

SOU Departmental Purchasing Card Usage Procedure



(For Campus Distribution)

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| Procedure Number | SOU Procurement Card cd |
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| Department | Business Services –Purchasing P-Card |
| Last Update | May 2009 |
| Related Institutional Policy # (s) | OUS Fiscal Policy 70.100, SOU Procedure FAD.034 |
| Authored By | SOU Purchasing Agent |
| Unit Manager | Business Services Director |
| Approved By | Director of Business Services |
| Date Approved | 05-31-2009 |
| Distribution | Campus distribution |
| Date Posted to Business Services Website | 08-28-2012 |

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| Purpose | Defines the use(s) for the SOU Purchasing Card Program |
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| Definitions | <p>Budget Authority- Person in charge of department budget and purchasing activity.</p> <p>Card User- Person authorized to make purchases on the departmental procurement card.</p> <p>Card Custodian – Person in charge of safeguarding the card, monitoring card users, reconciling purchases, and keeping the Budget Authority advised of card activities.</p> <p>Purchasing Card- Bank Visa card issued to departments to aid in the acquisition of minor supplies and commonly referred to as <i>P-card</i>.</p> <p>Travel Card – A personal liability card issued directly to SOU faculty and staff to provide added convenience when making travel arrangements....See TRAVEL for Details.</p> |
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Policies for Procurement Card (P-Card) User(S)

OUS and SOU have contracted with US Bank to provide Departmental VISA credit cards, also referred to as Purchasing Cards (P-Card). The cards are to be used to purchase, or procure, specific types of goods and services for the University which will result in significant efficiencies and convenience.

The Purchasing Card is different than the Travel (Corporate) Card used for employee travel expenses.

Card Issuance:

Purchasing Cards will be issued to a campus department under one of the following options:

Option 1: Card is issued to SOU department with a single employee custodian assigned and one or more authorized users identified.

Option 2: Card(s) are issued to SOU employees within a department with each being both authorized user and custodian of one's own card.

Upon written request of a new purchasing card from a budget authority, a VISA Card Application and Agreement form is completed and signed by the custodian, authorized users and budget authority. Business Services then processes the application and obtains the card from US Bank. After a card is issued, authorized users must be added or deleted via an addendum form available from Business Services. The custodian reconciles these receipts to month billing. The names of terminated employees must be removed from the list of authorized users in a timely manner.

Card Usage:

All purchases made with the P-Card must comply with OUS policies. Typically, purchases can be made with a vendor that accepts credit card payments, subject to existing SOU policies. The following are examples of authorized purchases:

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| Office Supplies | Conference Registration Fees |
| General Operating Supplies | Subscriptions |
| Software | Dues and Memberships |
| Minor Equipment/Furniture Purchases | Hosting Groups and Guests (except airfare)* |

*Any food purchases require an itemized receipt and a completed Reimbursement for Hosting Groups/Guests/and Candidates Form or a Reimbursement for Meals or Refreshments at Meetings Form be attached to the VISA statement. The Policy on Entertainment and the related forms are located on the Business Services website under "Non-Travel Business Meals, Refreshment & Hospitality Procedures."

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Please refer to the Business Services website for Purchasing Card instructions and for training documentation:

http://www.sou.edu/bus_serv/purchasing/index.html

Only permanent faculty and staff may be established as a card “user” and students or temporary employees cannot be established as designated card users.

Credit limit standards per billing cycle will be initially set by the Purchasing Agent (\$5,000 or up) and may be increased upon department’s request to Business Services. Lower limits may also be requested.

All persons connected to a departmental purchasing card (budget authority, card custodian, card user), must pass the OUS Procurement Card Test, located on the Business Services website under Purchasing Card Guidelines.

Restrictions to Card Usage:

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

Use of a procurement card is generally prohibited for travel costs (39000 account codes) except for conference hotel reservations and payments, rental car reservations, and Athletic Team Travel.

For purchases other than library acquisitions (account code 40190), use of a procurement card is prohibited for capital outlay (40XXX account codes) due to fixed asset inventory recording requirements.

Use of a procurement card is prohibited for the following account codes due to 1099 and W-2 tax reporting requirements. These account codes are for tax reportable services that are performed by an outside vendor and may be subject to revisions. These services include, but are not limited to, labor costs and/or labor and materials costs:

- Moving costs (28510)
- Maintenance and repairs (23501,23502,23503,23504,23510,23511,23512,23530,23531)
- 1099 reportable services performed by others (245XX – 25199 account codes)
- Purchases involving the following account codes:
 - 20169 Awards and Prizes – Non-employee
 - 21008 Animal Card
 - 21070 Agricultural Services
 - 23080 Utilities and maintenance – Non-Employee
 - 24001 Equipment – Rental and Leases
 - 24050 Land – Rental and leases

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- 24051 Building – Rentals and Leases
- 24052 Housing Rental – Non Employee
- 24053 Storage Rental/Fees – Non-Employee
- 28540 Dependent Assistance – Tuition and Fees – Non-Employee
- 28541 Dependent Assistance – Other – Non-Employee
- 28542 Temporary Living and supplemental Allowance – Non-Employee
- 28543 Settling-In Allowance Payment – Non-Employee
- 28544 Storage of Household Goods – Non-Employee
- 28546 Cost-of-Living/Post Allowance – Non-Employee

Purchasing Card Abuse:

A misused Purchasing Card may be cancelled and returned to the Bank. Department Management, in consultation with Human Resources, is responsible for taking appropriated disciplinary action consistent with applicable personnel policies.

Associated Procedures or Other Information:

Documentation and Billing:

As purchases are made, the custodian secures and retains itemized documentation for each purchase (i.e. invoices, sales slips, register receipts, packing slips). When no documentation exists (such as with telephone orders), the user must record the vendor name, item description, purchase cost and sign a statement indicating the charge was for University business.

Each month, US Bank will send a statement of monthly charges to each department. The Custodian will staple original documentation to the statement, obtain authorized signature(s), and retain the fully reconciled, signed statement and documentation in a secure location (in their office) for a period of not less than four years in order to meet OUS Retention Schedule standards.

Purchasing Dept. will process a monthly Direct Pay and issue one check to US Bank combining all campus account payments, using account code 28995; and charging the default index code by JV approximately 10 days after receipt of master invoice. Departments are required to process a JV to reallocate charges at least quarterly, preferably monthly.

Refunds or adjustments obtained from vendors will be credited to appropriate Index Codes.

Lost or Stolen Cards:

If the card is lost or stolen, the card user or card custodian, depending upon who had custody of the card at the time of the loss, shall report the loss immediately to the procurement card vendor bank as instructed by bank and to the card custodian, Business Services, and budget authority.