



## Operating Policy and Procedure

### **OP 18.001 Credit Card/Account Procedures and Acceptable Use Policy**

**DATE:** April 15, 2020

**PURPOSE:** To provide guidance to all employees of Kellogg Community College (KCC) on the policies and procedures in place for the appropriate use of corporate charge accounts, including fleet cards, purchasing cards, credit cards and vendor credit accounts.

**REVIEW:** This policy will be reviewed annually in June by the Chief Financial Officer with substantive revisions forwarded to the Board of Trustees through the Office of the President.

### **POLICY/PROCEDURE**

#### **1. Policy**

Use of College issued credit cards is a privilege, which the College may withdraw in the event of serious or repeated abuse. Any credit card the College issues to an employee must be used for business purposes only, in conjunction with the employee's job duties. Employees with such credit cards may not use them for any personal purchase or any other transaction that is not authorized or needed to carry out their duties.

#### **2. Definitions**

- a. *Credit Cards:* Institutionally issued bank issued credit cards bearing a Visa, MasterCard, Discover or American Express logo, vendor specific credit cards or vendor credit accounts with local merchants in the College's service district.
- b. *Vendor Credit Account:* An open line of credit issued by an approved vendor regularly doing business with the College allowing the authorized College employee(s) to purchase now and pay later under a pre-determined payment arrangement and/or a vendor issued credit card allowing the College to purchase on credit.
- c. *Service District:* Barry, Branch and Calhoun counties in south central Michigan

#### **3. Issuance of Credit Cards**

- a. Credit cards shall be issued only to individuals who have appropriate purchasing authority and demonstrate a need to the College President and/or Chief Financial Officer (CFO).
- b. Vendor credit account access shall be authorized by the Director of Purchasing and/or Director of Institutional Facilities.

#### **4. Acceptable Use**

- a. Credit cards shall be used solely for official College business when such use is authorized. Credit cards shall not be used for personal or private business purchases.
- b. Authorized use of credit cards shall be limited to the department / employee whose name appears on the face of the credit card, or who is specifically authorized by the College to use the credit Card.

#### **5. Travel Related Expenses**

- a. Except as permitted by the college's CFO and/or President, credit cards shall not be used for travel related expenses while conducting College business.
- b. All expenses and arrangements associated with travel while conducting College business must be submitted according to the College's accepted travel policy through the College's Purchasing Department.

#### **6. Receipt Submission**

- a. All employees with College issued credit cards shall submit related receipts to the CFO and/or Director of Finance on a monthly basis for the purpose of establishing accountable reconciliation procedures. Specific guidelines include:
  - i. Fleet credit card receipts must be turned in to the Office of Institutional Facilities (OIF) within 7 business days after completing a trip with a College or rental vehicle.
  - ii. International travel and Athletic credit card receipts shall be submitted as outlined in section 10(b) and 10(c) of this policy.
  - iii. Purchasing Department documentation (packing slips, receipts, etc...) shall be submitted within 60 days of the statement date for reconciliation.
  - iv. All other card holder receipts and/or supporting documentation shall be submitted to the Finance Department within 30 days of the statement date for reconciliation.
- b. If no credit card receipt was obtained that described the transaction, the employee shall submit a written explanation and approval documenting the merchant, date, amount, general ledger account and nature of the transaction.

#### **7. Misuse, Abuse, Fraud**

- a. Intentional misuse, abuse or fraudulent use of any credit card may result in disciplinary action, up to and including dismissal, referral to the local police authority, and/or criminal sanctions as outlined in section 13(b).
  - i. Whether intentional or not, any improper charges not successfully reversed by dispute with the vendor shall be promptly reimbursed to the College by the user of the card.

#### **8. Sales Tax Exemption**

- a. The College is exempt from paying sales tax. It is the responsibility of the cardholder to ensure the college is not charged sales tax.

- i. Michigan Sales and Use Tax Certificate of Exemption can be referenced under section 15 of this policy.

## **9. Security, Loss, Card Cancellation**

- a. Departments shall be responsible for safeguarding credit cards at all times, including protecting the physical card and account numbers.
- b. Departments / employees shall immediately and properly report lost or stolen credit cards –
  - i. Lost or stolen fleet cards shall be reported to the OIF who will inform the CFO and/or Director of Finance.
  - ii. Lost or stolen vendor cards shall be reported to the Purchasing Department.
  - iii. Lost or stolen credit cards shall be reported to the CFO and/or Director of Finance to be reported to the issuing bank upon notification.
- c. All credit cards shall be returned to the Finance Department upon request or upon termination of employment (including retirement). The CFO and/or Director of Finance will promptly close the accounts of employees who no longer are employed at the College or no longer require access to a credit card.

## **10. KCC Fleet Vehicles, Athletics, International Travel Courses**

- a. Fleet Vehicles
  - i. Credit cards for fleet vehicles will be managed by the Director of Institutional Facilities. Each College vehicle will be assigned one credit card useable for travel related expenditures only incurred during travel for College business.
  - ii. Requests for cards will be forwarded to the OIF, with athletic requests being approved by the Athletic Director. Employees shall agree to and sign the *Credit Card Usage Agreement* form prior to each use of a fleet vehicle credit card.
  - iii. A pouch containing the vehicle keys and assigned fleet credit card will be delivered to the requesting driver of the College vehicle for approved events. The pouch must be returned to the OIF upon completion of travel and include the vehicle keys, assigned fleet credit card and all receipts. If completion of travel is after normal business hours, the pouch will be returned to the College security personnel.
- b. International Travel Program
  - i. The CFO will maintain physical possession of the credit card until such time the card is needed for international travel as related to a College course.
  - ii. Acceptable uses of the credit card during travel would be for meals, emergency needs and other expenses that could not be paid for prior to travel.
  - iii. Upon completion of travel, credit card will be returned to the CFO along with an explanation of all expenses paid for with the credit card and the related receipts.

c. Athletics Program

- i. The Department of Athletics will have access to a credit card to use during athletic events requiring extended travel (i.e. – post season tournaments, spring baseball trip) as approved by the CFO.
- ii. The CFO will maintain physical possession of the credit card until such time the card is needed.
- iii. Upon completion of travel, credit card will be returned to the CFO along with an explanation of all expenses and receipts.

## 11. Acknowledgement Statement

- a. All employees that are issued a credit card, including those authorized to use the credit card, must sign the *Employee Acknowledgement Form*.

## 12. Roles and Responsibilities

- a. **Employees.** It is the responsibility of each employee, either submitting or approving a credit card statement, to ensure the accuracy of the statement, and that the expense(s) listed on the statement are in compliance with the College's Travel and Purchasing Policies.
- b. **Finance Department: Implementation.** The Finance Department shall be responsible for the implementation, monitoring and enforcement of all aspects related to this policy, including but not limited to:
  - i. Interviewing prospective banks regarding available card platforms and incentives
  - ii. Entering into agreements to utilize credit card programs and vendor credit accounts, including obtaining lines of credit on behalf of the College
  - iii. Issuance of credit cards based upon procedures outlined within this policy iv.  
  
Determination of credit/transaction limits and any Merchant Category Code restrictions for each credit card / credit card holder based upon job responsibilities
  - v. Monthly review of College credit card statements and reconciliation of receipts to all listed transactions
  - vi. Maintenance of banking agreements for auto-payment of monthly credit card bills where appropriate
  - vii. Cancellation / termination of credit card accounts with issuing entities when cards are reported lost / stolen or the employee's position no longer requires access to a College card due to reassignment or separation.
  - viii. Review of policy violations and escalation to appropriate personnel as referenced in section 13.

- c. **Finance & Purchasing Departments: Auditing and Documentation.** The Finance and Purchasing departments will maintain a listing of all College credit cards and vendor credit accounts, including the authorized department(s) / employees to which the card / account has been issued.
- d. **Collection, initial review, and approval of receipts** is the responsibility of the following areas:
  - i. *Fleet vehicle* credit card receipts will be assembled, reviewed and approved by the Director of Institutional Facilities.
  - ii. *Purchasing credit card* receipts will be assembled, reviewed and approved by the Director of Purchasing.
  - iii. *Athletic credit card* receipts will be assembled, reviewed and approved by the Director of Athletics.
  - iv. *President's office credit card* receipts will be reviewed and approved by the CFO.
  - v. *All other credit card* receipts will be forwarded to the Director of Finance for review and evaluation

### 13. Policy Violations

- a. Policy violations and unacceptable credit card / credit account uses include, but are not limited to:
  - i. Personal or private business purchase
  - ii. Cash advances
  - iii. Failure to return the credit card when the employee is reassigned, terminated or upon request
  - iv. Failure to adhere to the receipt submission requirements.
- b. All policy violations are subject to review and may result in either one or more of the following actions:
  - i. Written warning
  - ii. Revocation of credit card privileges
  - iii. Cancellation of purchasing authority
  - iv. Disciplinary action up to an including termination; and/or
  - v. Criminal prosecution.

### 14. Persons/Departments Affected

- a. President
- b. Finance Department: CFO and Director, Finance
- c. Purchasing Department: Director, Purchasing
- d. Institutional Facilities: Director, Institutional Facilities

- e. Bookstore: Manager, Bookstore
- f. Human Resources: Chief Human Resources Officer, Title IX Coordinator
- g. Instructional Division: International Travel faculty representative(s)
- h. KCC Foundation: Executive Director
- i. Athletics: Director, Intercollegiate Athletics

**15. Forms**

- a. *Form 3372, Michigan Sales and Use Tax Certificate of Exemption*
- b. *FIN-01 Credit Card Usage Agreement*
- c. *FIN-02 Employee Acknowledgement Form*

**17. Right to Change Policy**

The College reserves the right to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time, without prior notice or the consent of the employee.

**18. Approval Date:** 07/16/2008

**19. Past Revisions**

- a. 10/2017: Policy amended to add language regarding international travel program limits.
- b. 04/2020: Policy amended to update to new OP template and update information to reflect current practices and procedures.



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CREDIT CARD USAGE AGREEMENT

I, \_\_\_\_\_, certify that I will only use the credit card issued by Kellogg Community College solely for the purpose of purchasing fuel, or other travel-related expenditures, for the authorized College vehicle assigned or for one rented through the College.

I accept sole responsibility for the return of the issued credit card and all charge receipts directly to the department issuing the authorized vehicle keys or to the Office of Institutional Facilities on the specified due date.

I accept full liability for the loss, misuse, and care of the issued card while signed out in my name. If the card is lost, I will immediately contact \_\_\_\_\_ so the card can be reported as such to the issuing bank.

I further understand that improper use of the College credit card may result in disciplinary action, up to and including termination of employment. Should I fail to use the credit card in accordance with the above outlined terms, I will be personally responsible for payment of such charges.

Issued Credit Card ending (last four numbers): \_\_\_\_\_

Date card to be returned: \_\_\_\_\_

By signing this I accept all terms as outlined in this Credit Card Usage Agreement.

\_\_\_\_\_ Date \_\_\_\_\_

Signature of Employee (Issuee)

\_\_\_\_\_ Date \_\_\_\_\_

Signature of Authorized Issuer

