

P-Card Procedures

The purchasing card is provided to employees as a convenience to both the employee and the University. Application or use of a University purchasing card does not reflect on an individual's personal credit history. It is expected that the employee follow established guidelines for use of the card and utilize the card responsibly. Any misuse of the card will be taken seriously by the University, including the possibility of disciplinary action. The University's Purchasing Card Disciplinary Procedures are as follows: First offense, written warning to cardholder and reporting authority. Second offense, suspension of card with scheduled retraining on policies and procedures before card is reinstated. Third and final offense will result in cancellation of the cardholder's privileges. These procedures are designed to ensure compliance with University policies and procedures.

PURCHASES

The purchasing card can be used directly at a storefront, via the telephone, fax, or online. All cardholders are obligated to order required goods or services from those suppliers who are authorized contract suppliers to the University at <http://purchasing.utoledo.edu/UniversityContracts.htm>

The purchasing card cannot be used for services, due to the University's 1099 tax reporting responsibility.

I. RECEIPTS

- A. Cardholders are responsible for obtaining the proper documentation for University records.
 1. Original itemized receipts are required (credit card slips are not acceptable documentation) for all p-card transactions.
 2. Missing or lost receipts will require the cardholder to contact the vendor for a copy of the receipt.
 3. Any receipt listing food/beverages, entertainment or party items must have the business purpose stated. A gift or award item must have the recipient(s) name and the reason for the purchase.
 4. Cardholders may not receive cash back for any refunds or exchanges. Such amounts must be credited to the p-card account.

II. SALES TAX

- B. The University is sales tax exempt. It is the responsibility of the cardholder to inform the vendor of the exemption when making the purchase.
 1. The tax exemption is embossed on the front of the p-card and a wallet size blanket certificate of exemption is available to p-card holders.
 - a. The wallet size blanket certificate of exemption states

“To be used for the University purchasing card purchases only”. Do not give to the vendor or write any vendor name on the card.

2. It is the responsibility of the cardholder to contact the vendor to request a credit to the p-card for any sales tax that is charged.

TRAVEL

The purchasing card can be used for all travel expenses **except** ATM cash advances, personal expenses, alcohol, and fuel for a personal vehicle/aircraft/watercraft. Any travel expenses not placed on the purchasing card will be reimbursed **after** the travel through submission of an Individual Reimbursement Request form.

An Individual Reimbursement Request (IRR) form must always be completed for any travel related expenses charged to the University purchasing card, even if there is no reimbursement due. A properly completed form with the original itemized receipts and approving signature will be reconciled and submitted with the p-card statement to Accounts Payable for retention. If an IRR form includes both p-card purchases and out-of-pocket expenses and a reimbursement is due, the original IRR form along with the out-of-pocket original receipts only will be submitted to Accounts Payable for payment and a copy of that approved IRR form will be submitted with the p-card statement along with the original receipts for the p-card transactions.

I. BEFORE TRAVEL

A. PAYMENTS AND RESERVATIONS PRIOR TO TRAVEL

The traveler’s p-card is the preferred method for pre-travel payments and reservations. However, a department designee (e.g. secretary, business manager, supervisor, etc) may use their card for all travelers in their department – *for travel arrangements listed below only*.

1. Registering for an Event

Keep a copy of your registration form. Print a copy of on-line forms and meeting agendas. Information about activities and what is included in the fee **must** be submitted with the Individual Reimbursement Request form, and attached to the p-card statement if the p-card is charged. Additional charges for extraneous activities (golf-outings, museum tours, fun runs, etc.) not included in the registration fee should not be paid by the p-card and are not reimbursable by the University. If the employee includes extraneous activities on their p-card, the employee is required to reimburse the University when submitting their IRR.

2. Airline Tickets

a. Purchase

Use of the p-card is preferred for the purchase of airline tickets for University employees. *University employees, who do not use the University Purchasing Card, will not be reimbursed for the purchase of airline tickets until after the time of travel.* Advance purchase is strongly encouraged. If a flight reservation is changed or cancelled and results in

an additional fee, a reason must be provided. If the purchase is on-line, print and save confirmation showing origin, destination, price paid, and method of payment.

b. For domestic travel

Only coach class tickets, or their equivalent, may be purchased. Exceptions must be explained and approved by the President, Provost, or a Vice President. The approval must be attached to the p-card statement or Individual Reimbursement form.

c. For international travel

If there is any leg of the flight, which the time approximates eight or more consecutive hours from the United States port to the overseas port, a “less-than-first class” (e.g. business class) ticket may be purchased.

3. Hotel Reservations

A department’s designee’s (e.g. secretary, business manager, supervisor, etc) p-card may be used to hold a reservation. If hotel policy requires pre-payment of the first night’s room charge or total payment, the department’s designee’s p-card may be charged. See section II C for further information prior to making reservations.

B. INTERNATIONAL TRAVEL

All international travel must obtain prior approval as follows: International travel for Deans requires the prior approval of the Provost and travel for Vice Presidents requires the prior approval of the President. All other international travel requires the prior approval of the appropriate Dean or Vice President. The international travel approval must be submitted with the Individual Reimbursement Request form and/or attached to the p-card statement.

II. DURING TRAVEL

A. AUTOMOBILES

1. Privately-owned Vehicles

a. Requirements

A p-card may not be used to purchase fuel. The IRS’s standard mileage rate must be submitted on an Individual Reimbursement Request form.

2. Rental Cars

a. Requirements

Rental must have a business purpose. Traveler should request the smallest size car that is practical. Upgrades are not allowable unless a written explanation of a legitimate need is provided. Driver must have a valid driver’s license, liability insurance required by law, and are required to follow all state regulations, including seat belt laws. Only actual expenses may be reimbursed (IRS standard mileage rate does not apply).

b. Insurance coverage while on University Authorized Travel

No form of rental company insurance is allowable for travel within the United States. University insurance policies cover employees during authorized domestic travel.

B. AIR TRAVEL

1. Commercial Airlines

a. Purchase of tickets

A p-card is the preferred method for the purchase of airline tickets for University employees. *IMPORTANT NOTE: University employees, who do not use the University Purchasing Card, will not be reimbursed for the purchase of airline tickets until after the time of travel.*

C. LODGING

1. The 50 mile rule

See the Travel Policy (section 3a) located at <http://finadmin.utoledo.edu/>.

2. Cost of Lodging

Allowable cost is the single room rate plus tax – unless the other party is also on authorized University travel. A copy of the hotel folio (itemized receipt) is required. If the lodging receipt states multiple occupancy, indicate either the single room rate on the receipt or provide the name(s) of the University traveler(s) who shared the lodging. When staying in the state of Ohio the traveler should inquire about state tax exemption due to the tax exemption status of the university.

3. Method of Payment

The employee traveler's p-card is the preferred method of payment. Personal charges are not permitted on the p-card. Such charges (e.g., movies, personal phone calls) must be paid out-of-pocket at checkout. Personal expenses charged to the purchasing card must be reimbursed to the University. If the travel does not include any out-of-pocket expenses, where a reimbursement would be due, then a personal check must be written to the University and deposited into the account charged on the p-card. The deposit slip must be submitted with the IRR form attached to the monthly p-card statement. If there are both p-card charges and out-of-pocket expenses, where a reimbursement is due, then the amount of the personal charges must be deducted on the IRR form. These charges would be listed on the IRR form in the Total P-Card Travel Expense **and** the Personal Expenses, which will reimburse the University for the personal charges by decreasing the amount of the reimbursement.

The employee traveler's room may be charged to another person's p-card, however, the **traveler** must submit an approved Individual Reimbursement Request form listing the amount(s) in

the itemized categories on the form, the total amount in the Total p-card travel expense section, and state in the comments section the name of the p-card holder.

The rooms of students or other non-University employees (whose presence is clearly related to the business purpose of the trip) may be placed on a p-card.

University employees, who do not use the University Purchasing Card, will not be reimbursed for prepaid hotel charges until after the time of travel.

4. Reduced Rate Options

a. IUC rates

The InterUniversity Council of Ohio (IUC) has negotiated special rates at a variety of hotels across the country for University employees. The current rate schedule can be accessed at <http://www.purchasing.uc.edu/sua/default.asp> (Password to be obtained from purchasing)

b. Government rates

Almost all hotel/motels have significant rate reductions for government employees, though the number of rooms at discount may be limited. It is best to inquire about this discount when reservations are made. Be prepared to show a University ID upon arrival.

D. MEALS

You must be on **overnight** travel status to qualify for meals. Personal meals will be reimbursed up to the Per Diem Rate only. No receipts are needed for out-of-pocket payments; exception may be if needed for a grant. Itemized receipts are required for all purchases, including meals, made on the University purchasing card. Business Meeting/Entertainment and Group Travel meals **cannot** use the Per Diem Rate and will require all receipts. The p-card is the preferred method of payment for such expenses.

1. Business Meeting/Entertainment Meals

Business meeting /entertainment meals must have a business purpose and must include two or more persons (at least one non-university employee). Costs should be reasonable and customary for the location.

a. Use of the P-Card

Itemized receipts (a credit card charge slip is not acceptable documentation) are required for attachment to the Individual Reimbursement Request and reconciled and attached to the p-card statement.

b. Reimbursement after the fact

If the expense was out of pocket, it may be submitted for reimbursement on the Individual Reimbursement Request form. Original receipts must be attached. See instructions for properly completing the form and the substantiation needs that will expedite the reimbursement.

2. Personal Meals

Personal meals are individual, everyday meals consumed during business travel. A maximum of three personal meals per day is allowable.

a. Same day travel

University travelers do not qualify for personal meal reimbursement during same-day travel. IRS regulations require that an employee be away from home substantially longer than an ordinary day's work AND during the time away from home, need sleep or rest (referred to as the "overnight rule" – i.e., overnight stay is required). These meals are considered a normal daily meal that you would have on any workday.

A VP approval is needed for a one-day travel meal to be reimbursed if out-of-pocket or if charged on the p-card. However, these amounts constitute a taxable fringe benefit and will be added to the employee's W-2 at year-end.

b. Per Diem

The per-diem allowance is a daily dollar amount covering meals and incidentals. It includes up to three meals per day, and the following incidentals: laundry, dry-cleaning, and gratuities (tips). Per-diem allowances vary according to location. Current rates can be found at <http://finadmin.utoledo.edu/>. For overseas and outside the US you will use the local meal rate column. Claim per diem rates only for personal meals at your expense. If the meal was a business/entertainment or group meal per diem rates do not apply.

3. Meals otherwise provided

If meals are included in fees for items such as conference registrations or you are a guest at a meal (a business or social event at the expense of another), no further expense for those meals are allowable. You must not include the per diem rate for that meal when calculating your per diem rates.

4. Methods of Payment and Reimbursement

The p-card may be used to obtain allowable meals up to the Per Diem Rate. Amounts over the per diem rate must be reimbursed to the University and deposited to the account charged. Out of pocket expenses can be reimbursed by submitting the Individual Reimbursement Request form to Accounts Payable.

E. SUBSTANTIATION

1. Conference Information

While traveling, the traveler must take care to save all documents substantiating the business purpose of the travel. Save conference registrations, agendas and programs outlining basic activities.

2. Receipts

Receipts must show the amount, date, place and essential character of the expense. The traveler must save **original itemized receipts** as follows:

1. **All Lodging expenses:** Hotel receipts should show separate amounts for lodging, meals, telephone call, etc.
2. **All Car rentals:** The rental agreement and itemized receipt are required.
3. **All other business related expenses:** Original receipts are required.
4. **Meals charged on UT p-card or needed for a Grant: Original itemized receipt required.**

Credit card statements and/or charge slips are not acceptable.

4. AFTER TRAVEL

Gather your receipts to attach to your p-card monthly statement(s) and /or Individual Reimbursement Request form as appropriate. Personal expenses are not permitted on the p-card and are not reimbursable on the Individual Reimbursement Request. **The p-card holder will be required to reconcile purchases on the p-card statement and send the statement with all receipts to Accounts Payable for auditing and record retention purposes.**