

Heidelberg College MasterCard Policy and Procedures Manual **Effective 7/1/05**

PURPOSE:

The MasterCard program is being established in order to reduce the effort hours associated with the acquisition of certain high volume, low dollar purchases related to businesses and to simplify the process.

RESPONSIBILITIES:

Cardholder:

- Make purchases according to the guidelines established in this policy/procedure.
- Accountability for all transactions made against the card.
- Timely reconciliation of monthly transactions made on the card and retention of an original, itemized sales/credit receipt and turned into the business office prior to the 15th of the month.
- An administrative late fee of \$25 will be applied to reconciliation turned in after the 15th deadline.
- Safeguard the MasterCard and keeping the account number confidential.
- Use the MasterCard for Heidelberg College business only.
- Resolving disputed charges with the merchant and/or Fifth Third Bank.
- No splitting of transactions in order to remain within the established maximum dollar limit per transaction for a purchase order.
- Return merchandise to the merchant when it is incorrect or no longer needed.
- Report a lost or stolen MasterCard immediately to Fifth Third Bank and the Controller.
- Surrender the MasterCard upon termination from Heidelberg College, along with the final reconciliation.

Approving Supervisor:

- Ensure that charges made using the MasterCard were appropriate.
- Appropriate account number to be charged and signature.
- Approval for standard, monthly credit limits.
- Processing cross charges for unreconciled charges/credits.
- Card revocation and disciplinary action when necessary.

Controller:

- Maintain records of all MasterCard requests, credit limits, and purchasing controls for each card.
- Interface with the Fifth Third Bank as needed.
- Provide Cardholder training and issue cards.
- Update the MasterCard policy/procedure as needed.
- Work with Cardholders to reconcile errors and billing disputes once Cardholder has exhausted other avenues for resolution (Merchant and Fifth Third Bank).
- Notify the appropriate Approving Supervisor if unauthorized use of the MasterCard is

suspected.

- Monitor/follow up to ensure that no future charges are incurred on an account where the card has been reported as lost or stolen.
- Cancel cards upon termination of Cardholder's employment.
- Ensure that accurate documentation is provided to, and received from Fifth Third Bank
- Process prompt payment to the Fifth Third Bank.
- Verify correct use of general ledger accounts.

MASTERCARD APPLICATION:

The MasterCard acquisition process:

1. A MasterCard Request (Attachment A) must be requested from the appropriate Vice President, then completed and returned to the Controller. It is available on Server-Six in the Business Office folder in the Credit Card Folder.
2. Upon receipt of the completed MasterCard Request, the Controller will process the request.
 - a. If approved, the Controller will send the applicant's data to Fifth Third Bank for processing. (The Controller should receive the charge card in approximately 10-14 days.)
 - b. If declined, the Controller will notify the individual. Questions regarding a declined request should be directed to the Controller.
3. Training will be provided to applicant prior to issuance of the card. The Controller will schedule the individual for training so it coincides with the card arrival.
4. Prior to arriving at training, the individual must:
 - a. Familiarize him/herself with the MasterCard policy/procedure.
 - b. Print a Cardholder Agreement (Attachment B) and be prepared to sign it upon completion of training. It is available on Server-Six in the Business Office Credit Card folder.
5. Once training has been completed, the Cardholder Agreement will be collected and the credit card will be issued.

PURCHASING CONTROLS:

The purchasing capabilities of the MasterCard can be personalized to fit each Cardholder's job responsibilities. The following are controls that can be placed on the MasterCard:

- Dollar limit per transaction.
- Dollar limit per cycle.
- Number of transactions per day.

- Number of transactions per cycle.
- Authorization tied to budget limits.

AUTHORIZED MASTERCARD USAGE:

1. The credit card that the Cardholder receives has his/her name and tax exempt number embossed on it. The Cardholder may process transactions on behalf of others within his/her office; however, the Cardholder is responsible for all use of his/her card.
2. Use of the card shall be limited to the following conditions:
 - a. The total value of a transaction shall not exceed a Cardholder's credit limit. Splitting of payment for a purchase into multiple transactions to stay within the purchase order limit is unacceptable.
 - b. No cash back for returns.
 - c. The Cardholder should always identify him/herself as a representative of Heidelberg College to ensure negotiated pricing is secured.
 - d. The Cardholder should ensure that at the point of sale that Heidelberg College is tax exempt.
 - e. No cash advances are expected with this card.
 - f. Adherence to all boundaries established by this policy/procedure.

UNAUTHORIZED MULTICARD USAGE:

1. The credit card is not to be used for items such as:
 - Personal purchases.
 - Cash advances.
 - Capital purchases – These are items over \$1,000 and must be approved by the appropriate Vice President. *Examples of capital purchases include:*
 - *Software purchases over \$1,000.*
 - *Initial computer hardware purchases (i.e., CPUs and other technology equipment within a start-up mode).*
 - *Office furniture and equipment (i.e., desks, chairs, cabinets, fax equipment copiers and other electronic equipment such as video cameras and inventory scanners).*
 - Computer rentals.
 - Maintenance and service agreements.
 - Company-sponsored events.

2. A Cardholder who makes unauthorized purchases or intentionally misuses the credit card will be personally liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by Heidelberg College or Fifth Third Bank in connection with the misuse. The Cardholder will also be subject to disciplinary action and/or card revocation.

MASTERCARD PROCESS

1. Making a Purchase

1. Determine that the MasterCard is the appropriate purchasing tool (versus a purchase requisition). Ask the Controller if uncertain.
2. Call or visit the merchant of choice (as appropriate).
 - a. Select or order the desired merchandise.
 - b. Identify yourself as a representative of Heidelberg College to ensure negotiated prices are charged.
 - c. Tell the merchant the sale is considered tax exempt, which is on the MasterCard, at the point of sale.
 - d. Give the Cardholder's business address as the shipping address. The receipt will be needed for reconciliation.
 - e. Obtain an itemized receipt (even if the purchase is made by phone or fax). Charge/credit slips that do not itemize are inadequate documentation.
 - f. If delivery instructions are needed, the Cardholder should give his/her business address. The package should be marked with the Cardholder's name and department name, so Heidelberg College Krammes Service Center knows how to handle delivery of the package.

NOTE: Instruct the merchant that the MasterCard number is not to be displayed anywhere on the outside of the package so the account number remains confidential.

2. Receiving Merchandise:

1. Packages marked with the appropriate department will be delivered unopened to the Cardholder through existing delivery system.
2. Upon receipt of a MasterCard-related package, the Cardholder must verify that the shipment is correct. If not, the Cardholder should notify the merchant directly for resolution.
3. Retain the merchant's original itemized sales/credit receipt.

3. Returning Merchandise:

1. Contact the merchant for return procedures and to determine if any restocking fee will be charged.
2. Unless the Cardholder will be returning the merchandise personally, contact either the Mailroom in College Hall or the Bookstore in the Campus Center for return procedures.

NOTE: Depending on the value of the merchandise being returned, it may be necessary to place additional insurance on the package beyond the carrier's routine insured value. The Mailroom or Bookstore should be able to advise the Cardholder if this will be necessary.

3. The Cardholder should pack the merchandise securely (original packing materials are preferable). If adequate packing materials are unavailable, an additional charge may be assessed.
4. Label the package according to the instructions given by the merchant.
5. Retain a copy of any documentation sent to the merchant.

4. Reconciliation:

The Cardholder will receive a memo statement directly from Fifth Third Bank. The Cardholder must complete a monthly reconciliation of the memo statement. It itemizes all purchases and returns made during the billing cycle. The reconciliation must have original receipts with appropriate account number and signatures.

1. Complete the reconciliation.
 - Transaction date.
 - Date Received/Returned.
 - Merchant Name.
 - Account #.
 - Amount - This should be the total amount, including shipping charges. Returns should be shown using a negative (-) sign.
2. Attach supporting itemized sales/credit receipts (originals).
3. Have the responsible Vice President approve the reconciliation.
4. Forward the approved reconciliation and receipts to the Business Office by the 15th day of each month. This will allow prompt payment to Fifth Third Bank.

NOTE: Reminder calls will not be made. Reconciliation is the responsibility of each Cardholder. Any charges/credits that are not reconciled by the due date will be charged to his/her Personal Account in the Business Office. An administrative late fee of \$25 will be assessed for reconciliations turned in after the 15th deadline.

5. Provider Payment:

The Controller will make one payment monthly to Fifth Third Bank for the total amount due, less any disputed charges/credits.

DISPUTED TRANSACTION

An incorrect, unrecognized or questioned transaction may be disputed. If a transaction needs to be placed in dispute, the Cardholder should:

1. Complete a MasterCard Dispute Form (Attachment F). It is available on Server-Six in the Business Office Credit Card folder.
2. Mail the original Dispute Form to the address noted on the form.
3. Attach a copy of the Dispute Form to the monthly reconciliation.
4. Note "Disputed" on the applicable item of the monthly reconciliation.

Fifth Third Bank will conduct an investigation regarding the disputed transaction. While the investigation is ongoing, a temporary reversal of the transaction (charge or credit, as appropriate) will be issued to the Cardholder's account. Upon completion of the investigation, the Cardholder is notified of the resolution. If the dispute is not settled in the Cardholder's favor, the transaction will be re-posted to the Cardholder's account.

LOST/STOLEN CARDS

If a MasterCard is lost or stolen, the Cardholder must contact Fifth Third Bank immediately at (800) 376-1747. Once Fifth Third Bank has been contacted, notify the Controller at 419-448-2183.

CARDHOLDER TERMINATION

The MasterCard is the property of Fifth Third Bank; therefore, at termination it must be surrendered to the Controller so it can be forwarded to the Bank. A final, approved reconciliation and supporting receipts should also accompany the card.

HEIDELBERG COLLEGE
PURCHASING (CREDIT) CARDHOLDER USE AGREEMENT

Employee: _____

Department: _____

The above named employee (Card User) of Heidelberg College has been issued a college credit card. The Card user has been provided with a copy of the Heidelberg College MasterCard Policy and Procedures Manual, and hereby agrees to comply with all terms and conditions set forth therein, including but not limited to:

1. Official Use Only. Heidelberg College credit cards are for official Heidelberg College use only. Charging personal expenses on Heidelberg College cards is a misuse of Heidelberg College funds and a serious breach of the Heidelberg College's ethics policy. Doing so—even if the intent is to reimburse Heidelberg College later—will result in disciplinary action, up to and including termination. Official use does not include copying and using the card without express permission of the person responsible for the card.
2. Timely, Accurate, and Supported Payments. Credit card payments will be processed on a timely basis, and adequate supporting documentation (such as vendor order forms, receipts, invoices, and credit card receipts) will be retained for all charges and attached to monthly statements.
3. Disputed Charges. Accounts Payable, the vendor and issuing bank will be notified immediately of any disputed charges.
4. Lost or Stolen Cards. The issuing bank and the Controller will be notified immediately of a lost or stolen card. Failure to do so could make the Cardholder responsible for any fraudulent use of the card.
5. Surrender Upon Request or Separation. The credit card will be immediately surrendered upon retirement, termination, upon request of the Supervisor and/or upon request by the Controller for administrative purposes. Use of the credit card for any purpose after its surrender is prohibited.
6. Credit Card Limit. The credit limit of this card is \$_____.

I hereby agree to the terms and agreements of the Heidelberg College MasterCard Policies and Procedures.

Signature

Date