

BGSU

Bowling Green State University

Purchasing Card Program

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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 2-8395.

OVERVIEW

Pcard transactions will post daily in the University's expense tool, Chrome River. Cardholders are notified each Monday via email of transactions that have not been reconciled. Once the transactions have been reconciled and an expense report submitted the report will be sent to the approvers for the budget that was charged. Once all the approvals have taken place, the expense is exported to the University's Financial Management System (FMS) where it will post to the budget that was selected when reconciling the transaction.

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 to the Purchasing Department.

After the application is completed and all appropriate signatures have been obtained, the form must be submitted to the Purchasing Department (1851 Research Drive) for processing. Once processed by Purchasing, JPMorgan will send the card to the Pcard Administrator within 5-7 business days. The PCard Administrator will then contact the cardholder and the card approver 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.

CARD CAPABILITIES, RESTRICTIONS AND ALLOWANCES

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 not greater than \$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 12. If the cardholder exceeds any of these limits, the transaction will decline.

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.

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. It is the cardholder's responsibility to know what the card is being used for before handing it over, so they can determine if the purchase is allowable on the pcard. A [Department Purchase Log](#) can be used to keep track of these pcard purchases. 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 make sure receipts are turned in.

Restrictions and Allowances

No personal purchases may be made with the card. When 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.

Purchases from eBay are not allowable on the pcard. If there is a need to make a purchase from eBay, contact the Purchasing department at 419-372-9289.

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.

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.

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 hazardous substances – if the pcard is used it must be approved by EHS prior to purchase
 - Includes biological agents (At or above Biosafety Level 2)
 - Radioactive material
 - Any other item or agent that may cause harm to humans, animals, or the environment, with the exception of consumer commodity goods
- Firearm manufacturers
- Gas stations (with the exception of student travel and student-recruiting departments)
- Taxi and limousine service

Travel and Food

Travel and food purchases are **only** allowable on the pcard in specific situations. Travel and food purchases must include a list of attendees, date of event, purpose of event, location of event, and a program or conference agenda. If you will be traveling out of the country be sure to call the number on the back of your pcard to let JPMorgan know.

TRAVEL

In terms of faculty/staff/guest travel; conference registration, transportation, parking, tolls and lodging are allowed on the pcard. 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. Receipts along with supporting documentation must be submitted to Accounts Payable for reimbursement.

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

FOOD

On occasion food purchases for faculty/staff /guests may be allowed on the pcard. This allowance is specific to retreats and workshops. 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. 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.

It is the responsibility of the cardholder to obtain the required approvals as stated in the University's [Business Entertainment and Travel policies](#) *before* facilitating purchases for food and/or travel on the pcard.

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.

SOFTWARE PURCHASES

All computer software purchases on the PCard must first be approved through Information Technology Services. Documented approval must be attached to any expense report containing a computer software purchase.

DOCUMENTATION AND DEADLINES

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 4) or travel, be sure to also include a list of all attendees, the event date, time, program or conference agenda and the business purpose of the event.

Once documentation is scanned and uploaded into the University's expense tool, Chrome River, 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.

Deadlines

All transactions must be submitted in an expense report within 20 days of the posting date. Cardholders will receive an email from the system each Monday which will provide a list of outstanding transactions and the post date of those transactions.

Once the expense report has been submitted, the approver must approve the expense report or return it back to the submitter for corrections within 10 days. Failure to follow these deadlines may result in card inactivation as explained under [Violations and Noncompliance](#).

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 goods or services purchased which have not been authorized by the department.

Unallowable Purchases – defined as goods 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:

Deadline Exceeded – Cardholder/approver has not submitted/approved transactions in accordance with requirements explained under the “[Deadlines](#),” section of this manual.

Documentation- A receipt and supporting documentation is not attached to a transaction as explained under the “[Documentation](#),” 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 approvers. 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 st Offense	2 nd Offense	3 rd Offense	4 th Offense
Accidental Personal Purchase within a 12 month period	<ul style="list-style-type: none"> • Provide proof that funds were reimbursed • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for one week • Provide proof that funds were reimbursed • Department head notified 	<ul style="list-style-type: none"> • Card suspended for two weeks • Department head notified • Provide proof that funds were reimbursed 	<ul style="list-style-type: none"> • Card subject to termination and privileges revoked • Department head notified • Provide proof that funds were reimbursed
Potential Fraud Suspected	<ul style="list-style-type: none"> • Card Cancelled • Internal Audit notified 	N/A	N/A	N/A
Unauthorized purchases within a 12 month period	<ul style="list-style-type: none"> • Provide proof that funds were reimbursed • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for one week • Provide proof that funds were reimbursed • Department head notified 	<ul style="list-style-type: none"> • Card suspended for two weeks • Department head notified • Provide proof that funds were reimbursed 	<ul style="list-style-type: none"> • Card subject to termination and privileges revoked • Department head notified • Provide proof that funds were reimbursed
Unallowable purchases within a 12 month period	<ul style="list-style-type: none"> • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for one week • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for two weeks • Department head notified 	<ul style="list-style-type: none"> • Card subject to termination and privileges revoked • Department head notified
Deadline exceeded	<ul style="list-style-type: none"> • Cardholder/approver notified • Suspended if not completed by date given 	<ul style="list-style-type: none"> • Card suspended until complete • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for one week • Department head notified 	<ul style="list-style-type: none"> • Card subject to suspension, termination, and/or privileges revoked • Department head notified

Missing receipt within a six month period	<ul style="list-style-type: none"> • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for one week • Cardholder/approver notified 	<ul style="list-style-type: none"> • Card suspended for two weeks • Department head notified 	<ul style="list-style-type: none"> • Card subject to suspension, termination, and/or privileges revoked • Department head notified
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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 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 card approver must approve the adjustment received (credit), directing 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 using the phone number on the back of your pcard. 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 1851 N. Research Drive.

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 [PCard Application and User Agreement](#) form will need to be submitted to the Purchasing Card Administrator at 1851 N. Research Drive.

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:

Darin Teeple
Purchasing Card Administrator
419-372-8395
dteeple@bgsu.edu