

College Procurement Card Internal Control Structure

Policy Background

The Procurement Card (PCard) provides University faculty and staff with a convenient tool to purchase low-dollar goods required to conduct University business. This card cannot be used for sponsored programs administered by the Research Foundation.

As a major public institution, The Ohio State University is held to a high level of accountability for its business practices. Accordingly, every reasonable effort must be made by all employees to ensure that funds are used in a responsible and appropriate manner consistent with the university's mission, applicable law, and ethical practice.

Policy

The College offers only the "Standard Card (Individual Card)." Employees who have been delegated the authority and privilege to purchase approved goods on behalf of the University using a PCard must agree to abide by: all state laws, University Board resolutions, PCard Business Rules/Policies, University Expenditure Policies, Travel Policies and this Internal Control Structure.

Additional Purchase Restrictions and Special Approvals

In addition to the standard PCard purchase restrictions, the following additional restrictions and special approvals apply.

ANY and **ALL** purchases including business meals, entertainment and staff appreciation expenditures that include alcohol must be approved by Dean prior to the event. Submit such requests through the Department/School to the College Senior Fiscal Office for processing. The approval must be filed with the signed receipts the event. Note: alcohol can only be charged to discretionary funds.

The PCard may be used for:

- Small-dollar commodities as approved by the department
- Internet purchases provided the Internet site is secure and the Cardholder obtains a receipt for the item(s) purchased.
- Travel expenses in accordance with the PCard Travel Policy.

The PCard may **NOT** be used for:

- Per diem meals and incidentals while on travel status
- Payment to individuals
- Personal expenses
- OSU Research Foundation expenses
- Any item listed as PCard restricted or special approval required

Additional College of Education Restrictions

- Internal University orders (e.g, bookstores, copez, stores, etc...) should be placed using a 100W. Exception is provided for PCard use at The Blackwell and Fawcett Center.
- Procurement Cards are not to be used in place of purchase orders; if a monthly billing has been established, a purchase order is to be issued.

ADDRESSING INFRACTIONS AND NON-COMPLIANCE

The issuance of a PCard is for the convenience of the department and the staff member. The PCard should not be used by anyone other than the person whose name is on the card. In addition, it is the Cardholder/Manager's responsibility to ensure that the vendor does not charge sales tax. Cardholders must obtain the credit for any inappropriate sales tax charge.

Violations of University, PCard, College or Department/School policies and procedures may result in the PCard being revoked. Fraudulent, egregious use or patterns of misuse of the PCard will result in corrective action including:

- Verbal notification to Cardholder
- Notification in writing to Cardholder and supervisor
- Permanent revocation of card
- Required reimbursement of inappropriate PCard expenses

Three instances of failure to comply with established policies and procedures will result in revocation of the PCard. Personal use or sharing of the PCard will result in immediate revocation of the card. The University will seek personal restitution for any inappropriate charges and corrective action may also include termination and/or possible criminal prosecution.

ProcessApplication Procedure

1. PCard applications can be obtained through the Department/School/Administration fiscal officer or on-line at <http://www.osupcard.com/forms/PCARDAPP.pdf>. The College Procurement Card Holder Policy Compliance Agreement form must be submitted with the application and can be found at http://www.coe.ohio-state.edu/downloads/businessOffice/COE_PCard_Holder_Policy_Compliance_Agreement_Form.pdf
 - a. The College offers only the "Standard Card (Individual Card)"
 - b. Standard College limits are set at \$500/ single transaction and a monthly spending limit of \$1000. Higher limit requests will be considered based on a clearly defined business need, individual PCard activity including a history of compliance with policy, particularly submission of itemized receipts in a timely fashion.
2. Return completed applications to the appropriate Department/School/Administration fiscal officer who will secure approval.
 - a. Department/School/Administration fiscal officer informs applicant when request is denied at Department/School/Administration level.
 - b. Department/School/Administration approved applications are submitted along with a memo justifying the need for the PCard to the College Senior Fiscal Officer in the Office of Administration and Planning for final approval.
3. The College Senior Fiscal Officer will notify Department/School/Administration fiscal officer and applicant of the final College decision.
 - a. If approved, typically, a new PCard is available within ten (10) business days, if all application criterions have been met. PCard applicants are required to attend PCard training and sign and agree to the responsibilities outlined in the PCard MoU before a card can be issued.
 - b. The PCard Administrator in Purchasing will notify the Cardholder when the card is available for pick up.

Individual Cardholder Purchasing Procedure

1. Complete the College PCard Transaction Form (<http://www.coe.ohio-state.edu/facultyStaff/businessOffice.cfm>) that:
 - a. Lists a detailed description of the purchase
 - b. Provides the Chartfield(org, fund, project or program) to be expensed for the purchase
 - c. Includes the University Travel number ("T" Number) for all travel-related transactions must be completed for each purchase.

2. Obtain appropriate approval. It is preferable that Transaction Forms be approved by the department prior to the purchase. In cases where prior approval is not possible, transactions should be approved when receipts are returned.
3. Attach original, itemized receipts AND a copy of the credit card slip. For Internet purchases, a copy of the order confirmation and the shipping document should be attached. All receipts are to be signed by the cardholder.
4. Submit form and receipts to departmental Reconciler within 48 hours.
5. Monthly Pcard billing statements which are sent directly to the cardmanager must be copied and provided to the Department/School/Administration fiscal officer with 5 working days of receipt.

Reconciler

1. Receives all PCard statements. Individuals should not reconcile their own PCard.
2. Receives all transaction forms and receipts.
3. Assigns appropriate Chartfields (account, and verifies cardholder provided chartfield – org, fund, program & project) to transactions as part of system reconciliation process.
4. Validates that transaction forms/receipts are provided for all transactions.
5. Validates that transactions are in compliance with College/Department/School/University Expenditure & Travel Policies and the College ICS.
6. Validates that approvals have been received for all transactions. It is preferable that transactions have departmental approval prior to the purchase. In cases where prior approval is not possible, transactions should be approved when receipts are returned.
7. Maintains files of statements and receipts.
8. Works to resolve discrepancies with Cardholder. Files PCard Dispute Forms where necessary. Forms MUST be completed within 60 days of purchase to insure bank cooperation.

Approver

1. The individual responsible for approving departmental expenditures should also review and approve PCard transactions.
2. It is preferable that PCard transactions be approved prior to the purchase. However, in cases where this is not possible, transactions should be approved when receipts are returned. At an absolute minimum, transactions should be reviewed and approved monthly.
3. Approvers should review and sign-off on monthly statements.

Review and Audit

1. Departments/Schools are required to review card usage patterns yearly to determine if the individual's responsibilities continue to warrant the use of a PCard. If usage is low (averaging less than 2-3 transactions/month) the Department/School should consider canceling the PCard to reduce potential liability.
2. The College of Education and Human Ecology will perform a quarterly review of PCard transaction and an annual review of activity level.

Changes to PCard Account

1. All changes to the originally established PCard account must be approved through the completion and submission of a PCard Maintenance Form.
2. The College Senior Fiscal Officer must sign all PCard Maintenance Forms.
3. If a Cardholder is terminating from the department, the card should be canceled using the PCard Maintenance Form. The card itself should be returned to the Department/School/Administration and destroyed.

Guiding Policies

OSU Purchasing Policies/Contains Ohio Ethics Laws: <http://www.osupurchasing.com/policies/index.asp>

PCard Rules and Policies: http://www.osupcard.com/Bus_Rules_Policies/BusRules_index.asp

PCard MOU Requirements: <http://www.osupcard.com/forms/MOU.pdf>

University Expenditure Policies: http://www.osupcard.com/Bus_Rules_Policies/Expenditure.asp

Questions

Policy – Department/School/Administration Fiscal Officer or Office of Administration and Planning
Applications – Department/School/Administration Fiscal Officer