

UNION COLLEGE

Credit Card Policies and Procedures

Effective 10/22/2019

Procedure: Credit Card Policies and Procedures
Department: Office of Business Services
Contact: Accounts Payable Team purchasing@unionky.edu 606-546-1208

Union College may make available the use of college credit cards to employees with purchasing responsibilities. Use of college credit cards is a privilege and is not a right for any employee of the college. This privilege may be revoked for failure to adhere to any of the policy, guidelines and/or instructions set forth in this document, or at the discretion of the Vice President of Business and Financial Services.

Employees that use college credit cards, by their signature of acceptance of the credit card, agree to comply with the college's credit card policy, guidelines for usage, and instructions set forth below. This document also references related policies which can be found in the employee handbook available online to all employees.

Credit cards provide the college with a cost-effective, convenient and streamlined method of processing approved budgeted expenses, thereby reducing the volume of individual payments processed by the college. Completing a transaction with a college credit card also allows the college to be in a better position to dispute charges and track expenses.

In addition, a college form of payment must be used to take advantage of its exemption from Kentucky sales tax- a savings not available if employees make purchases with personal funds and are then reimbursed. It is therefore requested that employees refrain from using personal funds for college business whenever possible, and instead use a college credit card.

There are three types of college-issued credit cards available for use: cards assigned to named individuals, cards assigned to named departments, and numbered cards maintained by the Business Office available to be checked out on a temporary basis. There are general guidelines and instructions that apply to all types of credit cards as well as specific guidelines and instructions based on type, as outlined below.

Purpose

The purpose of this policy is to communicate eligibility, usage and payment of expenditure requirements for all corporate credit cards.

General Guidelines for All Types of Credit Cards

- Cards are to be kept/maintained in a secure location by the cardholder at all times.
- Any person checking out a credit card must come in person to the Business Office to obtain the card. Credit card numbers will never be given out over the phone or electronically sent by the Business Office.
- A lost or stolen card must be reported to the Business Office by the cardholder immediately so that the card can be cancelled.
- Cards are for college-approved business purposes only. Under no circumstances is the card to be used for personal or non-college expense, even if the employee intends to reimburse for the personal or non-college expense.
- Cards cannot be used for IRS reportable payments for services (i.e., independent contractor services for which a 1099 must be issued.) See "*Form W-9 and Form 1099 Tax Reporting Guidelines*" on the Business Office website or contact the Business Office for additional information.
- Cards may be used for vendors who are incorporated, governmental or tax exempt and online purchases of goods or travel.
- Cardholders must comply with all college expense and travel policies. See the Employee Handbook or contact the Business Office for additional information.
- Charges made on a college credit card must be supported by adequate records which clearly establish that they were (i) ordinary and necessary; (ii) reasonable in amount; and (iii) incurred for a valid business purpose.

It is the cardholder's responsibility to obtain itemized transaction receipts from the vendor each time the credit card is used. For individual and department cardholders, original receipts must be matched to the cardholder's monthly statement and submitted per Business Office instructions provided with the statement.

The following guidelines apply:

- Original receipts must be attached for all purchases of goods and services regardless of cost.
- All receipts must be signed with Purchase order number and Account number to be charged listed.
- Missing receipts- Cardholders must attempt to get the receipt from the vendor. If the receipt is not available, the cardholder must provide explanation for the transaction by filling out a "Missing Receipt Disclosure" form for each missing receipt. The "Missing Receipt Disclosure" form may be found under Employee Forms (<https://www.unionky.edu/departments/hr/employee-forms>) on the UC website.

After 3 missing receipts in a calendar year, the cardholder's rights and privileges may be revoked for a period of up to six months and/or disciplinary action taken until he or she establishes the ability to adhere to policy guidelines.

Policies

- Union College will issue a corporate credit card to eligible employees for job-related expenses.
- Employees shall use their corporate credit cards to charge business-related expenses. Expenses

must be for approved budget items only. Any items not budgeted must be authorized by the business office.

- Personal purchases of any type are strictly prohibited.
- No alcoholic beverages may be purchased with the corporate credit card
- Employees may NOT take cash advances on credit cards.
- The employee is responsible for all charges made to the card. The employee will be held liable for any unauthorized items appearing on the credit card statement.
- **Cardholders are required to sign the "Credit Card User Agreement" indicating they accept these terms. Individuals who do not adhere to these policies and procedures risk revocation of their credit card privileges and/or disciplinary action.**
- The use of credit cards to fuel personal vehicles for travel use is prohibited.
- All employees must reconcile each month within 5 days of receipt of the statement.

Cards Assigned to Individuals

College credit cards may be directly assigned to specific employees across campus. A "Credit Card Request Form" must be completed by the requesting party, providing adequate justification and all necessary approvals/signatures. The business office will determine credit limits for each cardholder.

Submission of this form does not guarantee the issuance of a card. The form must be submitted to the Business Office for review and approval. The cardholder must provide justification that the volume of purchases made per month require a credit card (e.g., excessive personal reimbursements, excessive travel/recruiting, etc.). The Business Office may revoke the privilege of card usage for violation of the cardholder's responsibilities. The individual cardholder will be responsible for the following:

- Physical security of the card.
- All transactions on the card either directly incurred or incurred with the cardholder's approval.
- Proper use of the card for approved budgeted expenses in accordance with the General Guidelines listed above.
- Timely submission of all supporting documents in accordance with the General Guidelines listed above and within timeframes set forth by the Business Office with distribution of monthly statements.

Cards Assigned to Departments

Departments across campus may request a credit card to be used by faculty and staff within a department. A "Credit Card Request Form" must be completed by the requesting party, providing adequate justification and all necessary approvals/signatures. Submission of this form does not guarantee the issuance of a card. The form must be submitted to the Business Office for review and approval. The Business Office may revoke the privilege of card usage for violation of the cardholder's responsibilities. While the card will be issued in the name of general departments on campus, an individual employee must be assigned within the department to coordinate its use, collect and submit receipts, and maintain responsibility for the card. This individual will be referred to as the "cardholder" and will be responsible for the following:

- Physical security of the card and the checkout process for use of the card by departmental employees.
- All transactions on the card either directly incurred or incurred with the cardholder's approval.
- Training departmental employees using the card to ensure proper use and collection of support documents in accordance with the General Guidelines listed above.
- Proper use of the card for approved budgeted expenses in accordance with the General Guidelines listed above.
- Timely submission of all supporting documents in accordance with the General Guidelines listed above and within timeframes set forth by the Business Office with distribution of monthly statements.

The cardholder is responsible for making copies of receipts for his or her records prior to submitting to the business unless there is a discrepancy within the month purchased.

Numbered Cards Available for Checkout at the Business Office:

The Business Office maintains a limited number of credit cards available for checkout on a first come, first serve basis. Employees will be required to sign the checkout log to illustrate their adherence to this Credit Card Policy. Students may also check out credit cards if authorized by a supervising employee, and will be required to sign the checkout log to illustrate their adherence to the Credit Card Policy.

To Check Out a Card

- Cards are located in the Business Office, second floor of Speed Hall, and are available between the hours of 8:00am- 4:30pm.
- The requester may be asked to present their Union College ID, and will be required to sign the checkout log. The signature will indicate adherence to the credit card policy as well as identify the person to contact for questions about the card.
- The requester will be issued a Union College credit card (MasterCard) and a Kentucky sales tax exemption certificate.
- If a student is being sent to pick up a card, the supervising employee must email the student's name, date and approximate time of pick up to purchasing@unionky.edu. This notification serves as approval for this student to pick up a card. A card will not be released to a student without this notification. The student must also present their Union College ID and sign the checkout log.

Usage of Card

All items noted in the General Guidelines for All Types of Credit Cards pertain to numbered cards, except that:

- Students and/or student organizations may not make online purchases with a college credit card. Only the supervisor may make such online purchases.
- Credit Card numbers are not to be stored on any websites for online purchases, travel-related reservations, etc.
- Under no circumstances may a student and/or student organization purchase alcohol of any kind with a college credit card.
- When making a purchase in person, cardholders may be asked to provide their Union College ID.

To Return a Card

- Return the card in person to the Business Office within two business days from the date of check out. If the card was used for travel purposes, return the card in person within five business days of your return to campus.
- Do not return any Union College card through Campus Mail or place in office mailboxes. This increases the chances of losing the card.
- Along with the card, provide all receipts signed with requisition number and account number to be charged as described in the General Guidelines section above.
- Return the Kentucky sales tax exemption certificate issued at time of check out.
- Sign the checkout log indicating return of card.