University Pcard Manual

Revised December 2019

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PCARD POLICY

7 - 02.16 Administrative Policy Regarding Use of Purchasing Card (Pcard)

(A) Purpose. Usage of purchasing cards (pcards) reduces the paperwork generated for purchases and facilitates more timely payments to vendors, thus streamlining the purchasing and payment process. This policy provides the framework for the university pcard program, the procedures for which are documented in the university pcard manual.

(B) Definition. "Pcard" for the purpose of this policy means a purchasing card issued by the university's exclusive credit card provider, to be used only for business expenditures that are allowable under the university purchasing policy, as provided in rule 3342-7-12.1 of the Administrative Code.

(C) Implementation.

   (1) Program administration and roles. The division of finance and administration is responsible for the administration of the pcard program. Program oversight and compliance roles are assigned to the following departments and groups.

   (a) Accounts payable provides functional oversight and management of the pcard program. One or more staff members, acting as pcard administrators, are responsible for the day-to-day management of the program. Pcard administrator responsibilities include serving as the point of contact between the university and the credit card issuing bank, card user training, card issuance and cancellation, the enforcement of the card user responsibility as defined in the university pcard manual, maintaining the pcard manual and ensuring that all pcard transactions are entered into the university's financial records.

   (b) Procurement reviews buying patterns and analyzes pcard usage data to ensure compliance with purchasing policy and identify opportunities for price negotiation or the solicitation of bids.

   (c) All transactions are subject to appropriate review by the Kent state university office of internal audit, the university's external auditors, and other reviewing agencies in order to test for compliance with university policies and procedures; federal, state and local laws; and regulations and constraints imposed by agencies and donors.

   (d) Card users include pcard holders, transaction reconcilers and transaction approvers. Individuals serving as card users must be university employees with continuing assignments. Card user responsibilities are described in the pcard manual.

   (2) Restrictions on use.

   (a) Pcards are subject to certain restrictions, such as those on transaction dollar amount, vendor merchant category code (MCC), and purchase types. These limitations are established at card issuance and serve to ensure policy compliance and maintain financial controls. A comprehensive list of pcard restrictions is maintained in the pcard manual.

   (b) Pcards may not be used to make personal purchases or for cash advances.

   (3) University pcard manual. All procedures and pcard program information, including descriptions of card user roles and responsibilities, are located in the university pcard manual. The manual is located on the accounts payable website.

   (4) The pcard is the only credit card to be obtained on behalf of the university for departmental purchases.

(D) Violations. Violations of the pcard policy or procedure may result in the individual being required to reimburse the university for inappropriate charges and may result in disciplinary action as established in the conduct and discipline section of the employee resource manual pursuant to the employee code of conduct provided for in rule 3342-6-01 of the Administrative Code.

Policy Effective Date: October 1, 2019

Policy Prior Effective Dates: 1/7/2011, 3/1/2015

PCARD PROCEDURES

1.0 Introduction

The purchasing card (pcard) program serves to encourage efficiency when purchasing and paying for university business expenditures. Departments enjoy the convenience of being able to purchase certain goods and services without either purchase orders or payment request forms. Many small dollar orders placed through FlashCart, the university's procurement system, may be charged directly to pcards. Purchases made with pcards do not require processing at the accounts payable level, which reduces costs (e.g., check printing, postage) and increases the speed of payment. We recommend that the pcard be used for as many small dollar purchases as possible, to allow the university to benefit from these efficiencies.

While we encourage pcard use for the sake of efficiency, we must also balance its use with respect for established policies and procedures and the safekeeping of university funds. Policy 7-02.16 provides the framework for the university pcard program and establishes the university pcard manual as the authoritative document containing pcard procedures and policies. In addition, card users should become familiar with Chapter 7 of the university policy register, which contains both the university's purchasing policy and policies related to specific types of business expenditures.

Cardholders, reconcilers, approvers, and proxy users are responsible for understanding and following all guidelines put forth within both the pcard policy and the pcard manual. Violations of the pcard policy or procedure may result in disciplinary action.

2.0 Program Administrator Roles

Administration of the pcard program is the responsibility of the division of business and finance. The following groups have oversight and compliance roles:

2.1 Accounts Payable

Pcard administrators are accounts payable staff members who are responsible for the day-to-day management of the program. A pcard administrator's roles and responsibilities are:

- Serve as point of contact between the university and the financial institution issuing pcards
- Provide customer service to card users as it relates to the program
- Issue pcards using discretion when configuring the cards' merchant controls and credit limits
- Provide training for pcard users
- Perform program reconciliation and compliance audits
- Perform annual cardholder transaction reviews to determine appropriate merchant controls and credit limits
- Suspend pcards due to low usage, or when cardholders start a leave with a duration of longer than one month, or due to violations of university policy and/or procedures
- Cancel pcards at the time of cardholder employment termination/transfer or due to violations of university policy and/or procedures
- Maintain the pcard manual
- Ensure that all pcard transactions are entered into the university's financial records

2.2 Procurement

Procurement reviews buying patterns and analyzes pcard usage data to ensure compliance with purchasing policy and identify opportunities for price negotiation or the solicitation of bids.

2.3 Office of Internal Audit, External Auditors, and Reviewing Agencies

All transactions are subject to appropriate review by the Kent state university office of internal audit, the university's external auditors, and other reviewing agencies in order to test for compliance with university policies and procedures; federal, state and local laws; and regulations and constraints imposed by agencies and donors.

3.0 Card User Roles

For the purpose of the pcard program, **card users** include pcard cardholders, reconcilers, and approvers. The roles and responsibilities of each of these types of card user are described below.

3.1 Cardholder

A **cardholder** is an employee in whose name a pcard is issued and who is responsible for protecting the card's account access and ensuring its proper use. The cardholder has the following responsibilities:

- Abide by all university policies and procedures when using the pcard.
- Follow proper departmental procedures for determining that a purchase is required and authorized, and that expenditures are within the approved budget.
- Determine if the pcard is the appropriate method of payment (refer to University Pcard Manual sections 5.1 Acceptable Purchases and 5.2 Unacceptable Purchases.)
- Ensure that Ohio Sales Tax is not charged on the pcard.
- Obtain itemized receipts (or their substitutes) and retain per record retention policies.
- Allow only Kent State University employees to make purchases with their card and track such purchases using the Departmental Pcard Purchase log.
- Ensure receipt of material purchased and services rendered.
- Contact merchants promptly to resolve delivery problems, discrepancies, or damaged goods.
- Dispute transactions not resolved with the merchant.
- Report suspicious or erroneous charges immediately to the pcard administrator.
- Secure the pcard and pcard records in a secure location within the cardholder's department.
- Guard against identity theft and report a lost or stolen pcard immediately.
- Accept ultimate responsibility for ensuring that pcard transactions are reconciled by stated deadlines.
- Sign the Pcard Cardholder Agreement, indicating that the cardholder understands pcard policy and procedure and agrees to fulfill the responsibilities of a cardholder.
- Maintain a copy of the signed Pcard Cardholder Agreement in the cardholder's department.

3.2 Reconciler

A **reconciler** is an employee who is responsible for reconciling pcard transactions. Most cardholders serve as reconcilers for their own cards. However some cardholders choose to use proxy reconcilers. Both reconcilers and proxy reconcilers (from this point referred to as simply reconcilers) have the following responsibilities:

- Abide by all university policies and procedures when reconciling pcard transactions
- Report suspicious or erroneous charges and violations of university policy or procedure immediately to the pcard administrator.
- Compare itemized receipts to pcard transactions to ensure accurate charges.
- Allocate each transaction to the appropriate index, account, and commodity code within Works®.
- During the Sign Off step in Works®, enter a comment for each transaction, indicating a description of what was purchased and the business purpose of the purchase. If the transaction is allocated to a grant or cost share index, the comment must indicate the benefit to the grant.
- Organize the supporting documentation for transactions and forward it to the approver within 14 days of the transactions' post dates.
- Sign the Pcard Reconciler Agreement, indicating that the reconciler understands pcard policy and procedure and agrees to fulfill the responsibilities of a reconciler.
- Maintain a copy of the signed Pcard Reconciler Agreement in the cardholder's department.

3.3 Approver

An **approver** is an employee who is responsible for approving transactions after they have been allocated in Works®. An approver must:

- Have a higher-level position of authority than the cardholder and be an individual other than the reconciler.
- Have authority to charge expenditures against the approved budgets of the unit(s) or college(s)/school(s)
- Thoroughly review each transaction's supporting documentation (receipts) and allocation within Works® to ensure they are business-appropriate and comply with all university policies and procedures.
- Ensure that Principal Investigator (PI) approval to purchase was obtained for any transactions that are allocated to grant or cost share indexes.
- Determine if the pcard was the appropriate method of payment (refer to University Pcard Manual sections 5.1 Acceptable Purchases and 5.2 Unacceptable Purchases.)
- Report suspicious or erroneous charges and violations of university policy or procedure immediately to the pcard administrator.
- Verify that the cardholder attempted to resolve Ohio Sales Tax charges with the merchant.
- Approve transactions within 14 days of their post dates.
- Sign the Pcard Reconciler Agreement, indicating that the reconciler understands pcard policy and procedure and agrees to fulfill the responsibilities of a reconciler.
- Maintain a copy of the signed Pcard Reconciler Agreement in the cardholder's department.

4.0 Acquiring a Pcard

4.1 Account Configuration and Spend Profiles

The university's pcards are Visas and are issued by Bank of America. Each card account is assigned to a **spend profile**, which indicates the card type and transaction limits.

Card Types

There are two card types available: **departmental cards** and **Individual Travel Cards (ITCs.)** Departmental cards are the most common type of pcard in use. ITCs are issued on a limited basis and are reserved for individuals whose positions require significant travel. All requests for ITCs require executive level approval.

Departmental cards and ITCs differ in the type of purchases that they may be used to make. This difference is based on the **merchant category code (MCC) groups** that are part of the cards' spend profiles. An MCC is a code that classifies a business according to the types of goods or services that it provides (e.g. airfare, books and periodicals, hardware equipment, etc.) An MCC group is made of similar MCCs and is included or excluded from a pcard's spend profile in order to allow or disallow purchases from various types of vendors. The university's MCC groups are:

- KSU General – This MCC group is the core of the departmental pcard program. It includes MCCs that apply to the majority of vendors with which the university does business.
- KSU Transportation – This MCC group includes MCCs that apply to transportation vendors, including airlines and car rental agencies.
- KSU Lodging – This MCC group applies to lodging vendors such as hotels and motels.
- KSU Food – This MCC group applies to food service vendors such as restaurants.

Pcards with MCC group configurations that differ from the chart in Figure 1 are considered custom cards. All custom card configuration requests require executive level approval.

Figure 1 MCC Groups According by Card Type

	Departmental Card	Individual Travel Card
KSU General	X	
KSU Transportation	X	X
KSU Lodging	X	X
KSU Food		

Transaction Limits

The two kinds of transaction limits that are configured within each spend profile are the monthly credit limit and the single transaction limit.

The **monthly credit limit** is the total dollar amount that can be charged to a pcard over the course of a pcard billing cycle. Monthly credit limits should be requested based on spending needs. Cardholders may request changes to their monthly credit limits when necessary. The pcard administrator may adjust monthly credit limits based on spend analysis. All pcard applications requesting monthly credit limits greater than $25,000 require executive level approval.

Single transaction limits are the limits set on individual transactions and vary according to MCC groups. They are based on the university's purchase order thresholds ($2500 for goods and $50,000 for services) and on departmental/college/divisional approval needs. Exceptions to the standard single transaction limits are rare. The default single transaction limits for the university's MCC groups are:

- KSU General - $2499.99
- KSU Transportation - $4999.99
- KSU Lodging - $4999.99
- KSU Food - $2499.99

4.2 Application

Pcard applicants must be Kent State University employees who are in continuing assignments. Temporary employees, student employees, and independent contractors will not be issued pcards. Every applicant must complete a Pcard Application (see Appendix A) in full.

- Cardholder Information - All cards are issued under legal names (no nicknames.)
- Cardholder Specifications – Descriptions of card types and monthly credit limits are found in section 4.1 of this manual.
- Transaction Reconciliation
    - o Cardholders must provide a default index, which will be applied to transactions when they post in Works®. This index can be changed during the reconciliation process. The default index should be either the cardholder's home index, or the index to which charges will most often be allocated.
    - o The default index cannot be a grant, cost share, or program index (i.e., no indexes beginning with 4, C, or P.) In cases where the cardholder will only be allocating charges to grant, cost share, or program income indexes, the default index that is provided must be the department index that is ultimately responsible for those indexes.
    - o Reconciler and approver requirements and responsibilities are found in sections 3.2 and 3.3 of this manual.
- Signatures
    - o All applications must be signed by the cardholder, department/chair and dean/director.
    - o All applications must be signed by the cardholder, department head/chair, and dean/director. Executive level approval is required for individual travel cards and all custom card configurations.

Once complete, applications may be emailed to pcards@kent.edu.

4.3 Training

Upon receiving a pcard application, the pcard administrator will contact the cardholder applicant, approver, and reconciler and backup approver (when applicable) to arrange training.

Cardholder and reconciler training are presented in combined sessions, held every other week on the Kent campus. A schedule of these sessions can be found in the Pcard section of the Accounts Payable website. Cardholders or reconcilers who cannot attend these live sessions should contact the pcard administrator. Cardholders and reconcilers will receive their pcards and/or Works® login credentials only after they have completed training and signed **Pcard Cardholder or Pcard Reconciler Agreements** (see Appendix A.)

Approver training consists of self-study materials that cover pcard policy, program procedures, and a review of the approver's role in the pcard process. Once approvers have completed training, they are required to sign a **Pcard Approver Agreement** (see Appendix A), which they must submit to the pcard administrator who will then provide their Works® login credentials.

4.4 Pcard Pickup and Account Activation

The pcard administrator will order a new pcard upon receiving a pcard application. The bank mails all pcards directly to Accounts Payable. Pcards generally arrive within one week of the order being placed.

When the pcard arrives, the pcard administrator will contact the cardholder to arrange pickup.

- Kent campus cardholders must pick up pcards in person in the Accounts Payable office (photo identification is required.)
- Cardholders from other campuses and locations may arrange, with the pcard administrator, to have another employee pick up the card (photo identification is required) or may elect to have their pcards deliver to their campus or location's business office.

The bank mails all pcards directly to Accounts Payable.

Upon receiving their new pcard, the cardholder must:

1. **Activate** the card by calling the phone number on the attached sticker. During the activation process, it may be necessary to provide the card number (in whole or in part) or a verification ID, which is the cardholder's Banner ID.
2. **Login to** Works® by clicking on the link in the Works® welcome email (sent by WorksNoReply.) The cardholder will be prompted to set security questions and a password.
3. **Register with Global Card Access** to manage their alert notifications and update certain account information.

5.0 Making Purchases with a Pcard

5.1 Acceptable Purchases

Pcards may be used to pay for business expenditures that are allowable under the university purchasing policy and which align with their spend profiles (MCC groups, monthly credit limit, and single transaction limits.) In addition, purchases must comply with all other university policies that guide specific categories of purchases. Those policies include, but are not limited to:

- 7-12.1 Administrative Policy Regarding Purchasing of Goods and/or Services
- 7 – 02.12 Administrative Policy Regarding Memberships and Certifications
- 7 – 02.13 Administrative Policy Regarding Contributions and Gifts
- 7 – 02.5 Administrative Policy Regarding Business Meals and Hospitality Expenses Payable or Reimbursable from University Funds
- 7 – 02.8 Administrative Policy Regarding Travel Regulations (In-State and Out-of-State)

Remember, the pcard is a method of payment and purchases made with it must fall within the same boundaries as those paid by check, ACH, or wire.

Amazon Business Account

Kent State University has established a Business Account with Amazon, to make it easier to purchase goods not otherwise available through a university-contracted vendor. The use of Amazon is not a mandated contract. However, if a department needs supplies that are only available through Amazon, the purchase must be made through the University's Amazon Business Account. More information about this program can be found at www.kent.edu/procurement/amazon.

Lodging

Lodging expenses can be paid with a departmental credit card. Cardholders and approvers are responsible for ensuring that any such expenses paid with a pcard do not exceed 150% of the federal lodging per diem for the applicable city, in accordance with university travel policy.

Preferred Vendor Contracts

The use of preferred vendor contracts is a State of Ohio initiative mandated by the Ohio Task Force on Affordability and Efficiency in Higher Education. Kent State University implemented the mandate into university policy in order to increase efficiencies in expense management, as well as decrease cost to students and their families. All purchases of goods and/or services for which there is an existing university contract with one or more preferred vendor(s) must be made from those vendors. More information about preferred vendor contracts, can be found at www.kent.edu/procurement/preferred-vendor-contracts.

Student Functions and Refreshments

Refreshments for student functions may be purchased with the pcard <u>only</u> if such a purchase is a qualified (and documented) exception for catering using University Dining Services (www.kent.edu/dining/first-right-service) AND if the purchase can be made using the card's permanent spend profile. Requests to temporarily change a pcard's spend profile to accommodate such purchases will be denied.

5.2 Unacceptable Purchases

Purchases that circumvent a pcard's spend profile are not allowed. This includes, but is not limited to:

- Splitting purchases into smaller dollar amounts to circumvent single transaction limits
- Purchasing related items on different days in order to circumvent single transaction limits
- Having a vendor "force through" a transaction when that vendor's MCC is not included in the card's spend profile

The following types of purchases are not allowed on the pcard even when their MCCs are included on the card's spend profile:

- Amazon Prime memberships
- Business meals and entertainment[1]
- Cash advances
- Gift Cards
- Independent contractors
- Individual memberships
- Payments to Kent State University
- Personal purchases
- Sponsorships

5.3 Ohio Sales Tax

Kent State University is **exempt** from the payment of Ohio Sales Tax. Pcards are embossed with the tax exemption identification ("TAX EXEMPT 31-6402079") under the logo.

It is the cardholder's responsibility to ensure Ohio Sales Tax is not charged on the pcard. Merchants should be informed of our tax-exempt status at the time of the transaction. A Tax Exemption Certificate may be required. Contact the Procurement department to request this form (https://www.kent.edu/procurement/ohio-sales-tax-exemption-certificate .)

If Ohio Sales Tax is charged to the pcard, it is the cardholder's responsibility to contact the merchant to obtain a sales tax credit. If the merchant will not honor the exemption, an explanation is required.

5.4 Purchase Documentation

Pcard purchases must be supported by **itemized** receipts, which list the items purchased, the dollar amount of each item, and the total amount of each transaction. Internet orders require a copy of the order that itemizes all costs. The individual making the purchase must note the business purpose of the purchase on the receipt or attached documentation.

If the receipt is misplaced, the cardholder is responsible to contact the merchant to request a duplicate. If the receipt cannot be obtained from the merchant, a **Substitute Purchasing Card Receipt** (see Appendix A) must be completed by the cardholder and approved by the pcard approver. The form must be maintained with the pcard statement and supporting documentation within the cardholder's department.

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[1] A limited number of custom ITCs have been configured to allow for business meals based on the job duties of their cardholders. Other than this limited group, food and beverage purchases made with a pcard must be limited to student functions. Purchases also must comply with the university's existing food and catering contract with Aramark.

5.5 International Transactions

International transactions include those that are made in a foreign currency or outside of the United States of America, even if the transaction is made in U.S. dollars. Visa will convert all transactions in a foreign currency into U.S. dollars by using its respective currency conversion procedures. The exchange rate used to convert currency is a rate that it selects either from the range of rates available in the wholesale currency market for the applicable processing date or the government-mandated rate in effect on the applicable processing date. The rate in effect on the applicable processing date may differ from the rate on the date the pcard is used.

Bank of America reserves the right to charge one percent of the U.S. dollar amount of any international transaction once the total cross border contract spend volume (that is, total spend across all schools participating in the Inter-University Council's P-Card and Automated Payment Services contract) exceeds 5% of the total spend.

5.6 Purchases Made by Non-Cardholders

Departmental cardholders may lend the pcard only to other Kent State University employees and those employees' purchases must be tracked using the **Departmental Pcard Purchase Log** (see Appendix A.) ITC cardholders may not allow others to borrow their pcards. It is the cardholder's responsibility to ensure that individuals who use their pcard comply with university purchasing and pcard policies and procedures.

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*The **Departmental Pcard Quick Reference Guide** includes an acknowledgement that cardholders may have individuals sign before using the pcard, affirming that they understand the importance of complying with pcard policies and procedures.*

5.7 Pcard Billing Address

When placing online orders, it may be necessary to provide the pcard's billing address for <u>card verification purposes</u>. The billing address for all pcards is:

**Kent State University
800 East Summit Street
Kent OH 44242-0001**

The above billing address should only be used for <u>card verification purposes</u>. Do not instruct vendors to send pcard invoice, receipts, or product shipments to the address above.

6. Managing Transactions

6.1 Reviewing Transactions

Cardholders must compare all transactions posted to Works® to the itemized receipts and orders that were obtained when the purchases were made, to ensure that the correct dollar amounts were actually charged to their pcards. Cardholders must confirm that the goods or services purchased with their pcard were received.

Disputes

In instances where a merchant error (delivery problems, amount discrepancies, or damaged goods) has occurred, the cardholder must attempt to settle the matter directly with the merchant. If the cardholder is not able to resolve the issue with the merchant, the cardholder should dispute the transaction in Works®, following the instructions in the **Guide to Using Works®** (see Appendix A.)

Important aspects about the dispute process:

- Cardholders have 60 days from the date on which the transaction posts to dispute the transaction.
- Transactions must still be allocated and signed off in Works® regardless of dispute status.
- If a dispute is settled in the cardholder's favor, a credit will be issued. This credit should be allocated to the same index, account, and commodity code that were used when allocating the original charge.

Fraud

In instances when fraud is suspected, the cardholder must immediately notify the pcard administrator. If outside of normal business hours, the cardholder must immediately notify the bank and then follow up by informing the pcard administrator of the card's status. The pcard will either be cancelled or blocked from additional transactions until Bank of America has researched the transaction.

Bank of America will work with the cardholder and/or pcard administrator to review the transactions and complete an investigation of the suspect activity. Cardholders may be asked to complete an affidavit detailing any fraudulent transactions.

If fraud is found to have occurred, the pcard will be cancelled and a pcard with a new account number will be issued.

Bank of America actively monitors fraud patterns and compares activity on individual accounts against known fraud patterns. If a pcard is suspected of being compromised, the bank will contact the cardholder to verify the account activity. A temporary hold may be placed on the pcard until the bank is able to verify the transactions with either the cardholder or pcard administrator.

Reporting fraudulent activity as soon as it is identified will help to expedite the fraud investigation, limit unauthorized activity, and reduce the liability to KSU. Please keep in mind that cardholders do not need to have lost the actual credit card for the account number to have been compromised.

6.2 Reconciling Transactions

Reconciling a transaction involves allocating it to the correct index, account, and commodity code, signing off on it, and approving it in Works®. Instructions on how to perform these activities are in the Guide to Using Works®. Transactions must be fully reconciled within 14 days of posting to Works®.

The Importance of Timely Reconciliation

Pcard transactions are recorded in the university's ledger in Banner only after they have been fully reconciled in Works. Timely reconciliation is required in order to ensure that Banner provides a true view of your department and the university's financial status.

Transactions post to Works within a few days of payments being made. Reconcilers then allocate the charges to the appropriate accounting strings and sign off on them, providing a purchase description, business purpose and, when applicable, the purchase's benefit to the grant being charged. Approvers then must review the receipts, allocations, and purchase explanations before approving the transactions in Works. **This reconciliation process must be complete within 14 days of the transaction's post date in Works.**

Once transactions are reconciled, the pcard administrator or an accountant will perform a final review. Transactions that have completed their final review are identified during a weekly sweep and then are posted to Banner.

> *Pcard transactions are recorded in the university's ledger in Banner only **after** they have been fully reconciled. To ensure that expenses are recorded in Banner in a timely manner, all pcard transactions must be reconciled (allocated, signed off, and approved) within 14 days of posting in Works®.*

Billing Cycles

The **pcard billing cycle** is typically 30 days, ending on the last business day of the month. Cards begin their first cycle with their full credit line available. Every transaction made throughout the month decreases the available credit, until the new cycle begins.

In order to encourage prompt reconciliation, a cardholder's available credit is restored to the full monthly credit limit at the beginning of each pcard cycle *only when all transactions from the previous pcard cycle have been allocated and signed off*. If a new pcard cycle begins and cardholder has transactions from the previous pcard cycle that have not been allocated or signed off, their available credit is reduced by the value of those transactions. Once the previous cycle's transactions are reconciled, the available credit is increased by the corresponding amount.

> *A cardholder's available credit is restored to the full monthly credit limit at the beginning of each pcard cycle only when all transactions from the previous pcard cycle have been allocated and signed off.*

Allocating and signing off on a transaction during the billing cycle in which it is posted will not increase the pcard's available credit during that cycle.

7. Record Retention

The cardholder must store the following records in a secure location within their department:

- Itemized receipts/orders
- Pcard Cardholder Agreement
- Pcard Reconciler Agreement
- Pcard Approver Agreement
- Departmental Pcard Purchase Log

The secure location may be electronic or physical. Documentation that is stored electronically must be clear and readable. In cases where the entire 16-digit account number is shown on any documents, such as faxed orders, the individual making the purchase must mask the card number, except the last 4 digits, upon completion of the transaction.

Receipts for all pcard transactions must be maintained in accordance with university policy 5-15, University Policy Regarding Records Retention. The accounting records retention schedules can be accessed on the Office of General Counsel's website (http://www.kent.edu/generalcounsel/records). The Record Destruction form must be completed and approved by the Office of General Counsel and the University Archivist once the pcard receipts reach the end of the retention period and must be destroyed.

All transactions are subject to appropriate review by pcard administrators, the Office of Internal Audit, the university's external auditors, and other reviewing agencies in order to test for compliance with university policies and procedures; federal, state and local laws; and regulations and constraints imposed by agencies and donors.

8. Securing the Card

8.1 Storage

Pcards are the property of Kent State University and should be protected and secured just as you would your own credit card. When not in use, the pcard should be stored in a secure location (e.g., locked desk, locked filing cabinet) within your department. Protect the account number and be suspicious of requests for account information. If you are unsure of any request regarding your pcard, contact Accounts Payable with questions or concerns.

Under no circumstances should cardholders store pcard account numbers on any computer database unless it is part of a secure system that has been approved by the Office of Security and Access Management.

8.2 Lost or Stolen Cards

If a pcard is lost, misplaced, or stolen the cardholder must notify the pcard administrator immediately. If outside of normal business hours, the cardholder must immediately notify the bank (see section 12 for contact phone numbers) and then follow up by notifying the pcard administrator.

Pcards that are reported as lost or stolen will be cancelled and reissued with a new account number.

9. Cardholder & Spend Profile Changes

The Pcard Maintenance Form (see Appendix A) may be used to request the following:

- Changes to monthly credit limits
- Changes to MCC groups included on spend profile
- Change to name on card account (only when a legal name change occurs)
- Change to email address associated with account (must be a Kent State email address)
- Change in reconciler
- Change in approver
- Card replacement
- Card suspension and cancellation

Requests for monthly credit limits exceeding $25,000 and for changes to the default MCC groups must be approved by the executive officer of the employee's division. The pcard administrator has discretion of credit limit and MCC group revisions.

Requests to temporarily add MCC groups or increase single transaction limits will be denied.

Department heads are responsible for notifying the pcard administrator when cardholders, reconcilers, or approvers transfer departments, end employment with the university, or begin leaves in excess of one month.

Requests to temporarily add MCC groups or increase single transaction limits will be denied.

10. Card Suspension and Cancellation

Pcards are the property of the university. The pcard administrator is authorized to suspend or cancel cards for the following reasons:

- Cardholder on leave for more than one month
- Cardholder transfer to different department
- Cardholder's employment termination
- Violation of university pcard policy or procedure
- Request by cardholder's approving authority

Cancelled pcards must be turned in to the system administrator in the Accounts Payable department for proper destruction.

11. Violations

The following are examples of purchasing card policy and procedure violations. This should not be considered an all-inclusive list.

- Making purchases that do not comply with university policy or procedure
- Making purchases listed as unallowable in section 5.2 of this manual
- Incurring Ohio Sales Tax without appropriate due diligence
- Failure to obtain required pcard documentations (e.g., itemized receipts)
- Late reconciliation
- Inappropriate record retention
- Inappropriate pcard or account number storage
- Employee fraud (Card will be cancelled, and disciplinary action will be taken.)
- Failure to surrender pcard (Automatically considered a third offense.)

Violations identified during audit or by any other means will result in the following three courses of action:

- First Level Offense – The pcard administrator will communicate the violation and proper procedures with the offending party and appropriate approving authority.

- Second Level Offense – The pcard will be suspended until the offending party reattends pcard training and a memo addressed to the pcard administrator is received regarding the course of action that will be undertaken to resolve the violation. The appropriate approving authority must also be copied on the memo and formally authorize the pcard reinstatement. Approval of all outstanding transactions is required before the pcard will be reinstated.

- Third Level Offense – The pcard will be cancelled. Notification will be sent to the cardholder, reconciler, approver, and appropriate approving authority. The cardholder may reapply for a new pcard after a three-month period has expired. A memo addressed to the pcard administrator regarding the course of action that will be undertaken to resolve the violation must be attached to the Purchasing Card Cardholder Application. Pcard training is required as well.

Certain violations may result in the individual being required to reimburse the university for inappropriate charges and may result in disciplinary action as established in the conduct and discipline section of the employee resource manual pursuant to employee code of conduct guidelines found in university policy 6-01, University Policy Regarding Employment.

12. Contact Information

12.1 Pcard Administrators

- pcard@kent.edu
- Joey Bennett, Sr. Accounts Payable Specialist, 330-672-8631
- Emily Hermon, Manager, Accounts Payable, 330-672-8649

12.2 Bank of America

- 1-888-449-2273 (inside the U.S.)
- 1-602-379-8753 (call collect outside the U.S.)
    - Call to report lost/stolen cards, fraudulent transactions, and to inquire about temporary holds on cards
    - Cardholder may be required to provide their verification ID (Banner ID)
- Works®
    - https://payment2.works.com/works/home
    - View, dispute, allocate, sign off, and approve transactions that have posted to the pcard account
- Global Card Access
    - https://BofAML.com/globalcardaccess
    - Set pcard PIN, update contact phone number, set account alerts

Appendix A

The following is a list of resources relating to the purchasing card program. These resources can be found in the Purchasing Card section of the Accounts Payable website (https://www.kent.edu/accountspayable/purchasing-card.)

- **Departmental Pcard Purchase Log** - Departmental pcard cardholders use this log to track other employees' pcard purchases. The form must be maintained with the supporting documentation within the cardholder's department.

- **Departmental Pcard Quick Reference Guide** – This pamphlet is an abbreviated guide to departmental pcards. It includes an Acknowledgement of Pcard Policy and Procedures statement that cardholders can require other employees to sign before using the pcard.

- **Guide to Using Works®** – This guide describes how to use Works® to view, reconcile, and approve transactions

- **Pcard Billing Cycles FY20 through FY23** – List of start and end dates for pcard billing cycles.

- **Pcard Cardholder Agreement** – Cardholders sign this form to acknowledge their understanding of and agree to abide by university policy and procedure with regard to the pcard program. A copy of the signed agreement must be stored in the cardholder's department.

- **Pcard Reconciler Agreement**– Reconcilers sign this form to acknowledge their understanding of and agree to abide by university policy and procedure with regard to the pcard program. A copy of the signed agreement must be stored in the cardholder's department.

- **Pcard Approver Agreement**– Approvers sign this form to acknowledge their understanding of and agree to abide by university policy and procedure with regard to the pcard program. A copy of the signed agreement must be stored in the cardholder's department.

- **Pcard Application** – Employees who have a verifiable business need for a pcard complete this form to request an account. Completed and signed applications must be submitted to the pcard administrators in Accounts Payable, 237 Schwartz Ctr.

- **Purchasing Card Maintenance Form -**Cardholders use this form to request changes to their card account or reconcilers/approvers, request card replacement, or request card cancellation.

- **Substitute Purchasing Card Receipt** – Cardholders complete and have their pcard's approver sign this form when an original itemized receipt or order form cannot be obtained from a merchant. This form must be retained in the cardholder's department with other pcard receipts.

Log of Changes

12/4/2019 – Added "Payments to Kent State University" to section 5.2 Unacceptable Purchases. Internal purchases should be processed as IDCs (interdepartmental charges), never as pcard transactions.