Purchasing Card

Guidelines

February 2022

PURCHASING CARD PROGRAM

GUIDELINES

PREFACE

It is the intent of this University to use a commercial purchasing card (Pcard) to facilitate the acquisition of lower dollar goods and services needed for conducting official University business. The Pcard is to be issued to selected University employees. The cardholder is responsible for and accountable to the University for all charges made with the Pcard. Use of the Pcard is solely for official University purchases. Personal purchases are strictly prohibited and may result in disciplinary action.

These guidelines are intended to be a tool to ensure the University complies with State statutes regarding purchases.

Table of Contents

Pcard Program Contacts

Langston University Operations: Alicia Sumlin

Langston University
124 Page Hall
Langston, OK

(405) 346-6423
asumlin@langston.edu

https://www.langston.edu/about-us/administration/fiscalaffairs/purchasing

Ms. Sumlin is the Pcard point of contact on the Langston Campuses. She is responsible in securing and providing pickup for newly issued Pcards. She also keeps Pcard Forms available for distribution.   Forms include Pcard/Works Applications, Change Forms, Tax Exempt Forms and the Prepayment Forms.

Pcard Administrator: Carla James

Office of Central Procurement
1224 N. Boomer Road
Stillwater, OK 74078

(405) 744-8408
carla.james@okstate.edu

The Pcard Administrator is responsible for management of the purchasing card program, including assisting departments in determining how to use the Pcard to fit its needs, planning and coordinating training, customer service, processing Pcard request forms, processing changes in cardholder information (name, address, increase or decrease in card limits, etc.), assisting with disputed transactions, and transaction review.

Compliance Accountant: Becky Hergenreder

Office of Central Procurement
1224 N. Boomer Road
Stillwater, OK 74078

(405) 744-3446
rdherge@okstate.edu

The Compliance Accountant is responsible for the desktop and field audits, including planning and scheduling reviews of departmental internal controls and transaction detail. Also included are addressing compliance issues with departments and making recommendations for improvements to be included in the compliance review reports.

Bank of America

The cardholder must call Bank of America at (888) 449-2273 immediately upon discovering the card has been lost or stolen. This same number may be called for questions or to discuss denied purchases. Outside the US, call (509) 353-6656.

How to Get a Pcard

Eligible Employees

Cardholder must be a full-time, permanent employee (.75 FTE and above). All Pcards issued under this program are the property of the University and shall be surrendered to the cardholder's departmental administration at the time of termination of employment with a University department or upon the request of the cardholder's supervisor, departmental administration, the Pcard Administrator, or University Administration.

Roles

Before a card will be issued, individuals must be identified for each of the following roles:

- Cardholder – A full-time, permanent University employee (as described above) designated by the Vice President, Dean, or Department Head to execute purchases using his/her assigned Pcard.
- Approver– One or more full-time, permanent University employees designated by the Vice President, Dean, or Department Head to review and approve cardholder transactions. This staff member should have knowledge of what an appropriate, reasonable, and legitimate transaction for the cardholder and department should be and is responsible for reviewing and bringing to the attention of administration any purchase that appears to be questionable for any reason. He/she should question any purchase for which he/she does not fully understand the need and business purpose.
- Accountant – One or more full-time, permanent University employees designated by the Vice President, Dean, or Department Head to review transactions for compliance with policy and procedure, confirm required documentation is present, confirm the purchase matches the description entered by the cardholder and the Level 3 detail (if provided), and ensure the chart/fund and account are correct. The accountant is to examine the documentation and the purchase for "red flags" or violations, such as tax charges or items that should not be purchased with the Pcard, and to notify the cardholder and other administrative areas as required of the non-compliance.

Application Form

An Application Form for Pcard or Works User Access must be completed to request a Pcard **or** to be assigned a role in Works. The form must be signed by the cardholder or user, approver, accountant, appropriate administrator, the President and sent to the Office of Central Procurement for processing. A link to the Application Form may be found at https://www.langston.edu/about-us/administration/fiscalaffairs/purchasing.

Departments are to establish controls and limits on each Pcard as required by the bank. Requested credit limits must be reasonable and in line with the cardholder's duties and expected spend. For employees/faculty:

- Credit Limit (dollar amount per cycle) – shall not exceed $50,000. Departments will be required to provide justification for any monthly credit limit over $10,000.
- Single Transaction Limit (dollar amount per transaction) – shall not exceed $5,000.

The Application Form must be accompanied by a **Conflict-of-Interest Reporting Form** and a **Purchase Card Employee Agreement Form**. The Application cannot be processed unless these forms are attached, and training is completed. These forms can be found at www.langston.edu.

The Conflict-of-Interest Reporting Form documents any outside financial interest which may affect purchasing decisions. The cardholder must fill out a new form by October 1 of each year or at the time an interest becomes reportable. The initial form is attached to the Application Form. Subsequent forms are to be kept on file by the department and made available for review by Pcard staff.

Once the Application Form is processed by Pcard staff, Bank of America will send the card directly to the University for distribution within 7-10 business days.

Training

The cardholder and all individuals in the required roles must complete initial training before a card will be issued and access granted to Works. In addition, for cardholders to retain their Pcards, all cardholders and Works users must complete retraining annually.

Issuance of Pcard

The Pcard is issued by the University in coordination with a bank. The Pcard will include the institution's name, FEI number, the cardholder's name, cardholder's department, and a unique individual account number.

Using the Pcard

The cardholder is the only person authorized to make purchases using the card. Loaning a Pcard to another person may result in revocation of the card.

The fact that the cardholder has been issued a card does not imply prior approval of all purchases. The cardholder must follow applicable University policies and procedures and departmental procedures, including any departmental pre-approval procedure.

Many companies provide discounts through their Education Sales Department, so ask for that department.

There should be no up-charge, convenience fee, or credit card processing fee charged by merchants to use the Pcard except where there are specific contractual arrangements with the University to do so.

The following procedures should be followed for all purchases made by Pcard:

Decision to Use Pcard for Purchase

- When making the decision whether to use the Pcard for a purchase, the cardholder should:
- All purchasing, regardless of dollar volume, should start with a search of the OK Corral. The Corral contains competitively bid contracts that exist to promote efficiency in business transactions and provide cost savings for all departments. This is a best practice and board policy. "*When established purchasing contracts exist, purchases should be made from such contracts*." Reference: Best practice and board policy (2.07 (8)C.ii).
    - If a vendor is not in the system, Langston University requires you to try to add it prior to making payment.
    - If a payment is urgent and Ok Corral cannot be used, Langston University requires approval from the Department Head, Vice President, and the Office of the President.
- Review the lists of prohibited and restricted purchases to ensure the purchase is allowable on the Pcard.
- Be sure the total amount will not exceed the cardholder's single transaction and/or cycle limit.
- Give fair treatment to all merchants and determine if the price obtained is reasonable.

Making the Purchase Using a Pcard

There are three main methods of making purchases:

Over the Counter – When making an over-the-counter purchase, the cardholder should:

- Verify the vendor accepts VISA. If the merchant accepts VISA, provide the Pcard for payment and make certain the merchant understands the purchase is exempt from Oklahoma sales tax. (The cardholder must have a copy of the Oklahoma Tax Commission Sales Tax Exemption Certificate for most merchants to exclude sales tax. This certificate can be obtained from Alicia Sumlin.
- If the purchase is made in Oklahoma, verify no sales tax is included in the final purchase total before signing the sales receipt.
- Obtain an itemized receipt at the time of purchase.

Mail, Phone, or Fax – When placing an order by mail, phone, or fax, the cardholder should:

- Provide the merchant with the requested card information.
- Indicate to the sales representative or on the order form that the University is a tax-exempt institution. While the University is not necessarily exempt from sales tax in other states, some vendors will not tax the University.
- Provide the merchant with detailed shipping instructions to include your name, department name, phone number, and appropriate campus address.
- Obtain a confirmation number from the merchant and request that a receipt with itemized descriptions and pricing information be sent with the purchase.
- Retain appropriate documentation, including receipt / invoice and packing slip, of the purchase.

Internet – When placing internet orders, the cardholder should:

- Use a reputable merchant and ensure purchases are made from a secure site or a site that provides account number encryption.
- If available, use the Educational section of the merchant's website.
- Complete the necessary order process and provide cardholder information to include the billing address.
- Verify no Oklahoma sales tax is included in the final purchase total before completing the order process.
- Print appropriate screens to include vendor name, date, item description(s), itemized cost, and total cost including shipping and handling.
- Retain appropriate documentation, including receipt / invoice and packing slip, of the purchase.

Delivery Address

Items purchased with the Pcard should always be delivered to a University address. Any exception must be approved in advance. If there is a business reason for having items shipped to a non-university address, written preapproval must be obtained from the Vice President and the Office of the President. The documentation must be attached to the corresponding receipt. Upload the receipt and preapproval to Works.

Returns, Damaged Goods, and Credits

Boxes, containers, special packaging, etc. should be retained until you have determined you are going to keep the materials. Some items, such as software or fragile pieces, cannot be returned without the original packaging material.

If the cardholder determines materials purchased with a Pcard need to be returned, the cardholder should:

- Work directly with the merchant.
- Carefully read all instructions enclosed with the order. A phone number and/or instructions for returning the materials are usually included on the receipt and/or packing slip.
- Request a Return Authorization Number from the merchant if required.
- Request a credit receipt for returned items. Some merchants may not provide this receipt unless it is requested.
- Determine if a restocking fee will be charged. If the merchant is responsible for the error or problem, you should not have to pay a restocking fee. If the merchant is not responsible, you may have to pay the restocking fee. A Pcard may be used to pay this fee provided it does not exceed your limits or violate policies.
- Check your monthly transactions to ensure the charge for the returned item(s) is credited properly.
- Retain appropriate documentation of the return and associated credit.

Backorders

No charges should be incurred for back orders. Charges may only be applied for material that has been received by the University or shipped from the merchant's dock.

Card Declined

If the Pcard is declined for any reason, the cardholder should contact Bank of America at the number on the back of the Pcard. Bank of America can provide the cardholder with the reason the card was declined. The cardholder may be asked to provide the name embossed on the card, the address listed on the Pcard application form, the phone number listed on the Pcard application form, or the verification ID (the number 9 followed by the CWID). The cardholder can also check the Authorization Log in the Works system to determine the reason for the decline.

Transaction Flow

A typical Pcard transaction consists of the following steps:

1. Cardholder follows his/her department's pre-approval procedure, if any.
2. Cardholder makes a purchase from a merchant using the Pcard and obtains an itemized receipt.
3. Merchant delivers the goods or service and submits the transaction to the credit card company.
4. The bank pays the merchant.
5. Cardholder reviews his/her transaction in Works, enters a detailed description and the business purpose of the purchase, uploads the receipt and any supporting documentation to Works, and signs off electronically on his/her transaction.
6. The transaction is routed to the cardholder's approver. The approver reviews and electronically approves the transaction.
7. The transaction is routed to the cardholder's accountant. The accountant reviews and electronically approves the transaction.
8. Cardholder forwards the receipts, and other required supporting documentation to the cardholder's accountant.
9. Original records shall be maintained in a central location within the department. Within five (5) days of the end of the billing cycle, all transactions are reviewed, approved, and the chart/fund and account are updated. At the end of the five (5) day period, all transactions are downloaded into the financial accounting system and a single payment to the bank on behalf of all University departments is made.

- **NOTE:** The cardholder, approver, and accountant must be three different people and may only sign off in one role per transaction. Approvers and accountants may not sign off on their own transactions.

Spending Controls

Cardholder Spending Limits

Because the University, not the individual employee, will pay for purchases made with the Pcard, authorization controls have been added to the Pcard accounts. These limits are imposed at the point of sale when the card is swiped or applied. The available limits on a Pcard include, but are not limited to:

- Credit Limit (dollar amount per cycle) – shall not exceed $50,000
- Single Transaction Limit (dollar amount per transaction) – shall not exceed $5,000

The single transaction limit includes shipping and handling charges or any applicable allowable transaction fee.

Individual cardholder limits are set by departmental administration and indicated on the Pcard application form. Departments will be required to provide justification for any monthly credit limit over $10,000 for a cardholder.

Merchant Activity Type Limits

The University prohibits the use of Pcards for certain types of transactions. Businesses are identified by Merchant Category Codes (MCC), a standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. MCC groups are defined for the University by Pcard Administration and are used to control whether a cardholder may purchase from a particular type of merchant. If an otherwise allowable Pcard purchase has been denied due to an MCC, contact the Pcard Administrator.

Cardholder Limit Recertification

Cardholder limits may be reviewed annually to determine whether actual usage is consistent with a cardholder's spending limits.

- If the usage is consistent with the spending limits, there will be no change to the card limits.
- If the usage is not consistent with the spending limits, the Pcard Administrator may recommend an adjustment be made to the card limit(s), or recommend an inactive card be cancelled. If the department does not agree with the recommendation, departmental administration may file an appeal. The appeal must be in writing to the Pcard Administrator and should provide justification for why the card limit(s) should not be adjusted (or why the card should not be cancelled). Any appeal that cannot be resolved at that level will be forwarded to the Chief Procurement Officer for final determination.

Cardholder, Approver, and Accountant Responsibilities

Cardholder Responsibilities

When accepting a Pcard, the cardholder becomes an authorized purchasing agent for the University and has certain responsibilities. These include:

- Protection of the Card – The cardholder must protect the security of the Pcard and the card number. The cardholder is the only person authorized to make purchases using his/her card. If the card information is compromised or if the card has been lost or stolen, the cardholder must contact the card provider and email the Pcard Administrator.
- Limitations on Merchants – Purchases from friends or family, from a company owned by any University employee, or from companies where the cardholder has a financial interest are prohibited using a Pcard. The cardholder must not accept any gift or gratuity from any merchant when it is offered, or appears to be offered, to influence the cardholder's decision regarding a Pcard purchase.
- Card Changes – The department is responsible for completing a Change Form if there are changes to card information, i.e., name change, credit limit change, change to the default chart/fund, etc.
- Purchase Limitations – The cardholder accepts the responsibility for ensuring unallowable, prohibited, or restricted items are not purchased.
- Receipt Maintenance – The cardholder must ensure appropriate documentation, including the original invoice/receipt and packing slip, if applicable, is received and maintained for each purchase. The documentation is to be forwarded to the cardholder's accountant for review.
- Transaction Processing – The cardholder is required to complete Pcard training. The cardholder is responsible for timely review of his/her transactions in Works to verify the purchases are legitimate and in compliance with policy and procedures, the required supporting documentation is present, and a description of the purchase and business purpose has been entered in the description field in Works. The cardholder may be required to update the chart/fund and account. Once the verification process is complete, the cardholder must attach the receipt and any supporting documentation to the transaction in Works and sign off on the transaction. At the end of each billing cycle, the cardholder must forward all receipts and supporting documentation to his/her accountant.

Approver Responsibilities

An approver should have knowledge of what an appropriate, reasonable, and legitimate transaction for the cardholder and department should be. The approver has the following responsibilities:

- Transaction Processing – The approver is required to complete Pcard training. The approver is responsible for timely review of cardholder transactions for appropriateness, reasonableness, and need for the items or services being purchased. The approver may be required to update the chart/fund and account. The approver should question any purchases which do not appear to be legitimate. After transactions have been reviewed, the approver must sign off on the transaction in Works.
- Violations – The approver is responsible for identifying and discussing any violations he/she detects with the cardholder and/or department administration. Discussions should be documented and attached to the purchase documentation. Violations are to be reported to the Pcard Administrator.
- The Approver may not sign off on his/her own transactions.
- Approvers are responsible for reviewing and verifying that all cardholder transactions are appropriate and for a legitimate University purpose. Failure to do so may result in disciplinary action up to and including termination of employment.

Accountant Responsibilities

The accountant reviews documentation for completeness and compliance, ensures transactions are coded appropriately, and maintains appropriate documentation. The accountant has the following responsibilities:

- Transaction Processing and Review – The accountant is required to complete Pcard training. The accountant is responsible for reviewing the cardholder's transactions and transaction documentation. Purchases are to be matched with the description entered by the cardholder and the Level 3 detail (if provided). Documents are to be reviewed for inappropriate purchases, and the cardholder and other departmental administration are to be notified of violations. In addition, the accountant is to report violations to the Pcard Administrator. The accountant is responsible for ensuring transactions are coded to the correct chart /fund and account. The accountant must sign off on the cardholder's transactions in Works.
- The Accountant may not sign off on his/her own transactions.

Prohibited Purchases

Certain types of purchases are prohibited by the State/State statutes. Certain purchases may be allowable if processed on a requisition but may not be made with a Pcard.

A Pcard may **not** be used for the following:

- **Split Purchases** – Split purchasing means dividing or failing to consolidate a known quantity of goods or services for the purpose of evading the Pcard single transaction limit of $5,000. Examples include, but are not limited to, splitting an amount over $5,000 between two or more swipes of the card, splitting the purchase between two or more cardholders, splitting the purchase between two or more vendors, or splitting the purchase between two or more chart/funds or projects.
- **Maintenance, Lease/Rental, and Service Agreements for Office or Scientific Equipment** – Langston University requires these types of purchases to be completed in Ok Corral. Preapproval from the Vice President and the Office of the President would be required.
- **Sales Tax** – The cardholder is responsible for ensuring Oklahoma sales tax is not charged at the time of purchase.
- **Cash, Cash Advances, Automated Teller Machine (ATM) Transactions**
- **Donations / Sponsorships** – Sponsorships may be allowed as long as the University receives something in return. Donations are prohibited.
- **Gifts, Gift Cards, Gift Certificates** – The purchase of gifts is a violation of State statutes. (Reference: Const. Art 10, Sec. 14 & 15 and A.G. Opinion 79-078, 79-263, and 82-071.)
- **Equipment / Fixed Assets** – Langston University requires equipment and fixed assets to be purchased through Ok Corral.
- **Expenses for food and mileage while in travel status —** Per Diem for food expenses and mileage may be claimed on a travel voucher.
- **Postage Stamps**
- **Clothing –** Langston University requires all clothing and/or uniforms to be purchased through Ok Corral. Approval is required from the department head, Vice President, and Office of the President.

- **Items that do not Serve a Business Purpose** – Includes, but is not limited to, flowers, candy, meals, greeting cards, health care items, etc.

- **Personal Purchases – The Pcard may not be used under any circumstances to purchase items for personal use.**

- **Trade-in's –** Purchases involving the trade-in of a University asset are prohibited on the Pcard.

- **Conflict of Interest Transactions** – A cardholder may not purchase goods or services from themselves or a member of their immediate family or realize personal gain on a purchase transaction. Potential conflicts of interest must be disclosed by the cardholder.

- **Any Purchase from a Company Owned by a University Employee** – Any purchase from any company owned by any University employee must be bid.

- **University Departments and/or Auxiliaries** – When purchasing from a Langston University business, internal billing must be used instead of the Pcard.

- **Gasoline**
  - <u>For Personal vehicles</u> – Prohibited. Request reimbursement on a travel claim.<u>For University vehicles</u> – Prohibited. Use the gasoline credit card provided in the automobile.
  - <u>For Equipment</u> – Allowed for lab and lawn equipment.
  - <u>For Rental Car</u> – May be allowed. See the travel section.

- **Weapons and/or Ammunition –** A requisition must be completed for the purchase of weapons and/or ammunition.

- **Moving Expenses** – These expenses must be processed on a requisition. There may be taxability issues to the employee.

- **Employee Service and/or Incentive Awards (or Any Items Purchased for an Employee)** – Service and/or incentive awards must be processed on a requisition. There may be taxability issues to the employee for the purchase.

- **Late Fees and Finance Charges** – Invoices with late fees and finance charges must be processed in Ok Corral.

- **Insurance** – Insurance must be processed on a requisition.

- **Alcohol**

- **Decorations**

- **Personal/Individual Memberships** – Payment of nontransferable, personal memberships and dues are a violation of State statutes. (Amazon Prime memberships and Sam's Club memberships are prohibited.)
- **Institutional Membership** – Langston University requires institutional memberships be processed in Ok Corral.
- **Prepayments or Deposits** – Many prepayments and deposits are a violation of State statutes. For determination of when subscriptions or registration fees (approved exceptions) may be paid in advance, see the Restricted Purchases section below.
- **Salary / Wages and/or Benefits**
- **Service Fees** - Langston University does not allow fees for services on the Pcard. For additional information, contact Fiscal Affairs.
- **Other Purchases not Permitted under University Policies and Procedures, Purchasing Policies, and State Statutes**

Restricted Purchases

For certain types of purchases, specific requirements/conditions must be met in order to use the Pcard. Food purchases not in compliance with the following food guidelines, must be approved by the Office of the President and the Comptroller prior to purchase.

- **Food**
  Food may only be purchased:
  - For food service or food sales areas,
  - When specifically included in a Fund 5 grant or contract budget and approved by a sponsoring agency,
  - When required for an instructional and/or research purpose,
  - When participants pay a fee and the documentation specifically indicates the fee will cover the food/meal (*Langston University prefers these types of food purchases be made from Campus Dining*,)
  - When all conditions of the Office of Management and Enterprise Service's Policy on the Payment for the Purchase of Refreshments are met. (*Langston University prefers these types of food purchases be made from Campus Dining.*)
    - MEETING REFRESHMENTS – OMES Policy: *Light food and drink items (e.g., doughnuts, cake, coffee, tea, soft drink, etc.) used as refreshments and* ***required*** *in connection with meetings or similar type activities* ***held/conducted for and in the interest of the general public.*** *May also include related service items (e.g., disposable plates/flatware, stirrers, sweeteners, etc.).*
    - ***NOTE: Meetings as used in this definition do not include those activities and functions related to or associated with the day-to-day internal operations of an agency (e.g., staff meetings, staff retreats, employee training sessions/seminars, etc.). Inappropriate purchases of coffee and other refreshments outside of the "Refreshment Policy" listed above could be considered purchase of gifts under prohibited acts.***

If you make a food purchase, you must justify the purchase in writing and attach a copy of the justification to the invoice requisition prior to processing payment to the vendor. The written justification must include how the food purchase complies with one of the policies and guidelines provided above. You are responsible for ensuring the justification meets the requirements of the policies and guidelines. As you are determining whether to purchase food from any funding source, keep in mind that you may be asked by an auditor and/or reporter how and why you justified the purchase.

- **Tips** – Tips are limited to 20%.

- **Travel Expenses –** including airfare, baggage fees, lodging, parking, ground transportation, car rental (for out of state travel only), etc. – Compliance with all University and State travel policies and procedures is required. Allowable travel expenses, such as food and mileage, not permitted on the Pcard may be submitted on a travel voucher.

- **Items Purchased for Resale** – Only authorized areas that hold a sales tax permit may purchase items for resale.

- **Conference and Training Expenses** – The Pcard may be used to contract for conference and training expenses incurred for events conducted by the University. This includes conference equipment (i.e., audio or video equipment), conference/training rooms, set-up services, conference/training materials, and other goods and services that are not prohibited purchases.

- **Data Plans** – A data plan may be purchased for a university-owned device.

- **Purchases on Grants and Contracts** – Purchases made by Pcard on a grant or contract account must comply with the terms and conditions of the award, award budget, and all University policies and procedures. Purchases must be made within the appropriate time frame of the award. If a sponsored account supports any purchase that is otherwise restricted (i.e., food), upon request, the cardholder must provide a copy of the approved grant or contract, the approved budget, and the page describing the otherwise unallowable purchase. As a part of the documentation maintained for food purchases for meetings, luncheons, etc. allowable under the grant or contract, the cardholder should maintain the receipt for the purchases, dates of the meeting, and a list of attendees. The agency award requirements will dictate record retention requirements. Any Pcard purchase determined by audit, or otherwise, to be unallowable on a grant or contract, will be transferred to the employee's departmental chart/fund.

- **Subscriptions** – Only one year may be paid at the time. Multiyear subscriptions may not be processed on a Pcard.

- **Conference Registration** – The Pcard may be used to pay for conference registration at the time of the conference or after the conference has taken place. A Travel Request must be approved by the Office of the President prior to making the purchase. Conference registration may be paid in advance if the following criteria are met and documented prior to purchase.
    1. A discount for early registration must be received,
    2. If the registered participant cannot attend, someone else may attend in his/her place, and
    3. If the conference is cancelled, University will receive a 100% refund.

    OR

    1. Prepayment is required to attend the conference and
    2. No other form of payment is accepted.

  A PrePayment Registration Form can be found at https://www.langston.edu/about-us/administration/fiscalaffairs/purchasing.

- **PayPal Purchases** – Cardholder must obtain a complete, detailed receipt from the vendor for each PayPal purchase.

Payment of Travel Expenses with a Pcard

All Pcard guidelines, University and Departmental Travel Policies and Procedures, and the State Travel Reimbursement Act apply to the payment of travel expenses using a Pcard. Travel Requests must be approved by the Office of the President prior to making travel-related purchases. This includes all travel such as in-state, out-of-state, and out-of-country. This also includes virtual conferences and events. The following guidelines specifically pertain to Pcard travel purchases:

Direct Purchase of Airfare and Baggage Fees with the Pcard

- The out-of-state/country travel must be approved by the President's Office prior to the purchase of airfare.
- Airfare should be purchased through the state-contracted travel vendor, Corporate Travel Planners (CTP).
- When searching, use parameters meeting your schedule needs. Purchase the lowest-priced, reasonable flight.
- When purchasing through CTP, no additional quotes are required.
- Cardholder may purchase refundable or nonrefundable tickets.
- Options such as Early bird or upgraded seating, are considered luxury services and are prohibited without a medical or business reason.
- Baggage fees
    - Must not exceed the approved number of bags per travel rules.
    - No overweight or extra baggage for personal items.
- Airfare Receipt Must Include:
    - Vendor's name
    - Date
    - Total cost of ticket
    - Class accommodation
    - Name of traveler
    - Flight details
- Obtain and upload the following documentation for each airfare purchase:
    - Travel Request approved by the President's Office
    - CTP Airfare Receipt

Direct Purchase of Lodging with the Pcard

- Prepaid Lodging
  - When required by the lodging establishment, the lodging may be posted to the Pcard in advance, **provided the lodging is refundable upon cancelation.**
  - **Documentation of the lodging establishment's cancelation policy shall be attached to the lodging receipt**.
  - Traveler will be held responsible for neglecting to properly cancel the lodging in time to receive the refund unless justifiable cause is documented and approved by the department's Vice President or Dean. Resultant Pcard charges must be reimbursed to the University.

- Room Rate
  - The room rate is limited to the Federal lodging (GSA) rate.
  - If we overpay lodging without proper support, the traveler or cardholder may be required to reimburse the University for the over payment.
  - If attending an event such as a conference, we may be able to pay more, but this requires additional documentation.
  - Supporting Documentation for Paying the Higher Room Rate

- Designated Lodging
  - When attending an event, the sponsor may arrange for a group of rooms at a designated rate, which may be more expensive than the GSA rate. Usually, the event sponsor will provide an advertisement, brochure, registration form, etc., which will identify the designated hotels and the cost of rooms. This documentation should support paying the higher room rate.

- Conference Hotel
  - In general, if the conference is held at the same hotel as the sleeping accommodations, you may stay there and pay the establishment's normal room rate even if it's greater than the GSA rate. The cardholder must document the event is held AT the hotel where the traveler stayed.

- Tax on In-state Lodging
  - When purchasing in-state lodging with university funds (ie Pcard), no tax shall be paid.
  - Taxes include, but are not limited to, sales tax, hotel occupancy tax, entertainment tax, city tax, etc. If the tax is paid with the Pcard, the traveler may be required to reimburse the University.
  - Tribal tax, tribal fees, and TIFs are not considered tax and are allowable.

- Obtain and upload the following documentation for each lodging purchase:
    - Travel Request approved by the President's Office
    - Lodging receipt
    - If the lodging was prepaid, upload the hotel's policy showing the prepayment is refundable upon cancelation.
    - If more than the GSA rate was paid, need documentation supporting payment of the higher room rate.

Other Travel Expenses

All other travel expenses including parking, out-of-state ground transportation, etc. must have an itemized receipt.

- Tips
    - Must not be greater than 20%.

- Ground Transportation (Taxi, shuttle, Uber, etc.)
    - Not allowed for in-state travel.
    - If any part of the use will be personal*, it must not be paid with Pcard.
    - Deposits and prepayments are not allowed on the Pcard.

- Car Rental
    - Deposits and prepayments are not allowed on the Pcard.
    - Not allowed for in-state travel.
    - Not allowed on the Pcard if the trip includes both business and personal travel. See below for additional information on personal travel.
    - Justification for the car rental is required for every purchase. See below for additional information on justification requirements.
    - If driving out of state instead of flying, need airfare quote demonstrating the car rental is less expensive than airfare.
    - Rental car fuel is only allowed on the Pcard if it's used for an allowable car rental. In other words, if the car rental is prohibited on the Pcard, the fuel for that car must not be purchased with the Pcard.
    - Car Rental Documentation (*must be uploaded to Works*)
        - Travel Request approved by the President's Office
        - Car rental receipt
        - Written justification for the car rental.
        - Note or comment stating how many miles were for business travel and how many were personal.

- Personal Travel

  When determining business miles versus personal miles, only miles between the airport, hotel, and conference location can be used. Business luncheons or dinners could be considered business miles but must be documented in a comment on the receipt. Other miles could be considered business depending on the nature and purpose of the trip, but these should also be documented. Examples of Personal Miles:

  - Driving to lunch
  - Meeting family or friends
  - Sightseeing or shopping
  - Vacation
  - Personal evening activities or entertainment

- Justification for Car Rental

  A comment must be provided explaining the business or emergency need for a rental car anytime it is used while on official University business. If the business reason is not sufficient, the traveler or cardholder may be required to reimburse the University for the purchase.

  Some common acceptable reasons for allowing rental car would be:

  - The closest airport to the business destination is in another city
  - Multiple destinations/cities
  - Remote destinations
  - Group travel
  - Need to haul equipment or business materials
  - Inclement weather or flight delays
  - Cost savings versus taxi, shuttle, or Uber

Rebates, Rewards, Cash Back, Gifts with Purchase

At times, University purchases may result in cash or non-cash incentives. The incentives from University purchases are the property of the University and may not be used personally. Examples of such incentives include, but are not limited to, rebates, gift cards, two-for-one purchases, coupons, spend rewards, and expendable or non-expendable supplies. Any monetary, cash or non-cash incentive, or other type of reward received as a result of a university purchase becomes the property of the University and should be used for a University purpose. If the incentive received does not serve a University purpose, the department should not take advantage of the incentive.

Receipts

Requirements

The cardholder is responsible for obtaining original receipts, packing slips, and other required documentation from the merchant to support each purchase. Receipts should include:

- Date
- Merchant Name
- Itemized list of purchases
- Itemized pricing
- Total, including shipping and handling

Lost Receipts

If a receipt has been lost, the cardholder must contact the merchant and request a duplicate receipt. If a purchase was made online, the cardholder may be able to obtain a receipt from an order history or order status tab on the merchant's website. If the merchant cannot provide a duplicate receipt, the cardholder can contact the bank's Dispute Department at (800) 410-6465 to request a duplicate receipt. (Note – Federal regulations prevent Bank of America from ordering receipts under $25 that did not require a signature.) Repeated loss of receipts may be grounds for disciplinary action or cancellation of the Pcard.

Reconciliation

Billing Cycle

Billing cycle dates run from the 5th of the month to the 4th of the next month. If the 4th of the month falls on a weekend or a holiday, the billing cycle ends on the previous business day. Transactions made on or near the end of the billing cycle may not post until the next billing cycle; therefore, these transactions may appear on the next billing cycle's Bank Statement.

Reconciliation Process

Pcard transactions are available electronically on the Works system to the cardholder, approver, and accountant on a daily basis as the transactions are received by the bank. A logon ID and password will be assigned to each cardholder and user of Works. Transactions must be reviewed in a timely manner. Receipts and other required documentation must be attached to the transaction in Works by the cardholder and submitted to the cardholder's accountant at the end of the billing cycle. Departments may establish procedures for the cardholder to submit receipts and other required documentation to the accountant on a daily or weekly basis. The accountant is responsible for reviewing documentation for completeness and compliance, ensuring transactions are coded appropriately, and maintaining appropriate documentation.

Chart/Fund and Account Changes

All chart/fund and account changes must be completed no later than the cutoff date provided by the Pcard Administrator. This is usually around the 12th of the month.

Record Retention

Original Pcard records shall be maintained in a central location within the department and be made available for review by Pcard staff at any time. Records shall include, but are not limited to receipts, invoices, charge slips, credits, packing lists, and dispute documents retained to support charges incurred by the University and any other pertinent documents whether in paper or electronic form.

All records shall be maintained as prescribed in University Policy and Procedures. Pcard records must be retained in the department for seven years, then may be destroyed provided all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies and provided no legal actions are pending. If legal action is pending, records may be destroyed two years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements.

Before destroying any records, a written request must be submitted to the University's Record Retention Officer. No original records may be destroyed until approval is granted.

Destruction of the paper copies and electronic storage of documents must be in compliance with University policies and guidelines. Below is additional information regarding electronic imaging and destruction of documents.

The State Archives and Records Commission, in the General Records Disposition Schedule for State Universities and Colleges states in Schedule 5-116 that the disposition guideline of State Pcard records is 'Retain in office for seven (7) years, then destroy after all audits have been completed and all applicable audit reports have been accepted and resolved by all applicable federal and state agencies, provided no legal actions are pending. If legal action is pending, destroy two (2) years after exhaustion of all legal remedies, provided records meet all stipulated retention requirements."

If your department is imaging records, Schedule 5-116 has also been approved for continuous records destruction. Should you wish to include your Pcard records as a part of your continuous records destruction process, you should contact the Records Retention Officer, to make that request. At NO time should imaged documents be saved on a personal computer hard drive. The State must be able to access imaged records in an environment which is being saved and backed up routinely.

Payment

Accounting will make timely payment to Bank of America for all credit card purchases without regard to individual discrepancies in transaction billings.

Resolving Disputes with Vendors

In the event of an erroneous charge, the cardholder must contact the merchant and attempt to resolve the problem. The communication should be documented in writing and include the date, persons involved, a brief description of the problem, and the outcome.

If the cardholder is unable to resolve the dispute with the merchant, a dispute may be filed with Bank of America through the Works system. The dispute may be filed by the cardholder or accountant.

Pcard Security

The cardholder is responsible for safeguarding the Pcard and account number at all times. To prevent unauthorized use and limit the potential for fraud, the cardholder should use the basic security measures outlined below:

- Keep the Pcard and account number in a secure location and safeguard it as if it were your own personal credit card.
- Do not loan or share the Pcard with others, including co-workers in the department.
- To detect unauthorized transactions quickly, review transactions in the Works system in a timely manner.
- Before placing an order with an online merchant, ensure that the site is secure.
- Immediately report lost, stolen, or fraudulent use of the Pcard to Bank of America by calling (888) 449-2273. Outside the U.S., call (509) 353-6656.

Returning Pcards

Pcards are the property of the University. Upon termination, transfer, or retirement, the card must be surrendered to the cardholder’s departmental administration. In addition, a card must be surrendered upon the request of the cardholder’s supervisor, departmental administration, the Pcard Administrator, or Pcard Administration. When a card is cancelled, the department must reclaim and destroy the card. A Deletion Form for Pcard or Works User Access is to be completed and forwarded to the Pcard Administrator.

Leave of Absence

If a cardholder will be away for an extended period of time (i.e., 30 days or greater), the department is to contact the Pcard Administrator. The card will be placed in suspension in order to protect the cardholder against loss and fraudulent charges. Upon return, the department is to contact the Pcard Administrator, and the card will be returned to the previous limits.

Information for Management

Information via the Internet

Account information may be viewed, and reports generated at http://payment2.works.com/works. Account information is maintained on the Works server for two years. Departments should establish a procedure for securing and maintaining necessary data before it is removed from the server.

Replacement of Pcards

Card Renewal

Prior to a Pcard's expiration date, the bank will issue a replacement card and send it directly to the cardholder. If the card has not been used during the previous twelve months, the bank will not automatically send a replacement. Cardholder may contact the bank to request the card been issued.

Defective Pcards

Pcards may be replaced when the original Pcard is defective or mutilated. The cardholder must contact the Pcard Administrator. The replacement card will be mailed by Bank of America to the address listed on the Application Form for Pcard or Works User Access. The defective or mutilated card is to be destroyed by the department.

Lost or Stolen Pcards

Immediately upon discovering a Pcard is lost or stolen, the cardholder must notify Bank of America at (888) 449-2273. Outside the U.S., call (509) 353-6656. These phone numbers are available 24 hours per day. Cardholders should keep these numbers readily available but separate from the card. When calling these numbers, the cardholder may be asked to provide the name embossed on the card, the address listed on the Pcard application form, or the phone number listed on the Pcard application form or the verification ID (the number 9 followed by the cardholder's CWID.)

Upon notification, the customer service representative will block the use of the card, and a replacement card will be issued. If fraudulent charges have appeared on the card, the cardholder will be asked to sign an affidavit confirming which transactions are fraudulent so a credit can be issued for those charges.

Cardholder and Departmental Compliance Reviews

The Office of Central Procurement conducts ongoing desktop reviews of transactions appearing on the Works system. Cardholders and/or departments may be contacted for copies of receipts and/or an explanation of purchases.

The Office of Central Procurement may conduct on-site compliance reviews of each departmental Pcard purchases as necessary in order to determine compliance with university policies and procedures and Pcard guidelines, all required documentation is present, and appropriateness of purchases.

Pcard Violations

Misuse of the Pcard in any manner by a cardholder may result in revocation of the privilege to use the Pcard, disciplinary action, termination of employment, and/or the pursuit of any legal action available to the University.