

Policy Title:	SOU Purchasing Card Policy
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Governing Body:	OUS, SOU	Policy Number:	FAD.034
Policy Contact:	Business Service Purchasing Agent	Date Revised:	7/05/11
Custodial Office:	Business Services	Date Approved:	8/8/12
Approved By:	President, Cabinet	Next Review:	9/13
Related Policy:	OUS Fiscal Policy 70.100		

A. Purpose

Defines the purpose and use(s) for the SOU Purchasing Card Program

B. Definitions

Budget Authority - Person in charge of the departmental budget, and purchasing activity within the department.

Card User - Person authorized to make purchases on the departmental procurement card.

Card Custodian - Person in charge of safeguarding the card, monitoring card users, reconciling purchases, and keeping the Budget Authority advised of card activities.

Purchasing Card - Bank VISA card issued to departments to aid in the acquisition of minor supplies.

Travel Card - A personal liability card issued directly to SOU faculty and staff to provide added convenience when making travel arrangements.

C. Policy Statement

OUS and SOU have contracted with US Bank to provide Departmental VISA credit cards, also referred to as Purchasing Cards. The cards are to be used to purchase specific types of goods and services for the University which will result in significant efficiencies and convenience. OUS Fiscal Policy 70.100 established the guidelines for this policy.

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(s) are issued to University department with a single employee custodian assigned, and one or more authorized users identified.

Option 2: Card(s) are issued to University employees within a department with each being both authorized user and custodian of his/her 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 shall have authorized users sign out for the card, and return the card and receipt(s) to them. The custodian reconciles these receipts to monthly 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 Purchasing Card must comply with OUS policies. Purchases can be made with any vendor that accepts credit card payments, subject to existing SOU policies. The following are examples of authorized purchases:

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 forms are located on the Business Services website.

Only permanent faculty and staff may be established as a card "user". Students and temporary employees cannot be established as designated card users.

Credit limit standards per billing cycle will be initially set at \$10,000 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 Procurement website.

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)
- Purchases involving the following account codes:
 - 20169 Awards and Prizes – Non-Employee
 - 21008 Animal Care
 - 21070 Agricultural Services
 - 23080 Utilities and Maintenance – Non-Employee
 - 24001 Equipment – Rentals and Leases
 - 24050 Land – Rentals and Leases
 - 24051 Building – Rentals and Leases
 - 24052 Housing Rentals – Non-Employee
 - 24053 Storage Rentals/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 canceled and returned to the Bank. Department management, in consultation with Human Resources, is responsible for taking appropriate disciplinary action consistent with applicable personnel policies.

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

D. Policy Consultation

OUS Controller's Office
Business Services
Human Resources

E. 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 will process a monthly Direct Pay and 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.

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.