

CREDIT CARD POLICY

(ADOPTED November 2012)

SECTION 1: POLICY STATEMENT AND PURPOSE

Drury University will maintain a purchase card program designed to:

- Facilitate travel for personnel and students,
- Facilitate small-dollar incidental purchases,
- Provide an alternate form of payment for situations in which the vendor will not invoice the University.

It is the University's intention that the large majority of vendor payments be routed through the Accounts Payable office. However, the University recognizes that alternate forms of payment are sometimes necessary and more efficient. To this end, the purchase card program allows faculty, staff, and students to utilize institutional credit cards to make payments. This policy applies to all University personnel and students who make use of a University credit card, whether issued in the personnel's name or checked-out from Administrative Services. The use of University credit cards is a convenience, and should be considered a privilege that should not be abused.

Purpose of Policy:

- Provide guidelines for use of University credit cards for University business in accordance with applicable regulations and sound business practices,
- Assures that all cardholders and card-users are informed of their responsibilities before using a University credit card,
- Enables the University to protect its reputation and not-for-profit status by avoiding excessive or inappropriate spending, and
- Provides budget administrators with the ability to control how their budgets are expended.

Scope of Policy

This policy applies to any University faculty, staff, and student who uses a University credit card. Individuals other than faculty, staff, and students are prohibited from being issued a card in their name, checking out an unnamed ghost card from Administrative Services, or utilizing a University credit card in any other way.

SECTION 2: PURCHASE CARD ELIGIBILITY & AUTHORIZATION

In order to maintain budget integrity and spending controls, a limited number of faculty and staff are eligible for purchase cards issued in their name. The following positions are eligible for named University purchase cards:

- President
- Vice presidents
- Athletic personnel whose position requires travel of 20 or more days per year
- Admission personnel whose position requires travel of 20 or more days per year
- Alumni & Development personnel whose position requires travel of 20 or more days per year

Any University employee whose position is not listed above, but who feels a purchase card is necessary to the performance of his/her duties must submit an application to his/her budget administrator for consideration of exception to policy. This application must then be approved by University's Chief Financial Officer before a purchase card will be issued. No University employee is guaranteed issuance of a purchase card in their name.

No student will be issued a named purchase card.

In addition to the named purchase cards, the Office of Administrative Services will maintain a number of unnamed "ghost" cards, which may be checked out to any authorized faculty, staff, or student.

SECTION 3: CARDHOLDER/CARD-USER RESPONSIBILITIES

- Use the purchase card only for legitimate and authorized University purposes,
- Keep the card in a secure location at all times,
- Prohibit use of the card by other individuals,
- Use the card in accordance with all other University spending policies,
- Obtain necessary documentation for all card transactions,
- Reconcile and submit monthly statements by the monthly due date,
- Examine monthly statements for fraudulent activity or billing errors, and report such to the card-issuing bank and purchase card program administrator,
- Attempt to resolve disputes or billing errors with the vendor and/or the card-issuing bank,
- Ensure that all credits for fraudulent charges and billing errors appear on a subsequent statement,
- Ensure all refunds are credited directly back to the card (cash refunds/store credit should never be accepted),
- Immediately report a lost or stolen card to the card-issuing bank and the program administrator, and
- Return the card to the program administrator upon change of position, transfer to another department, or termination of employment with the University.

SECTION 4: PROPER USE OF A PURCHASE CARD

Drury University purchase cards are intended to allow University employees and students to handle more efficiently arrangements for travel and entertainment, as well as smaller incidental purchases. The purchase card is not intended to be a primary method of payment to any vendor.

Authorized Purchases:

- Travel expenses (meals, transportation fares, rental vehicles, hotel rooms, etc.)
- Fuel for rental vehicles or University-owned vehicles
- University-related business meals and entertainment with outside constituents
- Conference registrations and fees
- Internet-only available purchases
- Office & classroom supplies unavailable through Central Supply
- Limited equipment/furniture purchases under \$500
- Purchases from vendors which will not invoice the University

Note: Use of personal credit cards for any of the purposes above is prohibited except in emergency situations. All University business should be conducted through University credit cards or the Accounts Payable process.

Prohibited Purchases:

- Non-University (personal) purchases
 - The University's agreement with the card-issuing bank requires that the cards be used for University business only.
 - Use of University cards and/or the University's tax-exempt status for personal purchases puts the University's tax-exempt status in jeopardy.
 - If non-University purchases are discovered on a statement, a warning will be issued to the user, copying the user's direct supervisor and supervising vice president; in addition, the charge will be applied to the user's personal account and the users will be required to reimburse the University for the expense.
 - Subsequent use of the card for non-University purchases will trigger administrative review of the user's card privileges and may result in revocation of card privileges and/or other disciplinary action, up to and including termination of employment with the University.
- Cash advances
- Purchases at University businesses (e.g., Carbon Copy, bookstore, O'Reilly Family Event Center, etc.)

Unauthorized vs. Unwise

All card users must ensure that all purchases made with the card are both authorized and “wise” (i.e., the best use of University funds).

Authorized Transactions	Inappropriate Transaction
Purchasing an airline ticket after receiving approval from the budget supervisor.	<ul style="list-style-type: none">• Choosing a more expensive fare due to personal taste in the airline, departure/arrival convenience, etc.
Conducting a business meeting at dinner, with prior approval of the budget administrator.	<ul style="list-style-type: none">• Spending \$75-100 per person at the meal instead of choosing a less expensive venue or meal.• Inviting more people than necessary to the meeting.
Paying for parking at the Springfield airport when absolutely necessary, or when cost is less than cab fare.	<ul style="list-style-type: none">• Parking at the airport when cab fare would be less expensive.• Parking at the airport when a family member or colleague could provide transportation.• Multiple personnel parking separately, instead of car-pooling to the airport.
Purchasing miscellaneous office supplies online or in-store.	<ul style="list-style-type: none">• Purchasing supplies before checking that the University’s Central Supply is unable to fulfill the order or secure better pricing.

Purchase Card Delegation

- Purchase card delegation is the act of allowing an individual other than the cardholder whose name appears on the card to have access to the purchase card or the purchase card number in order to initiate or complete a transaction.
 - This includes allowing another individual physical access of the purchase card, or access to the purchase card’s information to make payments via internet or phone.
- Purchase card delegation increases the risk of fraud and cardholder/University liability.
- Purchase card delegation is strictly prohibited.

SECTION 5: EXEMPTION FROM SALES TAX

Drury University is exempt from all Missouri sales and use tax. Additionally, the University now has tax-exempt status in other states (see additional states at www.drury.edu/tax-exempt). All card users must make every effort to avoid paying sales tax in eligible states when using a purchase card.

- Cardholders are required to claim exemption from sales tax for all Missouri purchase, including:
 - In-store purchases
 - Hotel expenses
 - Vehicle rentals
 - Online purchases
 - Meals (wherever possible and practical)
- Use of self-checkout lanes is prohibited, as they do not allow for application of tax-exemption.
- Card users should apply for vendor-specific tax-exemption cards at Wal-Mart and other stores that follow this practice. This one-time process gives the cardholder a tax-exempt card to use statewide at such stores.
- When using the purchase card at restaurants or with caterers, the user should inform the vendor of the University’s tax-exempt status when reservations/arrangements are made, or before the order is placed, in order to avoid conflict when paying the bill.
- New vendors may require Missouri Department of Revenue Form 149 to be submitted before granting the exemption; the user is responsible for providing this information to the vendor prior to the purchase and/or travel.
 - Blank copies of Form 149 may be found at <http://dor.mo.gov/forms/149.pdf>.
 - Form 149 must be signed by the vice president for Administrative Services before it may be sent to the vendor.
- Fuel purchases are not tax exempt.
- Drury is not exempt from other non-sales state and local taxes (e.g., airport tax, occupancy tax, etc.)
- Cardholders must carefully examine each receipt to ensure that sales tax has not been charged, and request a refund if such is applied in error.

SECTION 6: STATEMENT RECONCILIATION

Named Purchase Cards

All cardholders are responsible for reconciliation of their statements each month in the designated online system, and submitting a hard-copy of the statement and applicable receipts.

- The University's billing cycle runs from the fifth business day of the month to the fourth business day of the next month.
- Statements are due by the 20th of each month (i.e., June's statement is due by July 20).
- Cardholders must utilize the online system to assign University account numbers to all transactions and provide a transaction description to each charge.
- The cardholder must print a completed hard copy of the statement and submit it, with attached receipts, to his supervisor for approval.
- Approvers are responsible for approving the statement through the online system and signing the hard copy statement for submission to Financial Services.
- Spent funds will not be restored to a card until the paper copy of the monthly statement and its accompanying documentation is received by Financial Services.

Past Due Statements:

- Spending limit increases will not be granted to cardholders with past due statements.
- Cards with statements more than 30 days past due will be turned off until *all* past and currently due statements are received by the program administrator
- Repeated noncompliance with statement responsibilities will be reported to the cardholder's supervisor, will trigger administrative review of cardholder privileges, and may result in revocation of cardholder privileges.

Check-Out Cards

Employees and students using a checked-out card must:

- Submit original receipts for all transactions within 30 days.
- Provide the program administrator with transaction descriptions for each charge.
- Provide the program administrator with an account number for each charge.

SECTION 7: REQUIRED DOCUMENTATION

Documentation for all transactions is required, whether made in a store, restaurant, gas station, by mail, by phone, internet, etc.

- Appropriate documentation may be considered:
 - Itemized invoices showing merchandise prices
 - Itemized receipts from vendors
 - Printed itemized receipts from online transactions.
 - Packing slips or order confirmations without prices are *not* valid documentation.
 - Receipts showing only the amount to be paid and the user signature are *not* valid documentation.
- Drury requires original receipts for each transaction; cardholders are encouraged to keep copies of receipts for their own records.
- Restaurant receipts:
 - According to IRS regulations, business meals and entertainment expenses "must directly precede or follow substantial and bonafide business discussion for the purpose of obtaining income or other specific trade or business benefit."
 - The following documentation is required by the IRS and thus by Drury, and is to be provided for each restaurant transaction shown on the statement:
 - Itemized original receipts
 - Date and amount of the expense (including tip)
 - Name and location of where the meal/event took place
 - The number of people served
 - Purpose of business meeting
- When making a purchase online, the cardholder must print out an itemized receipt of the transaction.
NOTE: This policy applies both to one-time purchases and regularly recurring expenses.
- When making a purchase by phone, the cardholder must request that the vendor fax, email, or mail an itemized receipt for the transaction.
- When paying for gasoline at the pump, the cardholder must request a receipt from the pump and wait for it to print before leaving the station.
- Routine submission of statements with missing documentation will trigger an administrative review of cardholder privileges.

SECTION 8: LOST OR STOLEN CARD, UNAUTHORIZED CHARGES

- **The cardholder must notify the card-issuing bank of lost or stolen cards, or unauthorized charges immediately following discovery of the loss, theft, or unauthorized use.** Failure to notify the bank within 24 hours of the loss, theft, or unauthorized use will inhibit the University's ability to seek reimbursement for any unauthorized charges made on the card.
- The cardholder must contact a program administrator to alert them to the loss/theft/unauthorized use.
- Should the lost card be located after it has been reported as lost or stolen, the cardholder should cut it up and dispose of it.
- A replacement card will be issued as soon as possible for a cancelled card. New cards usually arrive within five to seven business days.
- The cardholder must carefully check subsequent statements for unauthorized purchases and work with the card-issuing bank and/or vendor(s) to resolve any unauthorized charges.

SECTION 9: CHARGE DISPUTES

While Drury program administrators are available to provide advice and assistance with disputes, it is the cardholder's responsibility to work with the vendor(s) and bank to initiate the dispute and handle the details of the process.

- The cardholder must attempt reconciliation of the erroneous or unauthorized charge(s) with the vendor before contacting the bank to initiate a dispute.
- If the vendor is unable or unwilling to correct the issue, the cardholder must then initiate a dispute with the card issuing bank.
- The cardholder is responsible for working with the bank and/or vendor until the dispute is resolved.

SECTION 10: ENFORCEMENT

Violation of this policy may result in reduction or revocation of cardholder privileges and/or disciplinary action, up to and including termination of employment.

CHECK-OUT INFORMATION

Name (printed) _____ Drury ID# _____ Phone _____ Email _____

Organization/Department Name _____ GL Account Number (if multiple accts, mark acct on each receipt) _____

Date of Check-out _____ Est. Date of Return _____ \$ _____
Max Amount Requested to Spend

Purpose(s) of check-out _____

TEMPORARY CARDHOLDER AGREEMENT FOR DRURY EMPLOYEES

I have read the entire Drury University Credit Card Policy. I understand and agree that I will:

1. Use the purchase card only for business-related purchases authorized by University policy and in the best interests of the University,
2. Obtain the best value for the University before making a purchase,
3. Under no circumstances use the card for personal or other non-University purchases,
4. Authorize the University to bill any personal or other non-University charges to my personal University account,
5. Reimburse the University for any personal or other non-University charges, whether by payment or payroll deduction,
6. Keep the card in a secure location at all times,
7. Prohibit use of the card by other individuals,
8. Ensure that all applicable purchases are exempt from Missouri sales & use tax (as well as other eligible states),
9. Obtain necessary and complete documentation for all card transactions,
10. Present all necessary documentation to the program administrator in an orderly fashion when returning the card,
11. Ensure all refunds are credited directly back to the card (cash refunds/store credit should never be accepted),
12. Immediately report a lost or stolen card to the card-issuing bank and Drury program administrator,
13. Work with the program administrator to resolve any disputes that arise from my use of the card or from card loss/theft while the card was in my possession, and
14. Immediately return the card to the program administrator upon completion of the above-named task/purpose, when required as part of disciplinary action, or upon termination of employment with the University.

I further understand and agree that violation of the policies contained in the Drury University Credit Card Policy may result in a reduction or revocation of my cardholder privileges and/or other disciplinary action, up to and including termination of employment with Drury University.

Signature _____

Date _____

Administrative Services Personnel

Office Check-Out # _____ Card checked out by: ___ C.Garrison ___ E.Ussery ___ C.Poe ___ B.Scorse ___ R.Fridge

This completed form must be filed in the credit card check-out notebook behind the check-out page for the card assigned to the employee.