

**BGSU**

**Bowling Green State University**

# Purchasing Card Program

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# Purchasing Card Program

## PROGRAM PURPOSE

BGSU's Purchasing Card (pcard) Program is designed to create a more efficient and cost effective procurement process for limited dollar purchases from vendors that accept Visa. This program will allow the cardholder and authorized users to purchase approved commodities and services which cannot be obtained through [Falcon's Purch.](#) Each pcard is issued to a named individual who will be responsible for its proper use. The pcard is not tied to your personal credit records; it can neither hurt nor help your personal credit.

Pcards are issued to those employees who do most of the purchasing for a particular area. To determine if there is a need for a pcard, contact the Purchasing Card Administrator at 2-8595.

## OVERVIEW

Pcard transactions will post daily in the University's Financial Management System (FMS). Transactions will post to the cardholders default budget, but can be redirected to a different budget. Cardholders will receive an email notification each Monday for any transactions that have not been closed. Cardholders will verify their transactions and then send a notification to their card manager to approve the transactions. During this verification and approval process either the cardholder or the card manager will direct the transaction to the correct budget. They will also type an explanation for the purchase and attach the itemized receipt and any additional supporting documentation that is required. Once this process is complete the transactions will be marked closed the following morning.

## CARD APPLICATION

Pcards are issued in the name of a University employee and are to be used for departmental purchases only. The cardholder may authorize other department employees to use the card and sign for purchases.

Any department who feels they would benefit from the use of a pcard should contact the [PCard Administrator](#). The PCard Administrator and the department will discuss the needs of the department and determine if the pcard would be beneficial to them. Once the need for a pcard has been identified, the potential cardholder should submit a Cardholder Application and Cardholder Agreement form (<http://www.bgsu.edu/downloads/finance/file60054.pdf>) to the Purchasing Department.

After the application is completed and all appropriate signatures have been obtained, it should be returned to the Purchasing Department (103 Park Ave.) for processing. Once processed by purchasing, JPMorgan will send the card to the Pcard Administrator with 5-7 business days. The Pcard Administrator will then contact the cardholder and the card manager to establish a mandatory one hour training session. The cardholder will receive their pcard at this training session and will be given instruction on activation. Please note that cardholders are not to sign the pcard, instead they should write "Request ID" in the signature area.

## **CARD CAPABILITIES, LIMITATIONS, AND RESTRICTIONS**

### **Capabilities**

The pcard can be used to purchase most goods and services that cannot be purchased through Falcon's Purch, provided the purchase total, including shipping, is under \$3,500 and not controlled or regulated by a government entity, such as the purchase of volatile or hazardous chemicals. Additionally the pcard has a monthly limit of \$15,000 and the number of transactions allowed per day is twelve. If the cardholder exceeds any of these limits, the transaction will decline.

Cardholders may use the card to make purchases in person at a merchant site, to place orders over the phone, through the U.S. Postal Service and online via a secure website. (secure websites will have an "s" in the address bar: <https://.....>)

Cardholders may allow other department employees to use the card and sign for purchases. A Department Purchase Log can be used to keep track of these pcard purchases (<http://www.bgsu.edu/offices/business/page8737.html>). When making a purchase, the user will show their BGSU ID to the vendor if identification is requested. It is the responsibility of the cardholder to know who has possession of the card or card number and to obtain receipts for all purchases made on the card.

### **Limitations**

No personal purchases may be made with the card. In using the card, individuals are authorizing the commitment of University funds and are accountable in the same way they would be held accountable for authorizing a purchase order or check request. Orange credit card sleeves are provided with all new pcards and cardholders are asked to keep the card in the sleeve to avoid accidental personal purchases.

The pcard is not to be used for on campus purchases, i.e. Bookstore, Dining, Ticket Office, etc. These purchases should be charged directly to the department by the cashier at the point of sale.

If a department's usage experience indicates that limits other than the defaults should be set, the PCard Administrator should be contacted at 2-8595. The Administrator will work with the department to determine the necessity of a limit adjustment.

## **Restrictions and Allowances**

Cash advances are not permitted on the pcard, unless prior approval from Purchasing and the department budget administrator has been obtained. All receipts for the cash purchases must be obtained and attached to the transactions. Furthermore, cardholders cannot benefit through any type of rewards program associated with the pcard (i.e., frequent flyer miles, etc.).

Gifts are not permitted on the pcard. Gifts are considered a personal purchase and must be paid with employee's own personal funds. Employees can also utilize the department foundation account for these purchases.

All merchants are classified with a Merchant Category Code (MCC). Merchants with certain MCC's are restricted from use with the pcard. Some examples of restricted merchants:

- Jewelry stores
- Florists
- Video stores
- Entertainment (tickets, zoos, amusements, etc.)
- Recreational facilities
- Cable and satellite services
- Producers of radioactive substances
- Firearm manufacturers
- Hotels and gas stations (with the exception of student travel and student-recruiting departments)
- Taxi and limousine service

## **Travel and Food**

Travel and food purchase are allowable on the pcard in specific situations. Some of these purchases will require an Exception form being completed and returned to the Purchasing Department. The exception form is obtained by contacting the [PCard Administrator](#). Travel and food purchases should include a list of attendees, date of event, purpose of event, location of event and if applicable the event name.

In terms of faculty/staff/guest travel; conference registrations and most modes of transportation (excluding taxi and limousine service) are allowed on the pcard. Lodging, food, and gas are not allowable purchases on the pcard for faculty/staff/guest travel. These purchases must be paid out of pocket by the employee or the guest and receipts along with

supporting documentation must be submitted to Accounts Payable for reimbursement. Alternatively, local hotels can be processed through [Falcon's Purch](#) by creating a requisition which will go through the normal workflow process.

Faculty/staff who are responsible for student-recruiting and student travel may be granted allowances on their pcard for hotel and gas purchases which are otherwise restricted. Contact the [PCard Administrator](#) to request these allowances.

On occasion food purchases for faculty/staff /guests may be allowed on the pcard. This allowance is specific to retreats and workshops. Additionally, some food purchases which are not allowed on the pcard can be processed through Falcon's Purch given the event is planned ahead of time and the vendor will accept a purchase order.

Food purchases are also allowed for feeding of students, student recruits and for campus activities such as orientations and open houses. Additionally, food purchases which are paid via fees by attendees of an event and that prepayment is deposited into the department's budget may also be placed on the pcard. Examples include BGSU hosted conferences and community programs.

If a cardholder has a transaction which cannot be made due to the restrictions and cannot be processed through Falcon's Purch, contact the PCard Administrator and a decision will be made on how to proceed.

## **DOCUMENTATION AND STATEMENT RECONCILIATION**

### **Documentation**

Documentation must be obtained for all purchases. Acceptable documentation can be a register receipt, an invoice, a packing slip, or an e-mail confirmation. This documentation must contain the following information:

- A list of each item that was purchased and the dollar amount for each of these items
- A total amount that matches the total in FMS for the transaction
- The vendors' name
- The date of purchase

If the purchase is for food (restrictions and requirements outlined on page [6](#)), be sure to also include a list of all attendees, the event date, time, and the business purpose of the event.

It is important to remember that receipts obtained from pcard purchases are the only original documents that the University possesses to substantiate these financial

transactions; therefore they are subject to the same Record Retention Policy as all other University payments. The State of Ohio requires that we enforce statutory regulation regarding record retention; therefore, records must be retained for a minimum of four (4) years plus the current fiscal year for most transactions. Once documentation is scanned it need only be kept for 15 months for non-grant related purchases. Transactions purchased with grant funds may require longer retention periods subject to Federal Grant regulations. Additionally, if the documentation for a transaction is lost, the cardholder must contact the vendor to receive a duplicate receipt.

## **BILLING CYCLES AND DATES TO REMEMBER**

The University has chosen to adopt a 30-day billing cycle that will end on the 26<sup>th</sup> of every month. This means that user's available line of credit will run from the 27<sup>th</sup> of one month until the 26<sup>th</sup> of the following month. On the 27<sup>th</sup> of the month, the cycle will repeat itself. Keep in mind these dates may vary if they fall on a holiday or weekend.

All transactions must be assigned the correct speedchart, documentation attached, an explanation entered in the comments area, and be verified and approved by the 4<sup>th</sup> of the following month. If the 4<sup>th</sup> of the month happens to fall on a Saturday or Sunday, then transactions must be completed prior to the end of the business day on the following Monday. Failure to reconcile transactions by the 4<sup>th</sup> of the month will result in all charges being posted against a cardholder's default speedchart.

### **Important Monthly Dates to Remember:**

- **27<sup>th</sup> of each month - new billing cycle begins.**
- **26<sup>th</sup> of each month - billing cycle ends.**
- **4<sup>th</sup> business day of each month - all transactions must be verified, approved and documentation scanned and attached.**

## **VIOLATIONS and NONCOMPLIANCE**

The following are examples of violations of the PCard Program:

Personal Purchases – defined as anything that is not purchased for use and ownership by the University. It is a violation of the University PCard Program to affect ANY personal purchase or personal transaction with a University pcard, regardless of whether the cardholder intends to reimburse the University for the purchase. Fraudulent use or abuse of the pcard will result in immediate suspension of privileges 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 charges.

Unauthorized Purchases – defined as purchases or services with State funds that may not be used to further the legitimate government purpose of the buying entity.

Unallowable Purchases – defined as purchases or services which are not allowed on the pcard, e.g. gifts or alcohol.

Cash or Cash-type Transactions – defined as cash, cash in addition to purchase, cash in lieu of credit for return or exchange of a purchase. It is a violation of the University PCard Program to obtain cash or conduct cash-type transactions using the University pcard without prior approval.

Split Purchases – “split” purchases occur when single purchases costing more than \$3,500, or your particular transaction limit, are split into multiple pcard transactions to circumvent the \$3,500 maximum. It is a violation of the University PCard Program to “split purchases.”

The following are examples of noncompliance:

Verify/Approve Transactions- Cardholder and/or card manager has not verified/approved their transactions in accordance with requirements explained under the “[Billing Cycles and Dates to Remember](#),” section of this manual.

Documentation- A receipt and supporting documentation is not attached to a transaction as explained under the “[Billing Cycles and Dates to Remember](#),” section of this manual.

Compliance requirements and violations listed previously are tracked routinely and regularly reviewed. When needed, follow-ups are conducted with cardholders and/or card managers. Please see the chart below for the steps taken for violations and noncompliance. Keep in mind that after repeated violations cards will be subject to termination.

Violation/ Non-compliance	1 <sup>st</sup> Offense	2 <sup>nd</sup> Offense	3 <sup>rd</sup> Offense	4 <sup>th</sup> Offense
<b>Accidental Personal Purchase within a 12 month period</b>	<ul style="list-style-type: none"> <li>• Provide proof that funds were reimbursed</li> <li>• Cardholder/manager receive written warning</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Provide proof that funds were reimbursed</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for two weeks</li> <li>• Department head notified</li> <li>• Provide proof that funds were reimbursed</li> <li>• Mandatory retraining</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to termination and privileges revoked</li> <li>• Department head notified</li> <li>• Provide proof that funds were reimbursed</li> </ul>
<b>Potential Fraud Suspected</b>	<ul style="list-style-type: none"> <li>• Card Cancelled</li> <li>• Internal Audit notified</li> </ul>	N/A	N/A	N/A
<b>Unauthorized purchases within a 12 month period</b>	<ul style="list-style-type: none"> <li>• Provide proof that funds were reimbursed</li> <li>• Cardholder/manager receive written warning</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Provide proof that funds were reimbursed</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for two weeks</li> <li>• Department head notified</li> <li>• Provide proof that funds were reimbursed</li> <li>• Mandatory retraining</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to termination and privileges revoked</li> <li>• Department head notified</li> <li>• Provide proof that funds were reimbursed</li> </ul>
<b>Unallowable purchases within a 12 month period</b>	<ul style="list-style-type: none"> <li>• Cardholder/manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Cardholder/manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for two weeks</li> <li>• Mandatory retraining</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to termination and privileges revoked</li> <li>• Department head notified</li> </ul>
<b>Transactions not verified and/or approved within a six month period</b>	<ul style="list-style-type: none"> <li>• Cardholder /manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Cardholder/manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for two weeks</li> <li>• Mandatory retraining</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to suspension, termination, and/or privileges revoked</li> <li>• Department head notified</li> </ul>
<b>Supporting documentation not attached to the transactions within a six month period</b>	<ul style="list-style-type: none"> <li>• Cardholder /manager notified</li> <li>• Documentation must be attached within 5 business days to avoid suspension</li> </ul>	<ul style="list-style-type: none"> <li>• Cardholder /manager notified</li> <li>• Card suspended until complete</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Mandatory retraining</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to suspension, termination, and/or privileges revoked</li> <li>• Department head notified</li> </ul>
<b>Missing receipt within a six month period</b>	<ul style="list-style-type: none"> <li>• Cardholder /manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for one week</li> <li>• Cardholder/manager notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card suspended for two weeks</li> <li>• Mandatory retraining</li> <li>• Department head notified</li> </ul>	<ul style="list-style-type: none"> <li>• Card subject to suspension, termination, and/or privileges revoked</li> <li>• Department head notified</li> </ul>

## **TAX INFORMATION**

### **Ohio Sales Tax**

BGSU is a tax-exempt State supported university. No sales taxes should be charged on the pcard, with the exception of Federal Excise Tax. Merchants should be informed of our tax-exempt status at the time of transaction. Merchants may request a copy of BGSU's Tax Exemption Certificate for their files. A copy of this certificate (<http://www.bgsu.edu/downloads/finance/file8713.pdf>) may be reproduced, faxed, mailed or e-mailed as needed.

If sales tax is inadvertently charged to the pcard, it is the cardholder's responsibility to contact the vendor and have them issue a credit for the tax amount.

### **Other States/Sales Tax**

BGSU is not always considered tax-exempt in other states. Certain taxes assessed by cities (tourist assessments) are legitimate and will be paid by the University. If there is uncertainty about a specific tax charge, contact your PCard Administrator.

## **DISPUTED CHARGES**

If any questionable transactions appear on the cardholder's account for which there is no information, or if the amount does not match receipts, contact the merchant regarding the transaction. If the merchant agrees that an error was made, the merchant will make an adjustment which will post as a credit to the account. The cardholder must verify and approve the adjustment received (credit) and direct the adjustment to the department or grant which was originally charged.

If the merchant does not agree to make an adjustment, the transaction should be disputed by contacting JPMorgan Chase at 1-888-297-0768. JPMorgan Chase will then investigate the transaction. Be aware that the cardholder may be contacted for further information. Transactions must be disputed within 90 days of the post date. It is the responsibility of the cardholder to dispute erroneous transactions in accordance with the process described above.

## **LOST OR STOLEN CARD**

The pcard is the property of BGSU and should be protected and secured just like any other credit card.

If a card is lost, misplaced or stolen, the cardholder should notify JPMorgan Chase Bank Card Services at 1-888-307-2990 immediately. A temporary hold can be placed on the card to prevent further transactions until the status of the card is determined.

If the card is found and a report of transactions shows that it has not been used fraudulently, the hold can easily be removed by notifying the PCard Administrator. If the card is not found, the PCard Administrator will cancel the card and issue a new one.

If the card has been stolen, it must be cancelled immediately. This can be done by contacting JPMorgan Chase Bank Card Services at 1-888-307-2990. Once cancelled a new card will be issued and sent to the PCard Administrator. The cardholder will be contacted when the new card arrives. It will be the responsibility of the cardholder to pick up the card in person at the Purchasing Department at 103 Park Ave.

## **CARD EXPIRATION, CANCELLATION AND REPLACEMENT**

Pcards will expire three years from the date issued and are active through the last day of the expiring month indicated on the card. The Purchasing department will notify all cardholders via email at least 30 days before the card expires and provide instruction on obtaining and activating the new card.

If a cardholder moves to a different department they must notify the PCard Administrator. The existing card will be cancelled. If it is determined that a pcard is needed in the employee's new position a new Application and User Agreement form will need to be submitted to the Purchasing Card Administrator at 103 Park Ave.

If there is a change in card manager for a department, a User Agreement form will need to be submitted for each cardholder.

<http://www.bgsu.edu/downloads/finance/file60053.pdf>

If a cardholder is leaving employment at the University, they must inform the PCard Administrator and return the card to the Purchasing Department to ensure that the account is cancelled.

Occasionally, a pcard becomes so worn that it will not function in card reading equipment. A cardholder may request a replacement card from the PCard Administrator. This new replacement card will have the same account number as the previous card, and will be sent directly to the PCard Administrator. Upon receipt of the new card, the old card must be returned to the Purchasing Department to be properly destroyed.

## WHO TO CONTACT

JPMorgan Chase

Lost or stolen cards ..... 1-888-307-2990  
Transaction disputes..... 1-888-297-0768

All other inquiries should be directed to the Purchasing Department:

Teresa Coss  
Purchasing Card Administrator  
419-372-8595  
[tlcoss@bgsu.edu](mailto:tlcoss@bgsu.edu)

Cheryl Harouff  
419-372-8411  
[cheharo@bgsu.edu](mailto:cheharo@bgsu.edu)