



Ohio Administrative Code Rule 3337-55-74 Payment card program.

Effective: July 1, 2022

(A) General policy

(1) As a public institution, the university is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a payment card is a privilege, and every reasonable effort must be made to verify that funds are used responsibly and in a manner consistent with the purpose and mission of the university. Payment cards are issued by Ohio university as a convenience for purchasing goods and some limited services (e.g., travel) by university employees. As such, payment cards are issued at the discretion of the university.

(2) Ohio university (university) offers a corporate payment card program to provide a convenient means with which to make qualified purchases that may not be available through the university's e-procurement system. This program is designed to reduce the costs associated with the initiating and paying for certain purchases. The program allows the cardholder to charge authorized purchases to the appropriate university account within the established limits of the card.

(3) All purchases must comply with all university policy and procedure and must meet all grant or foundation account requirements, with special attention to the Equipment inventory policy; Travel and entertainment policy; and all Purchasing policies beginning with number "55."

(4) The procedures associated with this policy are an integral part of the university payment card program. The policy, procedure, training and other documentation (i.e., web pages) are maintained by the vice president for finance and administration designee and reviewed with policy reviewers on an as needed basis.

(B) Types of payment cards

(1) The payment card (pcard) program offers many card types to meet a diverse set of end user needs. A general overview of each card type can be found in the procedures documentation listed



under the references section of this policy. Card options will/may change (i.e., new options provided, existing options discontinued) as the payment card industry options and technology evolve.

(C) Obtaining a university payment card

To obtain a university payment card, the following conditions must be met:

(1) Must be an active university employee or graduate student with employee status on current human resource records at the time of request.

Undergraduate students, non-employees, and temporary agency employees are not eligible to receive most types of university payment cards but may be eligible for a declining balance card with proper business justification and approvals.

(2) Must complete an application along with business justification/need for the payment card.

(3) Application must be approved by the area's CFAO role and submitted to finance for final determination of card type and processing.

(4) Employee must successfully complete training with the original issuance of a new card and thereafter, a refresher course before a renewal card can be issued.

(D) Card usage limitations and requirements

(1) Payment cards are used to support the university's purchasing and payables process. Purchases made with the card must be for official university business only. Any transactions not related to university business are considered personal transactions and are prohibited.

(2) Certain transactions are prohibited from purchase on university cards. The list of both allowable and prohibited items takes into considerations legal requirements, regulatory oversight, preferred suppliers, and the terms and conditions of other contractual obligations or agreements. Refer to the payment card website for procedures and additional guidance.



(3) Cards are subject to single transaction and monthly spending limits.

(4) Payment card increase requests may be submitted for certain situations and shall be limited in nature. Requests for increases to single transaction limits up to ten thousand dollars and monthly transaction limits must be submitted and approved by the planning unit CFAO or designee and must include detail to support the proposed increase. Any increases approved by the CFAO must be for an allowable expense for the card under the purchasing card policy and procedures. All requests above ten thousand dollars must be approved by the director of payments or designee. The payment card is not a substitute for standard procurement processes (purchase order, contract review, insurance requirements, etc.) and, as such, increases may be denied.

(5) Splitting transactions (also known as "pyramiding") to avoid transaction limits established for a card is prohibited.

(E) Cardholder responsibilities

(1) Cardholders are accountable for all charges made with their university payment card and are responsible for checking all transactions against the corresponding supporting documentation to verify their accuracy and propriety.

(2) It is the cardholder's responsibility to always safeguard the card and account number. Cards must be kept in a secure location and shall only be used to process authorized transactions by the authorized cardholder for business transactions. The cardholder should not "store" the card so that auto-renewals can be automatically charged, nor can a cardholder authorize "auto-renewal" charges against a university credit card.

(3) In accordance with banking regulations, the cardholder cannot transfer their card to another individual for use (ex., loan your card or provide your card number to another person to make a purchase for you).

(4) The cardholder must immediately report to the bank if a card is lost, stolen, damaged or there is a fraudulent transaction charged to the card.



- (a) If you have a lost or stolen card, contact the bank by calling the number on the back of the card as soon as possible. For assistance, refer to the procedures on the website or contact the payment card administrator. If a replacement card is required, please work through the CFAO and the payment card administrator.
- (b) It is critical that the cardholder report a stolen or lost card or a fraudulent transaction as soon as possible to ensure that the university can recover any potential losses should they occur. See procedures for more detailed instructions.
- (c) The cardholder must destroy the compromised card immediately and the bank will close the card.
- (5) All transactions must be fully substantiated. Substantiation must:
- (a) Have a clearly defined business purpose
- (b) Be accounted for (this means that the cardholder has updated the costing on the transaction and attached all required documentation to substantiate the charge against the credit card) within twenty-eight calendar days from the post date of the payment card transaction in the system.
- (c) Be substantiated by an itemized receipt. Required receipts for all payment card purchases, including online purchases, must be detailed and itemized. Itemized receipts (an image of the receipt is considered sufficient) are required for substantiation of all expenses unless otherwise noted in policy or procedure.
- (6) The cardholder is responsible for notifying the bank of any disputed charges within sixty days.
- (7) Should a cardholder separate from the university for any reason, the cardholder must provide all itemized receipts and other information necessary to substantiate any pending payment card transactions prior to leaving the university.
- (8) Should a cardholder transfer to another planning unit within the university, at the time of transfer, it is the cardholder's responsibility to inform their current planning unit if they have any current or pending payment card transactions and fully reconcile any expense reports.



(9) A cardholder is required to maintain and provide necessary updates to the information attached to the payment card (i.e., cardholder address or contact information.) Please refer to the procedures document for instructions.

(10) Grant and foundation account requirements may be more restrictive. It is the cardholder responsibility to ensure that the charges against these accounts are allowable in accordance with the account spending guidelines.

(F) Approver/ Planning unit responsibilities

(1) Approvers are accountable for the review of all charges made with a payment card and are responsible for checking all transactions against the corresponding supporting documentation to verify their accuracy and adherence to university policies and procedures. The approver role serves as a critical internal control role within the payment card program on behalf of the university. Should a financial approver fail to exercise the due diligence and control vested with this role, they may be removed as an approver.

(2) Approvers have nine calendar days to approve a card transaction in the system.

(3) Approvers are responsible for reporting any known or identified policy violations on a payment card to finance.

(4) Prior to separation from the university, cardholders must surrender their card(s) and substantiation documentation per university records retention policy. It is the planning unit's responsibility to assure the return of the card during the exit process and notify the payment card administrator to immediately cancel the card.

(G) CFAO responsibilities

(1) It is the responsibility of the chief finance and administrative officer (CFAO) to determine payment card delegations as appropriate and allowable under policy and procedure. The CFAO has primary responsibility for oversight of the planning unit's payment card program and includes but is



not limited to:

- (a) Adherence to university policy and procedures
 - (b) Internal controls, including internal training and guidance,
 - (c) Setting reasonable limits, within the scope of the position responsibilities, and
 - (d) Communication regarding planning unit specific requirements for the use of a university credit card for their planning unit.
 - (e) Approve all payment card applications. Approval cannot be delegated.
- (2) The CFAO or delegate(s) within the planning unit has the authority to cancel a card at any time for any reason.
- (3) When cardholders move between planning units within the university, the CFAO role will determine if there is a business need for the cardholder to maintain a university payment card. Please refer to procedures for additional details.
- (H) Audits and policy violations
- (1) To ensure compliance with the policies and procedures of the payment card, continuous monitoring activities are performed by internal audit and finance.
 - (2) After five total policy violations over a two year period of time, a card will be suspended for at least one two year cycle. In extraordinary circumstances, the cardholder may receive executive approval to continue card usage as approved by the executive vice president and provost (for academic and academic support units) or the vice president for finance and administration (for administrative units).
 - (3) All policy violations must be tracked in accordance with this policy.



(4) The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.

(5) The university may seek restitution, as appropriate.

(6) Criminal charges may be filed, as appropriate.

(7) Any suspected credit card abuse should be immediately reported by the department to internal audit, finance and/or legal affairs.