

CHAPTER 7: Business Affairs

Policy 7E.1: Purchasing Credit Card Program

Part 1. Authority

[MnSCU System Procedure 7.3.3 Purchasing Cards](#), provides authority for a college, university or office of the chancellor to establish a credit card program for business use only. Each college, university or office of the chancellor using a Purchasing Credit Card Program must establish procedures and forms for implementing and monitoring the program.

Part 2. Purpose

The purpose of the Purchasing Credit Card Program is to provide an alternative form for purchasing necessary business commodities and services from vendors who do not issue invoices or do not accept purchase orders or a state warrant/check.

The program should eliminate many typical purchasing steps such as preparing a requisition, preparing a purchase order, matching a packing slip to a purchase order, matching invoice with purchasing requisitions, individual payments of invoices, etc.

Part 3. Application for Purchasing Card

A completed Purchasing Card application form is required for each cardholder. No employee will be able to apply directly for a Purchasing Card.

Cards will be issued to the college president and purchasing clerk. The president will approve all other cards issued. Institutional credit cards may not be in the name of a contractor, contract employee, or non-permanent student employee.

The address used on the cardholder's application for the employee will always be the employee's Anoka-Ramsey Community College mailing address.

Part 4. Purchasing Card Program Cardholder Agreement

All cardholders must sign and accept the terms and conditions of the Anoka-Ramsey Community College *Purchasing Card Program Cardholder Agreement*.

Anoka-Ramsey Community College is liable to the credit card company for all charges made in connection with the credit card issued to the individual.

Part 5. Purchasing Card Requirements

The Purchasing Card will be customized to each cardholder's needs and will include:

- A dollar limitation on the card, established by the president.
- A dollar limitation of purchasing authority per transaction.

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- A dollar limitation of purchasing authority for the total of all charges made during each monthly billing cycle
- Merchant category blocking

Part 6. Purchasing Card Restrictions

I. Unauthorized and/or inappropriate card use includes, but is not limited to:

- Items for personal use
- Items for non-college purposes
- Cash or cash advances
- Food and beverages for individual employee (Authorized cards may allow for food and non-alcoholic beverages for business-related meetings in compliance with system procedures and after obtaining approval for special expenses.)
- Alcoholic beverages
- Weapons of any kind or explosives
- Relocation expenses
- Travel related expenses (To be reimbursed using SEMA4 Employee Expense Report form. Authorized cards may allow for airfare, room and related taxes, vehicle rental, and conference and seminar registration.)
- Entertainment
- Recreation
- Drugs or pharmaceutical products
- Flowers, holiday decorations, or personal objects (Such as Kleenex tissues, greeting cards, invitations, paper cups or plates, pictures, radios, coffee pots, heaters, refrigerators, microwave oven, art objects, etc.)
- Items that would be given away for promotional purposes
- Dues, memberships, or subscriptions
- Parking fees or taxi expenses
- Expenses for faculty and staff recruiting, advertising, or entertainment of prospective employees
- Gifts, donations, or contributions to individuals or organizations
- Payments to other College/University departments
- Payments to vendors in foreign countries (including Canada)
- Purchase of or removal of hazardous or radioactive materials
- Time payments
- Pyramiding (multiple purchases to cover same transaction)
- Tuition payments
- Consulting services

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II. Spending limits

If credit limits need to be increased, temporarily or permanently, the necessary increase will need to be appointed by the president or vice president.

Current monthly credit limits are \$10,000 for the college purchasing clerk and \$2,000 for college president. One time spending limits are currently set at \$2,000 for the college purchasing clerk and \$2,000 for the college president.

Credit cards must never be used to purchase items for personal use even if the cardholder intends to reimburse the college.

A cardholder who makes an unauthorized purchase with the card or uses the card in an inappropriate manner will be subject to revocation of the credit card, disciplinary action including restitution to the college for unauthorized purchases, possible card cancellation, termination of employment at the college and criminal prosecution.

Part 7. Purchasing Card Process

A statement of all transactions will be sent to each cardholder by the issuing bank.

Upon receipt of the statement, the cardholder must reconcile the statement to the Purchasing Card Individual Transaction Log. The cardholder must sign and date the transaction log and the statement to confirm receipt of all goods and services, attach the original receipts which correspond to the statement, obtain the supervisor's signature, and return everything to the Business Office within five (5) business days. All purchases must be charged to the cost center that the individual purchasing card is assigned to – or in the case of multiple cost centers – to the cost center noted on the cardholder transaction log.

Anoka-Ramsey Community College is responsible for payment of all purchases.

Part 8. Discrepancies

The cardholder must complete the Cardholder Dispute Form and notify the Business Office if there any discrepancies with any of the charges listed on the statement. The cardholder, with the help of the Business Office, will settle any billing discrepancies with the vendor and instruct the vendor to issue a credit through the credit card.

Disputes must be reconciled within fourteen (14) days of the statement date. Final resolution of any dispute must be resolved within sixty (60) days of the statement date.

Part 9. Lost, Stolen or Unauthorized Use

The cardholder is responsible for the security of his/her card and any purchases made on the card.

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The cardholder must immediately notify the credit card company and the Business Office if the card is lost, stolen, or in the hands of an unauthorized person. Pertinent information regarding the lost or stolen card or improper use must be provided. The cardholder will make a reasonable attempt to recover the card from an unauthorized person. The card will be voided as quickly as possible; however, the applicable cost center will be responsible for any unauthorized purchases made up to the limit of liability.

Part 10. Cardholder Account Maintenance

Any changes to the Purchasing Card must be made using the Cardholder Account Maintenance Request form.

Part 11. Accountability

Each cardholder is responsible for the card issued to him/her. All purchasing card records are subject to being audited.

History:

05.2009 Technical change: Updated to reflect reorganization to single vice president.