# **Policy 215: COMMERCIAL (PURCHASING) CARD**

Category: Administration

Covered Individuals: All CEI Employees

Approved: ~~10/9/2019~~

**215.1 Policy**

This commercial (purchasing) card program is designed to establish a more efficient, cost-effective method of purchasing and paying for approved small-dollar transactions. College of Eastern Idaho purchasing cards may only be used for college business transactions and college purchases less than $2,000.00. The purchasing card may not be used for any personal purchases.

The cardholder identified on the purchasing card is the only user authorized to use that card. Faxing or scanning of purchasing cards is not allowed.

Failure to comply with this policy and/or procedures may result in the suspension or revocation of the purchasing card and/or disciplinary action, up to and including termination.

**215.2 Procedures**

**Card Administrator: Hope Noe, Phone: 208-535-5315, Email: hope.noe@cei.edu**

**Card Issuance**

All cardholders will be asked to complete and submit two forms: 1) Commercial Card Application, which will be signed by the cardholder, the cardholder’s supervisor, and the card administrator and 2) Commercial Card Cardholder Agreement, which will be signed by the cardholder. The forms may be found on CEI Hub, under the Procurement Services tab under the Procurement Services Forms. The application sets up the account and establishes the limits. The cardholder is the only person entitled to use the card. The card is not to be used for personal use. As each commercial card is linked to a specific individual employee, the card cannot be transferred from one employee to another.

Upon receipt of the Zion’s Bank Commercial Visa Card, the Purchasing Card Administrator will email the Commercial Purchasing Card Policy and Procedures to the cardholder. The cardholder will be asked to read and understand the document and sign the Acknowledgement of Responsibility located at the bottom of the document. By signing the Commercial Card Application and Agreement forms, and the Acknowledgement of Responsibility, the cardholder agrees to adhere to the guidelines as set forth in the policy and procedures.

**Card Usage**

* Cards must be stored in a secure location. The cardholder is responsible for the security of the card, including all transactions made against the card. The commercial card is issued in the cardholder’s name and any purchases made against the card will be the responsibility of the cardholder. Use of the card in violation of the guidelines established may result in personal liability.
* The cardholder is the only person entitled to use the card. The card cannot be transferred from one employee to another, and cannot be shared between employees. This card cannot be used for personal purchases under any circumstances.
* The card may be used for in-store purchases as well as phone, on-line, or mail orders. The cardholder is responsible for ensuring receipt of materials and will follow-up with the vendor to resolve any delivery problems, discrepancies or damaged goods.
* Never write the full card number on a form or application or save the number on a file on your computer.
* For telephone, catalog, or on-line orders, make sure the complete shipping address and instructions are given along with your name (e.g. name, department name, 1600 S 25th E, Idaho Falls, Idaho 83404). When placing an order, ask that shipping charges be included, and record them on the order form. Ask the vendor to include a sales receipt in the package. Note: all orders are to be shipped to the main address. The Business Office will notify you when the package(s) arrive.
* When receiving a shipment, it is the responsibility of the cardholder to properly inspect the shipment for correctness and completeness. The cardholder is fully responsible for correcting any errors or handling damaged shipments. In cases of returns, the cardholder is responsible for coordinating the return directly with the supplier and contacting the Card Administrator with any unresolved issues.
* CEI is tax exempt and purchases should not be charged tax. The tax exemption number is on the card, under the cardholder’s name. If the merchant requires the tax exemption certificate, one can be found on CEI Hub under the Procurement Services tab under the Tax Forms.

**Group Cards**

Generally, the commercial card will be assigned to an individual cardholder and will have the cardholder’s name on it. In some instances, a card may be issued to a Division Manager for use by staff in their division.

* Group cards are to be kept in a secure place when not in use (safe, locked cabinet, etc.) and should not be carried by individuals on a permanent basis.
* Group cards should be issued to authorized persons for limited use, generally one-time purchases or for a specific purchase such as travel.
* Documentation of purchases (receipts, invoices, packing slips, etc.) is handled in the same manner as individual assigned card purchases as related in this procedure and should be submitted monthly by the Division Manager to whom the card is assigned.
* All restrictions relating to Commercial Cards referenced in this procedure apply to group cards as well.

**Account Maintenance**

If there is a need to change any information regarding the account, such as email address, limits, or restrictions, please complete the Commercial Card Maintenance Form and forward to the card administrator.

**Lost or Stolen Cards**

Lost or stolen cards must be reported immediately to Zion’s Bank Customer Service at 1-888-635-8323. Immediately after reporting to Customer Service, the Card Administrator must be informed. It is extremely important to act promptly in the event of a lost or stolen card to avoid agency liability for fraudulent transactions. The card will be canceled after notifying the bank and a new card will be issued within 48 hours.

**Separation of Employment**

The Human Resources Department will collect cards from departing employees and notify the Card Administrator, who will cancel the account.

**Card Cancellation**

To cancel a card, complete the Commercial Card Maintenance Form and submit it to the Card Administrator along with the card. This applies to employees who no longer require a card. All cards will be canceled upon receipt.

**Commercial Card Audits**

Each commercial card is audited monthly. The purpose of this audit is to review card transactions and ensure that CEI commercial card procedures and purchasing policies are being followed. The card administrator will contact the cardholder if there are any questions or issues.

**Commercial Card Non-Compliance**

In the event that a cardholder has violated any CEI Commercial Card procedures or purchasing policies, a Commercial Card Non-Compliance Warning Form will be completed by the auditor and signed by the cardholder. Corrective action may include mandatory training, deactivation, or permanent revocation of the card.

**Limitations and Restrictions**

As per Purchasing Policy 214, the credit limit is set at $2,000.00 per card. Purchases may not be separated or divided to circumvent the credit limit. Credit limit exceptions will be considered after completion of the commercial card maintenance form.

Certain vendors and commodities have been blocked from usage in the program. If you attempt to use the purchasing card at any of these merchants, the transaction will be declined. If the card is declined and the cardholder feels it is an error, contact the Card Administrator.

**Authorized Purchases**

The commercial card program is intended for purchases of products and supplies needed during the normal course of business; purchases may not exceed $2,000.00. Authorized purchases may include:

* Office supplies/lab supplies for the classroom (details of purchase will be required)
* Janitorial supplies
* Rental car and associated expenses including fuel
* Parking fees
* Taxi, shuttle, uber
* Classified and legal ads
* Hardware and tools
* Books and subscriptions
* Equipment repairs
* Conference registration

**Unauthorized Purchases**

The card is not to be used for any product or service or at any merchant that would be considered an inappropriate use of state/public funds. Please be aware of appearances. While a purchase may have a valid business purpose, appearances have an impact; card purchases are often of interest to auditors, legislators, and the press. Each cardholder needs to remember that taxpayer funds are being spent and they may ask the cardholder to defend purchases. If in doubt, ask before proceeding with the purchase.

Unauthorized purchases may include:

* Purchases with Vendors that are set up in Colleague
* Medical office visits (doctors, dentists, chiropractors, etc.)
* Fuel in personal vehicle
* Fuel in CEI vehicle
* Donations
* Items up for bid
* Office decorations
* Food and beverages including meals, snacks, and refreshments for departmental activities
* Flowers and plants
* Birthday or other departmental celebration cakes, cards, or decorations
* Gifts or donations
* Gift Cards (According to IRS De Minimis Fringe Benefits, gift cards are subject to income tax and must be reported to the IRS)
* Consulting fees/independent contractor payments
* Payment of services
* Alcoholic beverages
* Cell phone charges
* Computer hardware, printers, laptops
* Office furniture, including standing desks
* Cash advances
* Personal services or entertainment
* Personal items
* Any questionable purchases

**Exceptions**

CEI recognizes the need for the college president and/or members of the President’s Advisory Council (PAC) to host or attend official events which advance and promote the reputation, status, and economic position of the college. As an exception to above listed unauthorized purchases, the president or members of PAC may incur expenses for these official events.

Other exceptions will be considered on a case-by-case basis and will be approved by the Business Office. In certain situations, larger purchases may be approved by the budget owner and may require approval of the appropriate Vice President.

**Reconciliation and Payment**

The Zion’s Bank Commercial Visa Card Program is handled as corporate liability. The cardholder’s personal credit history is not taken into account when a card is issued in the cardholder’s name. CEI is responsible for paying the invoice(s) each month. The cardholder is not responsible for payment under his/her account.

**Receipts**

The cardholder must supply an itemized receipt for each card purchase that appears on their monthly statement. If the original receipt is missing or lost, the cardholder must contact the merchant directly to request a duplicate. If a receipt is unable to be provided, cardholder must provide a Commercial Card Missing Receipt Form in its place. Faxed receipts are acceptable, as long as it is a duplicate of the original. Under no circumstances will a transaction be accepted without a receipt or other acceptable documentation.

**Reconciliation**

Each cardholder should review their account online regularly throughout the month to ensure the validity of all activity. Each cardholder can retrieve their statements online at the end of a monthly billing cycle. It is the cardholder’s responsibility to review their statement to ensure all the transactions are legitimate postings. If the statement has a discrepancy, the cardholder must begin the dispute process before routing the statement to the supervisor.

Billing cycles run from the 1st of the month to the last day of the month. If the last day of the month falls on a weekend or holiday the statement cycle will stay open until the next business day.

**Timeline**

* All transactions are to be coded with a GL, a Sub-Object and a comment and submitted to the approver no later than five (5) days after the cycle closes.
* The approvers will need to review transactions for accuracy of GL, Sub-object and comment and submit to the Card Administrator no later than the 9th day of the month.
* The Card Administrator will audit the transactions, verify the GL and submit to the Controller for payment.

**Travel Receipts**

Travel receipts for commercial card charges are to be submitted with your Travel Expense Report, upon your return to campus, as required in the College Travel Policy (Policy 411). You will also be required to submit copies of your travel receipts with your Card Expense Report.

**Disputed or Fraudulent Charges**

The cardholder is responsible for following up with the vendor and/or bank with regard to any disputed items, erroneous charges, or returns. Disputed billing can result from failure to receive goods/services, fraud, misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, unprocessed credits, etc. The cardholder will first contact the vendor to resolve any outstanding issues; most problems can be resolved this way. If the merchant disagrees that an adjustment is necessary, immediately contact both the card administrator and the Zion’s Bank Customer Service number on the back of your card (1-888-635-8323). Zion’s Bank will request complete details of the dispute in writing in order to research the item in question. The details of the disputed transaction should be reported on the Commercial Card Incident/Dispute Form.

Any fraudulent charge, i.e., a charge appearing which was not authorized by yourself, must be reported immediately to Zion’s Bank Customer Service (1-888-635-8323) and the Card Administrator. Prompt reporting of any such charge will help prevent CEI from being held responsible.

Any charge disputed must be received by Zion’s Bank in writing within 60 days of the transaction date. Although Zion’s Bank acts as the arbitrator in any dispute, you should never assume that a dispute will be resolved in your favor.