



OBJECTIVE

To ensure that all purchases made with a university purchasing card are authorized and documented, and in compliance with all applicable university policies.

POLICY

Applies to: All university personnel who make or authorize purchases on behalf of The Ohio State University, using the purchasing card.

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I. General Overview

As a large public institution, The Ohio State University is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a purchasing card is a privilege and every reasonable effort must be made to ensure that funds are used responsibly and in a manner consistent with the university's mission, applicable laws and ethical practices. All business related purchases made with a university issued purchasing card must comply with The Ohio State University [Expenditure Policies](#), [Travel Policy](#) and [Human Resource Policies](#).

II. Purchasing Card

A. The purchasing card is a tool designed to support Ohio State's purchasing and payable processes.

1. Purchasing cards are issued to departments and are administered by a card manager. Usage is restricted to employees of the university.
2. Purchasing cards are to be used for small dollar purchases of goods/services and limited travel expenses necessary to conduct university business.
 - a. All contracts for goods/services must be reviewed by the Office of Legal Affairs and signed by the Office of Business and Finance. Units are not authorized to sign contracts unless specifically delegated by the Office of Business and Finance.
 - b. Travel services are limited to conference registration; hotel (lodging); hotel parking; allowable/documented/itemized business expenses charged to the hotel; and rental car services (through contracted agencies only).



3. Airfare may be purchased through travel agencies, direct from airlines and the Internet. Usage of the university's designated travel agency is preferred.
 4. Guest travel expenses must not be charged to the purchasing card.
- B. The purchasing card is subject to a maximum standard single transaction limit of \$1,000 and a maximum monthly spending limit of \$5,000.
1. Purchases must not be split to avoid the established single transaction limit.
 2. On an exception basis and with proper documentation, including college/vice presidential authorization, limits above the standard may be considered.
- C. Transactions must be documented on a [Purchasing Card Transaction Form](#) completed in its entirety and supported by original, itemized receipts or equivalent documentation.
- D. The purchasing card cannot be used for purchases on sponsored programs administered through the Research Foundation.

III. Approval

Transactions must be approved for appropriateness and policy compliance consistent with the university's [Internal Controls Policy](#) and the college or vice presidential area's internal control structure.

IV. Card Security and Purchasing Card Tracking Log

- A. Purchasing cards must always be stored in a secure place. The cards are intended for internal department use and may accompany a traveler.
- B. Persons with access to the card or any documentation showing the card number should recognize the importance of protecting the account number.
- C. The purchasing card manager is responsible for the security of the purchasing card.
- D. If the purchasing card is used by an individual other than the purchasing card manager, the transfer of custody must be recorded on the [Purchasing Card Tracking Log](#). The purchasing card manager is responsible for maintaining this log.
- E. The individual using the card is responsible for its security while the card is in his/her possession.



V. Sales Tax

- A. The university does not pay sales tax or use tax in Ohio and other states that have a sales tax exemption.
- B. Purchasers are responsible for making sure that tax is not charged, when applicable.
 - 1. If sales tax is charged in error, reasonable attempts should be made to recover the charges.
 - 2. Sales tax charges of \$10 or more must be recovered from the supplier or the individual who made the purchase.
- C. A list of the states and their sales tax status along with a Blanket Certificate of Tax Exemption are available on the Controller's web site.

VI. Record Retention Requirements

- A. The [Purchasing Card Transaction Form](#), required documentation, and the bank statements are the official record for purchasing card transactions and must be retained by the department consistent with the university's record retention schedule.
- B. The department is responsible for ensuring that documentation is available for review and audit.

VII. Misuse of Purchasing Card

- A. Progressive disciplinary steps for purchasing card infractions are outlined in each college/vice presidential area's internal control structure. These steps may include verbal notification, written notification, temporary suspension and/or permanent loss of privileges.
- B. Fraudulent use of the purchasing card will result in immediate revocation of the card and may result in corrective action up to and including termination and/or criminal action. In addition, the university will seek restitution for any inappropriate charge.



VIII. Restricted Purchases

The following commodities cannot be purchased on a purchasing card:

- Advertising (except classified ads under \$1,000)
- Cash advances or ATMs
- Gas cylinders
- Gasoline (except rental vehicles)
- Guns, weapons, ammunition and explosives
- Internet connectivity and associated Internet expenses, except while on travel status
- Letterhead
- Painting services
- Personal expenses
- Portable and mobile radio equipment
- Purchases on sponsored programs through the Research Foundation
- Radioactive material
- Satellite dishes/antennas
- Security alarm systems
- Signage and graphics
- Telecommunications/telephone equipment and services
- Temporary employment agencies

PROCEDURE

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I. Definitions

Purchasing Card Manager – individual designated by the department as custodian of the purchasing card.

Card User – individual assigned temporary use of the card by the card manager.

Reallocator – individual responsible for moving the transaction expense from the default account to the appropriate chartfield in the financial system.

Financial System Approver – individual responsible for approving the transaction expense for policy compliance and appropriateness in the financial system.



[Purchasing Card Application](#) – required form to initiate request for purchasing card. Must be completed in full and include the signature approval of the senior fiscal officer.

[Acceptance Form](#) – required form that ensures dispute rights with the bank.

[Purchasing Card Tracking Log](#) – required form to track the whereabouts of the purchasing card when it is not in the purchasing card manager’s possession.

[Purchasing Card Transaction Form](#) – required form to document transactions and approval.

II. Purchasing Card – Application

- A. [Purchasing Card Application](#) – must be completed to request a card.
- B. [Acceptance Form](#) – must be completed by the purchasing card manager for each card requested. A fully executed copy should be retained by the department.

III. Transaction Documentation – Purchase of Goods/Services

- A. Purchases must be documented on the university’s standard [Purchasing Card Transaction Form](#) completed in its entirety and supported by original, itemized receipts or equivalent documentation. In addition, see the controller’s web site for documentation required for purchase of business meals and items that support departmental business functions.
- B. A copy of the order confirmation itemizing all charges is required for Internet purchases.
- C. If the required documentation is not available, an explanation must be recorded on the [Purchasing Card Transaction Form](#).
- D. If an item is returned to the supplier, a credit must be applied to the account. Cash or a due bill cannot be accepted for a returned item.

IV. Transaction Documentation – Purchase of Travel Services

- A. Purchases must be documented on the university’s standard [Purchasing Card Transaction Form](#) completed in its entirety and supported by original, itemized receipts or equivalent documentation. The applicable “T” number must be clearly noted on the transaction form.



B. Required documentation for travel expenses includes:

Airline Tickets – original, itemized receipt; eTicket; or Internet receipt/statement, showing payment made in full and method of payment

Conference Registration – original, itemized receipt or other proof of payment (i.e. cancelled check, credit card slip/statement) and a copy of the conference registration form

Lodging – original, itemized receipt

Rental Cars – original, itemized receipt for rental cars through contracted agencies only

C. If the required documentation is not available, an explanation must be recorded on the [Purchasing Card Transaction Form](#).

V. Approval

A. Transactions are approved for appropriateness and policy compliance on the [Purchasing Card Transaction Form](#) and in the financial system consistent with the university's [Internal Controls Policy](#) and the college or vice presidential area's internal control structure.

B. Transactions must be approved in the financial system no later than 30 days from the end of the month in which the transaction was made.

VI. Reallocation

A. Purchasing card activity is charged to a default account.

B. It is the department's responsibility to move the expenses from the default account to the appropriate chartfield by the reallocation deadline.

C. The completed [Purchasing Card Transaction Form](#) and supporting documentation are required to complete the reallocation process.

VII. Cancellation of Purchasing Cards

A. If a department chooses to cancel a card prior to the card's established expiration date, a completed [Maintenance Form](#) must be sent to the PCard Office in the Purchasing Department.

B. This cancellation process should not begin until all outstanding expenses have been reallocated.



VIII. Disputes

- A. The purchasing card manager is responsible for following up on disputed charges.
- B. If the purchasing card manager is unable to reach an agreement with the supplier, a formal dispute must be filed with the bank within 60 days of the transaction date.

IX. Lost or Stolen Cards

- A. The purchasing card manager is responsible for notifying the bank, the senior fiscal officer and the PCard Office in the Purchasing Department if a card is lost or stolen. In addition, if suspected that the card has been stolen while on OSU property, the OSU Police Department should be contacted.
- B. The PCard Office in the Purchasing Department will issue a new card as appropriate.

X. Bank Statements

- A. Each month the bank issues a statement to the name and address associated with the account, if transactions were made within that month. The billing cycle is from the 25th day of one month to the 24th day of the next month.
- B. Internal departmental procedures should be followed regarding reconciliation processes.

RESOURCES

Ohio State, [Expenditure Policies](#)

Ohio State, [PCard Office](#), 614-292-9290

Ohio State, Purchasing Card Reallocation Schedule,
<http://purchasing.osu.edu/pcard/calendar.asp>

The Ohio State University, Purchasing Card Acceptance Form
<http://purchasing.osu.edu/pcard/forms/forms.asp>