

Welcome to APSU Corporate Card Training for Cardholders and Approvers

Presented by:
Lois Culwell - Buyer 1

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Purpose of the Credit Card System

- More efficient and convenient method for small dollar-value and travel transactions.
- Cost effective method of purchasing.
- Faster and guaranteed vendor payment.
- Timely acquisition of materials and supplies.



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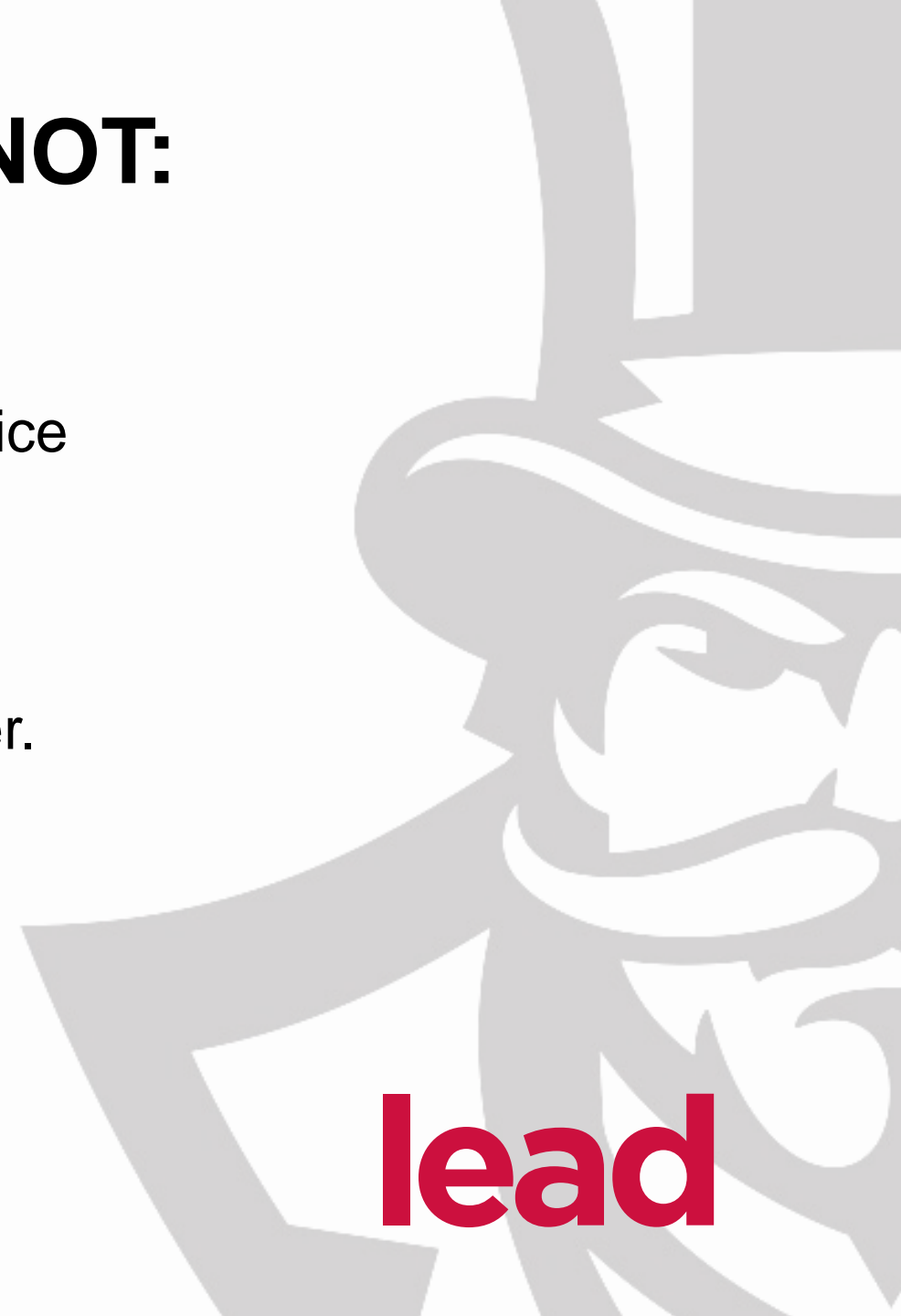


The Credit Card Program is NOT:

- Intended to bypass appropriate approval requirements.
- Intended to bypass University-negotiated price contracts.
- Intended for personal purchases or travel.
- Intended for use by non-assigned cardholder.



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How the System Works

- The transaction is initiated by the employee with vendor. (Do not send your credit card number through email or fax)
- Payments are made via the MasterCard settlement system. US Bank is our current card provider.
- The transaction is reconciled to the correct Banner FOAP in the banking site. (access.usbank.com)
- Credit cards cut off on the 25th of each month. If the 25th falls on a weekend, the cards cutoff the following Monday. Cardholders have 7 calendar days to reconcile their transactions and for their approver to approve them.
- Individual cardholders must review and approve their transactions in the banking system each month. The Supervisor must also approve the transactions each month in the banking system.
- All complete and legible **itemized** receipts must be attached to the transaction in the bank system. The receipt must show what was purchased.
- All charges for a calendar month are posted to Banner approximately the third week of the month following month.
- All documentation is kept for 5 years.



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Key Points to Remember for the Credit Card User:

- University funds are committed each time the corporate card is utilized. The card user must abide by the University's policies and procedures which include the Corporate Card Policy, the Procurement Policy and Guidelines and Travel Policy.
- Corporate cards will be issued to only full-time employees. It is the supervisor's discretion as to who may be issued a Corporate card in the department.
- Purchases are for University use only. Personal purchases or travel are prohibited.
- **Intentional misuse, abuse or fraudulent use may result in disciplinary action up to and including dismissal.**



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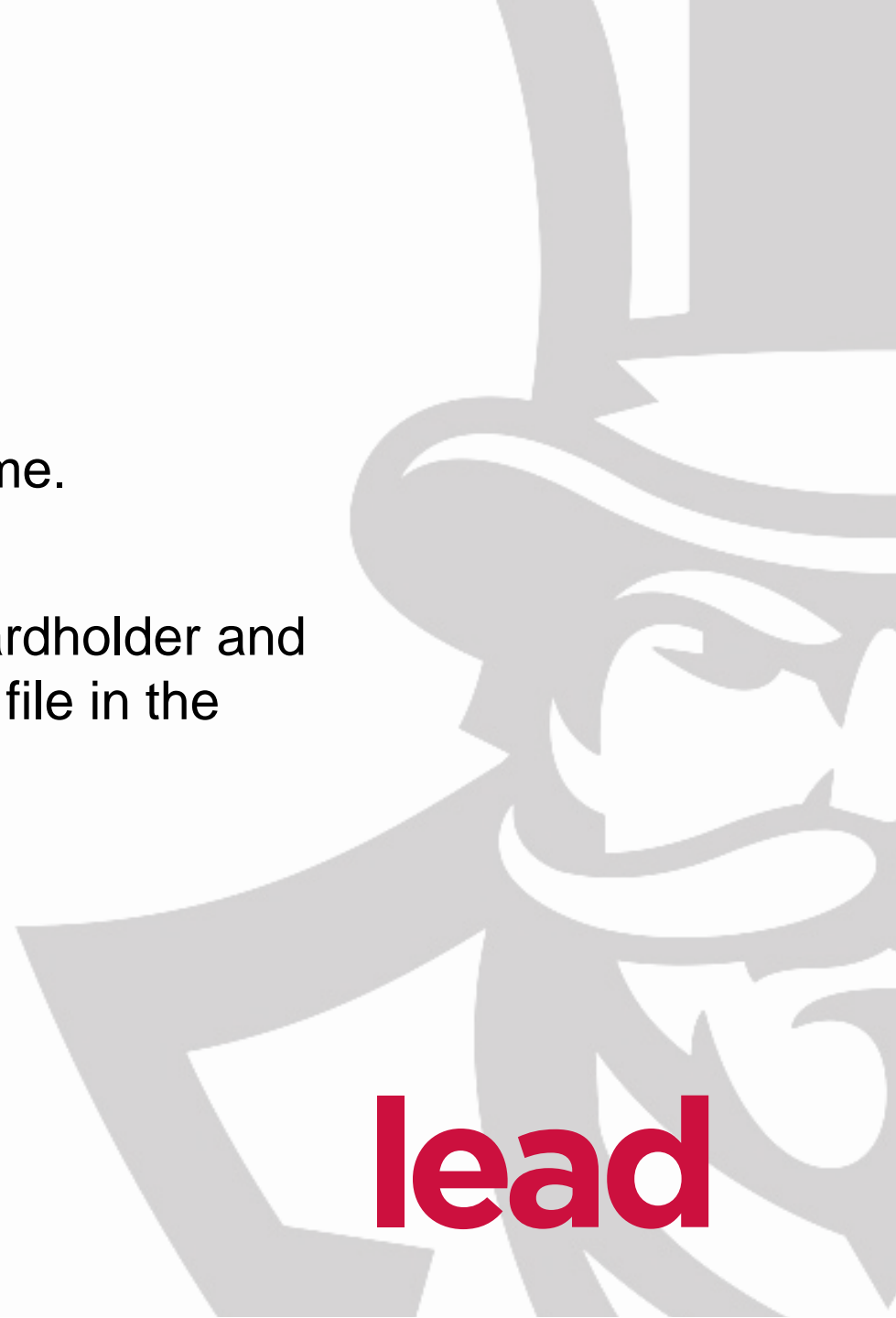
Type of Corporate Cards:

Individual Cards:

- Employees can be issued a Corporate card.
- The Corporate card is listed in an individual's name.
- No one else can use this card.
- A User Agreement form must be signed by the cardholder and approved by the supervisor. This form is kept on file in the permanent card file in the Procurement office.



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Authorization & Limits

The Corporate card is the primary method of payment for travel and small dollar purchases.

Corporate Card Standard Limits

- Monthly credit - \$4,999

Corporate Card Standard Limits for Travel Only

- Monthly credit - \$1,000

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Limit Exceptions

- Temporary exceptions to this standard may be made if the cardholder and his/her supervisor provide adequate justification and documented approval. All requests must be sent via email to the Procurement Office which will provide final approval. All approvals will be kept in the cardholder's permanent file.
- Per transaction and travel exception requests will be approved by the Procurement Office. These requests will need to be emailed. The cardholder will be asked to verify the purchase conditions (i.e. goods being purchased, quantities, etc.) prior to the limit increase.
- When requesting an increase for travel, the cardholder should state what the credit limit will need to be and when the limit can be lowered. His/her supervisor will have to provide approval as well prior to the increase granted.
- **Employees on official travel must abide by the University's Travel policy. The policy is available on the Travel Office website.**



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Purchasing/Receiving Procedures:

Purchasing:

- Corporate card purchases utilize state funds; therefore, cardholders have a commitment to be good stewards of these funds. Purchases must reflect the best value for the University.
- *Best Value encompasses price, item quality, customer service and delivery.*
- Inform the vendor of APSU tax exemption status at the point of sale. Tax exempt form can be provided by Procurement.



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Purchasing/Receiving Procedures:

Purchasing (cont):

- Provide complete delivery information.
 - The shipping address and billing address must be listed as:
681 Summer St., Clarksville, TN 37040.
- Obtain itemized receipt/invoice for transaction reconciliation. **Credit card tape only is not considered a receipt. The receipt/invoice must be itemized.**
- If an original receipt/invoice has been lost/destroyed, a duplicate should be obtained from the vendor. If the vendor can't provide a duplicate, the cardholder must complete a Lost Receipt Affidavit. The form can be found on Procurement Website under Credit Card Forms and Training Materials.



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Purchasing/Receiving Procedures:

Receiving:

- Verify the order: items and quantity are correct and not damaged.
- Verify the amount billed by vendor.
- Contact vendor immediately if there are discrepancies.
- All documentation (receipt/invoice, email approvals, etc) will then need to be attached to the card's monthly statement in the US Bank site. A copy either physical or electronic must be kept in the cardholders office for five (5) years.



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Corporate Card Prohibited Purchases

The following list may not be all-inclusive. When in doubt, contact the Corporate Card Administrator.

- Airbnb
- Alcoholic Beverages
- Animals, Live
- Capital Equipment
- Cash Advances
- Cell Phones & Pagers
- Computers
- Customized items with or without logo
- Contracting
- Controlled Substances
- Dues and Subscriptions(not related to memberships)
- Flowers (limited by University Policy)
- Gifts and Employee Awards
- Gift Cards
- E-bay and Similar Site Purchases
- Fans, heaters, air conditioners
- Furniture
- Hazardous Substances/Materials (i.e., Gasoline, fuel, explosives, etc.)
- Lease, Rental or Demonstration of Equipment
- Medical Supplies
- Medications
- Moving, Storage, Rigging or Transportation Service
- Printing or other related services
- Purchases from individuals
- Office Supplies (Office supplies which must be purchase from Staples in Govs e-Shop)
- Radioactive Isotopes
- Services (i.e. phone, television, utilities, employment and other professional services)
- Split orders to avoid bid thresholds
- Textbooks
- Travel Insurance



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Purchases Requiring Additional Approval/Procedures

Membership Dues

The Corporate Card may be used for membership dues if it is a organizational membership. Individual memberships are only allowed in very rare circumstances when an organizational membership is not offered and the university or department will clearly benefit from the membership(s). To pay for a membership with the Corporate Card, a letter of justification from the supervisor of the individual requesting the membership(s) with the business reason for this payment should be attached to the transaction when reconciling the charge. Professional development funds are to be used if an exception is given for an individual membership.

Food

Food purchased with the Corporate Card must be for a University sponsored event that involves students or guest to the University, for travel or prospective faculty/staff lunches and dinners. Event name and a roster of participants must be kept with the receipts for all food purchases and uploaded with the receipts. All purchases must be in accordance with the Business Meal Policy. Individual meals while traveling can be purchased on the Corporate Card, but per meal per diem must be followed.



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Purchases Requiring Additional Approval/Procedures

Certifications/Licenses

Certifications or Licenses that are documented requirements of a University position is acceptable on the Corporate Card. Some examples would be CPA (Certified Public Accountant) for an Accountant or Auditor position, electrical and plumbing *licenses for Facilities staff, etc.* *Documentation justifying the certification must accompany the receipt and be uploaded when reconciling credit card in the US Bank system.*

Automotive Gasoline

Automotive gasoline is allowed on the Corporate Card, if the purchase is for a business travel related event only.



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Card Statements

- Statements are available on the 26th of each month, unless the 25th falls on a weekend. If the 25th falls on a weekend, statements are available the following Tuesday.
- All statements must be reconciled with receipts and supporting documentation attached as well card approved by approver with in seven(7) calendar days.
- Record Retention – all documentation must be kept on file for five (5) years in the department.



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Solutions to Corporate Card Problems:

Declines

There are several reasons why a transaction will decline. The following are the most common reasons:

- Card information (account number, expiration date, or security code) has been entered incorrectly.
- Card is not activated.
- The transaction amount is over the limit on the card.
- The vendor's Merchant Category Code (MCCG) is blocked from the card.
- Difficulties between the vendor and their bank. Vendor must contact their bank.
- Card has suspected fraudulent activity.
- Out of State or International purchases will automatically be declined by the bank unless Cardholder notifies the bank prior to making purchase or travel.

- Should you receive a notice that your transaction has declined during normal business hours, contact the PACS Office 931-221-7032. If after business hours or on the weekends, please contact Pat Walton at 221-7573 or US Bank using the number on the back of the card. US Bank will be able to explain why the decline has occurred, but they will not make any corrections.
- Every effort will be made to determine why the transaction declined. All decline corrections must be approved by the Procurement office.



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Solutions to Corporate Card Problems:

Lost/Stolen Cards

Upon determination that a card has been lost or stolen (physical or skimmed, hacked, phishing), it is the cardholders responsibility to **immediately** contact the Procurement Office:

Pat Walton – phone x 7573 or email waltonp@apsu.edu

Lois Culwell – phone x 7032 or email culwelll@apsu.edu

Lost/Stolen credit card form must completed and submitted to the Procurement office. The form can be found on Procurement's website under the Credit Card Forms and Training Materials.

The card will be closed and monitored. A new card will be issued if necessary.

Best Practice – Listed on the back of the card is the number to US Bank. Write this number down and keep it in a separate location from the card. If you are unable to get in contact with Procurement office after business hours or on weekends/holidays, you can then contact US Bank about the lost/stolen card.



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Solutions to Corporate Card Problems:

Disputes

- Contact the vendor prior to disputing the charge in US Bank to allow the vendor the opportunity to correct the situation.
- Document the reason for the dispute in the “Comments” section of the transaction.
- If the vendor won’t offer a solution or correct the situation, then initiate a dispute by disputing in the bank system.
- If a credit is received, document the transaction in the “Comments” section of the transaction.
- All disputes must be handled on-line within the current billing cycle.
- It is the cardholder’s responsibility to check their statement each month, regardless if they have made any transactions.



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Additional Corporate Card Information:

Card Information Revision

- On occasion it may be necessary to permanently change information associated with a card.
- In these cases, the information on an original card application may be revised by submitting a request through the Procurement Services section in GOVSTECH.
- The revision must be approved by the cardholder's Supervisor.
- Please include the card account name and the desired changes.

Card Renewal

- New cards are issued for a four-year period. Upon expiration, they are automatically renewed. The renewed cards are sent to the Procurement office prior to the card expiration date. Cardholders will be notified when the cards are ready to be picked up.



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Additional Corporate Card Information:

Termination of Employment/Transfers

- It is responsibility of the department to contact the Procurement Office when the cardholder is no longer employed by APSU or has transferred to a new department.
- The card will be suspended or closed in the banking system.
- The department is responsible for completing a new card application in Procurement Services section in GOVSTECH for a replacement card when the position is filled.
- If cardholder is moving to a new department, the card will be temporary suspended. A Change in Cardholder Status form through Procurement Services section in GOVSTECH will need to be completed if new department is authorizing a Corporate Card.



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Corporate Card Audits

The Corporate Cards are audited for several reasons:

1. To review the level of record keeping of the cards. This helps determine what areas are in need of enhanced training.
2. To check for compliance with the Corporate Card Policy.
3. To guard against internal fraudulent activities.
 - The Corporate Cards are subject to audits at any time without prior knowledge of the cardholder or supervisor. The Internal Auditor's office, the Supervisor, and cardholder are notified of all audit results.
 - Corrective actions will be determined by the Procurement Card Administrator, the Director of Procurement and/or the Internal Auditor.



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Corporate Card Audits

There are two types of Corporate Card audit:

The first type is a Full Card Audit:

1. Full Card Audit – This audit covers all transactions within the month. This audit will determine the level of reconciliation as well as the level of compliance for the cards.
2. This audit is done monthly by a third party company named Card Integrity. Card Integrity reviews all transactions on every card each month.
3. The audit is comprised of the following items:
 - a. Receipts are attached.
 - b. Cardholder and Approver have approved the cards in the banking system.
 - c. Purchasing policies have been violated.
 - d. Taxes have been paid to in state vendors.
 - e. Transactions are being split to avoid the bid thresholds.
 - f. Reoccurring transactions.
 - g. Any other major or minor violations
 - h. Transaction Comments



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Corporate Card Audits

The second type is a Questionable Transaction Audit:

- Questionable Transaction Audit are transactions that are questionable or lack adequate supporting documentation.
- Program administrator will contact the cardholder to obtain an explanation, supporting documentation and/or reimbursement. Questionable charges for which satisfactory explanations or documentation cannot be obtained will be deemed unauthorized and/or inappropriate.
- Cardholders will be given one week to resolve any areas of non-compliance and send Procurement copies of any corrections.



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Corporate Card Audits

Minor Violations include but not limited to:

- Items not allowed on the Corporate Card but allowed with University funds. Example 1099 Reportable services, items to be inventoried, etc.
- Split transactions
- Sales Tax paid in TN.
- Personal purchase repaid prior to the audit.
- Insecure card storage location
- Individual card used by another employee
- Purchased items shipped to non-campus address
- Abuse or Negligence

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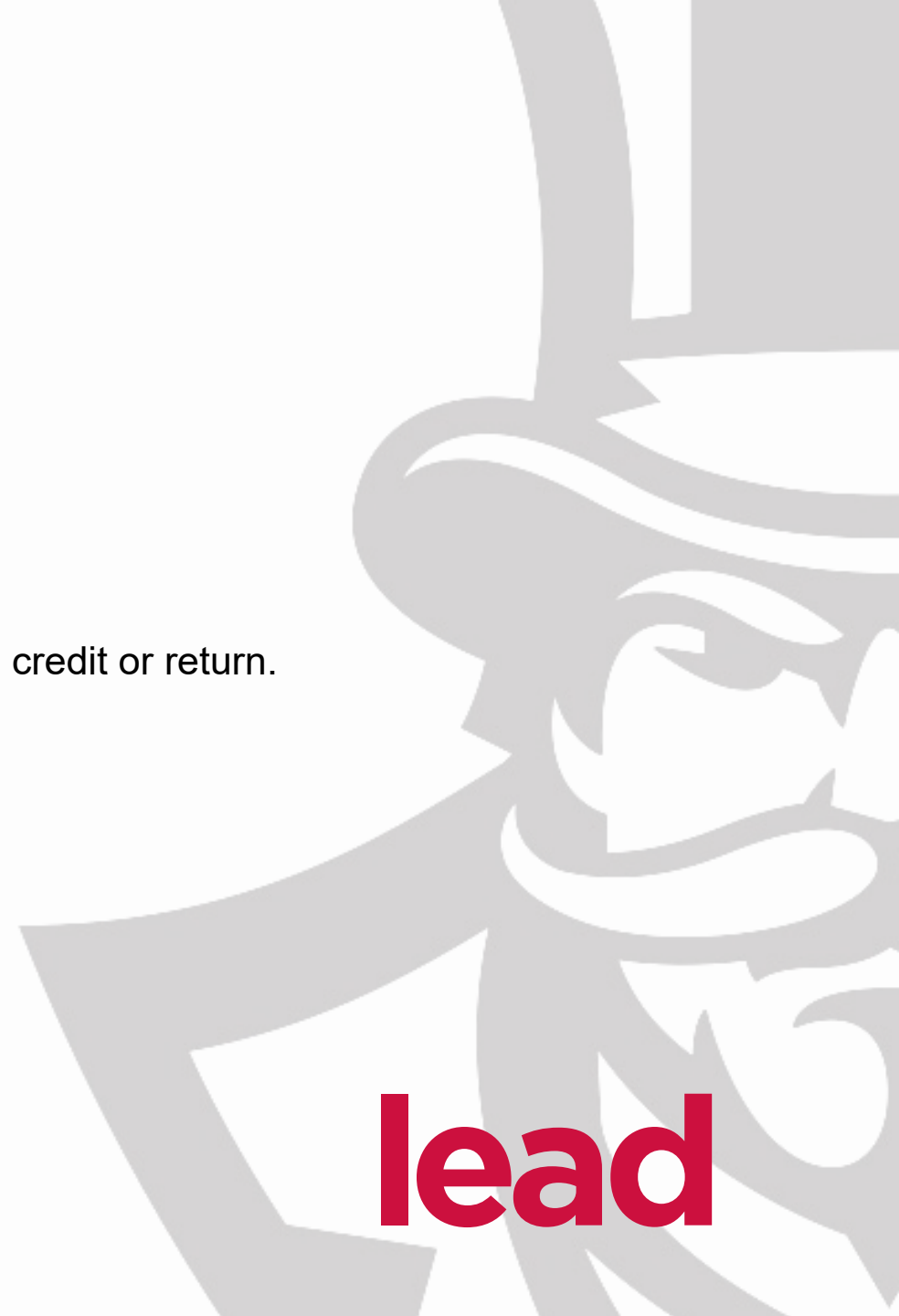
Corporate Card Audits

Major Violations include but not limited to:

- Personal purchases not repaid
- Fraudulent charges not disputed
- Items paid by another source (Travel claim, PA, etc.)
- Card used by non-employee
- Excessive Abuse or Negligence
- Cardholder receiving cash or check issued to Cardholder to resolve a credit or return.
- Using the card for personal use
- Fraudulent use of card



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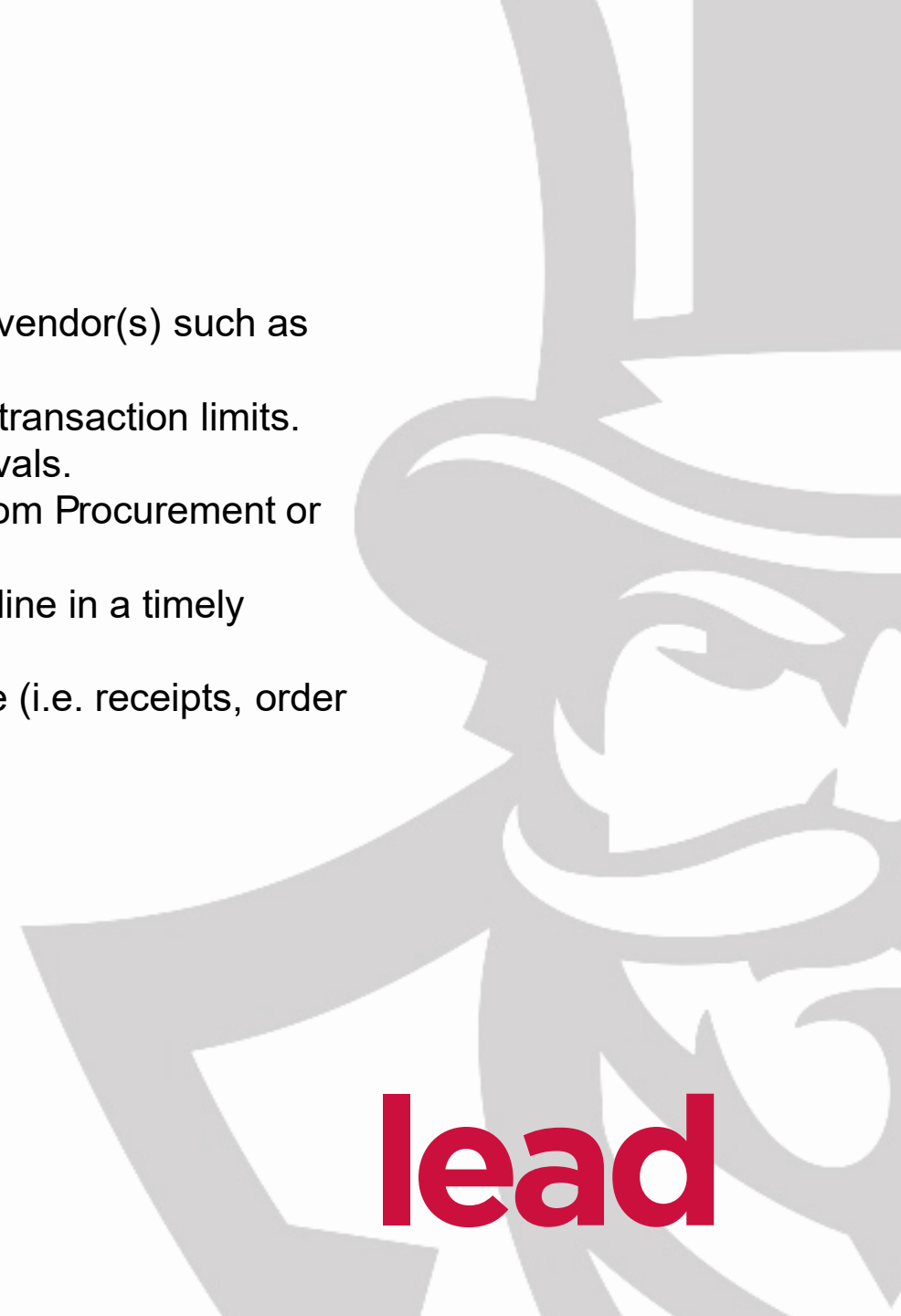
Corporate Card Audits

Abuse/Negligence Violations include but not limited to:

- Buying products from a source other than the University's contracted vendor(s) such as Staples in Govs e-Shop.
- Intentionally splitting a purchase to circumvent delegated authority or transaction limits.
- Failing to maintain receipts and other documentation, or obtain approvals.
- Failure to respond to requests for more information on transactions from Procurement or Internal Audit.
- Failure to properly review and approve transactions within Access Online in a timely manner.
- Failure to properly upload supporting documentation to Access Online (i.e. receipts, order confirmations, packing slips, Business Meal Plan, etc).
- Loaning the Corporate Card out for others to use.
- Purchasing of restricted/excluded items.
- Other breaches of policies and procedures.



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Cardholder Violations and Consequences

Consequences include but not limited to:

- **1st Occurrence:** Written warning to Cardholder with Approver copied detailing what program policy has been violated and the corrective steps needed to remain compliant with the program
- **2nd Occurrence:** Same as 1st occurrence along with mandatory training, also receiving written notification of continued program infractions. Corporate Card limit reduced to \$1.00 until training is completed by Cardholder and all transactions have been reconciled. All parties will receive a reminder that a 3rd violation will result in the immediate suspension of cardholder rights.
- **3rd Occurrence:** Cardholder will be immediately notified that their card privileges have been revoked. Card Approver/Department Head, Dean/Director and Vice President will be notified.



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Cardholder Violations and Consequences

Major Consequences include but not limited to:

- **1st Occurrence:** Immediate written notification of suspension of Cardholder privileges. Approver/ Department Head Dean/Director and Vice President will be notified. Referral for possible disciplinary action up to and including discharge and/or possible criminal prosecution.
- Cardholder will be held personally liable for any personal or fraudulent charges and shall be required to reimburse the University for such charges.



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Corporate Card Contact Information

Corporate Card Program Manager:

Pat Walton 931-221-7573

waltonp@apsu.edu

Corporate Card Associate:

Lois Culwell 931-221-7032

culwelll@apsu.edu

Casey Leffel 931-221-7434

leffelc@apsu.edu

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