



EOU PROCUREMENT CARD POLICY AND PROCEDURES

Effective: 7/1/12

Who Should Read This Policy

Budget Authorities/Card Holders responsible for department issued EOU (Eastern Oregon University) procurement cards. Custodians/Account Managers and Designated Users of EOU procurement cards.

Background & Purpose

OUS (Oregon University System) has established a procurement card program. The procurement card program is designed to promote purchasing efficiency, flexibility, and convenience. Procurement card purchases shall be made in accordance with established purchasing rules and policies. The procurement card program is administered by the OUS and is implemented at the institution level.

OUS has contracted with U.S. Bank to provide Visa credit cards, called procurement cards. The procurement cards may be used to purchase goods and services for the institution. Benefits of the procurement card program are reduced time, paperwork and handling costs along with a more rapid and efficient receipt of goods. By using the procurement card the traditional requisition – pricing inquiry – order placement – delivery of goods – invoice – voucher review – payment cycle is greatly reduced. U.S. Bank issues procurement cards to EOU campus departments. Each card is assigned to a department Custodian/Account Manager. The Custodian/Account Manager maintains documentation, and ensures that the card is used only for authorized purchases.

Policy

The EOU Procurement Card Program Administrator/Business Manager shall have the authority to implement the procurement card purchasing program as established by OUS. Designated procurement Custodian/Account Managers and Designated Users are responsible for compliance with the procurement card policy and procedures. The EOU Program Administrator/Business Manager is responsible for training Designated Custodian/Account Managers and Users with regard to the EOU Procurement Card Policy and Procedures. Violations of the EOU Procurement Card Policy and Procedures are subject to review and necessary disciplinary action.

Procedures

1. PROGRAM DESCRIPTION

1.1 Applying for a VISA Card

The Budget Authority/Card Holder (department head or designee) contacts the EOU Program Administrator/Business Manager. Details will be discussed and a mandatory training session for the Budget Authority/Card Holder, Custodian/Account Manager and Designated Users will be scheduled. Under no circumstance will an individual be a Card User without attending training provided by the Program Administrator/Business Manager.

1.2. Authorized Designated Users

The Budget Authority/Card Holder designates the procurement Custodian/Account Manager and Designated Users. There is a limit of five Designated Users, and no students or temporary employees are allowed to be a Custodian/Account Manager or a Designated User. An EOU Procurement Card Signature Authorization/Agreement form must be completed, read and signed by employees authorized to use the procurement card, the Custodian/Account Manager, and the Budget Authority/Card Holder. The form must then be filed with the Procurement Card Program Administrator/Business Manager.

1.3 Termination / Separation of Service by a Card User

When an EOU authorized Card User, Program Administrator/Business Manager, or Budget Authority/Card Holder terminates/separates from a department, the Budget Authority/Card Holder or Custodian/Account Manager shall immediately (within 24 hours) contact the Program Administrator/Business Manager reporting the change. When the Budget Authority/Card Holder, Custodian/Account Manager or User terminates/separates from a department, the Procurement Card Program Administrator/Business Manager will cancel the card. The Budget Authority/Card Holder or Custodian/Account Manager will be required to fill out a New Card Application form and send to the Program Administrator/Business Manager. Upon the arrival of a newly issued card a new EOU Procurement Card Signature Authorization/Agreement form will be filed with the Procurement card Program Administrator/Business Manager. After the process is completed the new card will be issued.

1.4 Adding / Changing Card User

When adding or changing a Card User, file a new EOU Procurement Card Signature Authorization/Agreement form and file with the Procurement Card Program Administrator/Business Manager.

1.5 Reconciliation of Charge Receipts

The Custodian/Account Manager is responsible for ensuring weekly reconciliation for all occurring charges. After completing the reconciliation, the Custodian/Account Manager must sign the Weekly P-Card Packet attesting to the fact that all charges are valid and were initiated by an authorized Card User. In NO case may a Card User review his/her own charges. The Budget Authority/Card Holder or designee must review, sign and date the Weekly Procurement Card Packet.

1.6 Card User Transaction and Credit Limit Information

Individual transaction limit: Default \$2,500.

Daily number of transactions allowed: no limit

Monthly credit limit: Default \$2,500. Contact the Procurement Card Program Administrator/Business Manager to initiate the process for establishing credit limits higher than \$2,500.

1.7 Authorized Procurement Card Uses

Purchases from vendors that accept credit card payments may be charged to a procurement card except as prohibited by current EOU Purchasing Procurement Card Policy and Procedures.

The procurement card is designed to promote purchasing efficiency, flexibility, and convenience. The following is a partial listing of typical uses:

- **This new policy may allow purchases that were not appropriate prior to 7/1/12. Please contact AP staff for questionable expenses.**
- Office and computer supplies
- Teaching and research supplies
- Materials for minor repairs
- Non-capitalized furniture/equipment
- Conference registration (not entertainment)
- Subscriptions to newspapers, journals and periodicals
- Reference materials such as books
- Software
- Airfare
- Seminar registrations
- Conference hotel lodging (deposits only)
- Housekeeping, laboratory, maintenance supplies
- Memberships
- Selling / Marketing costs
- Printing and Publishing

1.8 Prohibited Procurement Card Uses

- Alcoholic beverages
- Personal purchases
- Cash advances
- Inter-departmental expenses

- Rentals / Leases - ie: equipment, rooms, buildings, land, etc.
- Vehicle rental - i.e.: cars, vans, pickups, trucks, trailers, boats, etc.
- Transportation costs - ie: bus fares, train fares, ferry, gas, etc.
- Lodging (may be used to hold a room)
- Misc. lodging charges ie: room service, movies, phone, laundry service, etc.
- Meals
- Food / Groceries
- Entertainment
- Hosting groups and guests
- Gifts, gift certificates, gift cards etc.
- Awards / Prizes
- Utilities
- Communications
- Capitalized equipment and upgrades
- Weapons / Ammunition

Merchant Category Codes (MCC) – The Merchant Category Code (MCC) is a four-digit code used by the bankcard industry to classify a merchant's primary business. The MCC describes a merchant's product, service, or nature of business and are used by card issuers to categorize, track or restrict certain types of purchases. In cases where a merchant is engaged in more than one type of business, the MCC will reflect the merchant's primary line of business.

2. PURCHASE DOCUMENTATION

2.1 Primary Documentation

The Custodian/Account Manager secures and retains documentation to support purchases charged to the procurement card. Examples of primary documentation include sales slips, cash register receipts, invoices, order forms, reconciliation records and receiving reports. Charge slips that do not itemize are inadequate documentation.

2.2 Secondary Documentation

When no primary documentation exists, such as when making a telephone purchase, include a secondary backup document. Examples include the following, but are not limited to, a print screen, email, and a copy of a catalog page. If primary documentation becomes available for a purchase, it needs to be retained by the Custodian/Account Manager.

2.3 Sign Out and Activity Log

Procurement cards must be signed in and out via the Procurement Card Sign Out and Activity Log. Each time the card is checked out to make a purchase the Card User must list the date, their name, vendor, description of item purchased, and amount charged. After purchases are made and the procurement card returned, the return date must also be entered on the log.

3. MONTHLY STATEMENTS

3.1 Master Billing

Each week, the Accounts Payable staff receives and pays the current bill from U.S. Bank for all procurement card charges.

3.2 Departmental Monthly Statement

At the end of each billing cycle, the Custodian/Account Manager shall receive a monthly statement of the card transactions for that period. The Custodian/Account Manager will follow the monthly deadline instructions as outlined in the P-Card Training Manual (pg.16).

3.3 Statement Verification

To verify the monthly statement the Custodian/Account Manager shall check each transaction listed against the Sign Out and Activity Log and purchase documentation. (See Section 2 Purchase Documentation.) The original sales documents (that have not already been sent to Accounts Payable) for all items listed on the monthly statement MUST be neatly attached to the monthly packet. This data

attachment is critical to provide audit substantiation. After this review, the Custodian/Account Manager shall sign the Banner P-Log (FWRPLOG) verifying the completion of the reconciliation process. The Budget Authority/Card Holder then performs a secondary review and signs and dates the Banner P-Log.

3.4 Purchase Returns

If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the Card User should make contact with the vendor to explain the problem and inquire about the return policy.

3.5 Purchase Credits

If an item has been returned to the vendor and a credit is received, the Custodian/Account Manager shall reclass this credit in Banner (FAAINVT). When reclassing a credit, the Custodian/Account Manager will use the same index and account code that was used on the original purchase.

4. DISPUTED ITEMS

Disputes regarding charges, products or services must be resolved with the merchant or bank as appropriate. All disputes must be reported to US Bank within 60 days from statement date. Notify U.S. Bank at (800) 344-5696 and the Program Administrator/Business Manager. Any refund or adjustment obtained from the vendor will be credited to the card.

5. CARD SECURITY

5.1 Procurement Card Physical Security/Responsibilities

The Custodian/Account Manager is responsible for the physical custody and security of the card and account number. The VISA card may be physically checked out for local use only. The VISA card must be physically secured at its assigned location each night. The procurement card account number and related documentation shall be secured in the same manner as the procurement card. It is the Card User's responsibility to safeguard the credit card and the account number when using the procurement card. The Card User must not allow unauthorized individuals to use his/her account number. The credit card should never be taken out of the local area.

5.2 Lost or Stolen Cards

If the card is lost or stolen the Custodian/Account Manager will immediately (within 24 hours) call U.S. Bank at (800) 344-5696. Then notify the Program Administrator/Business Manager at [541-962-3377](tel:541-962-3377) jspencer@eou.edu

5.3 Close or Cancel Account

To close or cancel an account or card, contact the Program Administrator/Business Manager at 541-962-3377 jspencer@eou.edu.

6. PROCUREMENT CARD VIOLATION

6.1 Violation Definition

A violation is any action that is not in accordance with one or more of the following: OUS and EOU procurement card policies, EOU Procurement Card Agreement, State Law, and Oregon Administrative Rules.

6.2 Violation Procedures

Any violation will be grounds for immediate review possibly resulting in surrender of the Procurement Card and permanent loss of Procurement Card purchasing privileges. Violations may also be grounds for personal liability, disciplinary action, up to and including dismissal and criminal sanctions. The Program Administrator/Business Manager has the right to cancel the card at anytime when a violation is discovered and the Budget Authority/Card Holder and Custodian/Account Manager will be notified subsequently.

6.3 Violation Examples

Level 1 - Purchases of Food, Flowers, Travel (Hotel, Gas), No Documentation or Secondary Review

- **First violation:** email notification to the Budget Authority/Card Holder, Custodian/Account Manager and violating Card User identifying the violation and providing an explanation or clarification of the policy.
- **Second violation:** email notification to the Custodian/Account Manager and Budget Authority/Card Holder identifying the violation. The email will also require the Custodian/Account Manager and violating Card User to attend a Program Administrator/Business Manager provided training session. The card will be placed on probation and audited daily.

- **Third violation:** email notification to the Custodian/Account Manager and Budget Authority/Card Holder identifying the violation and informing of card cancellation. The Budget Authority/Card Holder can request a new card in six months from cancellation date. Authorization of violating Card User is subject to Budget Authority/Card Holder approval.

Level 2 - Personal Purchases, Alcohol, and Traveling Out of Local Area With Card

- **First violation** email notification to the Custodian/Account Manager and violating Card User identifying the violation and providing an explanation or clarification of the policy. The violating Card User will be removed for six months and reauthorization will be subject to a Budget Authority/Card Holder approval. The card will be placed on probation and audited weekly.

7. RESPONSIBILITIES

7.1 Card User - Personnel who are authorized to make procurement card purchases

- Checks procurement card in and out via written documentation on the activity log
- Secures the procurement card and account number when in Card User's possession
- Makes procurement card purchases in compliance with EOU Procurement Card Policies and Procedures
- Collects and submits to the Custodian/Account Manager appropriate purchase documentation for each procurement card transaction immediately after the purchase is made
- Informs Custodian/Account Manager of transaction disputes and procurement card administrative changes (i.e. when they will no longer act as an authorized Card User for the department.)
- Inform Custodian/Account Manager, Budget Authority/Card Holder, Program Administrator/Business Manager, and US Bank immediately (within 24 hours) regarding lost/stolen procurement card
- Resolve returns on purchases and other problem purchases

7.2 Custodian/Account Manager- The individual responsible for the procurement card security and control, and reconciliation of procurement card charges

- Manages physical custody of the procurement card and account number, unless delegated
- Ensures card with multiple Card Users is checked in and out via written documentation on the activity log
- Reconciles daily procurement card transactions
- Responsible for daily reclass of procurement card charges in Banner (FAAINVT)
- Provide signature on weekly form and monthly packet indicating approval of reconciliation
- Notify Program Administrator/Business Manager of any changes to EOU Procurement Card Signature Authorization/ Agreement
- Resolve problem purchases/ disputes
- Maintain complete transaction records
- Communicate all necessary information with Card Users including violations
- Ensures compliance with EOU Procurement Card Policy and Procedures

7.3 Budget Authority/Card Holder- Individual appointed by the President or designee. They include: Vice Presidents; Provost; Vice Provost; Deans; Directors; Division and Department Heads; as well as other managers authorized to determine and assign duties to University employees. Authority and responsibility for management of financial matters is vested in Budget Authority/Card Holders.

- Making sound business and program decisions based on financial resources allocated to the unit
- Ensure that financial matters are conducted in accordance with sound business practice, generally accepted accounting principles, and in compliance with applicable laws, regulations and procedures
- Maintaining and reviewing adequate records that document decision-making, in accordance with published requirements and good judgment
- Ensures that any redelegation of authority is judiciously made, formally documented and communicated to the appropriate offices at EOU
- Authorizes by signature initial procurement card application
- Identifies who will be the Custodian/Account Manager and who will be Card Users
- Reviews Custodian/Account Manager procurement card transactions weekly/monthly
- Provide signature on weekly form and monthly packet indicating approval of reconciliation

- Ensures overall program compliance with EOU Procurement Card Policy and Procedures

7.4 Procurement Card Program Administrator/Business Manager- The person in the Business Affairs Office who is responsible for implementing and administering the EOU Procurement Card Policy and Procedures. Manages all campus EOU Procurement Card Program details. Including all Card User and Custodian/Account Manager inquiries. Delegates Procurement Card Program duties as necessary.

- Approves initial application
- Requests procurement cards from US Bank via US Bank application
- Maintains records of:
 - Procurement Card requests
 - Credit Limits
 - Signature Authorizations/ Agreements
 - Procurement Card Training of all Card Users & Custodian/Account Managers
 - Custodian/Account Manager and Card User changes/ additions/ deletions
 - Lost/ Stolen/ Destroyed procurement cards
 - Annual Post Audits
 - Purchase violations and follow up
- Processes Lost/ Stolen procurement cards and updates
- Daily US Bank file transfer
- Daily Banner transaction load reports
- Forwards new/ replacement cards to Custodian/Account Managers
- Performs audits and follow up
- Alerts Custodian/Account Managers of inappropriate charges or potential vendor problems
- Acts as the primary liaison with US Bank and EOU Administration
- Revokes, suspends or cancels procurement cards

8. AUDITS

The goal of the audits is to ensure that all policies are followed. Audits will be performed yearly, however newly issued cards and cards placed on probation will be audited within 3 months. The Program Administrator/Business Manager also has the authority to perform unannounced audits. If a violation is detected at anytime, the procedures listed in Section 6 Procurement Card Violations will be applied.

9. YEAR END RESPONSIBILITIES

The Custodian/Account Manager is responsible for ensuring that the organized documentation and reviewed monthly statements for the current fiscal year ending June 30th are in the Accounts Payable office no later than July 15th.

CONTACTS

Program Administrator/Business Manager: Jolynne Spencer 541-962-3377 jspencer@eou.edu
Accounts Payable Staff: Cora Beach 541-962-3981 cbeach@eou.edu
Haley McEnroe 541-962-3664 hmcenroe@eou.edu
Carrie Pollard 541-962-3856 cpollard@eou.edu