

PC01 UO PROCUREMENT CARD POLICY AND PROCEDURES

Effective: July 1, 2008

Revised: January 19, 2017

1. OVERVIEW

1.1 Definitions.

- 1.1.1 **Budget Authority**: A UO dean, director, division or department head who is responsible for the budget of the department or division of UO that has authorized one or more PCards.
- 1.1.2 **Card Custodian**: The individual responsible for safeguarding the PCard of a department or division of an institution, maintaining complete and accurate records of PCard use, and preparing reconciliations between the documents supporting charges on the PCard and the statement of charges received from the PCard vendor in compliance with institution and UO policies.
- 1.1.3 **Card User**: An individual authorized to procure goods and/or services with the department PCard.
- 1.1.4 **Credit Limit (Monthly)**: The dollar limit on total credit card charges allowed during one month that is established for each PCard. The dollar limit may vary from PCard to PCard.
- 1.1.5 **Corporate Travel and Entertainment Card**: A personal credit card issued to an individual UO employee under the US Bank Corporate Travel Card Program. These credit cards are administered through UO Business Affairs and may be used to pay for reimbursable business travel expenses.
- 1.1.6 **Institution**: University of Oregon.
- 1.1.7 **PCard**: Procurement Card.
- 1.1.8 **PCard Program Administrator or Program Administrator**: The individual who is responsible for the administration of the PCard program. Program Administrator is responsible for ensuring that the institution PCard policies are compliant with UO policy, that the policies established by the institution are implemented, and that the PCard procedures are being followed.
- 1.1.9 **Program**: Procurement Card Program.
- 1.1.10 **PCS**: UO's department of Purchasing and Contracting Services.
- 1.1.11 **Single Purchase Limit**: The dollar limitation for an individual purchase on a PCard.
- 1.1.12 **Statement of Account**: The monthly listing of all account transactions for a PCard, issued by US Bank directly to Card Custodian.
- 1.1.13 **UO**: University of Oregon.
- 1.1.14 **Vendor**: A company from which a Card User is purchasing materials, equipment, and services under the provisions of this policy.

- 1.2 **Who Should Know This Policy?** All Budget Authorities, Card Custodians, and Card Users need to read and understand PC01 UO Procurement Card Policy and Procedures ("UO PCard Policy").

- 1.3 **Background.** University of Oregon maintains a contract with US Bank to provide VISA credit cards, called PCards, for the Program. US Bank issues PCards for use by UO campus departments. Each card is assigned to a departmental Card Custodian. Authorized departmental Card Users purchase goods and services using the PCard.

A department's UO PCard is a credit card in the name of the university (UO) and department (Index number) and can be used as a means of payment for any type of

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goods or services in any amount, provided that PCS Policy requirements for competitive bid and contract coverage are met (<https://pcs.uoregon.edu/content/statutesregulationspolicies>), and the department's PCard credit limits have been set accordingly.

- 1.4 Authority.** The UO Vice President for Finance and Administration has authorized UO department of Purchasing and Contracting Services to implement and maintain the campus wide Program. The Director of Purchasing and Contracting Services acts in the role of Program Administrator, but can delegate Program Administration responsibility within the PCS department.

Within each UO department, Budget Authorities are responsible for designating departmental employees' purchasing authority. Budget Authorities wishing to implement the Program in their department shall designate a Card Custodian, as well as Card Users.

Budget Authorities, Card Custodians, and Card Users are responsible for compliance with the Program policies and procedures. Card Custodians are responsible for training Card Users with regard to the UO PCard Policy.

Card Users charge purchases for the department to the PCard. Such purchases must comply with UO policies and UO Administrative Rules governing purchasing and PCard usage.

1.5 References.

1.5.1 UO PCS Policy -

<http://pcs.uoregon.edu/content/statutesregulationspolicies>

1.5.2 UO Purchasing Rules Division 60 through 63 -

<http://pcs.uoregon.edu/content/statutesregulationspolicies>

1.5.3 UO Fiscal Policy Manual Procurement Card 70.100 -

<https://fpm.uoregon.edu/>

1.5.4 UO FASOM 70.400 – Purchasing - Purchasing and Accounts Payable

<https://fpm.uoregon.edu/>

1.5.5 UO Property Control –

<http://ba.uoregon.edu/staff/property-control>

1.5.6 UO Travel Guidelines (include Central Travel System Accounts) -

<http://ba.uoregon.edu/staff/travel>

1.5.7 Financial Irregularity Reporting

<https://secure.ethicspoint.com/domain/media/en/gui/41097/index.html>

1.5.8 PCS PCard Intake Sheet (including instructions) -

<http://pcs.uoregon.edu/content/forms>

1.5.9 Conflicts of Interest – 244.120

https://www.oregonlegislature.gov/bills_laws/ors/ors244.html

1.5.10 Procurement and Contracting: Code of Ethics –

<http://policies.uoregon.edu/vol-4-finance-administration-infrastructure/ch-9-purchasing-contracting/procurement-and-contracting>

1.5.11 Training Materials -

<http://pcs.uoregon.edu/content/training>

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1.5.12 Fraud, Waste, and Abuse Reporting: <http://policies.uoregon.edu/fraud-waste-and-abuse-reporting-0>

2. HOW TO PARTICIPATE IN THE PROGRAM

2.1 Obtain a PCard. To obtain a PCard, the department or division must submit a PCS PCard Intake Sheet ("Intake Sheet") to PCS. The department must specify on the Intake Sheet the address that US Bank should use for forwarding the department's monthly PCard statement. The address specified must be to a secure location within the department. Signing the Intake Sheet not only attests to a review and understanding of PCard policy/procedures, but also documents the completion of required PCard online training.

Based on the Intake Sheet, PCS will initiate a VISA application and forward to the department for signature. Both Card Custodian and Budget Authority must sign the VISA application. Once the application is completed and signed by the department, the department must submit the **signed application** to PCS. PCS will submit the application to US Bank and request a PCard be issued for the department or division.

NOTE 1: A Card Custodian **may also** be a Card User.

NOTE 2: A Budget Authority **may not** be a Card User.

NOTE 3: A Budget Authority Designee **may also** be a Card User.

NOTE 4: PCS will not release a department PCard until all individuals listed on the Intake Sheet have completed the required online training (See Section 10).

2.2 Changes to PCard Authorization

2.2.1 Card Users.

- a. **Adding/Deleting/Other Modifications.** To add, delete, or otherwise modify a PCard user or authorization, the Card Custodian is to provide an **updated Intake Sheet** to PCS to authorize the changes.
 - i. Newly added Card User(s) must successfully complete required training;
 - ii. When a PCard authorized UO employee terminates/separates from a department or the department otherwise wishes to delete a Card User (including Card Custodian and/or Budget Authority), the Card Custodian must remove such employee(s) from the list of authorized Card Users by notifying PCS in a timely manner of the termination/separation, and by submitting an **updated Intake Sheet**.

2.3 Individual Transaction and Credit Limit Information.

Individual transaction limit: **Default \$5,000.**

Daily number of transactions allowed: **No Limit**

Monthly credit limit: **Default \$5,000**

Based upon departmental request, the Program Administrator may approve higher monthly credit limits. Many UO departments have a PCard annual spend cycle that exhibit peak season effects. PCard limits should be set to adequately cover normal monthly peak required spend. To initiate the process for establishing credit limits higher or lower than \$5000, the Card Custodian would submit an Intake Sheet to PCS for processing.

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3. USING YOUR PCARD

3.1 General. Purchases from vendors that accept credit card payments may be charged to a PCard, except as prohibited by this policy. The Program permits the purchase of goods, from a vendor of choice, if their value is below the individual transaction limit for the applicable PCard. However, UO policy also requires departments to secure the maximum or best value purchase at all dollar levels. Competitive quotes may not be required, but they may be a means of ensuring a best value purchase.

3.2 Prohibited Use and Non-Chargeable Account Codes.

3.2.1 General. The PCard cannot be used for cash advances or for personal or non-business related purchases.

3.2.2 Non-chargeable Account Codes – Individual Travel.

- a. PCard cannot be used to cover individual traveler's expenses related to UO business travel due to UO reporting responsibility and potential IRS tax withholding/reporting. Alternate forms of payment are available for individual travel expenses, including:
 - i. Booking with a UO contract travel agency who will charge the UO credit card they have on file;
 - ii. UO Travel and Entertainment card, which is issued in the traveler's name;
 - iii. Personal credit card or;
 - iv. Requesting a UO travel advance.

Individual business expenses are reimbursed through the travel reimbursement process. Contact Travel department for clarification and guidance when needed for a possible exception. If exception is approved, retain support documentation and explanation for post transaction review. In cases where Travel department has reviewed and approved the travel arrangement in question as conforming with Travel Policy, PCard can be used as means of payment. Examples might include internet only airfare special (provide agency comparison quote). In cases where individual travel expenses are charged to the PCard, the travel arrangements must be made by department staff, subject to review by Card Custodian and Budget Authority for Policy compliance as part of the monthly PCard statement reconciliation process.

- b. PCard can be used for the initial deposit for an airline group, defined as 10 or more passengers traveling the same itinerary and arrangements are made through a UO contract travel agency or the airline group desk directly. Group leaders who assume responsibility for expenses for a student group or team travel may use the PCard for contracted group expenses such as a motor coach or a contracted hotel room block. All Travel policy rules apply to any expense charged to the PCard.

3.2.3 Non-Chargeable Account Codes – Capital Outlay. In general, UO employees cannot use the PCard for capital outlay (**40XXX** account codes) due to tax exempt bond funding compliance requirements. There may be exemptions to this prohibition on use of PCard for Capital Outlay items - specifically those that are *not* tax exempt bond funded. Past examples have included items purchased for Library 40190 and Construction in Progress (Equipment) 40199. Please contact PCS for review and written exemption.

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3.2.4 Non-Chargeable Account Codes – Foreign Intangibles. PCard may not be used for software, subscriptions, or royalties from a foreign vendor or services from a foreign person or entity to be used or performed domestically (in the USA), due to IRS 1042S compliance requirements. PCard may be used to purchase physical goods from foreign vendors. A useful rule is that if the item in question from a foreign vendor can be put in a box and shipped for delivery, a PCard may be used for payment.

3.3 Problem Purchases.

3.3.1 If purchases using the PCard are found to be unacceptable, not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the Card User is responsible for returning the unacceptable items or for making other satisfactory arrangements to remedy the issue(s).

3.3.2 If an item purchased using the PCard is returned, Card Custodian is responsible for verifying the appropriate credit is reflected on the department's PCard monthly statement. If the vendor has not replaced or corrected the item by the date Card User receives his/her monthly statement, then the purchase of that item will be considered in dispute. Card Custodian must contact PCS by email to pcard@uoregon.edu about any dispute within thirty (30) days of receipt of monthly statement of account.

4. DOCUMENTING USE OF YOUR PCARD

4.1 General. For each purchase on the PCard, Card User making the purchase shall obtain and provide to Card Custodian purchase documentation, including a clear business purpose. Examples of such documentation include sales slips, cash register receipts, invoices, order forms, reconciliation records, receiving reports and shipping address. The documentation maintained generally arises out of the normal course of business and it should support a clear determination of what was ordered, what was paid for, and what was received. **Charge slips that do not include an itemization of purchases are inadequate documentation.**

4.2 Inadequate Documentation. When no other adequate documentation exists, such as when making a telephone purchase, the following information shall be maintained to support PCard transactions: date of purchase, vendor name, item description, amount, shipping address, and the name of Card User.

4.3 Multiple User Log. PCards with multiple Card Users must be signed in and out via a Multiple User Log. The Multiple User Log may be maintained by the Card Custodian in either a hard copy or electronic format. In addition to the requirements under section 4.1, the following must be tracked on a Multiple User Log: the date, Card User name, vendor name, and the dollar amount of the transaction.

4.3.1 If the Multiple User Log is maintained in an electronic format, Card Custodian shall ensure the Multiple User Log is only accessible by the Card Custodian. Additionally, Card Custodian shall be responsible for obtaining all required information from Card Users and completing the electronic Multiple User Log each time the PCard is checked in or out.

4.3.2 If the Multiple User Log is maintained in a hard copy format, either the Card Custodian or Card User may be responsible for completing the Multiple User

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Log; provided, however, it shall be the Card Custodian's responsibility to ensure the Multiple User Log is completed each time the PCard is checked in or out.

- 4.3.3 After purchases are made and the PCard returned, the return date must also be entered on the log.

4.4 Documentation & Monthly Statement. Budget Authority and Card Custodian are responsible for ensuring that the documentation required under this section is attached to the department's monthly PCard statement, as required under Section 5.

5. MONTHLY STATEMENTS

5.1 Master Billing. Each month, Business Affairs receives and pays a master bill from US Bank for all campus PCard charges. Business Affairs will allocate all charges and credits shown on the master statement to the applicable, individual departments.

5.2 Departmental Monthly Statement. At the end of each billing cycle, US Bank sends a monthly statement of account that lists the department PCard transactions for that billing period to the department's Card Custodian. Card Custodian must ensure that the department's monthly statement is received in a secure location.

5.3 Reconciliation of Charge Receipts. Within thirty days of receipt of the monthly statement, Card Custodian must reconcile Card User charge receipts and charges reported by US Bank on that monthly statement. To reconcile charges to the monthly statement, Card Custodian shall check each transaction listed on the monthly statement against the purchase documentation (See Section 4: Documenting Use of Your PCard). The original sales documents (packing slip, invoice, cash register tape and credit card slips, etc.) for all items listed on the monthly statement must be neatly attached to the statement, in sequence.

5.4 Verification of Reconciliation Completion and Review.

5.4.1 Card Custodian is responsible for ensuring a monthly PCard statement reconciliation is prepared for all charges and credits. After completing the reconciliation, Card Custodian must sign and date the monthly statement attesting that all charges are valid and were initiated by an authorized Card User. If Card Custodian cannot attest to all charges, Card Custodian must not sign the statement and immediately notify PCS and the applicable Budget Authority of the outstanding issues. **In NO case may a Card Custodian review his/her own charges.** If a statement contains charges made by a Card Custodian, then Budget Authority or designee must review, sign, and date Card Custodian's charges. In all circumstances, the designated reviewer must not be supervised by the person whose charges are being reviewed.

5.4.2 Budget Authority must review the monthly statement and the monthly reconciliation prepared by Card Custodian. After reviewing the reconciliation against the monthly statement, the Budget Authority must sign the monthly statement to verify their review and approval of all charges listed are in conformance with PCS Policy. If Budget Authority cannot attest to all charges, Budget Authority must note the nature of the PCS Policy nonconformance, along with the corrective action taken, and attach to the reconciliation.

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5.5 Journal Vouchers. For all expenditures, each department is to process journal vouchers quarterly (recommend monthly), to debit or credit appropriate accounts. See the Journal Voucher Schedule at: <http://pcs.uoregon.edu/content/procurement-card-program>

5.6 Credits for Disputed Items. Any refund or adjustment obtained from the vendor for a disputed item will be credited to the department expense accounts.

6. CARD SECURITY

6.1 PCard Physical Custody. Card Custodian is responsible for the physical custody of the PCard. Card Custodian is also responsible for the physical security of the PCard account number. These security duties of Card Custodian shall not be delegated. However, a department may designate a back-up Card Custodian in the event Card Custodian will be absent for one or more business days.

6.2 Procurement Card Physical Security. The PCard shall be stored in a locked space when not in use. The PCard account number and related documentation, including the monthly PCard statement, shall be secured in the same manner as the PCard.

6.3 Card User Security Responsibilities. It is Card User's responsibility to safeguard the credit card and the account number when using the PCard. Card User must not allow unauthorized individuals to have access to or use the PCard or its account number. Card User should only have physical custody of the PCard for a period of time sufficient to make a purchase for the department. A Card User cannot maintain physical custody of the PCard for more than 24-hours, unless Budget Authority has provided written authority.

6.4 Card Verification. "See UO Staff ID" must be on the signature block of the PCard to ensure Card User verification.

6.5 Lost or Stolen Cards. If the card is lost or stolen, Card Custodian must immediately notify PCS at 541-346-2419/pcard@uoregon.edu, and US Bank at (800)344-5696.

6.6 Close or Cancel Account. To close or cancel an account or card, submit an Intake Sheet to PCS at pcard@uoregon.edu.

7. POST AUDIT & INTERNAL REVIEWS

7.1 Audits. UO Internal Audit and/or Purchasing & Contracting Services department will conduct random PCard statement audits in order to verify department compliance with PCS and UO Policy. Department Card Custodian will be requested to provide PCard documentation, per criteria below:

- Monthly card bank statement of PCard charges for past six months;
- Receipts for all charge line items;
- Signature of Card Custodian indicating valid charges;
 - If invalid or fraudulent charges were found, notes to indicate the item(s) in question and that PCS was contacted to resolve
- Signature of Budget Authority indicating charges were in conformance with PCS Policy;
 - If PCS Policy nonconformance(s) were found, notes to indicate specific nature of nonconformance and what actions were taken to correct

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- PCard Multiple User Log (if card has more than one assigned User).

8. PROCUREMENT CARD MISUSE & VIOLATIONS

8.1 PCards are issued for business use only and may not be used for personal purchases. All purchases made via PCard must be in conformance with PCS Policy. If non-conformances are found, they must be categorized into one of two types: (1) Unintentional non-conforming purchases; and (2) intentional misconduct.

8.1.1 Nonconforming purchases (unintentional errors) should be dealt with by noting the improper purchase in a log, along with the corrective action taken with the employee who made the nonconforming purchase

8.1.2 Intentional misconduct must be dealt with in accordance with the University's policies and procedures on employee discipline for financial misconduct, up to and including, termination of employment and criminal prosecution, if warranted.

8.2 If external fraud (i.e. not by the department) is identified on a PCard, Program Administrator and/or designated staff will facilitate the resolution of the fraudulent transaction(s). The compromised PCard account will be closed and Program Administrator will have US Bank issue a new PCard to replace the compromised PCard.

9. PROCURMENT CARD PROGRAM TRAINING

9.1 Card Custodians must successfully complete the PCard online training and final test for Card Custodians. To register for the Procurement Card (PCard) Card Custodian Online Training (Held Monthly): <https://odt.uoregon.edu>.

9.2 Card Users and Budget Authorities must successfully complete the PCard Card User and Budget Authority Online Test. To register for the Procurement Card (PCard) Card User and Budget Authority Online Test (Held Bi-Weekly): <https://odt.uoregon.edu>.

NOTE 1: All authorized individuals listed on the department PCard must have successfully completed the PCard online training and test prior to submitting the Intake Sheet to PCS. PCards will not be released until all individuals have successfully completed the PCard online training and test.

10. DETAILED ROLES & RESPONSIBILITIES

10.1 Card User. Specific PCard Program responsibilities include, but are not limited to:

10.1.1 Checks PCard in and out via written documentation. (Not required for PCards with a single authorized Card User.)

10.1.2 Secures the PCard and account number when in Card User's possession.

10.1.3 Makes PCard purchases in compliance with Program Policy and Procedures.

10.1.4 Collects and submits to Card Custodian appropriate purchase documentation for each PCard transaction.

10.1.5 Informs Card Custodian of transaction disputes and PCard administrative changes (i.e. when they will no longer act as an authorized Card User for the department).

10.1.6 Informs Card Custodian, PCS, and US Bank, immediately regarding lost/stolen PCards.

10.1.7 Resolves purchase returns and problem purchases.

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10.1.8 Personal responsibility for non-business charges.

10.2 Card Custodian. Specific PCard Program responsibilities include but are not limited to:

10.2.1 Manages physical custody and security of the PCard and account number.

10.2.2 Ensures cards with multiple Card Users are checked in and out via Multiple User Log.

10.2.3 Maintains complete transaction records.

10.2.4 Reconciles monthly statement of PCard transactions.

10.2.5 Provides signature on monthly statement indicating final approval of monthly reconciliation.

10.2.6 Trains all authorized Card Users.

10.2.7 Maintain records of department training.

10.2.8 Notifies PCS of any changes to PCard authorized Users.

10.2.9 Resolves problem purchases/disputes.

10.2.10 Communicates all necessary information with Card Users, including policy nonconformance.

10.2.11 Ensures compliance with UO PCard Policy and Procedures.

10.2.12 Monitors department PCard transactions for appropriate use and potential fraudulent activity.

10.2.13 Journal Voucher all expenditures quarterly (recommend monthly) to appropriate account from 28995.

10.3 Budget Authority. Budget Authorities are accountable for the following:

10.3.1 Making sound business decisions based on financial resources allocated to the unit.

10.3.2 Ensuring that financial matters are conducted in accordance with sound business practice, generally accepted accounting principles, and in compliance with applicable laws, regulations, and procedures.

10.3.3 Maintaining and reviewing adequate records that document decision-making in accordance with Program requirements and good judgment.

10.3.4 Ensuring that any delegation of authority is judiciously made, formally documented, and communicated to the appropriate offices at the UO.

10.3.5 Specific Program responsibilities include, but not limited to:

a. Authorizes PCard application by signature;

b. Identifies Card Custodian and Card Users;

c. Reviews Card Custodian PCard transactions (unless delegated);

d. Reviews monthly reconciliation and monthly statement and signs the monthly statement to indicate that the goods and services purchased were in accordance with PCS Policy. If nonconformance is found, document what corrective actions were taken;

e. Ensures overall compliance with PCS PCard Program policy and procedures;

f. Ensures that department Card Custodian has executed the Journal Vouchers (noted in 11.2.3 above) from default account 28995, to the account appropriate for the goods or services purchased.

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10.4 Procurement Card Program Administrator. Delegates Program duties as necessary. Specific Program responsibilities include, but are not limited to:

- 10.4.1** Acts as primary liaison with US Bank and UO administration;
- 10.4.2** Approves initial PCard application;
- 10.4.3** Requests PCards from US Bank via US Bank application;
- 10.4.4** Disseminates PCards to Card Custodians;
- 10.4.5** Trains Card Custodians;
- 10.4.6** Provides PCard training materials to departments;
- 10.4.7** Processes Lost/Stolen PCards and updates;
- 10.4.8** Performs transaction reviews and follow-up;
- 10.4.9** Communicates review results to Card Custodians, Budget Authorities, and other UO staff, as appropriate;
- 10.4.10** Addresses potential fraudulent transactions, including reporting, analysis, determinations, resolution and follow-up;
- 10.4.11** Revokes, suspends or cancels PCards;
- 10.4.12** Maintains records of:
 - a.** PCard requests.
 - b.** Credit Limits.
 - c.** PCard Authorizations.
 - d.** PCard Training.
 - e.** Budget Authorities, Card Custodians and Card Users, including changes/additions/deletions.
 - f.** Lost/Stolen/Destroyed PCards.
 - g.** Onsite Reviews.