

Policy: Purchase Card Policy and Procedures	Reviewed: As needed
Policy Owners: CFO and VP for Finance and Treasurer	Policy Inception and Approval Date: 1/1/2005

Purchase Card Policy and Procedures

Purpose of Policy

The purpose of the WellsOne Commercial Card Program is to simplify the purchasing and payment process for Gustavus transactions. This document will provide you with specifics of the program. Please read this document carefully as you will be held accountable for its contents.

Owner

CFO and VP for Finance and Treasurer.

Card Issuance and Activation

To obtain a card, you must complete the following steps:

- Department Chair, Budget Officer, and/or Approver must initiate request for issuance of new P-card.
- Attend a brief, mandatory training session where card policies and procedures will be reviewed.
- Sign the Cardholder Agreement.
- Obtain your new card and login information to access the Wells Fargo online system.
- Sign the back of the card and keep the cardholder information in a secure location.
- Activate your card by calling the toll-free number on your card. For verification purposes, you will be asked to provide your unique identifier (last four digits of your social security number).

Using your Purchase Card

- Once you activate your card, you can begin making purchases immediately.
- A monthly credit limit has been placed on your card. If you feel this amount is inadequate for your purchase needs, contact a program administrator in the Finance Office. Once approved, adjustments in credit limits will be effective immediately.
- All accounts payable policies and procedures established by the College still apply and include:
 1. All purchases are the property of the College and must be delivered to the College's address.
 2. For entertainment expenses, you must document who, what, why, when and where to comply with IRS regulations.
 3. For year end purchases, your item must be received on campus by May 31.

4. Before traveling on College related business, review the travel policy to ensure you are familiar with the College's policies and procedures.
 - Certain merchant category codes (MCC) have been blocked which may result in a denied transaction.
 - Cash withdrawals are not allowed, except in rare circumstances.
 - Personal expenses are not allowed.
 - Misuse of your card may result in disciplinary action, including revocation of card by Finance Office and/or in extreme cases, termination.

Misuse of Purchase Card and Related Consequences

When the Cardholder Agreement is signed, the cardholder states that they agree to comply with the policy as laid out by Gustavus in this manual. Failure to do so is referred to as an "infraction". Some examples of infractions include (but are not limited to) the following items:

- Personal Purchases not reimbursed to Gustavus within eight days of the end of the month of purchase.
- Failure to meet reconciliation deadlines as specified in the 'Reconciliation of Monthly Statement' section in this document.
- Failure to resolve being charged State of Minnesota sales tax.
- The purchase of unauthorized items.
- Negligence in preventing the loss or theft of a card or in the reporting of a loss or theft.

The Finance Office reserves the right to cancel or suspend a purchase card at any time. However, the standard escalation process of the consequences for infractions is as follows:

- Email to cardholder
- Second email to cardholder with copy to supervisor
- 60-day card Suspension
- One year card suspension (must reapply after one year)

Sales Tax Exemption

Merchants are usually required by tax authorities to include sales and use tax at the time you purchase goods. The amount is dependent on a variety of factors, including the state, county and city where you are purchasing goods. **It is the cardholder's responsibility to notify the vendor that Gustavus is tax exempt.** For your convenience, the sales tax-exempt number is printed on the purchase card. The sales tax-exempt number may not be used for any other purpose than for purchases for the College. Cardholders may not share this number with other individuals. Cardholders who neglect to provide the sales and use tax exempt number to merchants may find themselves personally obligated to repay said charges to the College. Generally, sales tax exemptions are on items purchased in or delivered to Minnesota. In the event the merchant refuses to remove the sales tax, the cardholder should ask to speak to a manager and direct them to www.gustavus.edu/finance where they can access a copy of our MN ST-3 Certificate of Exemption.

Reconciliation of Monthly Statement

The billing cycle ends on the last business day of each month, but it is strongly recommended that you review and code your expenses throughout the month so errors can be detected immediately. If someone else codes and reconciles your expenses, we ask that you bring your receipts to them as your expenses are incurred. On the 8th day of each month (or the first business day thereafter), all coding needs to be complete. On the 12th day of each month (or the first business day thereafter), the previous month's period will be closed and there will be no access to make changes to or approve expenses. If there are outstanding expenses that have not been approved by that day, the Finance Office will contact the proper approver and notify them that they need to come to the Finance Office to sign the hard copy of the statement. On the 15th day of each month (or the first business day thereafter), the statements and supporting documentation are due in the Finance Office.

Listed below are the procedures for completing the review and approval of your statement:

- Review postings to your card during the last statement period. It is strongly encouraged that you review this on an ongoing basis rather than waiting until the end of the month.
- Review fund number, department code, and object code for accuracy.
- Receipts are required for all transactions regardless of dollar amount. Attach all original detailed receipts to your statement and check box that receipt is attached. If you are using the internet to make your purchase, make sure you print and attach the confirmation of your purchase.
- If a receipt is missing and you have done your due diligence in trying to obtain one, you will need to fill out a missing receipt declaration. You will also need to add a note to the transaction description stating that you cannot obtain a receipt and the reason why. Note description of items purchased. If your purchase is for entertainment expenses, you must document who, what, why, when and where as required by IRS regulations. You will not be allowed to forward your expenses to your approver until a description is noted.
- Submit your expenses to your supervisor for approval.
- Print a copy of your statement and attach your original receipts. Send to the finance office for review by the 15th day of the month. All statements and receipts will be retained for seven years.

Payment of Charges

Gustavus makes a single payment to Wells Fargo each month for all purchases. Cardholders do not have to submit a request for payment.

Cards issued under the WellsOne Commercial Card Program are individually issued to cardholders; however, use of the card or payment by the College does not affect the cardholder's personal credit rating.

Cardholder Maintenance

Contact the Finance Office to:

- Cancel a card (must call Wells Fargo to report lost or stolen).
- Change of the name on a card (i.e., change in status).

- Change of employee job responsibilities.
- Change credit limit on a card.
- Request a replacement card (i.e. numbers wearing off).

Transaction Dispute Resolution

Transactions may be placed in dispute when charges appear on the statement that the cardholder did not make, the amount of the charge is incorrect or there is a quality or service issue with the purchase.

The cardholder is responsible for contacting the merchant involved to resolve the error. If the merchant agrees that an error has been made, the merchant will credit the account. Cardholders are advised to keep detailed notes including dates, times, name of person contacted, etc.

Cardholders are required to initiate the dispute process within 60 days of the transaction date in order to protect your rights. Failure to notify the financial carrier of a disputed charge on an account within 60 days will prevent the College from reversing the charges on the account. Cardholders may be held personally responsible for failure to comply with this component. Wells Fargo will resolve disputed transactions within 90 days.

Lost or Stolen Cards

Cardholders are responsible for the safety and security of the purchase card issued to them. For lost or stolen cards:

- **Notify Wells Fargo immediately at 800-932-0036.**
- Notify a program administrator: Kelly Mans 507-933-7508
Chris Germscheid 507-933-7201
- Notify Campus Safety and the appropriate local authorities, if applicable.

Policy Implementation Assistance

Contact the CFO, Controller, Senior Accountant, or Accounts Payable Specialist for questions and comments on this policy.

Policy Authority

The President's Cabinet has responsibility for this policy and will obtain necessary approvals and changes to this policy.

Related Policies or References

Travel and Entertainment Policy; All College Policies.

Revision History

1/1/2005 Initial issue of policy- President's Cabinet Approval.

09/2024 revision, approval by XLT