

## **Purchase Card Policy**

**Revised:** 2/19/2015

**Subject:** Purchase Card Policy

**Applies to:** All University Faculty and Staff

**Issued By:** Office of the Vice President for Business and Finance

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### **Policy Statement**

The Purchase Card is a university issued card designed to streamline dollar purchases of goods and services for business related purposes. Cards will be provided to employees of the university upon approval by the Department Head, and the appropriate Vice President. This policy guides all faculty and staff using the Purchase Card program at Clarke University.

### **Introduction**

The Purchase Card is a Visa credit card issued by Dubuque Bank & Trust. The card can be used for both in-store purchases as well as phone, mail, internet, and fax orders. Do not email credit card numbers to vendors as it can result in identity theft.

The card is not intended to avoid or bypass appropriate purchasing procedures but is to be used in accordance with the guidelines established within this policy. This program should be treated with the same sense of responsibility and security used for a personal credit card. Violations of procedures or abuse will be subject to disciplinary action.

Your signature on the Cardholder Agreement indicates that you understand and agree to adhere to the guidelines established for the program. Cards are processed for issuance after the approval of the Department Head and appropriate Vice President.

### **Purchase Card Administrator (PCA)**

The Administrative Assistant, Office of the Vice President for Business and Finance, shall act as the administrator for the purchasing card program.

### **Acquiring a Purchasing Card**

Upon approval by the Department Head and the appropriate Vice President the employee must complete the Purchasing Card Maintenance Form (Appendix A) and Cardholder Agreement (Appendix B) and return the completed form to the PCA in the Business Office. The cardholder is required to read the Purchasing Card Policy and adhere to all policies and procedures.

Cardholders will be notified by the PCA when their card has arrived. The cardholder must pick up the card. After activation, sign the back of the card and always keep it in a secure place. Cards remain the property of the university and are only to be used for university purchases as defined in this policy.

### **Renewal of Existing Purchasing Cards**

Visa will automatically renew the card approximately 30 days before it expires.

### **Lost or Stolen Cards**

Cardholders must immediately report a lost or stolen Purchasing card by contacting Dubuque Bank & Trust Customer Service at **1-800-442-4757**. Immediately after informing Customer Service, the cardholder must also inform the Purchase Card Administrator.

The cardholder is responsible for the security of the card and any purchases made on the account until it is reported stolen. It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions. The cardholder will not be able to use the account number after notifying the bank. A new card will be issued within 48 hours of notice to US Bank.

### **Canceling Purchase Cards**

To cancel a Purchase Card, the cardholder or cardholder's department head must deliver the card to the PCA to cancel the account and destroy the card. Departing employees must surrender the purchasing card to PCA or department head with any current or outstanding receipts. Upon receipt of the monthly statement, the department head and Vice President will review, approve and forward the monthly purchasing card statement to the Senior Accountant.

### **General Information**

This Visa card is a combination purchase/travel card. Each card will be tailored to individual requirements. This will minimize the potential for abuse should your card be lost or stolen.

The purchasing card has the Cardholder's name embossed on it and should be used by the Cardholder or the persons authorized by the Cardholder. The Cardholder is responsible for all use of his/her card.

Some restrictions have been built into the program. Card limits are established to fit the user profile. Monthly limits are established for certain positions to meet requirements for the job.

### **Tax Exempt Status**

Clarke University is a tax-exempt organization. The cardholder is responsible for notifying the vendor that the purchase is tax exempt. If requested by the vendor, Iowa Sales Tax certificates are available from the PCA or from the Clarke website. **The cardholder is liable for sales tax paid for which Clarke University is exempt.** Review your receipt to make sure that sales tax is handled properly. If sales tax is charged in error, the cardholder must contact the vendor to request a refund or make payment to reimburse the university for the tax charged.

**In Iowa**, Clarke University is required to pay sales tax on lodging and prepared meals. Tax exemption is not expected or required for business meals or for out of state hotels.

### **Purchase Card Use**

Purchases must be within the limits of the departments' available budget.

The card limit renews itself on the 16th day of the month or the first business day after.

Purchase card limits are adjusted by the PCA. Limit adjustments must be approved by the appropriate Vice President. Limit adjustments should be sent via email to the cardholders Vice President. The email should include:

- Amount of new limit
- Temporary or permanent increase/decrease
- Effective date(s)
- Explanation for limit change

Upon approval, the Vice President will send the request to the PCA three business days prior to the effective date to allow for processing.

#### **UNAUTHORIZED PURCHASING CARD USE**

The purchasing card **SHALL NOT BE USED** for the following:

- Personal purchases
- Cash Advances or ATM cash withdrawals
- Entertainment – including lottery/gambling and dating/escort services
- Purchase of alcohol, unless previously authorized by department Vice President
- Computer equipment, with the exception of the Computer Center
- Purchases expressly prohibited in the Travel Policy.

Except for the situations noted above, the card may be used at any merchant that accepts Visa throughout the U.S. or in any foreign country.

#### **Misuse of the Purchase Card**

A Cardholder who makes an unauthorized purchase(s) or carelessly uses the Purchase Card may be liable for the total dollar amount of the purchase(s) plus any administrative fees charged by the bank in connection with the misuse. The Cardholder may also be subject to disciplinary action.

Misuse of the card can be personal or administrative. Misuse includes but is not limited to:

- Lack of timely reconciliation of individual cardholder account
- Purchases for the sole benefit of the employee
- Assignment or transfer of a card to an unauthorized person
- Use of a card by a suspended or terminated employee
- Card use in direct violation of the purchasing card policies and procedures contained in this document

Misuse of the Purchasing Card will be handled promptly and uniformly for all cardholders. When appropriate, the supervisor should attempt informal resolution by bringing the misuse, and consequences of further misuse, to the employee's attention.

If informal resolution is inappropriate or ineffective, the following consequences will be enforced. Not all consequences will be applied to every violation. There are situations that may lead to disciplinary action, including suspension or termination of employment. The Vice President for Business and Finance reserves the right to use their discretion in applying these guidelines, depending on the type and severity of the specific violation being addressed.

- If a single instance of misuse occurs by a cardholder, a warning will be issued.
- In the second instance of misuse, the card will be suspended for at least one billing cycle.
- If problems continue after the card is reinstated, the card will be canceled or suspended up to one year.
- An approving official can skip any or all of these steps if the incident is severe, resulting in permanent suspension of the card.

The cardholder's supervisor and/or Vice President will be notified of any suspected misuse.

### **Card Refusal**

If the card is refused at a merchant where the cardholder believes it should be accepted, call Dubuque Bank & Trust Purchasing Card Customer Service to determine the reason for refusal. Automated customer service assistance is available 24 hours/day, 7 days/week: **1-800-442-4757**. This menu prompts you with options that will provide the following information:

- Current Balance
- Transaction History
- Disputes
- Report Lost/Stolen Card
- Statement Request
- Speak with a Customer Service Representative

Depending on the result of your inquiry, the cardholder may discuss the issue further with his/her Vice President. The Vice President is empowered to advise the PCA to modify the restrictions on the cardholder's use of the Purchasing Card.

### **Reconciliation and Payment**

Unlike personal credit cards, the Dubuque Bank & Trust VISA Purchasing Card Program is handled as a corporate liability. The Employee's personal credit history has not been taken into account when a card has been issued in your name.

It is the cardholder's responsibility to review the monthly statement and verify that all transactions are valid and the expenditures are for university related purposes. The cardholder will be required to reimburse the university with personal funds for any activity that is not a business expense. The cardholder is responsible for obtaining original itemized receipts for every transaction and attaching them to the monthly statement. For orders placed via phone, fax, or mail, the cardholder must request a receipt, detailing merchandise price, sales/use tax, freight, etc. be included with the goods mailed/shipped. (*Note: a merchant should not reject this request, it is a VISA policy*). For internet orders, print the detailed confirmation/receipt screen. Conference registration forms or subscription renewal notices should be printed or copied before mailing. It is extremely important to request and retain purchase receipts, as this is the only original documentation to substantiate the purchase as a valid business expense.

**ENCOURAGE VENDORS NOT TO SEND DOCUMENTATION/INFORMATION FOR CREDIT CARD PURCHASES TO ACCOUNTS PAYABLE** as it may result in duplicate payment.

The Senior Accountant is responsible for the storage of all receipts and statements. Required record retention for financial documents is seven complete years plus the current year.

### **Monthly Timeline:**

The closing date for the monthly statement is the 15<sup>th</sup> of each month (or the first business day after). The following day statements will be available to view and reconcile online using the 360Control website. Statements should be submitted to the Senior Accountant, no later than the 1<sup>st</sup> of the following month, with all required receipts and approval signatures.

**Failure to adhere to record keeping deadlines constitutes as misuse of the card and subject to disciplinary action.**

### **Purchase Card Lost Receipt Affidavit**

Effective 10/1/08, cardholders are required to complete a Purchase Card Lost Receipt Affidavit for all lost receipts. The form should be attached to the monthly statement. This form is intended for occasional use. Frequent use of this form will be considered misuse and subject to disciplinary action.

**Non-compliance with any of the rules will result, at a minimum, in revocation of the card.**

### **Online Features**

Your transactions must be reconciled online using the 360Control website. The URL for reconciling is <https://360control.firstdata.com>.

Please refer to the Purchasing Card Training Guide available on the Clarke website under Business & Finance/Policies & Procedures for further instruction on maneuvering the website.

### **Statement Discrepancies/Credits/Returns**

#### **Instances of discrepancy include:**

- Items on the statement do not correlate with the retained receipts,
  - A transaction not made by the cardholder
  - The amount of the transaction may be incorrect
- Dispute with a vendor about quality or service.

If there is a discrepancy, contact the merchant to attempt to resolve the error or problem. If the vendors complies and issues a credit adjustment it should appear on the next statement. Note: Be sure to verify that the correct credit has been received on the next month's statement. If the merchant disagrees that an adjustment is necessary, call Dubuque Bank & Trust customer service at 1-800-442-4757. You will need to provide details regarding the dispute, including what corrective actions have already taken to resolve the dispute. Dubuque Bank & Trust must receive any charge dispute within 60 days of the transaction date. While pending resolution, Dubuque Bank & Trust will credit Clarke's account for the amount of the disputed transaction. Although Dubuque Bank & Trust acts as the arbitrator in any dispute, should never assume that a dispute will be resolved in our favor.

If the dispute is not resolved to your satisfaction, and you believe the merchant has treated you unfairly, please notify the PCA with the relevant details.

Any fraudulent charge must be reported immediately to Dubuque Bank & Trust customer service and the Purchasing Card Administrator. Prompt reporting of such charges will help to prevent Clarke University from being held responsible.

Purchasing Card Returns - If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the Cardholder is to contact the Vendor to explain the problem and inquire about return policies. A "return authorization number" may be necessary from the vendor to return an item. If the Cardholder is disputing a charge, he/she should contact customer service.

If an item has been returned and a credit voucher received, the Cardholder shall verify that this credit is reflected on the monthly statement. If purchased items or credits are not listed on the monthly statement, the Cardholder shall retain the appropriate transaction documentation until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the cardholder must notify the PCA.

### **Related Documents**

- [Travel Policy and Procedures](#)



