Oberlin College

Purchasing Card
Policies and
Procedures
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The Oberlin College Purchasing Card is a college credit card used to make small dollar purchases for goods required to conduct college business. The Purchasing Card is a tool designed to reduce paperwork and processing time for reimbursements, as well as streamline the process for small dollar orders and payments.

Only certain Oberlin College employees may be issued a Card. Employees may be eligible to apply for a direct bill Purchasing Card if they are authorized to purchase inexpensive items frequently as part of their official college duties. The card is issued in the name of the employee, as part of Oberlin College's credit card agreement. While the employee is responsible for documenting all charges on the card and the business purpose of each charge, Oberlin College receives and pays monthly charges directly to the issuing bank.

All purchases made with the card must be for the use and benefit of Oberlin College. Each Purchasing Card has a pre-set spending limit, which may not be exceeded under any circumstances.

Cardholders must follow the procedures contained in this policy and in the Cardholder Purchasing Card Agreement. Policy violations can result in revocation of cardholder privileges and disciplinary action.

I. TERMS AND CONDITIONS

Oberlin College will only issue a direct bill Purchasing Card to those employees authorized to make frequent small dollar purchases of goods required to conduct college business. The Purchasing Card is intended to reduce paperwork and processing time for reimbursements, and streamline the processing of small dollar orders and payments, while ensuring that employees adhere to Internal Revenue Service and grant and contract requirements. Since the cardholder directly obligates Oberlin College for all charges incurred on the account, the cardholder is required to adhere to the following terms and conditions outlined in this Policy, and as modified from time to time.

The cardholder must acknowledge an understanding of the nature and limitations of the direct bill Purchasing Card by signing a Cardholder Purchasing Card Agreement. The agreement indicates the general terms and conditions for use of the card and indicates acceptance of the terms and conditions.

The cardholder must accept ultimate responsibility for proper use of the card and responsibility for communication, documentation and monthly reconciliation.
II. PROGRAM ADMINISTRATORS

The Oberlin College Purchasing Card program is administered by the Purchasing Department. The Administrator provides primary support for the program, including communication, training, and assistance in resolving issues. Email pcard@oberlin.edu for assistance.

III. APPLICATION AND CARDHOLDER AGREEMENT

Employees must obtain Department and Division Head approval of new Purchasing Card Application forms before submitting to Purchasing. The form requests the employee's full name, date of birth, campus address and phone, home phone, and identifying information. The form also requires a complete FOAP (default account number) for the charges to be incurred, in the event reconciliation cannot be completed timely, and the applicant/cardholder's signature.

Purchasing will forward approved application forms to the bank, contact new cardholders when cards are received, coordinate training, and communicate program changes and updates, as needed.

The cardholder must review this policy and any subsequent updates, and sign the Cardholder Purchasing Card Agreement in order to receive the card. The agreement form indicates the general terms of use of the card, consequences of improper use, and surrender requirements.

IV. CARD SECURITY

The cardholder must accept responsibility for protection and proper use of the Purchasing Card. The card must be kept in a secure location, and the cardholder must promptly report any loss, theft, or suspected misuse of the card to 1) the credit card company; 2) his/her supervisor; and 3) the Purchasing Department.

The only person authorized to use the Purchasing Card is the cardholder whose name appears on the face of the Card. The cardholder is responsible for protecting the card and is accountable for all purchases made using the Card. The cardholder may lend the card to others in their immediate department but must understand that the cardholder is ultimately responsible for documenting and reconciling all charges incurred on their PCard.

Restricted Card Users

Loaning the card to others: You may loan the card to others in your office/department but you are responsible for collecting the receipts and any personal charges on the card that cannot be properly documented. You cannot give the card number to a vendor for a specific purchase if they plan on providing the card number information to a third party vendor for said purchases. You must handle the transaction with the third party vendor directly. Please contact the
purchasing office if you have any questions about how to handle these types of transactions.

Improper or fraudulent use of the card may result in revocation of cardholder privileges and/or disciplinary action, up to and including termination of employment. Employees who are found to have inappropriately used the Purchasing Card will be required to reimburse Oberlin College for all costs associated with such improper use.

Oberlin College may terminate a cardholder's right to use the direct bill Purchasing Card at any time for any reason. The cardholder must agree to surrender the card immediately upon request, and immediately upon termination of employment.

V. USING THE CARD

The Purchasing Card may be used only for purchases currently authorized under current policy. The cardholder must call J. P. Morgan Chase Bank to activate the card before using it the first time.

a) The card may be used in person, by telephone, Internet or in conjunction with a preprinted order form, with any vendor that currently accepts MasterCard.

b) All Oberlin College discounts remain applicable. No vendor should charge a higher price or decrease a discount because payment is being offered by credit card. Contact Purchasing immediately if this happens.

c) Be sure to mention any Oberlin College contract when you place an order. If there is no contract, ask for an educational discount. Many vendors will grant a discount upon request.

d) The named cardholder or a designate may use the card. All purchases on the card are the responsibility of the named cardholder.

e) The cardholder must settle any and all disputes by notifying the vendor involved, and J.P. Morgan Chase Bank, if necessary.

f) If a credit or return is involved, the cardholder must instruct the vendor to issue credit against the Purchasing Card, and provide documentation to the cardholder. Cash or future credit (including gift cards or certificates) cannot be accepted for returns or adjustments.
VI. PURCHASING CARD LIMITS

Each card carries with it various limitations, as established by Purchasing.

   a) Single purchase limits, generally established at $1,000.

   b) Monthly spending limits, generally established at $1,800.

   c) Multiple purchases of the same item within a short time period are prohibited. Dividing transactions (pyramiding) to stay under limits is not allowable.

Should the cardholder require an increase in their spending limits, the following procedure must be followed:

   a) Depending on the amount of your request send an email to your supervisor, department head, and/or the division head and request a temporary increase or continuing increase. If this is a temporary increase indicate the dates that you need the increase to start and end. Temporary increases will be rolled back as indicated by your ending date.

   b) Please copy pcard@oberlin.edu on your request and ask your supervisor to “reply all” on their response to your request.

   c) The Purchasing Department is authorized to increase monthly spend limits on P-Cards up to $5,000 with approval of your supervisor or Department Head.

   d) Monthly spend limits between $5,000 and $24,999 require the approval of the Associate Vice President for Finance.

   e) Monthly spend limits greater than $25,000 require the approval of the Vice President for Finance.

   f) Once we have all approvals we will increase the limits on your P-Card. The change will take effect immediately.

VII RESTRICTED PURCHASES

In addition to other existing Oberlin College policies and procedures, users of the Oberlin College Purchasing Card must comply with the specific policies, procedures, and limitations outlined below.

Unauthorized Uses:

The following purchases and transactions may not be made with the Purchasing Card:

- Cash advances at retail establishments or ATM machines
- Computer equipment (contact the Computer Store)
- Controlled substances requiring a DEA license
- Donations
• Fines or penalties
• Gambling in any form
• Gasoline (except for rental vehicles-rental agreement will be required)
• Retail Gift Cards (Restrictions apply; Contact Purchasing for direction)
• Goods that require the purchaser to sign a contract or document that requires administrative review (such as software license agreements, etc.)
• Guns, weapons, ammunition and explosives
• Hazardous chemicals (contact Environmental Health and Safety and/or Purchasing for direction)
• Illegal transactions
• Internet connectivity (and associated internet expenses) except while traveling on official college business
• Live animals (contact Purchasing for direction)
• Long-term rentals (two months or longer)
• Office furniture or equipment (contact Purchasing)
• Personal items, services, or expenses
• Professional services: payments to individuals, consultants, employees
• Radioactive material
• Cellular Phones/Accessories (Contact the Telephone Office)
• Tobacco
• Payment of invoices already issued by vendor
• All questions about any of the above should be directed to the email box: pcard@oberlin.edu

Note: Please refer any and all questions on the above list to pcard@oberlin.edu

**Restricted Product Classes**

• **Office supplies:** – All departments must continue using StaplesLink to order office supplies online as part of the existing summary billing process. Staples offers financial incentives for online ordering, that are not available when using a credit card at Staples.com, the Staples retail store, or other office suppliers.

• **Apparel:** - Should only be purchased through vendors that can certify that the items requested have not been made in a sweatshop. This is in accordance with college policy. The Purchasing Department maintains a list of authorized vendors, and must pre-approve new apparel vendors. Questions about apparel purchases should be directed to the Purchasing Intern at pintern@oberlin.edu or to pcard@oberlin.edu.

• **Printing and office stationery:** - Should only be ordered through Printing Services in accordance with college policies and procedures. Please address your questions on printing to printing@oberlin.edu.
VIII. ENVIRONMENTAL CONCERNS

In keeping with Oberlin College initiatives in the area of the environment, the cardholder must follow college policies in this area. Environmental purchasing policies can be found on the Office of Environmental Sustainability website at:

http://new.oberlin.edu/office/environmental-sustainability

IX. SALES TAX

Oberlin College does not pay sales tax or use tax in Ohio and other states that allow sales tax exemption. The Ohio tax-exempt number is 4705642. Purchasers are responsible for making sure that tax is not charged, when applicable. If sales tax is charged in error, the card user must recover the charge from the supplier. Please contact Purchasing and Auxiliary Services by email to pcard@oberlin.edu to determine the college’s exemption status in states other than Ohio. Purchasing will provide one copy of our Ohio Tax Exemption Certificate when you pick up your card and we can provide additional copies if needed. Purchasing will also provide for your use a wallet sized card that you may present to the vendor to validate the tax status of your purchase on the Pcard.

X. SHIPPING AND BILLING ADDRESSES

When ordering items for delivery, the cardholder must instruct the vendor to note a specific person and/or department on the shipping label along with the Oberlin College stockroom address Please note, if you are requesting overnight or second day air you can have the package delivered to your building address if the transportation company will deliver to your exact location. At no time, may packages be delivered to personal addresses or drop shipped to other addresses without prior written authorization from the Purchasing Department. All shipments ordered by P-Card should be addressed as follows:

Oberlin College <Department Name>
Attn: <Receivers Name>
173 West Lorain Street
Oberlin, OH 44074

The billing address for you P-Card is the address where you receive your monthly memo statement.
XI. MISUSE OF CARD

The Purchasing Card may only be used to make purchases at the request of and for the legitimate benefit of Oberlin College. If a cardholder makes a restricted purchase by accident, the cardholder must report the transaction to his or her supervisor and the Purchasing Department within twenty-four (24) hours and take all steps necessary to correct the action which may include returning the item for credit or reimbursing the College for the purchase.

Violation of these requirements may result in revocation of card privileges and/or disciplinary action, up to and including termination of employment. Employees who are found to have inappropriately used the Purchasing Card will be required to reimburse Oberlin College for all costs associated with such improper use.

XII. MONTHLY RECONCILIATION

Each cardholder must obtain documentation to support all Purchasing Card transactions, and maintain such records in an auditable form. Following each billing cycle, the cardholder must review all transactions incurred, and assign complete appropriate budget account numbers for each transaction in the Banner Purchasing Card system (see Appendix 1).

Failure to complete Banner P-Card in the required time frame will result in all your charges going to your default FOAP. If this happens you will then need to send notice to the Controller’s Office to request a journal entry to be completed to reclassify your charges to the correct FOAP account. Do not contact Purchasing on this matter.

In order to document Oberlin College compliance with Internal Revenue Service regulations and the terms of government grants and contracts, the cardholder must submit their monthly original statement to the Purchasing Department along with all original receipts and other documentation, within 7 to 10 business days of receiving notification from Purchasing that your transactions are available for Banner P-Card reconciliation. For any disputed charges, the cardholder must provide the date the bank was contacted, the name and telephone number of the bank contact, and the case number, if applicable.

You must handle, with JP Morgan Chase, all disputes on your transactions and your statement as the primary cardholder. JP Morgan Chase will ask specific questions about your transactions, which the Purchasing Department will not be able to answer. If after this initial contact you still cannot get Chase to satisfactorily respond to your concerns or request then contact the P-Card team in purchasing via the email address pcard@oberlin.edu. Please include all relevant information (name of vendor, receipts, details on the purchase, contacts, etc.) on the problem in your email.

XIII. DOCUMENTATION AND RECORD KEEPING

Cardholders must obtain itemized receipts for all transactions, and must reconcile documentation to each monthly statement.
a) Each monthly statement must be reviewed and reconciled promptly. All discrepancies must be resolved, and budget account numbers assigned online with Banner P-Card by the assigned deadline. You will receive an email from PCard@oberlin.edu when your transactions have been entered into the Banner Finance System. The email will include the deadline by which all transactions must be reviewed and FOAP changes applied if necessary.

b) All charge and credit receipts should be itemized and contain: item descriptions, quantities, unit costs, total cost, date of transaction, internal accounting information and the signature of the person using the card (if applicable).

c) A copy of the order confirmation itemizing all costs is required for Internet purchases.

d) If the required documentation for a purchase or credit is not available, the cardholder must submit an explanation with the monthly statement. Repeated instances of missing documentation may result in revocation of cardholder privileges.

e) All original documentation must be attached to the monthly cardholder statement, and should provide a clear audit trail. The cardholder must provide the statement and supporting documentation to an Approving Official (Department or Division Head) for signature. Please attach receipts to the back of the statement in order of the transactions as they appear on the monthly statement.

f) The Approving Official (Department or Division Head, or designee) has the responsibility for ensuring that all expenditures on the card are proper and in accordance with college policies and procedures.

g) All expenditures, purchasing procedures, and filing on transactions under a grant must conform to the requirements of the grant. The cardholder is responsible for reviewing such requirements and complying with them. The Principal Investigator must approve any monthly statement that includes such grant charges.

h) The Approving Official or designee must forward the monthly statement and supporting documentation to the Purchasing Department.

Failure to follow these record-keeping requirements or to provide appropriate documentation related to meals and entertainment, as provided below, will result in revocation of cardholder privileges.
XIV. MEALS, ENTERTAINMENT, AND DEPARTMENTAL FUNCTIONS

In addition to the documents above, Internal Revenue Service rules require additional information for business meals and functions. IRS rules require recording the date, time, place, business purpose, and attendees for all business meals and entertainment.

Date – the date of the event will likely appear on the receipt, but may differ if items are ordered in advance.

Time - the date of the function if not clearly indicated on the receipt. If entertainment occurred directly before or after a business discussion, the cardholder must record the date, place, nature, and duration of the before-or-after business discussion, and the identities of the persons who took part in both the business discussion and the entertainment activity.

Place or Description - the nature and place of any entertainment, including the type of entertainment if not otherwise apparent.

Business Purpose - the business reason for the expense, or the nature of the business benefit gained or expected to be gained from an entertainment expense, and the nature of any business discussion or activity.

Attendees - names of individual attendees should be written on the receipt or statement copy. In appropriate cases (such as in groups of ten or more), a readily identifiable class of attendee may be designated as such rather than listing individual names. For example, if "members of the search committee" dine, it’s sufficient to identify the group, rather than each individual.

IT’S CRITICAL to indicate the business purpose for travel and entertainment related activities. Expenses that may be disallowed by the Internal Revenue Service due to incomplete documentation may be treated as taxable income to the cardholder (employee).

In addition to the IRS requirements, Oberlin College policy requires itemized meal receipts that include specific items ordered. Purchases of alcohol must be approved by the Division Head or authorized designee and must be charged to a discretionary account.

XV. APPROVAL OF CHARGES AND AUDITING

The cardholder must obtain signature approval of each monthly statement and supporting documentation from the Department or Division Head (or designee), before forwarding the documentation to the Purchasing Department.

Purchasing staff will audit individual cardholder statements and supporting documentation to ensure compliance with college policies and procedures.
XVI. BUDGET MANAGEMENT

In its efforts to properly manage the college budget, the Finance Division reserves the right to review purchases and supporting documentation, and transfer transactions without notice, to alternate accounts or to prepaid expense as necessary, to ensure compliance with accounting policies, and to ensure recognition of expenses in appropriate budget years.

XVII. COMMUNICATION

The cardholder must promptly review relevant mail, e-mail, and inter-office communications and reports related to the Purchasing Card, and promptly respond to any requests for additional information or clarification.

The cardholder must promptly report any loss, theft, or suspected misuse of the card to 1) the credit card company; 2) his/her supervisor; and 3) the Purchasing Department.

If a cardholder makes a restricted purchase by accident, the cardholder must report the transaction to his or her supervisor and to Purchasing within twenty-four (24) hours and take all steps necessary to correct the action.

In addition, the cardholder should promptly notify the Purchasing Department of any changes to the default budget account number assigned to the Card.

Finally, the cardholder or department or division head must promptly notify purchasing in the event of transfer or termination of employment.

XVIII. CONTACT INFORMATION

a) Contact the Purchasing Department at extension 58080 or email pcard@oberlin.edu to order or change a card, or if you need assistance with a vendor or the bank.

b) J. P. Morgan Chase Bank Contacts:

Errors, Disputes, Returns & Credits:
Customer Service Department 1-800-316-6056
Also contact the vendor

Fraud Department 1-888-297-0778

Lost or stolen card: 1-800-848-2813, 24 hours a day, 7 days a week

If J.P. Morgan Chase is not responsive, or fails to resolve an issue, please contact Purchasing at pcard@oberlin.edu for assistance.
XIX. TERMINATION/CANCELLATION OF THE PURCHASING CARD

Oberlin College may terminate or suspend a cardholder's right to use the direct bill Purchasing Card at any time for any reason. The cardholder must agree to surrender the card immediately upon request, and/or as noted below.

a) Expiration: All Cards are issued with an expiration date, subject to renewal. Purchasing will coordinate communication and distribution of replacement cards as needed. Cards are automatically terminated at the end of the contract period with J. P. Morgan Chase Bank.

b) Lost/Stolen/Damaged Card: Immediately notify J. P. Morgan Chase Bank, your supervisor, and the Purchasing Card Administrator if the card is lost, stolen or damaged.

c) Terminated or Transferred Employee(s): Employees terminating employment or transferring to another department must return any Purchasing Cards in their possession to the Purchasing Department prior to departure or transfer.

d) Usage of the card for personal or restricted transactions is cause for immediate cancellation of cardholder privileges, and/or disciplinary action, up to and including termination of employment.

Employees who are found to have inappropriately used the Purchasing Card will be required to reimburse Oberlin College for all costs associated with such improper use.

XX. POLICY CHANGES

Changes to these policies and procedures may be made from time to time. You will be notified by email of any changes, and you will be required to accept the changes via email reply, or cardholder privileges will be cancelled.
Oberlin College

Appendix 1

Banner P-Card
Procedures