



## Fiscal Policy – Rule 03-140-206

# Procurement Cards

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## 1. Summary

- 1.1. Oregon State University contracts with a commercial third party vendor to provide Purchasing Cards (PCard), Travel/Expense (T&E) Cards and Group Travel Cards. Purchases from vendors that accept credit card payments may be charged to a university credit card except as prohibited by this policy.
- 1.2. In order to fully utilize procurement cards and realize the associated administrative efficiencies and cost savings, OSU seeks to ensure that the policies and procedures related to procurement card programs are documented, communicated, clearly understood and consistently applied. Establishing sound policies to guide the use of procurement cards is important to ensure compliance with state and federal laws, policies and rules. The Vice President for Finance and Administration has authorized Procurement Contracts and Materials Management (PCMM) to implement and maintain the university-wide program.
- 1.3. All Budget Authorities, Card Custodians, Account Managers and Card Users should be informed and understand this rule to ensure compliance with procurement policies and procedures.

## 2. Procurement Card Types

### 2.1. Purchasing Card

- 2.1.1. General: The Purchasing Card (PCard) is available as a procurement method for units to obtain many of the items needed for day-to-day operations. These cards are issued as departmental cards, primarily used for the acquisition of goods or services. University-issued Pcards may not be used for personal purchases, unauthorized transactions or shared with any unauthorized individual. *(see section 3.6 for Restrictions)*
- 2.1.2. Credit Limit Information: Based upon departmental request, the program administrator may approve higher monthly credit limits.

	Spending Limits	
	Single Transaction	Billing Cycle
PCard	\$ 4,999	\$ 10,000

2.1.3. Requirements: To obtain a card, unit or individual is required:

- a) Submit a Purchasing Card Agreement form (*only for new cards*) **and**
- b) Submit a Purchasing Card Application/Change form **and**
- c) Complete appropriate training (*see section 3.8 for additional details*)

**2.2. Travel and Expense Card**

2.2.1. General: The Travel and Expense (T&E) Card is available to eligible university employees to pay for allowable travel expenses incurred while on official university business. These cards may not be used for personal purchases, unauthorized transactions or shared with any unauthorized individual. This card program was established to improve the efficiency, flexibility and convenience related to traveling, purchasing goods and some services.

2.2.2. Credit Limit Information: Higher monthly credit limits require additional approval from Budget Authority and PCard Administrator.

	Spending Limits	
	Single Transaction	Billing Cycle
T&E Card	\$ 4,999	\$ 5,000

2.2.3. Requirements: To obtain a card, an eligible individual is required to:

- a) Submit a Purchasing Card Agreement form (*only for new cards*) **and**
- b) Submit a Purchasing Card Application/Change form **and**
- c) Complete appropriate training (*see section 3.8 for additional details*)

**2.3. Group Travel Card:**

2.3.1. General: The Group Travel Card is available for departments to accommodate and pay for student group or athletics team travel expenses incurred while on official university business. When possible, department staff should make advance payment arrangements for student groups.

2.3.2. Credit Limit Information: Based upon departmental request, the program administrator may approve higher monthly credit limits.

	Spending Limits	
	Single Transaction	Billing Cycle
Student Groups	N/A	\$ 10,000
Athletic Teams	N/A	\$ 20,000

- 2.3.3. Requirements: To obtain a card, a department is required to:
- a) Submit a Purchasing Card Agreement form (*only for new cards*) **and**
  - b) Submit a Purchasing Card Application/Change form **and**
  - c) Complete appropriate training (*see section 3.8 for additional details*)

### 3. Responsibilities & Procedures

#### 3.1. Card Users

##### 3.1.1. Eligibility:

- a) Card Users must be a current OSU employee (faculty or classified staff employed at least 0.5 FTE) or Graduate Assistants appointed at least .3 FTE.
- b) All required training must be completed.

##### 3.1.2. Specific Card Program responsibilities include, but are not limited to:

- a) Checking card in and out via written documentation (not required for cards with a single authorized Card User).
- b) Securing the card and account number when in Card User’s possession.
- c) Making card purchases in compliance with Program Policy and Procedures.
- d) Collecting and submitting to Card Custodian appropriate purchase documentation for each card transaction (not required for cards with a single authorized Card User).
- e) Informing Card Custodian of transaction disputes and card administrative changes (i.e. when they will no longer act as an authorized Card User for the department).
- f) Informing Card Custodian, Program Coordinator and US Bank immediately regarding lost/stolen cards.
- g) Resolving purchase returns and problem purchases.

- h) Accepting personal responsibility for non-business charges.

### 3.2. Card Custodians

3.2.1. A Card Custodian may also be a Card User.

3.2.2. Specific Card Program responsibilities include, but are not limited to:

- a) Managing physical custody and security of the card and account number (unless card is retained by Budget Authority for safekeeping).
- b) Monitoring and reconciling the Card Activity Log to ensure cards with multiple Card Users are checked in and out, with the purpose and the amount of each departmental card use recorded.
- c) Maintaining complete transaction records.
- d) Providing signature on monthly bank statement verifying reconciliation is accurate and complete.
- e) Training all authorized Card Users with regard to the OSU Card Policy.
- f) Maintaining records of departmental training. This includes a verification that user has read and signed Purchasing Card User Agreement Form.
- g) Notifying Program Administrator of any changes to authorized Card Users.
- h) Resolving problem purchases/disputes.
- i) Communicating all necessary information with Card Users, including policy noncompliance.
- j) Ensuring compliance with Card Policy and Procedures.
- k) Monitoring department card transactions for appropriate use and potential fraudulent activity.
- l) Maintaining Bank Account Online Access (do not share log in information).

### 3.3. Department Budget Authority

3.3.1. Specific Card Program responsibilities include, but are not limited to:

- a) Making sound business decisions based on financial resources allocated to the unit.
- b) Ensuring overall compliance with Card Program policy and procedures.

- c) Authorizing card application by signature.
- d) Designating Card Custodian and Card Users.
- e) Reviewing Card Custodian Card transactions.
- f) Reviewing monthly reconciliation and monthly statement.
- g) Signing the monthly statement to indicate that the goods and services purchased were in accordance with this fiscal rule.
- h) Documenting corrective actions taken if noncompliance is identified.

### 3.4. Account Manager

- 3.4.1. An individual at the Business Center typically takes on the responsibilities of Account Manager, but may delegate this role as necessary.
- 3.4.2. Specific Card Program responsibilities include, but are not limited to:
  - a) Reviewing and distributing transactions in the Banner Purchasing Card Module FAAINVT.
  - b) Making necessary corrections to posted transactions by Journal Voucher.
  - c) Reconciling monthly card transactions, including verification of receipts and proper documentation, to monthly bank statements.
  - d) Ensuring bank statements are signed by the Department Budget Authority.
  - e) Documenting corrective actions taken if noncompliance is identified.

### 3.5. Procurement Card Program Administrator

- 3.5.1. The Chief Procurement Officer acts as primary liaison with bank and administration, but can delegate responsibility within the PCMM department.
- 3.5.2. Specific Card Program responsibilities include, but are not limited to:
  - a) Approving initial card application.
  - b) Requesting cards from bank.
  - c) Disseminating cards to Card Custodians.
  - d) Managing required training and providing materials to departments.
  - e) Processing lost/stolen cards and updates.

- f) Performing transaction reviews and follow-up.

### 3.6. Restrictions

3.6.1. University cards may not be used as a purchasing method for restricted items. Fraudulent and/or misuse of the card is grounds for corrective action (*see section 3.7 Misuse of Card & Violations*).

- a) Personal or non-business related purchases
- b) Cash Advances
- c) Capitalized Expenditures – Exemptions include Library purchases 40190 and Construction in Progress (Equipment) 40199
- d) Foreign Intangibles (software, subscriptions, equipment rentals, patents and copyrights) – Specifically Intangibles purchased from foreign companies
- e) Awards, Prizes, Gifts and Gift Cards
- f) Cell Phones
- g) Utilities
- h) Facility maintenance & repairs
- i) Goods or services provided by other OSU departments
- j) Printing and copying
- k) Services provided by a university employee
- l) Other Expenses (only as specified below):
  - Animals
  - Alcohol
  - Donations
  - Flowers
  - Greeting cards
  - Hazardous items
  - Professional licenses
  - Weapons
- m) Expenses that violate other policies (*including but not limited to*):
  - [FIS 410-05 Hosting Groups and Guests](#)
  - [FIS 410-07 Non-Travel Meals](#)
  - [FIS 411 Travel](#)

### 3.7. Misuse of Card & Violations

- 3.7.1. Cards are issued for business use only and may not be used for personal purchases. All purchases made on card types must be in compliance with university policy and fiscal rules. Every violation discovered will be reported to and monitored by Card Administrator.
- 3.7.2. Card misuse is subject to corrective action that may include written notification of misuse, additional training, the suspension or loss of card privileges, disciplinary action or termination of employment dependent on severity of misuse.
- 3.7.3. Violations will be categorized into one of the two categories, with the following consequences:
  - a) Non-Compliant Purchases (unintentional errors)
    - A formal warning will be delivered to the Cardholder and Budget Authority by the Purchasing Card Administrator. The Cardholder's or Budget Authority's immediate supervisor may also be contacted depending on type of misuse.
    - If misuse continues, Accounts Payable will send notification to the Cardholder and Budget Authority notifying them that the purchasing card privileges will be revoked for a minimum of 90 days.
  - b) Intentional Misconduct
    - If OSU employees are deemed to be intentionally and knowingly using a university card for purchases that are not in compliance with this fiscal rule, they will be dealt with in accordance with the university's policy and procedures on employee discipline for financial misconduct up to and including termination of employment and criminal prosecution if warranted.

### 3.8. Procurement Card Training

- 3.8.1. Card Users and Budget Authorities must complete the online training for Card Users and Budget Authorities.
- 3.8.2. Card Custodians and Account Managers must successfully complete online training for Card Custodians and Account Managers.
- 3.8.3. Refresher Training must be taken every two years to continue participation in Procurement Card Program.

## 4. Related Information

- 4.1. [University Policy 03-100 Fiscal Policy Program Authority](#)
- 4.2. Please refer to all other fiscal rules that may be applicable, including but not limited to the following policies currently located in the OSU Fiscal Policy Manual:
  - 4.2.1. [FIS 410-05 Hosting](#)
  - 4.2.2. [FIS 410-07 Non Travel Meals](#)
  - 4.2.3. [FIS 411 Travel](#)
- 4.3. Please check with your unit/college for unit-level procedures related to this rule.
- 4.4. The following websites provide additional information/guideline:
  - 4.4.1. [OSU Purchasing Card Site](#)
  - 4.4.2. [OSCAR](#)
- 4.5. [Fiscal Policy Program Definitions of Terminology](#)
- 4.6. [Fiscal Policy Program Frequently Asked Questions](#) (FAQs)

## 5. History

- 5.1. Original Issue Date: 01/2003 (FIS 408-01 Procurement Cards)
- 5.2. Last Version: 03/2016 (FIS 408-01 Procurement Cards)
- 5.3. Last Review Date: 06/2018
- 5.4. Next Scheduled Review Date: 06/2021

## 6. Contacts

- 6.1. Policy Steward: Senior Payment & Systems Manager
- 6.2. Program: Fiscal Policy Officer, Financial Accounting & Analysis
- 6.3. Link to full list of [Fiscal Policy Program Contacts](#)