

University Credit Card Policies and Procedures Index

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University Credit Card Policy and Procedures

I. Background

Many commitments of funds throughout Oral Roberts University do not require the issuance of purchase orders. University credit cards with systematic control have been adopted as a means of expediting these purchases. These cards are computer system controlled with specific dollar limits and specific types of purchases authorized. Attempted purchases with the cards, outside the specific controls established, will be denied.

The ORU credit card program provides convenience to employees and departments for traveling on University business and making certain small dollar purchases listed below. It is a privilege to participate in the credit card program and the responsibilities of using the card and making timely expense reports should not be taken lightly. This credit card is a tool designed to complement ORU's purchasing processes. The University credit card is not intended to be a substitute for purchase orders. Airfare should be purchased through designated University travel partners. (See Travel and Expense Reimbursement Policy II., C., 1.)

II. Policies

A. Authorized Purchases

1. Hotel bills (pre-approved travel)
2. Rental cars (pre-approved travel)
3. Conference fees (pre-approved)
4. Business meals with non-employees of the University (include itemized receipt, guest list and business purpose)
5. Fuel for rented vehicles only
6. Subscriptions to newspapers, journals and periodicals

Authorization for travel and related expenses must be obtained before travel occurs (see policy on Travel and Expense Reimbursement).

B. Unauthorized Purchases

1. Personal items
2. Employee relocation and relocation-related expenses
3. Purchases that involve signing an agreement, license, or contract (e.g., leases)

4. Any 1099 reportable services (any service provided by a 3rd party; e.g., consulting, payroll services, cheerleading training, physicians and health care, rent, royalties, attorney fees)
5. Fuel for privately owned, University-provided, or sponsorship vehicles (this does not include Motor Pool vehicles)
6. Modifications to building structures (e.g., labor or installation fees, mechanical or electrical repairs, etc.)
7. Capital and inventory items (capital items are more than \$2,000 and have a life expectancy of more than one year)
8. Cash advances
9. Gifts, gift cards, and flowers
10. Computers, software and other technology items (see Technology Acquisition policy)
11. Meals for University employees only

C. Applying for a Card

University employees requesting a University credit card must submit a Purchase Card Request form (Exhibit 1) along with an Authorization form (Exhibit 2). All information must be completed, and the form must contain all authorizing signatures.

D. Expiration and Reissue of Cards

All University credit cards expire on the last day of the month embossed on the front of the card (expiration date). New cards are automatically sent to the Office of Finance within 1 to 3 weeks prior to the expiration date. The cardholder will be sent an e-mail notification listing the date and location to pick up his or her new card. The cardholder should read and sign a new Cardholder Agreement Form and bring it with photo identification to pick up the new card.

E. Changing Information on a Card, or Canceling a Card

A University credit card Addendum Form, available on the ORU intranet, must be used to apply for changes to the card. To cancel a card, return the card to the Card Administrator in General Accounting, indicating the reason for canceling the account. In the case of separation from the University, the cardholder must return his or her card to the Human Resources Office.

F. Automatic Expense Coding

When the card is issued, the cost center will be automatically assigned to the card. Also, standard expense account coding will be assigned for types of approved purchases so that the general ledger can be automatically posted from the card billings to the University from the credit card company. (These billings are

separate from the cardholder statement that each employee or department receives monthly.)

The credit card system used by ORU allows the cardholder to change the standard expense account coding online.

It is the responsibility of the cardholder to make appropriate changes online to override the standard expense accounts assigned when a different expense account should be posted in the general ledger.

G. Approvals

The supervisor or cost center manager must sign off or make changes on a Credit Card Approval Form or an Employee Expense Voucher (“EEV”) when submitted by the employee.

1. Executive Officers

Executive Officers are defined as the President and his or her direct reports. The ORU credit card transactions of Executive Officers are to be signed or approved by the President and are subject to regular audit by Internal Audit and the Finance Office. The expenditures of the President and Executive Officers will be reported annually to the Board of Trustees.

2. Academic or Administrative Officers

Academic or Administrator Officers are defined as those who report directly to the Executive Officers (e.g., Vice Presidents, Assistant VPs, Deans). The University credit card transactions of Academic or Administrative Officers require higher-level review and approval by their Executive Officers.

3. All Other Cardholders

All other cardholder transactions must be reviewed and approved by a greater institutional authority within the cardholder's department.

4. Approval Timing

The completed documentation package is to be submitted to the approving supervisor within five (5) business days of receipt of statement. Approval should be processed within an additional five (5) business days by the supervisor and forwarded to the Credit Card Administrator in the Accounting Department.

H. Abuse

Upon the first notice of suspected credit card abuse, notification should be made to the Finance Office immediately.

The Internal Audit Department will initiate and coordinate an investigation of the suspected credit card abuse.

III. Procedures

A. Rules and Regulations

- The card is for business expenses **only**. It **must not** be used for personal purchases. Any personal purchases made on the University credit card may result in disciplinary action, up to and including termination.
- The card is not transferable. It may not be used by any other employee.
- Itemized receipts must be obtained for all University credit card transactions.
- Splitting transactions - i.e., dividing one purchase into two or more, in order to stay within your transaction limit or avoid Purchasing Policy requirements - is not allowed.
- Cardholders may not receive cash advances of any form using the University credit card.
- Cardholders are responsible for resolving discrepancies and ensuring credits are received.
- Cardholders may not receive cash back or in-store credits for any refunds or exchanges. Such amounts must be credited to the University credit card account. If a supplier mistakenly issues a refund check, it must be submitted to the Finance Office within five (5) days of receipt by the cardholder.
- Cardholders should make every effort to avoid paying Oklahoma sales tax. The cardholder should provide in-state suppliers a copy of the University's tax exempt letter which can be obtained from the Vice President and CFO.
- Cardholders may not make purchases that violate University policy regarding business transactions that may be perceived as a conflict of interest (purchases from a business in which you or a relative have a financial interest).

B. Preventing Fraud

The cardholder should use additional security measures, as outlined below, to guard against fraud:

- Sign your card as soon as it arrives.
- Keep the card in a secure location; guard the card number carefully.
- Save receipts and statements in a secure area (they may contain your card number).
- Keep an eye on the card during the transaction and retrieve it as soon as possible.
- Always know where your card is. If you can't find the card, assume the worst: have your account canceled and request a new card.
- Be aware of what you are signing – your signature can copy through to other slips deliberately placed underneath.

- Reconcile your monthly statement closely. Make sure all charges shown are legitimate charges.
- Visit reputable, familiar merchants whenever possible.
- Report possible fraud immediately to the Finance Office.
- Do not lend your card to anyone.
- Do not give your card number to anyone over the phone unless you know you are dealing with a reputable vendor.
- Do not e-mail credit card information.

It is imperative that each University employee involved in receiving and/or processing credit card information be aware of this policy and adheres to it. If you have any questions or need further information, please contact the Credit Card Administrator at (918) 495-6370.

C. Lost or Stolen Cards

If your card is lost or stolen, or if you detect a transaction you believe to be fraudulent, report the incident immediately as follows:

- Contact the credit card company using one of the phone numbers on the back of your credit card: 1-800-316-6056 from inside the U.S. or 1-847-488-3748 from outside the U.S. These toll free numbers are open 24 hours a day.
- When reporting a fraudulent transaction, have the transaction number and basic transaction information available, i.e. the vendor name and dollar amount.
- Inform your department administrator(s) and the Card Administrator during normal business hours. If the incident occurs outside of normal business hours report it to department administrators and the Card Administrator the next business day.

D. Credit Card Statement Processing – (See Related Travel Procedures)

There are two types of credit card purchases: (1) purchases made on a trip for which a Requisition for Travel and an EEV are to be completed; (2) purchases that are not made on a trip and for which the employee has no tasks to complete prior to receiving their credit card statement except to carefully retain receipt for any charges. The system is designed to post and pay all credit card charges from master billings from the credit card company. The following procedures are stated to address credit card charges; however, procedures for a trip without credit card charges are the same.

University employees, when using a University credit card, must always obtain an itemized receipt for each transaction. If a cash register receipt does not have descriptions, write them on the tape. Any transaction without a properly substantiated receipt is subject to reimbursement to the University by the card holder.

- For purchases made in person, retain the itemized receipt in addition to the credit card copy to properly substantiate the purchase.
- For faxed or mailed purchases, retain a copy of the order as faxed or mailed and the fax confirmation (if available) for your documentation.
- For internet purchases, print out a receipt for documentation.

1. Start of Trip

- a. The traveler/cardholder prepares a Requisition for Travel (TR) or submits an electronic requisition via the iPurchasing System and sends to his or her supervisor for approval.
- b. The supervisor approves as is, or changes TR and sends two copies to the cardholder, and one copy to the Coding and Funds verification section of the Accounting Department.
- c. The Accounting Department files copy of the travel requisition awaiting Employee Expense Voucher which comes after completion of the trip.

2. Completion of Trip

- a. The cardholder prepares the EEV, attaches all receipts and submits with a copy of the approved TR to his or her supervisor for approval. Credit card receipts are to be separate from other receipts and submitted in the same order as the expense items appear on the EEV. The cardholder retains a copy of the EEV.
- b. The supervisor reviews approved TR with submitted EEV and changes or approves the EEV. He or she then sends the approved package to the Coding/Credit Card Processor in the Accounting Department.

3. Processing Trip Expenses

- a. The Coding/Credit Card Processor for EEVs in the Accounting Department will
 - Match TR with EEV.
 - Verify all totals and match receipts to items listed on the EEV. Be sure to keep the credit card receipts separate from the others.
 - File copy of EEV with credit card receipts for future match-up with credit card statement submitted by card holder.

- Forward the EEV to Payables Department, if money due traveler, along with copy of EEV and send to the Controller's Office.
- b. The Controller's Office reviews the EEV as submitted by the Coding/Credit Card Processor and forwards to Accounts Payable.

4. Credit Card Statements

- a. The cardholder will have already sent credit card receipts (for travel) into the system when preparing the EEV at the completion of the trip. The cardholder will then receive the monthly statement. Within five (5) days he or she must
 - Attach copies of all non-travel receipts (those not submitted with an EEV) to the statement, making sure that the receipts are in the same order as the charges appear on the statement.
 - Make a notation on the statement beside the charge for any travel receipts already submitted with an EEV, indicating the EEV number.
 - If there are credit card purchases that are made which are part of a grant, indicate the grant cost center number on the statement for proper recording of the expenses.
 - Make a copy of the credit card statement for employee's records.
 - Send credit card statement to supervisor/individual with greater institutional authority for approval.

Failure to submit credit card statements with receipts on timely basis may result in loss of credit card privileges.

b. Supervisor

- Review credit card statement for reasonableness and appropriate charges within five (5) business days of receipt from your staff.
- Send the approved credit card statement with the appropriate receipts to Accounting/Credit Card Processing.

c. Accounting/Credit Card Processing

- Match the receipts attached to any EEVs that the cardholder submitted during the month with the charges on the cardholder's statement. (Processor has retained a copy of the receipts and the EEV when previously submitted.)
- Ensure that there are receipts attached to the statement for any charges not previously submitted with an EEV.
- Ensure that the proper accounts have been charged for any items that are covered by a grant.

- Ensure that all grant-related expenditures are approved by the Sponsored Programs Department.
- Any discrepancies must be reported to the cardholder within five (5) business days after receipt of the cardholder's statement from his or her supervisor. The cardholder has five (5) business days after receiving notification to resolve any discrepancies.
- ALL credit card matters must be resolved by the cardholder prior to the next month's statement. Failure to meet this requirement may result in the loss of credit card privileges.
- File the completed package (any EEVs and the statement).