



# College of Engineering

## College Purchasing and Travel Card Internal Control Structure

### Policy Background

As a large public institution, The Ohio State University is held to a high degree of public scrutiny and accountability for its business practices. Effective May 1, 2006 the University implemented a new procurement card program that provides the College options for use of Department Purchasing and Travel cards. The new program is designed to complement the University's purchasing and payables processes and provides tools to make small dollar purchases for goods required to conduct University business and to defray out-of-pocket costs for University faculty and staff whose job responsibilities require frequent travel. *Use of a purchasing and/or travel card is a privilege and every reasonable effort must be made by all employees to ensure that cards are used in a responsible and appropriate manner consistent with the University's mission, applicable law, and ethical practice.*

Purchasing and travel cards may **not** be used for purchases or travel related expenses on sponsored programs administered through the Research Foundation.

### Policy

Employees who have been delegated the authority and privilege to purchase goods and services on behalf of the University using a purchasing or travel card must agree to abide by: state laws, University Board resolutions, Purchasing/Travel Card rules and policies, University expenditure policies, travel policies, internal control structures, and College policies.

Both the Purchasing and Travel card are subject to a maximum standard transaction limit of \$1,000 and a maximum monthly spending limit of \$5,000. The following chart details use of both cards :( a list of restricted purchases can be found at [www.osupcard.com](http://www.osupcard.com))

Purchasing Card	Travel Card (for the individual cardholder only)
✓ Small-dollar goods	✓ Airline tickets, hotel, and rental cars
✓ Airline tickets, hotel, and rental cars <b>For OSU Employees Only</b>	✓ Business expenses charged to the hotel room
✓ Conference registration <b>For OSU Employees Only</b>	✓ Hotel parking
✓ Purchases made via the internet or phone	
✓ Purchase of food within University expenditure guidelines	

All business meals that include alcohol must be approved by the Dean or designee and must be charged to discretionary funds. *(A business meal transaction form signed by the Dean or designee must be attached to the Purchasing/Travel Card Transaction Form)*

It is the responsibility of the purchaser to ensure the vendor does not charge sales tax. Purchasers must make every reasonable effort with the vendor to obtain credit for tax charged. Unrecovered tax of \$10 or greater must be reimbursed by the purchaser prior to approval in PeopleSoft.

### Application Procedures

Purchasing and travel card applications can be obtained on-line at <http://www.osupcard.com/forms/PCARDAPP.pdf>.

- ❖ Completed forms should be approved by the appropriate level as outlined in the College's internal control structure (i.e. department chair, fiscal administrator, etc.).
- ❖ Issuance of a travel card should be limited to individuals who travel frequently ( 10+ times a year) for extended periods of time (2+ days per trip.)



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- ❖ Department fiscal administrators will forward the completed and approved application to the College Senior Fiscal Officer for College approval.
- ❖ College Senior Fiscal Officer will notify the department's fiscal administrator of College's decision.
- ❖ College approved applications will be forwarded to Purchasing for processing. (New cards are normally available within 10 business days.)

#### **Purchasing Procedures**

- ❖ All purchases must be documented on a completed University Purchasing and Travel Card Transaction form found at <http://www.osupcard.com/forms>.
- ❖ All purchasing card transactions should be logged on the Purchasing Card Log obtained from <http://www.osupcard.com/forms>
- ❖ Original itemized receipts and credit card slips (if obtained) should be attached to a completed transaction form and given to the card reconciler within 48 hours.
- ❖ All travel related purchases must include the assigned "T" number.
- ❖ Cardholders and card managers should review and sign the original bank card statement received monthly and forward to the department fiscal administrator for reconciliation.
- ❖ A completed College Business Meal Transaction form must be attached to meal purchases. Dean approval must be obtained for meals that include alcohol. Alcohol must be charged to discretionary funds.

#### **Reconciliation Procedures**

- ❖ Assigns the appropriate account and verifies chartfield to be used for the transaction.
- ❖ Verifies compliance with University policy and documentation for each transaction.
- ❖ Works to resolve discrepancies and vendor disputes.
- ❖ Maintains appropriate audit trail documents and files in accordance with University policy.

#### **Approval Procedures**

- ❖ Purchases must be approved to ensure compliance and appropriateness.
- ❖ Approvers are held accountable for the transactions they approve.
- ❖ The role of approver should be in accordance to the internal control structure adopted by the College.
- ❖ Approval should be done in a consistent and timely manner that provides for adequate review.

#### **Infractions and Non-Compliance**

Failure to comply with University or College policy will result in disciplinary action and/or revocation of the purchasing/travel card. Fraudulent or egregious misuse of the card will result in immediate revocation of the card. In addition, the University will seek personal restitution for any inappropriate charges and corrective action may include termination of employment and/or possible criminal prosecution.

#### **Changes in Accounts**

All requests for changes to the originally established purchasing or travel card must be submitted on a PCard Maintenance Form and submitted to the College Senior Fiscal Officer for approval. Requests must be received by the College 5 business days before the request is needed to facilitate processing.

#### **College Review and Audit**

The College regularly audits purchasing and travel card transactions for compliance to policy. The College and the department reserve the right to revoke cards immediately for fraudulent misuse.



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#### **Department Policy and Procedures**

Departments may impose additional requirements that are more restrictive than the University's and College's policy, but not less restrictive. Additional requirements should be limited to department processing procedures, department authorized approvers (as specified in the College Internal Control Structure), approved department users, and a description of appropriate purchases in accordance with the objectives and mission of the department.

Additional requirements must be added to the College Purchasing and Travel Card Internal Control Structure as a supplement.

#### **Purchaser Acknowledgement and Cardholder Agreement**

I have read the College Purchasing and Travel Card Internal Control Structure and have reviewed information and policies referenced on the Purchasing and Travel Card website at <http://www.osupcard.com>. I agree to adhere to the policies, procedures, and limitations mentioned herein. I agree to provide all original itemized receipts and credit card statements to the card manager and/or reconciler as specified in this document. I understand that if I do not adhere to University, Purchasing, College and Department policies and procedures, my purchasing and travel card privileges may be revoked.

Cardholder/Purchaser's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Cardholder/Purchaser's Name (printed): \_\_\_\_\_

Department: \_\_\_\_\_

Card Reconciler Signature: \_\_\_\_\_

Department Approval (if applicable): \_\_\_\_\_