



Draft Policy Pending UPC Approval

LOYOLA MARYMOUNT UNIVERSITY
POLICIES & PROCEDURES

DEPARTMENT: CONTROLLER'S OFFICE	
SUBJECT: UNIVERSITY CARD POLICY	Page 1 of 9
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1 Statement of Policy

This policy outlines the definitions, responsibilities, procedures, and guidelines for the issuance and use of a Loyola Marymount University Card.

Cardholders and their supervisors must comply with this policy. Failure to comply with the policy and procedures herein will result in suspension or termination of Card privileges and may result in disciplinary action.

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2 Definitions

Accountable Plan	A plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business connection or purpose, substantiate expenses, and return any amount in excess of substantiated expenses to the employer within a reasonable period of time. Accountable Plan is an IRS term.
Approver	The person who is responsible for charges to a particular account or individual employee. The Department Manager may be or may designate an individual as an Approver.
Business Purpose	Statement of justification that expense is directly connected with the performance of cardholder duties (e.g. recruiting lunch). According to the IRS Accountable plan a valid business purpose must be provided by the cardholder for each transaction or expense. Generic explanations such as "Business Lunch" are not adequate substantiation; the purpose should clearly be one that furthers the interest of the University and enables the approver to understand that that is the case.
Cardholder	A person to whom a University Card has been issued. The Cardholder is accountable for all charges made with the Card. A Cardholder may or may not be a Reconciler.
Daily Transaction Limit	A daily limitation on the number or transactions in one day (generally 12).
Department Manager	The person who is responsible for approving spending limits (see 2.7 & 2.8) and assigning the Approver. Generally, this will be the operational department manager (e.g. Registrar, Director of Athletics, Dean).
Monthly Spending Limit	A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle.
Preferred Vendor	A vendor who has offered special pricing or terms to the University.
Program Administrator	University employee responsible for administering the Card Program for the University and acting as the main contact between the University and the Bank.
Program Coordinator	University employee responsible for assisting with the administration of the Card Program for the University and acting as the main contact for card holders.
Purchasing/Procurement Card	A charge card issued to an individual for the purpose of making authorized purchases on the University's behalf. Card is primarily used for payment of invoices for goods and services. The University will issue payment for charges made with the Card.
Rebate	The return of all or part of an amount paid for goods or services.
Reconciler	The person assigned to review a Cardholder's monthly charges and to ensure that charges are supported by proper documentation (see 2.12). A Cardholder may be his or her own Reconciler, and a Reconciler may manage more than one Cardholder's account. A Reconciler may or may not be a Cardholder.
Support Documentation	A vendor-produced or non-University document that records the relevant details for each item purchased including quantities, amounts, a description of what was purchased, the total charge amount, and the merchant's name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.).
Single Transaction Limit	A dollar limitation of purchasing authority assigned to the Cardholder for each individual charge made with a University Card.
Travel and Expense Card	A charge card issued to an individual for the purpose of making authorized purchases on the University's behalf. Card is primarily used for travel expenses and low dollar expense purchases. The University will issue payment for charges made with the Card

University Card	Includes both forms of University credit cards, the Procurement/Purchase Card and the Travel and Expense Card.
Workday	The University's internet based system used for creating, tracking and automating expense reports and invoice payment processing as well as requisitions and purchase orders.

3 Responsibilities

3.1 Cardholder Responsibilities

Full liability of payment for purchases made with the Card rests with the University, however Cardholders are responsible for all purchases made with their assigned card. In addition, Cardholders must adhere to the following:

1. Cardholders are responsible for obtaining necessary approvals before using the card to purchase goods or services and for following the guidelines for purchasing set forth below.
2. Once a purchase is made, the Cardholder is responsible for confirming goods received match the order, and uploading and reconciling support documentation with card charges in Workday.
3. Cardholders are responsible for providing legible and readable documentation or a missing receipt affidavit for each transaction. All receipts should be retained until final approval has been processed in Workday. Use of the missing receipt affidavit should be rare and excessive use will result in the loss of card privileges.
4. Cardholders are responsible for reviewing purchases for propriety and accuracy of the General Ledger Account at least on a monthly basis.
5. Cardholders must enter a valid business purpose for each transaction in accordance with the IRS Accountable Plan.
6. Cardholders are responsible for reviewing their transactions in Workday and submitting their expense reports in a timely manner according to the deadlines established by the Controller's Office. (Within 30 days of the charge and no less frequently than on a monthly basis)
7. Cardholders are responsible for safeguarding the card as if it were cash and must notify the bank immediately if the card is lost or stolen.
8. Cardholders are responsible for follow-up with the bank and LMU staff to resolve disputed items.

3.2 Approver Responsibilities

1. Approvers are responsible for reviewing purchases for propriety and accuracy and ensuring that the business purpose and required documentation are appropriate.
2. Approvers must login to Workday and approve transactions of their direct reports or transactions charged to their account timely.
3. Approvers must confirm that appropriate account codes are used.
4. Approvers must ensure that the transactions are in compliance with the University's Purchasing & Payments Policy and/or the University Travel Policy.
5. Approvers are responsible for notifying the Program administrator of cardholders who are separating from the University, collecting University Cards from the cardholders, and returning them to the Program administrator. The *LMU Purchasing Card Surrender Form* should be completed and signed by the appropriate Budget Manager indicating receipt of the card from the separating Cardholder. The *LMU Purchasing Card Surrender Form* can be

found on the Controller's website under Business and Finance Forms. Upon a Cardholder's separation from the University, it becomes the Approver's responsibility to maintain the support documentation retained by the Cardholder and reconcile the transactions within Workday. See 6.8 for discussion of cardholders who transfer within the University and requirements to update card information.

6. Approvers are responsible to take appropriate action if cardholders do not comply with university timelines or policies.

3.3 University Card Program Team Responsibilities

The University Card Program Team (UCPT) is responsible for the ongoing maintenance of the program including responsibilities to:

1. Provide training to administrators and cardholders
2. Distribute the cards
3. Interact with the bank to add, change, and delete cardholders
4. Issue and update cardholder policy & procedures
5. Monitor purchases for compliance & propriety
6. Monitor the departmental approval of billing statements
7. Facilitate resolution of disputed charges
8. Review and approve changes in cardholder limits

The Program Administrator is the Accounts Payable Manager in the Controller's Office. The Program Coordinator is a designated AP Staff in the Controller's Office.

4 University Card Usage Guidelines

The University Card may be used for any purchase in the normal course of business within departmental budget guidelines. Misuse of the University Card may result in revocation of card privileges, disciplinary action, termination, and/or criminal prosecution.

The University issues two types of cards. A travel and expense card and a procurement card. Please note differences between card usages below:

Procurement Cards

- Use the Verify Procurement Card Transactions task to reconcile transaction and tie to an existing Purchase Order within Workday where applicable
- Not to be used for individual travel related expenses
- Used for larger dollar purchases including but not limited to supplier invoices, catering, maintenance agreements, event production, etc.

Travel and Expense Card

- For purchases outside of the connect to supplier websites module and travel within card holder limits
- Use Create Expense Report to reconcile travel and expense card transactions to an expense report

5 Travel and Expense Card Limits

Travel and Expense Card limits are standard across the University. Certain types of vendors and transactions are blocked as it has been determined that they would not apply to the University's operations. Any specific Card limitations will be explained to each cardholder in the course of cardholder training. The Travel and Expense standard limits are as follows:

- \$1,500/transaction, up to \$20,000/month

Other limits may be assigned if the Cardholder's expected usage does not conform to the limits noted above. These will be analyzed on a case-by-case basis.

If limits need to be changed, the cardholder's supervisor should email the Program Administrator and the Program Coordinator in the Controller's office with the request. The supervisor should specify if the change in limit is permanent or temporary and the justification.

6 Procedures

6.1 Card Distribution & Activation

Employees may receive a University Card upon approval from their Department Head and completing the following:

- Complete and submit the *LMU Credit Card Application* to Accounts Payable at the Controller's office. The application form can be found on the Controller's website under Business and Finance Forms.
- Read and sign the *LMU Cardholder Agreement*. The *LMU Cardholder Agreement* can be found on the Controller's website under Business and Finance Forms. The signed form must be submitted to Accounts Payable at the Controller's office.
- Complete the University Card training course. The training course will be provided by the Program Coordinator.

Once all the above is completed and submitted to Accounts Payable, the applicant can generally receive the University Card within 7 business days.

6.2 General Instructions for Cardholders to Make a Purchase

The University Card is the preferred payment method of the University. All University Card purchases must be made in accordance with the University's Purchasing & Payments and Travel Policies.

6.3 Documentation Requirements

The department is responsible for maintaining records of every transaction made with the University Cards. These records must be reconciled and submitted within Workday, at least monthly for each billing cycle (30 days). The following items constitute proper documentation:

1. Cashier receipt
2. Invoice issued by Vendor
3. Vendor supplied detailed list of items purchased
4. E-mail orders, acknowledgements or confirmations which include vendor name, transaction date, and detailed list of items purchased, dollar amount for each item and sales tax.

Expenses paid on University Travel and Expense Card under \$25 do not require receipts. However, meals charged to all federally and non-federally sponsored projects must still provide itemized meal receipts. Receipts are required for all out of pocket expenses regardless of amount.

6.4 Review of Expenditures/Reconciliation of Charges/ Reports and Documents

The Cardholder is responsible for reviewing the expenditures charged to their card. This review occurs within Workday. In accordance with the Accountable Plan, a business purpose must be entered for each transaction and documentation must be submitted in a timely manner. It is required that online review and approval be completed at least monthly (by the second week of the month).

6.5 Disputed Charges

Any charge that appears on the monthly statement may be disputed if it is an error. If there is a charge that is not recognized or appears to be incorrect, first contact the vendor and try to resolve the dispute. If an agreement cannot be reached, the Cardholder should call the number on the back of the card and report the disputed transaction within 60 days of transaction date or contact the Program Administrator for assistance. The bank will then contact with the vendor and attempt to resolve this dispute within the billing cycle. For fraudulent charges, the bank may require the cardholder to complete an affidavit.

6.6 Returns, Credits, Exchanges & Rebates

It is the responsibility of the Cardholder to contact the merchant when merchandise purchased with the University Card is received that is defective or incorrect. The Cardholder must arrange for a return for credit or an exchange.

If a return for credit is made, it is the Cardholder's responsibility to obtain a receipt from the merchant and maintain this credit receipt with the original support documentation for the purchase. The refund must be credited to the same card on which the original purchase was made. It is strictly prohibited for a Cardholder to accept a refund in the form of cash or check.

If an exchange is made, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement. Documentation supporting this exchange should also be maintained with the support documentation for the original purchase.

Cardholders may at times purchase items for which a manufacturer or vendor rebate is available. In this case, it is the responsibility of the department or Cardholder to follow the appropriate procedures to receive the rebate. No Cardholder or University Staff will be allowed to profit personally from a rebate. All rebates must be deposited with the University Cashier crediting the account charged for the original purchase.

Rebate checks should be payable to the University. If the check is payable to the purchaser, it must be endorsed to the University. Rebates in the form of certificates or gift cards must be returned to the department head to be used for future purchases.

It will be the responsibility of the Approver to review any rebate activity when approving the Cardholders' expense reports.

6.7 *Lost, Stolen or Damaged Cards*

If your Card is lost or stolen, notify the bank immediately by calling **1-800-270-7760**. Representatives are available 24 hours a day, 7 days a week. Next, notify the Program Administrator, Gunita Chopra at extension 87525. Your card will be immediately suspended to protect against unauthorized use and you will be supplied with a new card. If a card is found after being reported lost, the canceled card should be cut in half and both halves forwarded to the Program Administrator. If your card is damaged, notify the Program Administrator and he or she will arrange to cancel your current card and issue a new card. Canceled cards should be cut in half and forwarded to the Program Administrator.

6.8 *Returning the Card Upon Separation from the University*

Prior to separation from the University, cardholders must surrender their University Card to either their Approver or the Program Administrator. To release the cardholder from responsibility for the card, the Approver must complete the *LMU Purchasing Card Surrender Form*. When someone other than the Approver accepts the card from the separating employee, s/he must complete this form and sign it. The separating employee should be asked to sign this form as well.

Should a cardholder change departments at the University a new application must be submitted with the new information and signed by the new supervisor. Please provide the existing card information on the application.

6.9 *California Sales & Use Tax Guidelines*

Although LMU is tax exempt on its income, all purchases made by LMU are subject to sales and use tax. Taxes should be included in the cost of all purchases; if erroneously not included in the purchase total, the tax liability will be calculated, accrued, and charged to the cardholder's general ledger account.

6.10 Personal Charges

No personal charges are allowed on a University Card. If you are traveling and plan to incur personal room charges such as a movie, please provide two separate cards to the hotel so that they may be charged correctly. However if a personal charge is inadvertently charged to your card, please reimburse the University as soon as possible and mark the transaction as personal within the expense report. Deposit the funds with the University Cashier and attach a copy of the deposit slip to your expense report. The account number on the deposit form should be (**Fund – 11 Operations; Cost Center-General University; Revenue Category – Personal Expense Repayment**). Please be descriptive on what the funds relate to on the cashier deposit form, including the expense report name and date and the transaction date.

6.11 Failure to Comply with University Card Policy

If a Cardholder fails to submit documentation and/or missing receipt affidavits for each transaction, the amount of the undocumented transaction(s) will be added to the cardholders W2 at the end of the calendar year unless the Cardholder has reimbursed the University. Purposeful misuse of the University Card may result in immediate cancellation of card privileges.

6.12 Connect to Supplier Website

Within Workday the University has contracted with selected suppliers to directly link to their websites to facilitate purchases and centralized payment. All online purchases from suppliers who are included with the Connect to Supplier Website application of Workday must be purchased through Workday; any purchases made outside of Workday from the same vendors will be considered a non-reimbursable personal expense. It is to the University's benefit to use the contracted vendors for all of our available purchases.

7 University Card Travel Benefits

Under the terms of LMU's agreement with JP Morgan Chase, travelers receive the following benefits:

1. Automatic common carrier baggage reimbursement (coverage level \$1,250); Travelers who charge common carrier passenger fare to the Card automatically receive insurance coverage of up to \$1,250 for carry-on luggage and checked baggage;
2. Worldwide automatic travel accident insurance (coverage level: \$500,000); 24-Hour accidental death and dismemberment insurance covers all travelers who charge common carrier transportation to the JP Morgan Chase Card. The coverage is up to \$500,000 and supplements the University's business travel coverage;
3. Hotel/motel burglary replacement (coverage level: \$1,000);
4. Emergency evacuation and transportation coverage.

Twenty-four hour customer service is available within the United States at 800.270.7760 for:

1. Reporting lost or stolen cards;

2. Emergency card replacement;
3. Monthly statements and balances;
4. Billing disputes;
5. Card member benefits and services.

PaymentNet™ provides Card members with the following benefits:

1. Access account information 24 hours a day, 7 days a week;
2. Information available to prepare and reconcile expense reports;
3. View U.S. dollar equivalent of unbilled charges made in other currencies;
4. Check your corporate card bill on-line at
<https://www.paymentnet.jpmorgan.com>

**Note- Paymentnet should be used for reference or dispute purposes only. All Card transactions flow into Workday and should be expensed there.*