will conduct audits. The objective of the audit will be to determine compliance with University Policy and Procedures. The cardholder will be responsible for validating all transactions.

2.3.2 Lodging

PLEASE NOTE: All Purchasing Card Guidelines and Travel Policies and Procedures apply. The following are policies and procedures pertaining specifically to direct purchase of lodging with your OPSU credit card.

Direct purchase of lodging consists of the following steps and requirements:

1. A valid Travel Request is completed and approved per standard travel procedures.

2. The cardholder is responsible for and accountable to the University for all charges made with the p/card. Use of the p/card is solely for official University purchases. Personal purchases are strictly forbidden and may result in a disciplinary action, up to and including termination.

3. The direct purchase of lodging can be made for any state officer, employee or others, while in official travel status, **after** attending an arranged meeting, workshop, conference or other such events conducted at a **designated location** as evidenced by the **sponsor's announcement, agenda, brochure, registration form, and/or notice** not to exceed the **single occupancy room rate** charged by the designated hotel, motel, or other public lodging place. If no designated rate is available, direct purchase of lodging is not to exceed the single occupancy room rate of the Federal room rate per city and/or county.
   a. No prepayment is permissible. **No payment of processing/booking fee is permissible.** Any internet purchases that would charge the p/card before the end of stay is not permissible. **No package deals or bundles are permissible.**
   b. <u>The P-Cardholder (Traveler) shall verify the charge to be free of Oklahoma lodging tax, Municipality tax, City tax, hotel occupancy tax, Tourism tax, entertainment tax. OPSU is exempt from all of these taxes.</u>
   c. The State of Oklahoma is <u>not</u> exempt from Tribal Tax.

4. The state officer, employee, or others, while in official travel status, are personally responsible for paying out-of-pocket expenses for other travel related items. <u>The direct purchase of lodging may **not include**, phone calls, meals, and other travel expenses.</u> A separate receipt should be obtained for these charges to address the issue of original receipts when claiming personal reimbursement on a travel reimbursement requisition.

5. Direct purchase of lodging must be acknowledged in the appropriate places on the travel reimbursement requisition and/or out-of-state travel requisition.

6. **No** payment of direct lodging will be made for persons receiving payment for service rendered, including but not limited to honorariums.

7. Documentation.

   a. Transaction Log**:** Cardholders shall maintain a current Transaction Log for all p/card purchases for lodging. Departments may download the form and add data fields. The cardholder and the approving official must sign the Transaction Log.

   b. Receipts**:** An original receipt from the vendor shall support each direct purchase of lodging and must be filed with the transaction log. A lodging receipt is not required to be attached to the travel reimbursement requisition to indicate payment of

lodging with p/card. Checking the box for agency direct purchase of lodging with an authorized OPSU purchasing card on the travel reimbursement claim is sufficient notice of the use of a p/card for this purpose.

c. Support the lodging rate paid by retaining either:

1. Sponsor's announcement, agenda, brochure, registration form, and/or notice to verify designated lodging site and single occupancy room rate, date, and location of meeting.

2. Printed documentation of the Federal lodging rates for city and/or county. http://www.gsa.gov/Portal/gsa/ep/contentView.do?contentId=17943&contentType=GSA_BASIC

8. Cardholder/Department Compliance Reviews. On a monthly basis the cardholder will receive a report directly from the bank that lists all transactions posted on the p/card. The approving official will reconcile the Transaction Log processed during the cycle to the bank report. The Purchasing Department and/or University Accounting will conduct monthly compliance reviews of lodging purchases.

2.3.3 Airfare

Direct Purchase of Commercial Airfare with the Purchasing Card

PLEASE NOTE: All Purchasing Card Guidelines and Travel Policies and Procedures apply. The following are policies and procedures pertaining specifically to purchasing card airfare purchases.

Direct airfare p/card transaction for purchasing airfare consists of the following steps and requirements:

1. A valid Travel Request is completed and approved per standard travel procedures.

a. The recommended option is to contact McClure Travel Agency and obtain a quote. For accurate comparison as assurance of obtaining the lowest price, the quote should be obtained before the ticket purchase. If McClure's quotes the lowest price, proceed with ordering tickets.

b. If purchasing from a non-contract travel agency or an internet vendor using a p/card authorized for the direct purchase of commercial airfare:

1. The traveler must obtain a quote from the state contract travel agency. The written or verbal quote may be obtained from the state contract travel agency, McClure Travel Agency.

2. The traveler must obtain a quote from the non-contract travel agency and the amount of the quote will be written and the cost savings, if any, will be indicated

on the form. **A cost savings must occur to proceed**. (If no cost savings occurs the airfare must be purchased from a state contract travel agency).

3. Continue by documenting that you (1) used your OPSU purchasing card and (2) enter the amount of the quote from the non–contract travel agency or an internet vendor.

4. Log the purchase on the Transaction Log (see sample Transaction Log attached).

5. Cardholders shall maintain a current Transaction Log for all p/card airfare purchases. A separate Transaction Log shall be maintained for each p/card for each billing cycle. The cardholder and the approving official must sign the Transaction Log.

6. Canceling Airfare. Airline tickets purchased with a p/card should be bought with the intent **not** to cancel. If canceling or rebooking is a possibility, the tickets should be purchased as refundable tickets from a state contract travel agent. In the event that a ticket is canceled, it is the responsibility of the department to obtain and use any credit received from the vendor for official University business. It is the cardholder's responsibility to ensure the vendor's policies for cancellation and rebooking do not conflict with University policy and procedures.

2. Documentation.

a. Transaction Log**:** Cardholders shall maintain a current Transaction Log for all p/card airfare purchases. A separate Transaction Log shall be maintained for each p/card for each billing cycle. The cardholder and the approving official must sign the Transaction Log.

b. Receipts**:** An original receipt from the vendor shall support each airline ticket purchased.

c. Receipts should include the following as established by the Department of Central Services per Title 74 O.S., Sec. 500.3 Subsection F:

1. Date

2. Vendor and/or Name of Airline

3. Total Cost of Purchased Ticket

4. Class of Accommodation

5. Name of Traveler

d. Travel Request completed with all approval signatures.

e. Quote: **A quote from a state contract travel agency must be obtained when purchasing a ticket without the use of the regular OPSU purchase order.** For accurate comparison as assurance of obtaining the lowest price, the quote should be obtained before the ticket purchase.

1. A written or verbal quote obtained from a state contract travel agency. Comparison is a quote for a refundable ticket from the state contract agency to a refundable ticket from a non-contract agency. The same applies for a non-refundable ticket. Comparison to a state rate ticket (a refundable) to a non-refundable ticket results in an inaccurate comparison. The purchaser of the ticket is responsible for obtaining accurate comparative quotes.

3. Transaction Log. The cardholder shall sign the Transaction Log, indicating that the cardholder did make those purchases. (See attachment #4)

Note: In reconciling transactions, approving officials/cardholders should use appropriate documents, such as the Transaction Log, receipts of airline tickets, the Travel Request, and quotes.

4. Cardholder/Department Compliance Reviews. On a monthly basis the cardholder will receive a report directly from the bank that list all transactions posted on the p/card. The approving official will reconcile the Transaction Log processed during the cycle to the bank report. The Purchasing Department and /or Accounting will conduct monthly compliance reviews of p/card airfare purchases.

2.3.4

<u>Food and Refreshments</u>

- When specifically included in a Ledger 5 grant or contract budget and approved by a sponsoring agency.

- When required for an instructional and/or research purpose using state appropriated funds is allowed. <u>(accounts that start with a 1)</u>

- Light food and drink items used as refreshments and required in connection with meetings or similar type activities held/conducted for and in the interest of the general public. You cannot use state appropriated funds, only auxiliary funds, and you must attach a copy of the flyer and or invitation. <u>(accounts that start with a 3)</u>

- Campus meetings (associated with day to day internal operations of an agency are not allowed).

- Food purchases by clubs are allowed. <u>(accounts that start with a 9)</u>

2.3.5

<u>Clothing and/or Uniforms, Marketing Items, decorations-event or decoration-office</u>

- Employee uniform shirts cannot be purchased on a p-card.
- Marketing items can be purchased on a p-card as long your strategic plan states marketing as one of your goals and is for recruitment of students.
- T-shirts for volunteers are not allowed on a p-card unless this is an advertised public event and any employees working are volunteers and are not paid for the event. A copy of the flyer must be included.
- Decorations for an event are prohibited using State Appropriated funds, only from Auxiliary funds and the following will be required in order to use a p-card:

  Public Event – provide a copy of the flyer

- No office decorations are allowed that includes frames, clocks, heater/fans, cards-greeting, birthday, and posters.

If you have any questions or need clarification of any of the policies contained in this document, please contact Purchasing at 349-1566