

POLICY

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Approved by: President Sabah Randhawa

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Cancels:	POL-U5348.17	Administering and Using a Fuel Credit Card
See Also:	PRO-U5348.04A FRM-U5348.04A STN-U5348.04A STN-U5348.04B STN-U5348.04C POL-U5320.03 POL-U5315.25 STN-U5348.01A STN-U5348.01B STN-U5348.01C	Reviewing Random Credit Card Transactions PCard Transaction Review Form Standards for Securing Credit Cards and Accounts Standards for Deactivating or Cancelling a University Credit Card Standards for Managing A Department Credit Card with Multiple Users Authorizing and Defining Financial Responsibilities Reporting Loss of University Funds or Property Standards for Ethical Purchasing Standards for Controlled and Prohibited Purchases Standards for Purchasing Goods and Services

POL-U5348.04 ISSUING AND USING UNIVERSITY CREDIT CARDS

This policy supports Western's commitment to responsible and ethical stewardship of state resources and, therefore, applies to all employees and students using University credit cards.

1. Chief Procurement Officer (CPO) Ensures Effective Management of Credit Card Programs and Purchases

Under the purview of the Vice President for Business and Financial Affairs (VP for BFA), the CPO is delegated the responsibility for ensuring the implementation of an efficient, compliant and secure credit card program to support the University's mission and objectives.

2. Purchasing Rules Must be Followed

All purchases, regardless of payment method, must be made in accordance to the *Purchasing Goods and Services* policy (POL-U5348.01) and related procedures and standards including:

- a) Standards for Controlled and Prohibited Purchases,
- b) Standards for Purchasing and Payment Methods, and
- c) Standards for Purchasing with Grant Funds.

In accordance with the *Standards for Purchasing and Payment Methods*, (STN-U5348.01B), purchases may be made with a University Credit Card under certain circumstances. Cardholders are responsible for following these standards.

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3. Vice President for Business and Financial Affairs (VP for BFA) Designates Card Dollar Limits

The VP for BFA approves individual and institutional liability limits and default transaction, daily and monthly spending limits. The University Card Administrator may authorize exceptions to a single transaction in accordance to written standards.

Card default limits do not establish budget authority limits for individual card approvers. Approvers must obtain documented approvals for purchases that exceed their budget authority limits.

4. University Employees May be Cardholders or Approvers

Only permanent University employees, with approval of the appropriate Financial Manager, are eligible to be:

- a) Issued an individual card, and/or
- b) A Card Custodian for a Department Card.

Temporary employees may be issued cards on a case by case basis with management approval. A student or student employee may not be a Card Custodian but may be a delegated authorized Department Card "user." See section #10 below.

5. Financial Managers Accountable for all Credit Card Purchases

In accordance with the *Authorizing and Defining Financial Responsibilities* policy (POL-U5320.03), Financial Managers are accountable for the resources entrusted to them even when they delegate fiscal duties and budget authority.

The responsibilities of Financial Managers in regards to credit card use are to ensure:

- a) Purchases are compliant with state and federal regulations, University policies, procedures, and standards including controlled and prohibited purchases,
- b) Purchasing activities and expenditure monitoring duties (including back up assignments) are segregated for internal control purposes,
- c) Documentation is maintained demonstrating transactions were appropriate and business related, and reconciled against actual receipts,
- d) Appropriate action is taken when an employee's performance in regards to credit card use and/or duties is inappropriate or inadequate,
- e) Card Custodian and user procedures are followed if issued a Department Card, and

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- f) Authorized transaction approvers are promptly changed when appropriate (i.e. approver leaves position).

6. Credit Cardholders Must Maintain Compliance

Cardholders are those issued a University credit card in their name. Cardholders act as agents of the University and are accountable for all policy, standards, or procedural requirements associated with the use of a credit card. A cardholder is not required to be an authorized Budget Authority.

The Cardholder is responsible for:

- a) Complying with all relevant state and federal regulations, University and department policies, procedures, and standards,
- b) Following protocol for controlled and prohibited purchases,
- c) Providing the transaction approver with required documentation to justify expenditures in a timely manner,
- d) Reviewing transactions in a timely manner,
- e) Protecting the security of the card and account number (see STD-U5348.04A *Standards and Best Practices for Maintaining University Credit Card/Account Security*),
- f) Ensuring the card is not used by anyone other than the person to whom the card is issued,
- g) Promptly notifying the appropriate Budget Authority and University Card Administrator when the card is lost or stolen, or fraudulent charges appear on credit card statements, and
- h) Surrendering credit cards upon termination, reassignment, or request.

7. Credit Card Transaction Approvers Must Maintain Compliance

A credit card transaction approver must be an authorized Budget Authority prior to approving credit card transactions. A Budget Authority and Cardholder may not be the same person.

The approver is responsible for:

- a) Ensuring purchases are compliant with all relevant state regulations, University and department policies, procedures, standards and guidelines,
- b) Ensuring protocol for controlled and prohibited purchases is followed,

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- c) Monitoring card activity for unusual patterns, restricted, inappropriate, unethical or personal purchases,
- d) Ensuring required information and documentation is provided and correct funding codes are used when approving transactions,
- e) Notifying Cardholder of inappropriate or unauthorized purchases and incorrect accounting, providing direction for expected future changes (and documenting such communication), and ensuring any necessary corrections are made in a timely manner, and
- f) Reporting to the Financial Manager any inappropriate activity or repeated non-compliance of a Cardholder or delegated user.

8. Financial Manager to Ensure Card Cancelled or Deactivated

At a minimum, a cardholder's card must be promptly cancelled when the cardholder:

- a) Is scheduled to move to a different University position in a different department,
- b) Is scheduled to leave employment at the University,
- c) Has a change in duties that does not include being a card user.

A cardholder's card should typically be deactivated when a cardholder will be on a long term leave or temporarily assigned to other duties. See the required *Standards for Canceling or Deactivating a University Credit Card* (STN-U5348.04B).

9. Card or Approver Role May be Suspended or Forfeited for Misuse or Abuse

Inappropriate use or inappropriate approval of credit card use can result in either suspension or forfeiture of the card or approval duties as determined by the CPO, in consultation with Human Resources. Financial Managers are to promptly inform the Director of Business Services and Human Resources of misuse/abuse of University credit cards by Cardholders and/or Card Approvers.

All employees must comply with the *Reporting Loss of University Funds or Property* policy ([POL-U5315.25](#)) if loss of funds is known or suspected.

10. Department Cards Issued Under Limited Circumstances

A department card is different from an individual card in that it is controlled by a Card Custodian who can authorize use of the card to multiple individuals via "check-out/in" procedures. Department cards will only be issued to areas whose operations greatly justify the need and must:

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- a) Be approved by the CPO, and
- b) Follow strict internal control procedures and standards.

The department issued a department card is liable for fraudulent charges made to the card.

11. Standards for Fuel, Corporate Travel and Debit Cards Must be Followed

This policy and written standards and procedures for administering and using other types of credit cards such as, but not limited to, fuel cards, corporate travel cards, or cash debit cards, must be followed.

12. Use of University Credit Cards Prohibited for Certain Items

No University issued credit card may be used to purchase personal items or services, even if the employee intends to reimburse the University.

Certain items needed for University business may be purchased but not with a University credit card. For a list of these items, see the *Standards for Controlled and Prohibited Purchases* (STN-U5348.01A).

Exception: Personal expenses charged to a University credit card may be excused by the appropriate Vice President when done in the event of an emergency or for the safety of the employee. These situations need to be documented and the employee is to promptly reimburse the University.

13. Random Reviews Performed

Transactions are to be regularly and randomly audited in accordance with procedures.

14. Training Required

All cardholders, delegated users and approvers are required to complete the on-line training prior to being issued or allowed to approve or use a card.

The Purchasing Department is responsible for establishing a training program for credit card applicants and approvers that is in compliance with Washington State Department of Enterprise Services training requirements, applicable state and federal regulations, and University policy.