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## SECTION 1: POLICY STATEMENT AND PURPOSE

It is Drury 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 sometimes are necessary and more efficient. To this end, the credit card program allows employees and students to utilize institutional credit cards to make payments. This credit card program is not intended to avoid or bypass the appropriate purchasing guidelines or payment procedures set forth in 405.101P: Purchasing.

Drury University will maintain a credit card program designed to:

- Facilitate travel and small-dollar purchases for employees and students,
- Allow the university more efficient and timely tracking of departmental expenditures, and
- Provide an alternate form of payment for situations in which the vendor will not invoice the university.

This policy will:

- Provide guidelines for use of university credit cards for university business, in accordance with applicable regulations and sound business practices,
- Ensure that all cardholders and card users are informed of their responsibilities before using a university purchase card,
- Enable the university to protect its reputation and non-profit status by avoiding excessive or inappropriate spending, and
- Provide budget managers with resources and guidelines to control how their budgets are expended.

This policy applies to any university employee and/or student who uses a university credit card. Individuals other than employees and students are prohibited from being issued a card in their name, checking out a card from Administrative Services, or utilizing a university credit card in any other way.

The use of university credit cards is a privileged convenience and must not be abused.

## SECTION 2: ELIGIBILITY & AUTHORIZATION

### A. Named Cards

1. Due to bank and merchant requirements, and identity theft and fraud risk related to credit cards, most cards in the university's program will be issued in employees' names.
2. Named cards are required for any employee who must travel internationally for university business.
3. A limited number of named credit cards will remain fully active year-round, or during certain times of the year, due to the continual use/travel associated with the cardholder's work. Cardholders in this category include:
  - a. University administrators (President, Chief of Staff, vice presidents/executive directors)
  - b. Admission directors (higher limit during travel season, reduced limit off-season)
  - c. Institutional Advancement directors
  - d. Athletic coaches (higher limit during season, reduced limit off-season)
  - e. Academic deans
  - f. Administrative and executive assistants
  - g. Primary credit card program administrator
4. The card limits of cardholders not listed above will be set at \$1 unless authorized for use (see 405.202G1: Use of a University Credit Card). After authorization for use is granted, the card limit will be increased to the limit approved for the length of time approved. After the end of the approved usage period, the limit will revert to \$1.
5. Named cardholders are responsible for the reconciliation of their monthly card statements.

### B. Temporary Employee Cards

1. A limited number of generic/"ghost" credit cards, known as Employee Check-Out Cards, will be available for employees who have not yet been issued a named card or who use a card so infrequently that it is impractical to issue a named card to them.
  2. Employees will request temporary cards through the purchase order portal on MyDrury.
  3. Users of temporary cards must submit receipts and descriptions for all purchases made on the card.
  4. The program administrator is responsible for the reconciliation of the monthly statements for temporary credit cards.
- C. Temporary Student Cards
1. A number of generic/"ghost" Student Check-Out Cards are available for student use. Students will request use of a card through 405.202F3: Student Credit Card Request.
  2. Students using temporary cards must submit receipts and descriptions for all purchases made on the card.
  3. The program administrator is responsible for the reconciliation of the monthly statements for temporary student credit cards.
  4. Students must never use an employee's named credit card or an Employee Check-Out Card.
  5. Students, including graduate assistants, will not be issued named cards.

### **SECTION 3: CARDHOLDER RESPONSIBILITIES**

- A. All cardholders, employee or student, using a named card or temporary card, must:
1. Use the credit card only for legitimate and authorized university purposes,
  2. Use the credit card in accordance with all university purchasing policies,
  3. Keep the card in a secure location at all times,
  4. Keep the card in its RFID protective cover when not in use,
  5. Prohibit use of the card by any individuals who are not authorized to use a university card,
  6. Obtain and submit necessary receipts/documentation for all card transactions,
  7. Attempt and/or assist in resolution of disputes or billing errors with the vendor and/or the card-issuing bank,
  8. Ensure all refunds are credited directly to the card (cash refunds, store credit, gift cards, etc. are prohibited),
  9. Immediately report a lost or stolen card to a program administrator and the card-issuing bank,
  10. Return the card to a program administrator upon suspension or termination of employment with the university, or for other reasons by request of Administrative Services or Financial Services.
- B. Additionally, named cardholders must:
1. Reconcile and submit monthly statements before the monthly due date,
  2. Examine monthly statements for fraudulent activity or billing errors, and immediately report such activity to a card program administrator and the card-issuing bank,
  3. Ensure that all credits for fraudulent charges and billing errors appear on a subsequent statement.

### **SECTION 4: APPROVER RESPONSIBILITIES**

- A. All approvers have responsibility to:
1. Examine all cardholder statements under their supervision to ensure that
    - a. All purchases conform to all university policies;
    - b. All required information is present on the statement (i.e., all boxes are filled);
    - c. Receipts/documentation are present for all charges;
    - d. All account numbers and budget lines are correct.
  2. Reject statements with incomplete, inaccurate, or incorrect information.
  3. Approve statements by the monthly due date.
  4. Ensure cardholders under their supervision comply with program policies and deadlines.

## SECTION 5: APPROPRIATE USE OF A PURCHASE CARD

- A. While convenient, a credit card is not always an appropriate method of payment. It may also be inappropriate for an individual cardholder to make a purchase, due to centralized purchasing or prohibited purchasing restrictions.
- B. The following tables outline appropriate, centralized or restricted, and prohibited credit card purchases.

<b>C. Appropriate Purchases</b>		<b>Additional Policy</b>
1.	Travel expenses (transportation fares, rental vehicles, hotel rooms, etc.)	405.103P: Travel Expenses
2.	Fuel for rental vehicles or university-owned vehicles	405.103P: Travel Expenses 404.001P: Use of Vehicles for University Business
3.	University-related business meals and entertainment with outside constituents	405.104P: Meals and Entertainment Expenses
4.	Professional development expenses (e.g., conference registrations and fees)	405.105P: Professional Development Expenses
5.	Internet-only available purchases	405.101P: Purchasing
6.	Office & classroom supplies unavailable through Central Supply	405.101P: Purchasing
7.	Equipment/furniture purchases under \$1,000	405.101P: Purchasing
8.	Purchases from vendors which will not invoice the university	405.101P: Purchasing

<b>D. Restricted and/or Centralized Purchases</b>		<b>Additional Policy</b>
1.	Gift Cards	405.108P: Gifts from the University
2.	Alcohol	405.101P: Purchasing 404.002P: Alcohol at University Meals and Social Events
3.	Membership Dues for Professional and Social Organizations	405.101P: Purchasing
4.	Subscriptions to Magazines, Journals, Newspapers, etc.	405.101P: Purchasing
5.	Congratulatory or condolence items for employees	405.101P: Purchasing 404.108P: Gifts from the University
6.	Discount club and purchasing memberships	405.101P: Purchasing
7.	Furniture purchases over \$1,000	405.101P: Purchasing
8.	Firearms and Ammunition	405.101P: Purchasing 437.XXXP: Policy in Development
9.	Marketing and advertising	405.101P: Purchasing 405.1XXP: Policy in Development
10.	Computing hardware and software	405.101P: Purchasing 405.104P: Computing Hardware & Software Procurement
11.	Cell phone, data service, and Internet service expenses	405.101P: Purchasing 405.107P: Cell Phones & Phone Service
12.	Hazardous Chemicals	405.101P: Purchasing

<b>E. Prohibited Credit Card Purchases</b>		<b>Additional Policy</b>
1.	Non-university/personal purchases of any kind	405.101P: Purchasing
2.	Cash advances	
3.	Purchases at university businesses (e.g., Bookstore, Mailroom, O'Reilly Family Event Center, etc.)	
4.	Fuel for personal vehicles	405.103P: Meals, Travel, Professional Development, and Entertainment
5.	Home Internet Expenses	405.101P: Purchasing
6.	Donations to non-profits	405.101P: Purchasing 405.108P: Gifts from the University
7.	Entertainment acts	405.101P: Purchasing

8.	Fireworks	405.101P: Purchasing
9.	Investment management services	405.101P: Purchasing 400.100P: Investment Policy Statement
10.	Legal services	405.101P: Purchasing
11.	Tax, accounting, external auditing services	405.101P: Purchasing
12.	Employee benefits	405.101P: Purchasing 435.XXXP: Policy in Development
13.	Insurance (except per-event policies through university provider)	405.101P: Purchasing
14.	Real estate	405.101P: Purchasing 400.103P: Real Estate Transactions
15.	Architectural, engineering, construction services	405.101P: Purchasing 405.106P: Policy in Development
16.	Intellectual property rights	405.101P: Purchasing
17.	Leases and maintenance agreements on real property	400.004P: Signatory Authority, 400.105P: Real Estate Transactions
18.	Other independent contractors (e.g., individuals, consultants, proprietorships, partnerships, and university employees)	

- F. Exceptions to expenditures in any three of the categories above require written approval from the Chief Financial Officer.
- G. Card & Purchase Delegation
1. To the fullest extent possible, credit card charges should be applied to the card of the individual to whom they are most closely tied in order that charges are approved by the correct approver.
  2. Card Delegation
    - a. 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.
      - 1) 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.
    - b. Card delegation is prohibited except in cases in which an assistant/subordinate employee must make travel arrangements on behalf of his/her supervisor.
    - c. Card delegation increases the risk of fraud, as well as cardholder and university liability.
  3. Purchase Delegation
    - a. Purchase delegation is the act of requiring or allowing another person, particularly a subordinate employee, to make a purchase on a cardholder's behalf. This creates an approval workflow inaccuracy and the appearance of impropriety, as the purchase will not be approved by the correct cardholder supervisor.
    - b. Purchase delegation is prohibited for purchases made for the advantage of a specific employee.
  4. Examples
    - a. EXAMPLE 1: A VP needs to make travel arrangements for an upcoming conference. The VP's executive assistant may be given access to the VP's credit card to make travel arrangements for the VP. Thus, the charges will be approved by the VP's appropriate supervisor.
    - b. EXAMPLE 2: A VP needs several binders for an upcoming presentation and asks his/her assistant to purchase the binders from a local store. In this situation, the assistant should use his/her own named credit card to make the purchase and **must not** take the VP's card for use.
    - c. EXAMPLE 3: An employee wishes to redecorate his/her office. Rather than charge the expenses on his/her named card, they request that their assistant make the purchases. Such a situation would allow the requesting employee to approve the charges instead of the supervisor of the requesting employee. This is an inappropriate request.
- H. Employees are prohibited from linking their card with electronic card storage systems such as GooglePay, ApplePay, SamsungPay, etc.
- I. Employees requiring clarification of the appropriateness of a purchase, or who feel they have been asked to make a purchase in contradiction to this policy, should contact Administrative Services.

- J. The university reserves the right to bill employees' personal accounts for charges which are found to be, in the opinion of the university, out of compliance with appropriate card and/or university purchasing policies.

## SECTION 6: EXEMPTION FROM SALES TAX

- A. Drury University is exempt from all sales and use taxes in Missouri and other states (see [www.drury.edu/tax-exempt](http://www.drury.edu/tax-exempt)).
- B. All card users must make every effort to avoid paying sales tax in eligible states when using a purchase card.
1. Cardholders are required to claim exemption from sales tax for all Missouri purchase, including:
    - a. In-store purchases
    - b. Hotel expenses
    - c. Vehicle rentals
    - d. Online purchases
    - e. Meals (to the extent possible and practical)
  2. Use of self-checkout lanes is restricted, as most they do not allow for application of tax-exemption.
  3. 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.
  4. 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.
  5. 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.
    - a. Blank copies of Form 149 may be found at <http://dor.mo.gov/forms/149.pdf>.
    - b. Form 149 must be signed by the Vice President for Administration before it may be sent to the vendor.
  6. Fuel purchases are not tax exempt.
  7. Drury is not exempt from other non-sales state and local taxes (e.g., airport tax, occupancy tax, etc.)
  8. 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 7: STATEMENT RECONCILIATION

- A. Named Purchase Cards
1. All cardholders are responsible for reconciliation of their statements each month in the designated online system.
  2. The university's billing cycle runs from the first business day of the month to the last business day of the month.
  3. Statements must be reconciled, submitted, and approved by the 15th of each month (i.e., June's statement is due by July 15).
  4. **Cardholders** must utilize the designated online system to assign university account numbers to all transactions, provide a transaction description for each charge, and upload digital copies of receipts for all transactions. This electronic statement then is submitted to the cardholder's approver for review.
    - a. Cardholders whose statements typically are reconciled by a proxy reconciler are not exempt from submitting statements by their required due date when the proxy reconciler is unavailable to complete the task (e.g., summer break, etc.).

5. **Approvers** are responsible for reviewing and approving/rejecting the statements through the online system by the 20<sup>th</sup> of each month.
6. Past Due Statements:
  - a. In the event that a statement is not received by the assigned due date, the cardholder's privileges will be suspended until such time as the statement is submitted and approved.
  - b. Noncompliance with statement responsibilities will be reported to the cardholder's supervisor, the cardholder's divisional vice president/executive director, and the Chief Financial Officer.
  - c. Noncompliance with statement responsibilities will trigger administrative review of the cardholder's card privileges and may result in loss of card privileges and/or other disciplinary action.
- B. Temporary/Check-Out Cards
  1. Employees and students using a temporary card must:
  2. Submit original receipts for all transactions immediately after use of the card.
  3. Provide the program administrator with transaction descriptions for each charge.
  4. Provide the program administrator with an account number for each charge.

## SECTION 8: REQUIRED DOCUMENTATION

- A. Documentation for all transactions is required, whether made in a store, restaurant, gas station, by mail, by phone, internet, etc., and whether the charge is a one-time purchase or recurring charge.
  1. Appropriate documentation
    - a. **Itemized receipts/invoices** showing merchandise prices for each item and a total cost.
    - b. **Itemized and tip copies from restaurant transactions**
      - 1) 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."
      - 2) 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:
        - a) Itemized receipts
        - b) Date and amount of the expense (including tip)
        - c) Name and location of where the meal/event took place
        - d) The number of people served
        - e) Purpose of business meeting
    - c. **Complete hotel folio/bill**, showing **all** room and incidental charges and total bill.
  2. Invalid documentation
    - a. Packing slips or order confirmations without itemization or prices are *not* valid documentation.
    - b. Tip-only receipts from restaurants
    - c. Summary-only receipts (i.e., receipts showing only the amount owed and user signature)
    - d. Vendor statements
    - e. Illegible receipts
- B. Repeated submission of statements with missing documentation will trigger an administrative review of cardholder privileges, and may result in revocation of cardholder privileges. The university reserves the right to bill cardholders' personal accounts for transactions for which no documentation or insufficient documentation is provided.

## SECTION 9: LOST OR STOLEN CARD

- A. The cardholder must notify the card-issuing bank of lost or stolen cards immediately following discovery of the loss or theft.
  1. **Failure to notify the bank within 24 hours** of the loss or theft use will inhibit the university's ability to seek reimbursement for any unauthorized charges made on the card.

- B. The cardholder must contact a program administrator to alert them to the loss/theft/unauthorized use once the bank has been notified.
- C. Should the lost card be located after it has been reported as lost or stolen, the cardholder must cut it up and dispose of it.
- D. A replacement card will be issued as soon as possible for a cancelled card. New cards usually arrive within five to ten business days.
- E. 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 charge (see Section 9 below).

## **SECTION 10: UNAUTHORIZED/FRAUDULENT CHARGES & CHARGE DISPUTES**

- A. The cardholder is responsible for examining each month's statement for unauthorized/fraudulent charges, reporting such activity to the card-issuing bank and a credit card program administrator, and working with the bank and administrators to dispute charges as necessary.
- B. While university credit card program administrators are available to provide advice and assistance with disputes, it is the cardholder's responsibility to work with the vendor(s) and/or the card-issuing bank to initiate the dispute and handle the details of the process.
  - 1. Disputes must be filed within 60 days of the post date of the disputed charge. Disputes filed after the 60-day window will be rejected by the card bank and will be billed to the cardholder's department.
- C. The fraud dispute process with the university's current card bank requires notification of fraud by phone. The cardholder should not consider their duties in the dispute process complete until they receive confirmation from the bank that all information has been received.
- D. Failure to check statements, report fraud, or complete the dispute process within the allowed window will result in administrative review of cardholder privileges and may result in revocation of those privileges and/or other disciplinary action.

## **SECTION 11: ETHICAL PRACTICES**

- A. All university employees are governed by the ethical policies outlined in the *Community Standards Handbook*, *Faculty Handbook* and *Staff Policy Handbook*.
- B. Students are bound by the university's *Community Standards Handbook*.
- C. Additionally, employees making purchases for the university must comply with the principles outlined in policy 405.000P: Standards of Business Conduct.

## **SECTION 12: ENFORCEMENT**

- A. Violation of any portion of this policy by individuals may result in disciplinary action, up to and including suspension or termination of employment, enrollment, or association with the university; civil penalties and/or criminal prosecution also may be applied.
  - 1. All statements will be reviewed and approved by the cardholder's approver and a program administrator.
  - 2. Questionable charges will be discussed with the cardholder and/or the cardholder's approver, division head, or the Chief Financial Officer.
  - 3. Charges deemed inappropriate will be billed to the cardholder's personal Drury account. Depending on the nature and severity of the inappropriate spending, further disciplinary action may be applied.
  - 4. Charges deemed to be severely delinquent (i.e., statements unreconciled, unsubmitted despite reminders from administrators) will be billed to the cardholder's personal Drury account. Depending on the severity of the delinquency, further disciplinary action may be applied.
  - 5. Cardholders in violation of statement reconciliation and transaction documentation responsibilities will be reported to division heads and the Chief Financial Officer.



## SECTION 13: PROGRAM ADMINISTRATORS

Your program administrators are available to assist with questions about, or problems with, credit cards or the online reconciliation system.

Name	Office Hrs Ph	Email	Office
1. Director, Administrative Services	417-873-7200	cardhelp@drury.edu	Burnham 107
2. Administrative Services Assistant	417-873-6869	cardhelp@drury.edu	Burnham 107
3. Chief Financial Officer	417-873-7527	cardhelp@drury.edu	Burnham 107