

Oberlin College

Purchasing Card Policies and Procedures

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TABLE OF CONTENTS

I.	TERMS AND CONDITIONS	3
II.	PROGRAM ADMINISTRATORS	3
III.	APPLICATION AND CARDHOLDER AGREEMENT	4
IV.	CARD SECURITY	4
V.	USING THE CARD	5
VI.	PURCHASING CARD LIMITS	5
VII.	RESTRICTED PURCHASES	6
VIII.	ENVIRONMENTAL CONCERNS	8
IX.	SALES TAX	8
X.	BILLING AND SHIPPING ADDRESSES	8
XI.	MISUSE OF CARD	8
XII.	DOCUMENTATION AND RECORD KEEPING	9
XIII.	MEALS, ENTERTAINMENT, AND DEPARTMENTAL FUNCTIONS	10
XIV.	APPROVAL OF CHARGES AND AUDITING	10
XV.	BUDGET MANAGEMENT	11
XVI.	COMMUNICATION	11
XVII.	CONTACT INFORMATION	11
XVIII.	TERMINATION/CANCELLATION OF THE PURCHASING CARD	12
XIX.	POLICY CHANGES	12

OBERLIN COLLEGE
PURCHASING CARD POLICIES AND PROCEDURES

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

Only certain Oberlin College employees may be issued a PCard. The PCard 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 PCard must be for the use and benefit of Oberlin College. Each PCard has a pre-set monthly spending limit, which may not be exceeded.

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 PCard to those employees authorized to make frequent purchases of goods required to conduct college business. The PCard is intended to reduce paperwork and processing time for reimbursements, and streamline the processing of 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 PCard by signing a cardholder Purchasing Card Agreement. The agreement indicates the general terms and conditions for use of the PCard 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 is administered by the Purchasing Department. The Primary Program Administrator provides primary support for the program, including communication, training, and assistance in resolving issues. Cardholders can 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 address and phone, and identifying information. The form also requires a complete index and account number for the charges to be incurred, in the event reconciliation cannot be completed timely, and the Applicant/Cardholder's signature.

Purchasing will use the approved application to order the card, 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 PCard. The agreement form indicates the general terms of use of the PCard, consequences of improper use, and surrender requirements.

IV. CARD SECURITY

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

The only person authorized to use the PCard is the cardholder whose name appears on the face of the card. The cardholder is responsible for protecting the PCard and is accountable for all purchases made using the PCard. 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.

Non-College employees are not eligible to apply for a Oberlin College PCard. College PCards can never be loaned to non-college personnel or affiliates. Only Faculty, Staff and Students will be eligible to use floating PCards and apply for personal PCards.

Improper or fraudulent use of the PCard 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 PCard at any time for any reason. The cardholder must agree to surrender the PCard 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 PCard 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 PCard may be used by the named cardholder or a designate. 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.
- g) Do not under any circumstances email your card number. Email is not secure and you risk compromising your account.

VI. PURCHASING CARD LIMITS

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

- a) Single purchase limits now generally equal the monthly limit and match the declining available monthly credit limit.

- b) Monthly spending limits are initially established at \$1,800.
- c) Multiple purchases of the same item within a short time period is 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) Send an email to your supervisor, department head, and/or the division head and request a temporary increase or permanent 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 PCards 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 Division Head and/or the 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 PCard. 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 CIT)
- 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 Oberlin College business
- Live animals (contact Purchasing for direction)
- Long-term rentals (two months or longer)
- Purchase of office furniture, upholstered furniture, office furnishings or equipment is not allowed.
- Personal items, services, or expenses
- Professional services: payments to individuals, consultants, employees
- Radioactive material
- Cellular Phones/Accessories (Contact the Purchasing Department or Facilities Operations)
- Tobacco
- Payment of invoices already issued by vendor
- Space Heaters, Humidifiers, Small Appliances, Ladders, Safety Related Equipment (Contact Facilities Operations or Purchasing)
- Placing your PCard account on a PayPal account or Amazon Prime Account
- All questions about any of the above should be directed to the email box: pcard@oberlin.edu

Restricted Product Classes

- Office supplies: – All departments must continue using ObieBuy to order office supplies online. Departments are permitted to order office supplies from Staples and Amazon.com through the ObieBuy Punchouts.
- 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 Department at 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.
- Medical Testing Supplies: Medical testing supplies such as narcotics, pregnancy and or diabetes tests are not prohibited from being

purchased with the card, however steps should be taken to ensure that the administration of said tests and the information that they provide is handled appropriately and in conjunction with all federal, state and local privacy laws. If you have concerns about the information and or when and how said test can be administered please reach out to the office of Student Health and Wellbeing at 775-8180.

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 several other states that allow sales tax exemption. **The Ohio sales tax vendor license number is 4705642.** Purchasers are responsible for making sure that sales 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. A copy of our Ohio Sales Tax Exemption Certificate can be provided on request.

X. BILLING AND SHIPPING ADDRESSES

The billing address for you PCard is the address where you receive your monthly memo statement. 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 2nd 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 on the PCard should be addressed as follows:

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

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.

Continued 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. DOCUMENTATION AND RECORD KEEPING

Cardholders must obtain itemized receipts for all transactions and must reconcile documentation to each monthly statement in Chrome River.

- a) Each monthly statement must be reviewed and reconciled promptly. You will receive an email from PCard @oberlin.edu as a reminder. The email will include the deadline by which all transactions must be reviewed, reconciled, applied to a Chrome River Expense report and submitted for review and posting to the Banner system.
- b) All charge and credit receipts should be itemized and contain the following data: item descriptions, quantities, unit costs, total cost, date of transaction, internal accounting information and the signature of the person using the card (if applicable). We ask that all paper records be kept for at least one calendar year from the date of the statement on which the transactions post. Both payment and itemized receipts are required for meals paid on the PCard.
- 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. A Missing Receipt Affidavit form must be completed for all missing receipts. Repeated instances of missing documentation may result in revocation of cardholder privileges.
- e) All documentation must be attached to the Chrome River monthly cardholder expense report and should provide a clear audit trail.
- f) The cardholder has the responsibility for ensuring that all expenditures on the PCard are proper and in accordance with Oberlin 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 Chrome River system will automatically forward the expense report to Department Heads, Budget Managers, and Division Heads as necessary for proper review and approval.

Failure to follow the record keeping requirements or to provide appropriate documentation related to meals and entertainment, as provided below, will result in revocation of cardholder privileges.

XIII. 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 are disallowed by the Internal Revenue Service due to incomplete documentation will 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.

XIV. APPROVAL OF CHARGES AND AUDITING

The Controllers office staff will audit individual cardholder statements and supporting documentation in Chrome River to ensure compliance with Oberlin College policies and procedures.

XV. BUDGET MANAGEMENT

In its efforts to properly manage the Oberlin 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.

XVI. COMMUNICATION

The cardholder must promptly review relevant mail, e-mail, and inter-office communications and reports related to the PCard, 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 all of the following; 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 PCard.

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

XVII. 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.

XVIII. 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 PCard 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 Card(s) 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.

XIX. 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.