

3.10.25 Procurement and Corporate Card Policy

A. Policy Statement

The Eastern Oregon University (EOU) Procurement Card Program Administrator/Business Manager shall have the authority to implement the procurement card and corporate card purchasing program as established by EOU. Designated procurement Custodians/Account Managers and Designated Users are responsible for compliance with the procurement card policy and procedures. The 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.

B. Policy Rationale & Authority

The procurement card program is designed to promote purchasing efficiency, flexibility, and convenience. It was established to provide for rapid acquisition of low dollar value items without a significant portion for the costs inherent in public purchasing. Procurement card purchases shall be made in accordance with established purchasing rules and policies. The procurement card program is administered by the EOU Finance & Administration Department. This policy should be in-line with Title 2, Code of Federal Regulations (CFR) Parts 215 and 220 (OMB Circular A-21) – Cost Principles for Educational Institutions, and all other Federal Acquisition Regulations.

C. Policy Description

EOU has contracted with U.S. Bank to provide Visa credit cards, called procurement cards (“PCards”) to 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. The procurement cards may be used to purchase goods and services. Benefits of the procurement card program are ordering and payment efficiency, reduced paperwork and handling costs, along with a more rapid and efficient receipt of goods. By using the procurement card the payment cycle is greatly reduced.

D. Definitions

1. Card User – An individual authorized to procure goods and/or services with a procurement card of a department or division of the University, following are examples of common duties:
 - a. Checks procurement card in and out via written documentation on the activity log

- b. Secures the procurement card and account number when in Card User's possession
- c. Makes procurement card purchases in compliance with EOU Procurement Card Policies and Procedures
- d. Collects and submits to the Custodian/Account Manager appropriate purchase documentation for each procurement card transaction immediately after the purchase is made
- e. 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.)
- f. Inform Custodian/Account Manager, Budget Authority/Card Holder, Program Administrator/Business Manager, and US Bank immediately (within 24 hours) regarding lost/stolen procurement card
- g. Resolve returns on purchases and other problem purchases
- h. Personally responsible for non-business charges

2. Custodian/Account Manager – The individual responsible for the security and control of the procurement card until needed by authorized card users, as well as the reconciliation of procurement card charges, following are examples of common duties:

- a. Manages physical custody and safeguards the procurement card and account number, unless delegated
- b. When card has multiple authorized users, ensures that card is properly checked in and out via written documentation on the activity log
- c. Reconciles daily procurement card transactions and monitors for appropriate use or fraud
- d. Responsible for daily re-class of procurement card charges in Banner (FAAINVT)
- e. Performing a monthly reconciliation of the detail transactions with purchase records and providing signature on monthly packet indicating approval of reconciliation
- f. Notify Program Administrator/Business Manager of any changes to EOU Procurement Card Signature Authorization/ Agreement
- g. Resolve problem purchases/ disputes

h. Ensure complete and proper documentation supporting card charges are obtained and retained. Examples include; sales slips, cash register receipts, invoices, order forms, and receiving reports. Charge slips that do not itemize expenditures are inadequate documentation in and of themselves. When no other documentation exists, such as when making a telephone purchase, a purchasing log will be maintained to record transactions.

i. Communicate all necessary information with Card Users including violations

j. Ensures compliance with EOU Procurement Card Policy and Procedures

k. Ensuring that all card users have completed required training

l. Reporting questionable transactions to Budget Authority and Program Administrator

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. Following are examples of common duties:

a. Making sound business and program decisions based on financial resources allocated to the unit

b. 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

c. Maintaining and reviewing adequate records that document decision-making, in accordance with published requirements and good judgment

d. Ensures that any delegation of authority is judiciously made, formally documented and communicated to the appropriate offices at EOU

e. Authorizes by signature initial procurement card application

f. Identifies who will be the Custodian/Account Manager and who will be Card Users

g. Reviews Custodian/Account Manager procurement card transactions weekly/monthly to determine appropriateness

- h. Provide signature on monthly packet indicating approval of reconciliation
- i. Ensures overall program compliance with EOU Procurement Card Policy and Procedures

4. Program Administrator/Business Manager. The person in EOU Finance and Administration Department 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. Following are examples of common duties:

- a. Approves initial application
- b. Requests procurement cards from US Bank via US Bank application
- c. Maintains records of:
 - i. Procurement Card requests
 - ii. Credit Limits
 - iii. Signature Authorizations/ Agreements
 - iv. Procurement Card Training of all Card Users & Custodian/Account Managers
 - v. Custodian/Account Manager and Card User changes/ additions/ deletions
 - vi. Lost/ Stolen/ Destroyed procurement cards
 - vii. Annual Post Audits
 - viii. Purchase violations and follow up
 - ix. A comprehensive listing of card users, card custodians, and budgetary authorities
- d. Processes Lost/ Stolen procurement cards and updates
- e. Daily US Bank file transfer
- f. Daily Banner transaction load reports
- g. Forwards new/ replacement cards to Custodian/Account Managers
- h. Develops and maintains procurement card program and audit program that includes periodic audits of the procurement card use and testing application of key controls, in order to ensure the following:
 - i. Expenditures charged through the Program are appropriate and within policy
 - ii. Complete and proper documentation supporting card charges are retained
 - iii. Use of each card is by authorized card users
 - iv. Fraudulent activity is identified and minimized

- v. Monthly reconciliations are performed as required
- vi. Timely distribution of procurement card expenditures to appropriate account codes

- i. Alerts Custodian/Account Managers of inappropriate charges or potential vendor problems

- j. Acts as the primary liaison with US Bank and EOU Administration

- k. Revokes, suspends or cancels procurement cards

- l. Establishment of a specific training program and ensuring that all persons involved in the program have completed any training required by policy

5. Procurement Card Violation. A violation is any action that is not in accordance with one or more of the following: EOU procurement card policies, EOU Procurement Card Agreement, EOU Board Policies, and State or Federal Law.

E. Applying for a VISA Card

The Budget Authority/Card Holder (department head or designee) contacts the EOU Program Administrator/Business Manager to make the request. If approved, details will be discussed and a mandatory training session will be scheduled for the Budget Authority/Card Holder, Custodian/Account Manager and Designated Users. Under no circumstance will an individual be a Card User without adequate training from the Program Administrator/Business Manager. Card Users, Custodians, Program Administrators, and Budget Authorities must complete ongoing training when there are changes in policy and/or procedures.

F. Training Requirements

All card users, custodians, program administrators, and budgetary authorities who authorize payments are required to complete the online training for Procurement Cards, as well as attend in-person training with the Program Administrator, or delegate. Card users, custodians, program administrators, and budgetary authorities must complete ongoing training when there are changes in the campus policy. Failure to complete the required training will result in revocation of the authority to use the card.

G. 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 all employees authorized to use the procurement card, the Custodian/Account Manager, and the Budget Authority/Card Holder. The form is filed with the Procurement Card Program Administrator/Business Manager in the EOU Finance & Administration Department.

H. 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. The Procurement Card Program Administrator/Business Manager will cancel the card immediately upon notice of termination/separation. 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 departmental EOU Procurement Card Signature Authorization/Agreement form will need to be completed and filed with the Procurement card Program Administrator/Business Manager.

I. Adding/Changing Card Users

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

J. Reconciliation of Charge Receipts

The Custodian/Account Manager is responsible for ensuring daily reclassification of all charges. After completing the reconciliation, the Custodian/Account Manager must sign the monthly 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 monthly procurement card packet.

K. Transactions and Credit Limit Information

Contact the Procurement Card Program Administrator/Business Manager to initiate the process for establishing or adjusting credit limits. Based on the amount of anticipated expenditures to be made on a particular card, the Program Administrator will place a limit on the amount of charges allowed on each card during each billing cycle.

1. Default individual transaction limit: \$2,500
2. Daily number of transactions allowed: no limit

3. Default monthly credit limit: \$2,500

L. Allowable Amounts and Appropriate Account Codes

Use of a procurement card is prohibited for cash advances and personal or non-business purchases.

Except for approved group or team travel cards, use of a procurement card is generally prohibited for travel costs (39000 account codes). Use of the procurement card will not provide insurance coverage that the travel cards provide.

For purchases other than library acquisitions (account code 40190), use of a procurement card is prohibited for capital outlay (40XXX account codes) due to fixed asset inventory recording requirements. The Director of Business Affairs may approve use of the procurement card for purchases associated with account code 40199 (Construction in Progress [Equipment]).

Use of a procurement card is prohibited for the following account codes due to W-2 tax reporting requirements, unless campus policies and procedures provide for the required W-2 reporting:

1. 10780 Employee Moving Expenses – Taxable
2. 10781 Temporary Living & Supplemental Allowance – Employee
3. 10782 Settling-In Allowance – Employee
4. 10783 Storage of Household Goods – Employee
5. 10784 Dependent Assistance Tuition & Fees – Employee
6. 10785 Dependent Assistance – Other – Employee
7. 10786 Utilities and Maintenance – Employee
8. 10787 Housing Rentals – Employee
9. 10788 Cost-of-Living/Post Allowance – Employee
10. 10790 Moving-Employee – Non-Taxable
11. 28502 Overtime Meal Allowance
12. 28532 Hiring Incentive
13. 39712 Employee Travel – Taxable
14. 39713 Dependent of Employee Travel - Taxable

M. 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:

1. Office and computer supplies
2. Teaching and research supplies
3. Materials for minor repairs
4. Non-capitalized furniture/equipment
5. Conference registration (not entertainment)
6. Subscriptions to newspapers, journals and periodicals
7. Reference materials such as books
8. Airfare
9. Seminar/conference registrations
10. Housekeeping, laboratory, maintenance supplies
11. Memberships
12. Selling / Marketing costs
13. Printing and Publishing
14. Equipment for Construction in Progress (Prior Approval by A/P required and must be under \$5,000 capitalization threshold)
15. Equipment Rentals

N. Prohibited Procurement Card Uses

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

1. Alcoholic beverages
2. Personal purchases
3. Cash advances
4. Inter-departmental expenses
5. Leases - ie: rooms, buildings, land, etc.
6. Vehicle rental - i.e.: cars, vans, pickups, trucks, trailers, boats, etc.'
7. Transportation costs - ie: bus fares, train fares, ferry, gas, etc.
8. Lodging (may be used to hold a room, but no charge should post to the card)
9. Travel Insurance
10. Moving and temporary living costs
11. Misc. lodging charges ie: room service, movies, phone, laundry service, etc.
12. Meals and Refreshments
13. Food / Groceries
14. Entertainment
15. Hosting groups and guests
16. Gifts, gift certificates, gift cards etc.
17. Awards / Prizes
18. Utilities
19. Software, online services and subscriptions
20. Capitalized equipment and upgrades (over \$5000 capitalization threshold)
21. Weapons / Ammunition

O. Exceptions

Exceptions to the EOU Procurement Card Program Policies should be kept at a minimum. Exceptions to the policy must be requested to the Program Administrator in writing prior to any purchase. In the rare case that an exception is granted, the Program Administrator will document appropriate approvals and reasoning of the exception in writing.

P. 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.

Q. Inappropriate Use

Daily card use is monitored by the Program Administrator and any purchase deemed potentially inappropriate will be flagged. Email inquiry will be sent to the card Custodian for further clarification/justification. If any correction is necessary, Custodian will be responsible for taking such action. Failure to take action will be subject to violation procedures.

R. Procurement Card Physical Security and Responsibility

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. All forms, receipts and statements must not include confidential information such as social security numbers or the full procurement card number. If a credit card number is displayed in full, the first ten numbers should be blacked out. 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.

S. Violations

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. Department management, in consultation with Human Resources if appropriate, is responsible for taking appropriate disciplinary action consistent with applicable personnel policies. 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.

1. Level 1. Examples include; Purchases of Food, Flowers, Travel (Hotel, Gas), No Documentation, No Secondary Review, inappropriate use, etc.

a. 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.

b. 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.

c. 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.

2. Level 2. Examples include; Personal Purchases, Alcohol, Traveling Out of Local Area With Card, etc.

a. 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 approval from Budget Authority/Card Holder and the VP of Finance & Administration. The card will be placed on probation and audited weekly.

b. Second violation. User with a second violation under level 2 will be indefinitely prohibited from using any EOU procurement cards and the affiliated department will have card use suspended for six months. If necessary, Human Resources will be consulted regarding appropriate disciplinary action.

T. Documentation

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. Primary documentation must include a description of items purchased and total amount charged to the card. This documentation will be sent to the EOU Finance & Administration Department for official archiving as part of the reconciliation process.

2. Secondary Documentation. When no primary documentation exists, such as when making a telephone purchase, it must be requested of the vendor. If all attempts to obtain primary documentation from a vendor have been exhausted, secondary backup documentation may be accepted. Examples include the following, but are not limited to; a print screen, email, packing slip, and a copy of a catalog page. In order for the secondary documentation to be sufficient, it must provide at minimum; description of items purchased, total amount charged to the card (including shipping), order date and vendor information.

U. Audits

The goal of 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 any time, the procedures above listed in the Procurement Card Violations section will be enforced.

Procurement card audit compliance includes the following:

1. Reviewing transaction data for compliance on a set schedule
2. Reviewing the listing of MCC codes that are blocked by policy
3. Reviewing account codes used for procurement card charges for potential inappropriate purchases
4. Reviewing transaction descriptions for distributions made within the procurement card module for potential inappropriate purchases
5. Reviewing usage frequency of each card for inactive or infrequently used accounts, documenting action taken
6. Reviewing card activity levels and resetting card spending levels accordingly

V. Corporate Cards

The corporate card program was established through US Bank to provide added convenience, security, and flexibility while traveling on business, as well as to reduce travel and administrative costs for the institution. Use of the corporate card also reduces the risk associated with carrying large amounts of cash during travel.

1. Eligibility

You are eligible to apply for this card if you are a regular University employee and have at least .5 Full Time Employment (FTE). Your completed application can be emailed or dropped by the Accounts Payable Office. The application will be checked and forwarded to US Bank for final approval. If approved, you will receive your card in the mail within 7-10 business days. You will remain eligible for this card as long as you remain a regular employee, and your account is in good standing with US Bank. If your employment with the University is terminated for any reason you will need to relinquish your card immediately.

2. Issuance

The card will be embossed with the employee name and the University logo which identifies it as a company issued charge card. The U.S. Bank Visa Corporate Travel Card can be used for all reimbursable business travel expenses and is not intended as a means of personal credit. Activity will be spot checked for appropriate usage. The employee will be responsible for all charges that are made on the card and the balance must be paid in full each month.

3. Card Activation

When you receive your card you will need to contact U.S. Bank at 1-800-344-5696 to activate the card. All cards will be mailed out inactive to prevent fraud. You will need to give your Social Security number for card activation.

Upon receipt of your card, please read all correspondence from U.S. Bank for a clear understanding of the corporate card program. If you have questions call the program administrator at 541-346-3158.

4. Insurance

Insurance coverage provided by the Central Travel System (CTS) card and corporate travel card (not the procurement card) covers \$500,000 for death and lower amounts for dismemberment, and \$1,500 lost luggage in addition to airline payment.

5. Lost or Stolen Cards

Cardholders are responsible for notifying U.S. Bank immediately by calling 1-800-344-5696 of any loss, theft, or unauthorized use of their card. Cardholders are also responsible for notifying the University Program Administrator at 541-962-3377.

6. Delinquent Accounts

Cardholders are expected to maintain financial responsibility with regard to use of the Corporate Travel Card. An account is considered delinquent if the total payment due is not

remitted before the next billing date each month. The balance indicated on your monthly statement is due in full upon receipt. Your card will be suspended at 60 days past due and canceled at 90 days if payment in full has not been received. The Accounts Payable Department receives reports on past-due accounts. See further procedures for delinquent accounts on the Corporate Card Agreement Form.

W. Procedures

1. Master Campus Billing

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

2. 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. 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).

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’ of the training manual) The original sales documents 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.

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.

5. Purchase Credits

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

6. 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.

7. Disputed Items & Fraudulent Charges

Disputes with vendor charges must be resolved between the merchant and the Custodian/Account Manager, as appropriate. Any disputed charges and corresponding refunds or adjustments from the vendor will be charged/credited to the department.

Fraudulent/Unauthorized charges must be reported to the Program Administrator immediately, and Accounts Payable will notify U.S. Bank at (800) 344-5696. After notifying the Program Administrator, the Custodian/Account Manager must complete all paperwork received from US Bank confirming the fraudulent charge. Fraudulent charges and corresponding credits will be re-classed to CLR022/24999.

8. Lost or Stolen Cards

If the card is lost or stolen, the Card User or Custodian, depending on who had custody of the card at the time of the loss, shall report the loss immediately (within 24 hours) to U.S. Bank at (800) 344-5696. Then, the Card User or Custodian will notify the Budget Authority and Program Administrator/Business Manager.

9. Close or Cancel Account

To close or cancel an account or card, contact the Program Administrator/Business Manager.