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1. Program Overview

1.1 Program Introduction

The purpose of the Southeast Missouri State University Purchasing Card Program is to provide faculty and staff with a convenient, cost-effective method of purchasing and paying for low dollar-value goods and services and travel expenses. The Program is designed to replace small dollar-value purchases, direct pays, and prepayments, as well as to reduce the use of petty cash and employee reimbursements for small dollar purchases. The purchasing card may be used with any merchant or service provider that accepts Visa.

The Purchasing Card Program should complement the existing purchasing and payment process. It is not a method to bypass appropriate purchasing policies and procedures. These procedures provide the guidelines under which employees may use the purchasing card.

1.2 Program Benefits

Using the purchasing card will benefit the University, its vendors, the departments, and its employees.

Some benefits of the program are the program:

- Streamlines the processes for most small and some large dollar transactions.
- Enables employees to be more efficient and focus on their core missions.
- Reduces paperwork and processing time in the cardholder’s department, as well as Purchasing, Accounts Payable, and Accounting Services.
- Provides cost savings through consolidated payments (one monthly payment to VISA versus multiple vendor payments) which guarantees faster payments to vendors.
- Eliminates employee out-of-pocket expenses and the need to wait for reimbursements.
- Eliminates the need for cash advances, except for student group or team travel.

2. Purchasing Card Program Controls

Effective controls provide departments with reasonable assurance that institutional objectives have been achieved through sound financial management. The Purchasing Card Team is available to assist departments with training, technical assistance, and financial/operational reviews regarding the Purchasing Card Program.

2.1 Department Internal Controls

Responsibility for financial control and stewardship of the Purchasing Card Program rests with each department. The department is responsible for ensuring each cardholder is performing his/her purchasing duties with competence, honesty, and according to University policies and procedures. Each department should establish internal controls sufficient to regulate its card activities. Individual departments are encouraged to establish their own procedures, in addition to those required by the Controller’s Office, in order to ensure effective control over credit card usage.

2.2 Responsibilities of Financial Managers

Financial Managers are responsible for overseeing the Purchasing Card Program in their department, division, or college. They should make sure that cardholders are employees (full-time, part-time, term, or graduate assistants), who can be trusted to spend department funds and are responsible for making
purchases on behalf of their departments or areas. Financial Managers should also ensure each approver assigned to a cardholder is not a subordinate.

2.3 Responsibilities of Cardholders

University employees who are issued a purchasing card are provided the ability to make purchases on behalf of their department up to the spending limits imposed by the card. Cardholders are expected to make sound business decisions in the best interests of the University and comply with the Purchasing Card Policies and Procedures, as well, as University purchasing procedures.

The cardholder accepts the responsibility for the protection and proper use of the purchasing card by signing the Cardholder Agreement, attending a training session, and receiving the purchasing card.

Cardholders are responsible for:

- Participating in University training on the Purchasing Card Program.
- Signing a Cardholder Agreement Form.
- Making purchases of goods and/or travel in accordance with University guidelines and state regulations to satisfy purchasing needs.
- Reconciling all transactions in Access Online—account coding transactions and scanning original documentation/itemized receipts—for all transactions at least monthly.
- Verifying vendor names in Access Online match individual receipts and resolving any discrepancies.
- Providing written justification for any sales tax charges.
- Providing written justification for any purchases that appear inappropriate.
- Identifying disputed items and contacting the merchant directly to resolve disputes and/or filing a formal dispute with U.S. Bank within five days of the billing statement close date.
- Tracking disputed items to ensure proper credit is received.
- Maintaining copies of billing statements/account activity reports and original documentation/itemized receipts for a minimum of 2 years. (This may be maintained by the reconciler, if applicable.)
- Assigning reconcilers (if applicable).
- Ensuring the physical security of the card and protecting the account number.
- Abstaining from sharing the card or card number with anyone.
- Abstaining from splitting transactions to circumvent University policy.
- Reporting immediately lost/stolen or compromised cards to the Purchasing Card Team, the cardholder's approver, and U.S. Bank.
- Reporting suspected fraud activity.

Upon termination of employment:

- Discontinuing use of the purchasing card.
- Returning the purchasing card with the Cancellation Form to the Controller’s Office before/during the checkout process.
- Reconciling all outstanding Purchasing Card transactions prior to termination.

Upon transfer to another position in the University:

- Discontinuing use of the purchasing card temporarily.
- Reconciling all outstanding purchasing card transactions prior to transferring to the new department.
- Returning the purchasing card with the Card Cancellation Form to the Controller’s Office, if the new supervisor does not deem it necessary for the employee to be a cardholder.
• Completing a Card Maintenance Request Form and sending it to the Controller's Office, if the new supervisor deems it necessary for the employee to be a cardholder.

2.4 Responsibilities of Approvers

Approvers are responsible for:

• Participating in University training on the Purchasing Card Program.
• Signing an Approver Application.
• Maintaining a list of cardholders for which they are the approver.
• Verifying the cardholder’s reconciled transactions—account coded transactions and scanned receipts—and rejecting transactions and/or changing account code information, as necessary.
• Approving verified transactions at least monthly.
• Watching for restricted items or inappropriate purchases.
• Requesting written justification from the cardholder for any sales tax charges.
• Requesting written justification from the cardholder for any purchases that appear inappropriate.
• Approving the assignment of reconcilers.
• Contacting the Purchasing Card Team, if unsure as to the validity of purchases.
• Notifying the cardholder, cardholder’s reconciler, and the Purchasing Card Team of charges that do not appear to be legitimate.
• Looking for signs of fraud, such as purchases that are sent to a home address rather than to the University, items that appear personal in nature, and/or purchases made on holidays or weekends.
• Reporting suspected fraud activity.

2.5 Responsibilities of Reconcilers

In some cases, it will not be feasible for the cardholder to reconcile his/her transactions, so a reconciler can be appointed by the cardholder and approved by the approver to reconcile transactions within Access Online.

Reconcilers are responsible for:

• Participating in University training on the Purchasing Card Program.
• Signing a Reconciler Application.
• Reviewing all cardholder transactions with the cardholder.
• Reconciling all transactions in Access Online—account coding transactions and scanning original documentation/itemized receipts—at least monthly.
• Watching for restricted items or inappropriate purchases.
• Requesting written justification from the cardholder for any sales tax charges.
• Requesting written justification from the cardholder for any purchases that appear inappropriate.
• Working with the cardholder to identify disputed items and contacting the merchant directly to resolve disputes and/or filing a formal dispute with U.S. Bank within five days of the billing statement close date.
• Tracking disputed items to ensure proper credit is received.
• Maintaining copies of billing statements/account activity reports and original documentation/itemized receipts for a minimum of 2 years. (This may be maintained by the cardholder.)
• Contacting the Purchasing Card Team, if unsure as to the validity of purchases.
• Notifying the cardholder, cardholder’s approver, and the Purchasing Card Team of charges that do not appear to be legitimate.
• Looking for signs of fraud, such as purchases that are sent to a home address rather than to the University, items that appear personal in nature, and purchases made on holidays or weekends.
• Reporting suspected fraud activity.

3. Purchasing Card Policies and Procedures

3.1 Who Should Have a Purchasing Card?

Cards may be issued to:

• University employees (full-time, part-time, term, or graduate assistants), who have the responsibility for making purchases on behalf of their departments, travel for the University, and/or have the approval of his/her department head are eligible for a purchasing card. In addition, the above individuals must have access to a scanner with pdf capabilities to be eligible.

Cards may NOT be issued to:

• Independent contractors, temporary employees, students, or non-employees are not eligible for a purchasing card. In addition, individuals who qualify for a purchasing card, but do not have access to a scanner with pdf capabilities, will not be issued a card.

3.2 Card Setup/Provider

The purchasing card is a one card solution available in three categories of authorization: Commodity Purchases only, Travel Purchases only, and Dual Use (for those cardholders authorized to make both Commodity and Travel purchases).

The purchasing card is a special VISA credit card that works similarly to a personal credit card, except the charges are billed directly to the University. The purchasing card contains the cardholder’s name and "Southeast Missouri State University."

3.3 Tax Exemption

All transactions made within the state of Missouri or purchased items which are shipped to the University directly are exempt from the state of Missouri sales and use tax. A copy of the University’s Certificate of Exemption is available on the University portal. Once logged into the portal, select the Employee tab, then Forms under the Purchasing Card Program section.

If the cardholder is placing an order and he/she is physically in a location outside of the state of Missouri, then he/she may be charged that state’s sales tax or other applicable taxes. Any federal or local taxes may not be exempt. The cardholder should always inform the vendor that the purchase is tax-exempt before the transaction is completed. A copy of the tax exempt certificate should be presented to the vendor when placing an order in person or the certificate may be faxed or e-mailed to the vendor.

If the vendor will not deduct the sales tax or will not honor the Missouri Tax Exemption without additional paperwork, the cardholder may continue with the purchase, but should note on the receipt that he/she requested the sales tax not be charged and the vendor refused. This notation documents an attempt was made not to have the sales tax charged.
3.4 Exemptions

There will be times when this manual does not provide specific guidance for a situation a cardholder may encounter. The cardholder’s approver may determine proper guidance for such situations, as long as the guidance is consistent with the prevailing principles that no unnecessary cost is to be charged to a University budget, the expenses are reasonable, and there is no contradiction to any provision within this manual. Cardholders should request an exception to the Purchasing Card Procedures by contacting the Purchasing Card Team.

The Purchasing Card Team has authority to grant exceptions or to waive restrictions for use of the purchasing card.

4. Getting a Purchasing Card

4.1 How to Apply for a Card

Eligible University staff (full-time, part-time, term or graduate assistants) may apply for a purchasing card by completing the Purchasing Card Application, which is located on the Controller’s Office website. The cardholder applicant must complete and sign the form and submit it, along with an Approver Application, to the employee who will be his/her approver. The completed and approved forms should be emailed to purchasingcard@semo.edu.

The purchasing card cannot be ordered until the completed forms are received by the Purchasing Card Team. As part of the application process, each cardholder must justify the need for the purchasing card.

All applications must have the name of a purchasing card approver who will review the cardholder’s transactions for compliance with the Purchasing Card Guidelines. These individuals should demonstrate the ability and willingness to follow the University’s policies and procedures, be able to question the cardholder’s transactions, and have access to the Access Online system. An approver may be assigned to one or more cardholders and cannot report to the cardholder, directly or indirectly (subordinate).

If a reconciler has been appointed to reconcile the cardholder’s transactions, he/she must fill out the Reconciler Application. This form is also located on the Controller’s Office website and should be forwarded to the Purchasing Card Team. A reconciler does not have to be appointed at the same time the cardholder applies for a card.

4.2 Training

All cardholders, approvers, and reconcilers must attend a training session on the guidelines and procedures associated with the Purchasing Card Program. The reconcilers and approvers will participate in the same training as the cardholder in order to receive training on the responsibilities of the purchasing card and processing of the purchasing card transactions in Access Online.

Both the approver and the back-up approver (if applicable) must attend training. If the approver, back-up approver (if applicable), or reconciler (if applicable) has previously attended a training session, they are not required to attend another session; however, he/she is strongly encouraged to attend the training if it has been more than a year since he/she last attended training.

A purchasing card will be ordered once the following have been completed:

- The Purchasing Card Application has been completed.
• The Approver Application has been completed (if one is not already on file).
• The Reconciler Application has been completed (if applicable).

Once the purchasing card has been ordered, it will arrive in approximately 7-10 business days from the date it was ordered. Once the purchasing card comes in, the cardholder will not receive the card until:

• The cardholder applicant has attended the required training session.
• The approver, back-up approver (if applicable), and reconciler (if applicable) have attended the required training session.

4.3 Personal Credit

Southeast Missouri State University neither evaluates nor considers an employee’s personal credit when a request for a purchasing card is made. The cardholder’s personal information (social security number, home mailing address, and phone number) will not be made available to U.S. Bank.

Transactions placed on the purchasing card will not affect the cardholder’s personal credit history.

In Access Online, SSN#’s were not entered. The SSN field in Access Online is equal to the cardholder’s Southeast ID, where S=9 (i.e. S01234567 = 901234567). When calling U.S. Bank for customer service, the cardholder will be asked for the last four digits of the cardholder’s SSN to verify it is the cardholder; the cardholder will need to tell the bank the last four digits of his/her employee ID.

5. Using the Card

5.1 Credit Card Limits and Billing Cycle

The dollar limits assigned to a purchasing card are based on the limits approved for each cardholder on the Purchasing Card Application and approved by the Purchasing Card Team.

The monthly credit limit sets a restriction on the total amount of purchases that can be made during the monthly cycle. The single purchase limit restricts the total amount of a single transaction. The single transaction limit does not affect how much can be spent per day; it only affects how much can be spent per transaction.

The standard single transaction limit is $3,000 for commodity use, travel use, or dual-use.

Under no circumstances shall the cardholder request the merchant/vendor to split charges into separate transactions to avoid the single transaction limit (refer to section 5.10 of this manual). This is a purchasing card violation and will be monitored by the Purchasing Card Team.

The standard monthly credit limit is $5,000 for commodity use, travel use, or dual-use.

The monthly billing cycle for the Purchasing Card begins on the 26th day of the month and ends on the 25th day of the following month. On the 26th day of the month, the cardholder’s monthly limit amounts will be restored back to the full amount.

Every cardholder should keep track of his/her credit card balance. This can be done by logging-in to Access Online or calling U.S. Bank at the number shown on the reverse side of the purchasing card. Credit limits can be adjusted based on purchasing needs.
If higher or lower limits are justified for certain cards or transactions, the cardholder should complete the Card Maintenance Request Form to request changes. These requests must be made prior to the purchase.

5.2 Allowable Expenditures

The University Purchasing Card may be used for items not on a state or university contract and travel expenses costing $3,000 or less (including any applicable tax and shipping) when not prohibited. All purchases must be made in accordance with established University policies and procedures and state and federal regulations. All purchases made with the purchasing card must be for expenses associated with official University business. Use of the purchasing card for unauthorized, inappropriate, or personal items may result in penalties (refer to section 6.0 of this manual.) Receipts are required for all purchases unless noted otherwise.

<table>
<thead>
<tr>
<th>Items not on state or university contract, up to $3,000</th>
<th>Subscriptions/Publications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisements for position openings</td>
<td>Dues/Memberships*</td>
</tr>
<tr>
<td>Conference/seminar registration fees</td>
<td>Airfare&lt;$3,000 per trip</td>
</tr>
<tr>
<td>Checked bag fee (limit 1)</td>
<td>(domestic and international)</td>
</tr>
<tr>
<td>Gasoline (pay at the pump required)</td>
<td>Airport shuttle, taxis, train, or bus</td>
</tr>
<tr>
<td>Lodging (including hotel self-parking fee and hotel internet fee if needed for business)</td>
<td>Rental cars</td>
</tr>
<tr>
<td>Business meals and group travel meals (actual cost itemized receipt, # and names of attendees, &amp; purpose of meal; max tip allowed is 20% on pretax meal cost)</td>
<td></td>
</tr>
</tbody>
</table>

* Institutional dues and memberships including Chamber of Commerce memberships. All other dues and memberships require Vice President/Provost approval.

5.3 Prohibited Purchases

The following is a list of prohibited purchases; however, it does not serve as a definitive list.

<table>
<thead>
<tr>
<th>Personal expenses</th>
<th>Cash advances</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards, prizes, gift cards or gift certificates</td>
<td>Flowers</td>
</tr>
<tr>
<td>Condolence expenses</td>
<td>Computer hardware, software, iPads, etc.</td>
</tr>
<tr>
<td>Alcoholic beverages</td>
<td>Telephones, copiers, printers and fax machines</td>
</tr>
<tr>
<td>Office furniture</td>
<td>Printed materials under contract</td>
</tr>
<tr>
<td>Goods ordered from state or University contracts</td>
<td>Foundation purchases</td>
</tr>
<tr>
<td>Maintenance agreements</td>
<td>First class airfare, Early Bird Check-in, Choice Seats, Valet parking</td>
</tr>
<tr>
<td>On-campus purchases (Concord Printing)</td>
<td>International commodity purchases</td>
</tr>
<tr>
<td>Hotel-room service, mini bar, laundry, telephone and movie charges</td>
<td>Per diem meals</td>
</tr>
<tr>
<td>Spouse/dependent travel</td>
<td>Personal travel expenses</td>
</tr>
</tbody>
</table>
5.4 Blocked Merchant Categories

In most national credit card systems, suppliers are assigned a four-digit code according to their Merchant Category Classification (MCC). The University has opted to block certain MCC codes on the University’s purchasing cards. Only MCC codes identified as allowable will be “open”, whereby charges can be made and processed.

If a cardholder attempts to make a purchase with a vendor with a blocked MCC code, the transaction will be declined. On a case by case basis, this restriction may be waived by the Purchasing Card Team by completing and submitting a Card Maintenance Request form.

The following table represents some of the merchant categories that have been blocked as part of the Purchasing Card Program. Please consult Appendix A for the entire list of blocked MCC Codes.

<table>
<thead>
<tr>
<th>Entertainment providers</th>
<th>Financial institutions, ATMs, insurance sales, real estate agents, payment service providers, money transfers, merchant payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Savings bonds</td>
<td>Sporting &amp; recreational camps</td>
</tr>
<tr>
<td>Trailer parks &amp; campgrounds</td>
<td>Beauty shops</td>
</tr>
<tr>
<td>Shoe repair</td>
<td>Health &amp; beauty spas</td>
</tr>
<tr>
<td>Dating &amp; escort services</td>
<td>Funeral services</td>
</tr>
<tr>
<td>Counseling services</td>
<td>Tax preparation services</td>
</tr>
<tr>
<td>Massage parlors</td>
<td>Babysitting services</td>
</tr>
<tr>
<td>Child care services</td>
<td>Political &amp; religious organizations/religious good stores</td>
</tr>
<tr>
<td>Accounting, auditing &amp; bookkeeping services</td>
<td>Government services-court costs &amp; fines</td>
</tr>
<tr>
<td>Bail &amp; bond payments</td>
<td>Intra-government purchases</td>
</tr>
<tr>
<td>Government loan payments</td>
<td>Florist supplies, nursery stock &amp; flowers</td>
</tr>
<tr>
<td>Florists</td>
<td>Freezer locker meat providers</td>
</tr>
<tr>
<td>Duty free stores</td>
<td>Wig &amp; toupee shops</td>
</tr>
<tr>
<td>Candy, nut &amp; confectionary stores</td>
<td>Cigar stores &amp; stands</td>
</tr>
<tr>
<td>Drinking places-bars, taverns, night clubs, lounges, discos</td>
<td>Package stores, beer, wine &amp; liquor stores</td>
</tr>
<tr>
<td>Used merchandise stores</td>
<td>Antique shops-sales, repairs &amp; restoration services</td>
</tr>
<tr>
<td>Pawn shops</td>
<td>Wrecking &amp; salvage yards</td>
</tr>
<tr>
<td>Antique reproduction stores</td>
<td>Jewelry-watches, clocks &amp; silverware stores</td>
</tr>
<tr>
<td>Gift card, novelty and souvenir shops</td>
<td>Luggage &amp; leather goods stores</td>
</tr>
<tr>
<td>Art dealers &amp; galleries</td>
<td>Telecommunication equipment &amp; services</td>
</tr>
</tbody>
</table>

5.5 Rejected Transactions and Declines

If the purchasing card is rejected, the cardholder should call the toll-free number on the back of the card to request a reason for the rejection. U.S. Bank will not be able to fix any problems resulting from a rejected transaction. The cardholder should contact the Purchasing Card Team.

The most common reasons a transaction is rejected include:

- The purchase exceeds the single or monthly transaction limits.
The merchant falls under a restricted merchant category code. Certain vendor types have been restricted from use by the cardholders due to the type of items or services being sold (refer to section 5.4 of this manual).

The bank has a security concern and has put the account on hold.

There is no record of the decline which indicates that there is a problem with the data connection between the merchant and the card issuer.

5.6 Purchasing Best Practices

Purchases may be made from any vendor that accepts VISA, unless the merchant’s type of business falls under one of the business categories that are blocked from usage. When making the decision on where to purchase, the cardholder must keep in mind:

- Items available on state and University contracts should NEVER be charged to a purchasing card.
- The cardholder may order materials or services as required to support his/her department or areas, except for those items and services that are listed as Prohibited Purchases under this program.
- The cardholder may contact one or more vendors to request a price quote that includes freight or other costs to ensure that they receive the best price. No formal documentation needs to be submitted to the vendor when placing an order.
- When ordering, the cardholder must give the vendor detailed delivery instructions for the materials or services, which should include his/her name, department, and complete shipping address of the University.
- Materials must NOT be shipped to the cardholder’s home address.
- The cardholder should inform the vendor that they are not authorized to charge the purchasing card until they have shipped the items ordered or provided the service. Any item(s) back ordered must not be charged to the purchasing card until they are shipped.
- The cardholder should obtain the best price for the items or services that are being purchased and spend wisely.

5.7 Internet Purchases

The purchasing card may be used for making purchases through the Internet, if it is an allowable expenditure per purchasing card and other University purchasing policies. The cardholder must protect his/her card information. When using the internet for purchases, the cardholder should:

- Use good judgment. Do not use the purchasing card if you would not use your own personal credit card at the Internet site.
- Always select vendors who have secure Internet sites. Look for the closed lock symbol on the website and/or a website address/URL that starts with “https://”.
- Print screen the transaction information upon completion of the purchase. The print screen and/or confirmation email can serve as the receipt documentation as long as it contains detailed information.

5.8 Required Documentation

Receipts/invoices are a critical part of the Purchasing Card Program as it documents the purchase transactions. Accurate and detailed records of purchasing card purchases allows the Purchasing Card Team and the auditors to verify and audit cardholder purchases for compliance with University, state and federal policy, statutes, rules, and regulations.

All receipts/invoices must contain the following information:
- Vendor Name
- Date of Purchase
- Description and quantity of each item purchased (write in if not apparent on receipt)
- Unit Cost of each item purchased
- Total Cost of the purchase charged to the purchasing card
- Brief Explanation of Business Purpose (if applicable)

Receipts may be a cash register receipt, fax confirmation, e-mail, completed internet order form, completed mail order form, or company invoice.

All of the information on the receipt must be clear and legible.

Upon delivery of the order and after a receipt/invoice is received, the cardholder will verify:

- The receipt clearly indicates the items purchased or the services received and if necessary, the purpose for the purchase.
- The goods or services were received and the charges comply with University policies and procedures.
- The receipt is complete.

Individual departments are encouraged to establish their own procedures in order to ensure effective control over credit card usage within their departments.

**5.9 Missing Receipts**

If the cardholder loses the receipt or invoice for a transaction, the cardholder should attempt to obtain a copy of the receipt from the vendor. If the receipt or invoice cannot be obtained through other means, then the cardholder must complete and submit to his/her approver a Missing Receipt Form. The Missing Receipt Form must also be approved by the appropriate Vice President/Provost.

The Missing Receipt Form must contain a detailed description and the price of all items purchased.

Submission of more than two Missing Receipt Forms will be seen as misuse under the Purchasing Card Program and will result in a penalty. The approver should report the over-use of this form to the Purchasing Card Team.

**5.10 Splitting Transactions**

A cardholder should never ask a merchant to split a charge into two or more transactions to circumvent his/her card limits or University policies. This practice is considered a violation and may result in penalties. Card activity will be reviewed for split purchases by the Purchasing Card Team. If a purchase must exceed the single or monthly card limits, the cardholder should submit a Card Maintenance Request Form to the Purchasing Card Team prior to making the purchase.

**5.11 Personal Purchases**

Under NO circumstances should the purchasing card be used to make personal purchases. Personal purchases are considered a violation of the Cardholder Agreement signed by all cardholders. The cardholder will be required to reimburse the University for all personal purchases. Using the Card for personal gain or unauthorized use may result in disciplinary actions up to and including termination of employment and prosecution to the extent permitted by law.
5.12 Employment Change/Transfer/Termination

The Purchasing Card Team must be notified by the cardholder or by the cardholder’s department whenever the cardholder retires, resigns, transfers to another department, or assumes different duties which may or may not require using a purchasing card.

If a cardholder transfers to another department within the University, the cardholder is not required to cancel his/her purchasing card unless his/her new supervisor will not approve the individual for a card.

The cardholder will need to take the following actions prior to any departmental transfer:

- Discontinue the use of the Purchasing Card.
- Complete the Card Maintenance Request Form, check the department box and submit the form to the Purchasing Card Team. This request must be approved by the new supervisor.
- Reconcile—account code transactions and scan receipts—all outstanding transactions in Access Online.
- Notify the Purchasing Card Team immediately and complete the Card Cancellation Form if the new supervisor does not approve the individual’s continuation as a cardholder.

If a cardholder terminates his/her employment with the University, he/she is required to:

- Notify the Purchasing Card Team.
- Stop using the Purchasing Card, immediately or at a minimum of two weeks prior to this/her last day.
- Reconcile—account code transactions and scan receipts—all outstanding transactions in Access Online.
- Complete the Purchasing Card Cancellation Form. Cut the card in half, attach the pieces to the form, and obtain the approver’s signature on the form. The cardholder’s approver should also send an e-mail to the Purchasing Card Team when a cardholder leaves the University.
- Turn in the Purchasing Card Cancellation Form at (or prior to) checkout. The Purchasing Card Team must receive the Purchasing Card Cancellation Form with the attached purchasing card before the cardholder can be checked out.
- Stop by the Controller’s Office as part of checkout procedures.
## 6. Violations / Penalties

<table>
<thead>
<tr>
<th>Violations</th>
<th>Penalties</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Personal Purchases</strong></td>
<td><strong>Cardholder will be required to reimburse the University for all expenses</strong></td>
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<tr>
<td></td>
<td>A Noncompliance Letter will be issued</td>
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<tr>
<td></td>
<td>15 day suspension of card</td>
</tr>
<tr>
<td><strong>Split Purchases to avoid $3,000 single purchase limit</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td></td>
<td>30 day suspension of card</td>
</tr>
<tr>
<td><strong>Use of Card by another individual</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td></td>
<td>15 day suspension of card</td>
</tr>
<tr>
<td><strong>State Bid Violation</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td></td>
<td>30 day suspension of card</td>
</tr>
<tr>
<td><strong>Purchase of Restricted Item(s)</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td></td>
<td>30 day suspension of card</td>
</tr>
<tr>
<td><strong>Itemized Receipt is missing</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td><strong>Cardholder may be asked to reimburse the University for any charge that cannot be substantiated with an itemized receipt</strong></td>
<td>15 day suspension of card</td>
</tr>
<tr>
<td><strong>Reconciliation in Access Online is not completed by the 5th of the month</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td><strong>A $25 late fee will be charged to the department's budget</strong></td>
<td>15 day suspension of card</td>
</tr>
<tr>
<td><strong>Improper record keeping</strong></td>
<td>A Noncompliance Letter will be issued</td>
</tr>
<tr>
<td><strong>Including: Missing/incorrect accounting code information or Missing Receipt Form overuse</strong></td>
<td>15 day suspension of card</td>
</tr>
</tbody>
</table>

The above issues are not meant to serve as a definitive list of all possible issues which would require disciplinary action. Any other issues not listed will be treated in a similar manner as determined by the Purchasing Card Team.

In addition to the penalties mentioned above, cards with audit findings will also be subject to more frequent audits until the Purchasing Card Team is satisfied the audit findings were isolated incidents and not an indication of a pattern of abuse.
7. Purchasing Card Reconciliation

7.1 Credit Card Statements

The cardholder will be able to obtain the credit card statement from Access Online by the 26th of each month, reflecting all transactions made during the billing cycle. The statement should be reviewed by the cardholder for accuracy of all transactions authorized. An electronic .pdf copy of the statement may be obtained from the Access Online System.

7.2 Reconciliation of Purchasing Card

All transactions must be reconciled—transactions account coded and receipts scanned--AND final approved by the 5th day of the month following the billing close date. If a receipt cannot be obtained, a Missing Receipt Form must be completed. Transactions can be reconciled and approved at any time during the billing cycle. It is not necessary to wait until the billing cycle closes to reconcile and approve transactions.

A $25 late fee will be assessed to the department’s budget for all cardholders whose transactions are not reconciled and final approved by the 5th day of the month (refer to section 6.0 of this manual).

7.3 Disputing a Transaction

The cardholder should attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the purchasing card account. If an agreement cannot be reached with the vendor, the cardholder should complete the formal dispute process in Access Online.

Formal disputes must be done within five days of the billing close date in order to be accepted by U.S. Bank. Most purchasing card issues can be resolved using this process. If the cardholder is unable to obtain an acceptable resolution, the cardholder or his/her approver should contact the Purchasing Card Team.

All disputed transactions must be reconciled—transactions account coded and receipts scanned--in Access Online. When the credit is received, it should be account coded the same as the original transaction in Access Online.

Since all transactions must be reconciled in Access Online prior to the close of the month, it is in the cardholder’s best interest to file the Statement of Disputed Transactions form as quickly as possible to ensure that credits are posted back to the cardholder’s purchasing card timely.

7.4 Record Retention

All purchasing card documentation should be maintained by the cardholder and/or reconciler for a minimum of 2 years. This documentation should include all cardholder statements and/or Account Activity Reports, original invoices/receipts, Missing Receipt Forms, and any other documentation required to support each transaction for each cardholder.

8. Card Reviews

8.1 Card Inactivity

At the end of each fiscal quarter, a Card Inactivity Review is conducted by the Purchasing Card Team. Cardholders who have not had card activity during the consecutive three month period prior to the review will be sent an Inactivity Notification via email. Cardholders must reply with a justification as to
why the card account must remain open or if the card is no longer needed. If no response is received within three weeks of the notification, the card limits will be automatically lowered to $1.00 and the cardholder will be notified.

8.2 Credit Card Limit Reviews

Credit limits are assigned to cardholders based on their purchasing needs. The Purchasing Card Team conducts reviews to analyze each cardholder’s transactional spend in comparison to his/her assigned credit limits. If it is determined that the cardholder is not utilizing the majority of his/her credit limit in a span of a year, the cardholder’s credit limits will automatically be adjusted to fit his/her card spend. The cardholder will be notified of any change to his/her credit limits.

8.3 Renewal Cards

The purchasing card will be issued to the cardholder for a period of three years. Approximately one month prior to the purchasing card expiration date, U.S. Bank will mail a new card to the Purchasing Card Team. The cardholder will be notified when the new card comes in so that he/she can make arrangements to pick it up from the Controller’s Office.

9. Fraud Awareness

9.1 Lost, Stolen or Misplaced Purchasing Cards

If a cardholder loses a purchasing card, or if it is stolen or misplaced, the cardholder should notify U.S. Bank immediately by calling the toll-free number 1-800-344-5696. The cardholder should be prepared to provide the following information to the U.S. Bank representative: the purchasing card number, the last four digits of the cardholder employee ID number (when asked for the cardholder’s SSN), campus address, work telephone number, and a brief summary of what happened.

Lost or stolen cards reported by telephone are cancelled immediately. A replacement card will be issued and mailed to the Purchasing Card Team within 7-10 working days after being reported. The cardholder and approver should closely monitor all transactions posted on the cardholder’s account and dispute charges that appear to be fraudulent.

The cardholder will be liable for all charges incurred if a fraudulent transaction is not disputed within five days following the end of the billing cycle in which the disputed transaction occurred. The cardholder should also notify the Purchasing Card Team as soon as possible to confirm the card has been cancelled.

9.2 Fraudulent or Unauthorized Transactions

Any transactions which appear on the cardholder’s account as the result of information being acquired and orders being placed without the cardholder’s knowledge are considered fraudulent transactions. Once the cardholder is aware of such charges, the cardholder must notify the Purchasing Card Team and the U.S. Bank Customer Service Department at 1-800-523-9078 about the compromised card. U.S. Bank should issue credits for all charges the cardholder identifies as being fraudulent.

It is very important for the cardholder and his/her approver to review all transactions in a timely manner and to notify U.S. Bank as soon as he/she becomes aware of these types of transactions.

The cardholder will be liable for all charges incurred if a fraudulent transaction is not disputed. Disputes must be initiated with U.S. Bank no later than 90 days after the date on which the transaction posts.
When the bank is notified that a purchasing card has been compromised, the card will be cancelled and a new card will be sent to the Purchasing Card Team within 7-10 working days. It is very important that the cardholder notifies the Purchasing Card Team that fraudulent activity has been reported and a new card will be arriving.

9.3 Contact from the Fraud Department

U.S. Bank continuously reviews cardholder transactions to spot potential fraudulent use of purchasing cards, such as multiple uses of the card for Internet purchases, repetitive purchases from an unusual source, or several one dollar transactions. In these instances, a representative from U.S. Bank’s Fraud Department may attempt to contact the cardholder about any suspicious charges. Purchasing cards may be placed on hold until the U.S. Bank is able to speak to the cardholder or to the Purchasing Card Team.

The cardholder may be questioned about such charges. If the transactions were legitimately placed by the cardholder, the transactions will be authorized by U.S. Bank and the hold on the purchasing card will be removed. If the cardholder has no knowledge of the transactions, then U.S. Bank will begin the process of cancelling the purchasing card. U.S. Bank will send a new purchasing card to the Purchasing Card Team and issue credits for the fraudulent transactions.

U.S. Bank may mail or fax a report of the charges identified as fraudulent, and the cardholder may be required to sign the report and return it to the U.S. Bank’s Fraud Department.
The Purchasing Card Team

Any questions regarding the Program Policies and Procedures should be directed to the following campus contacts:

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