



Wells One Commercial Card Program  
Policy and Procedures Manual

Effective as of September 24, 2008

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## 1.0 **INTRODUCTION**

The Wells One Commercial Card Program has been established at Harvey Mudd College in order to provide a convenient, rapid purchasing process, and to reduce paperwork and handling costs. Those purchasers who have been issued Wells One Commercial Cards may initiate transactions in-person, by telephone, or over the Internet within the limits of this policy and procedure manual. This manual will provide you with the particulars of the program, including general guidelines, reconciliation and record keeping procedures, and customer service information. It is important to read the following information carefully, as you will be responsible for adhering to the HMC-established policy and procedures. (Please note that when asked for the College's address, the Cardholder must use 301 Platt Blvd., Claremont, CA 91711 or the transaction will be rejected).

## 2.0 **GENERAL**

### 2.1 ABBREVIATIONS

- 2.1.1 PCP: Purchase Card Program
- 2.1.2 BAO: Business Affairs Office
- 2.1.3 CCER: Commercial Card Expense Reporting

### 2.2 TERMINOLOGY

- 2.2.1 Vendor: A company from which a Cardholder is purchasing materials, equipment or travel under the provisions of this procedure.
- 2.2.2 Cardholder: Personnel who have been issued Purchase Cards and who are authorized to make purchases in accordance with these procedures.
- 2.2.3 Reconciler: Personnel who have been assigned to reconcile a Cardholder's purchase card statement.
- 2.2.4 Approving Supervisor: This individual shall review and approve a Cardholder's monthly statement of account.
- 2.2.5 Program Coordinator: The person responsible for all program details, including all Cardholder inquiries. The Grants Accountant in the Business Affairs Office (BAO) has been designated as the coordinator. The back up support for this function is the Assistant Treasurer.
- 2.2.6 Grants Accountant: The person responsible for incorporating all Cardholders' statements for reconciling with a monthly summary provided by the bank.
- 2.2.7 Statement of Account: This is the monthly listing of all transactions by the Cardholder.
- 2.2.8 Single Purchase Limit: A dollar amount limitation of purchasing authority delegated to a Cardholder for a single purchase. This dollar limit is currently set at \$3,500 but can be increased with Approving Supervisor's approval.
- 2.2.9 Monthly Card Limit: A dollar amount limitation of purchasing authority delegated to a Cardholder on a monthly basis. This dollar limit is currently set at \$5,000 but can be increased with Approving Supervisor's approval.
- 2.3.0 Requisitioner: An employee who has a need for materials, equipment or services that can only be fulfilled by a vendor. Under this purchase card program procedure, a requisitioner may be a Cardholder.

## 3.0 PROCEDURE

### 3.1 RECEIVING A PURCHASE CARD

- 3.1.1 Department chairs/supervisors may propose personnel to be Cardholders by contacting the Program Coordinator.
- 3.1.2 The proposed Cardholder shall be issued a copy of this procedure and shall be required to sign an Employee Agreement, indicating that the Cardholder understands the procedures and the responsibilities of a PCP cardholder. The supervisor will indicate which template the Cardholder should be assigned to (General or Traveler) and sign the Employee Agreement. The completed Employee Agreement is forwarded to the Program Coordinator. The Program Coordinator will submit a request for a new purchase card on the CCER website.
- 3.1.3 The Program Coordinator shall maintain all records of Purchase Card requests, limits, Cardholder transfers and lost/stolen/destroyed card information.

### 3.2 AUTHORIZED PURCHASE CARD USE

- 3.2.1 The Purchase Card that the Cardholder receives has his/her name embossed on it and shall **ONLY** be used by the Cardholder. **NO OTHER PERSON IS AUTHORIZED** to use that card. The Cardholder may make transactions on behalf of others in their department. However, the Cardholder is responsible for all use of his/her card.
- 3.2.2 Use of the Purchase Card shall be limited to the following conditions:
  - a) The Purchase Card will only be used for purchases in conducting business in accordance with the College's mission.
  - b) The Purchase Card will be limited to tangible goods. Tangible goods are defined as something that can be seen or touched. Some examples of tangible goods are supplies, equipment, computers, food and beverages, and travel (booked by cardholder, not by a travel agency). Travel includes the cost of transportation, conference registration fees, meals, lodging, etc.
  - c) The total value of a transaction shall not exceed a Cardholder's single purchase limit. Payment for a purchase will not be split into multiple transactions to stay within the single purchase limit (please note that with an Approving Supervisor's approval, a single purchase or monthly credit limit can be changed the same day BAO is notified).
  - d) Spending limits will be adhered to.
- 3.2.3 The Cardholder shall inform the Vendor that all applicable materials/supplies are subject to sales/use tax for L.A. County in the State of California.
- 3.2.4 The items that may be procured by using the Purchase Card are limited to approved merchant categories. Two templates have been established that segregate authorized uses by merchant category/description and code. The Approving Supervisor will assign the template applicable to the Cardholder as designated on the Employee Agreement (either Traveler or General template).

### 3.3 UNAUTHORIZED PURCHASE CARD USE

- 3.3.1 The Purchase card **SHALL NOT BE USED** for the following:
  - a) Personal purchases or identification;
  - b) The purchases of services. Services are defined as something that does not have a physical presence. Some examples of services are equipment repair, rentals, honorariums, contract labor and travel agencies.

- c) A single purchase that exceeds the Cardholder's single purchase limit, unless a higher limit has been requested by the Approving Supervisor and BAO has received confirmation from the bank that the change is effective;
- d) Cash Advances;
- e) Telephone calls/monthly service.

3.3.2 A Cardholder who makes unauthorized purchases or carelessly uses the purchasing card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank in connection with the misuse. The Cardholder will also be subject to disciplinary action.

### 3.4 MAKING A PURCHASE

3.4.1 Procurement procedures permit a purchase of tangible goods. It is policy to seek the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a purchase the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery.

3.4.2 Once a vendor is designated and that vendor confirms that the materials are available, meets the specification and delivery requirements, etc., the Cardholder:

- a) Confirms that the vendor agrees to accept VISA.
- b) Directs the vendor to include the following information on the shipping label and packing list:
  - Cardholder's name and telephone number;
  - Complete delivery address;
  - The words "Ordered with Purchase Card";
  - The vendor's order number.

It is extremely important that all material and equipment purchases be sent to the Cardholder ordering the merchandise, as this will ensure that the documents necessary for the record keeping are readily available to the Cardholder. If necessary, advise the individual within your area who receives merchandise of the vendor's name and order number, anticipated delivery date, number of boxes expected, carrier (UPS, Fed Ex, etc.) and to notify the Cardholder when delivery is made.

(Please note that when asked for the College's address, the Cardholder must use 301 Platt Blvd., Claremont, CA 91711 or the transaction will be rejected).

3.4.3 Purchase Card Returns - If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the Cardholder should make contact with the vendor to explain the problem and inquire about return policies.

### 3.5 CARDHOLDER RECORD KEEPING

3.5.1 When an order is made using a Purchase Card, either over the counter, by telephone or over the Internet, documentation shall be retained as proof of the purchase. Such documentation is to be used to provide detail of the purchase (as evidence of the business purpose) and as verification that appropriate sales tax has been paid. The detail is to be attached and filed with the Cardholder's monthly statement of account.

3.5.2 When the purchase is made over the counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible to check that the vendor lists the quantity, fully describes the item(s), and includes sales tax, prior to the Cardholder signing the slip.

3.5.3 When the goods are received, the Cardholder shall retain all shipping documentation.

- 3.5.4 The required documentation to be submitted to the Program Coordinator on a monthly basis is: 1) the monthly statement printed out from the CCER website and 2) original receipts for each disbursement. If the receipt is smaller than an 8 ½ x 11 sheet of paper, it must be taped onto a blank 8 ½ x 11 sheet of paper. The Cardholder or Reconciler may put more than one receipt on one sheet. Other documentation such as account number, business purpose, details of overnight travel (if applicable) will be necessary to complete the online reconciliation.

### 3.6 REVIEW OF MONTHLY STATEMENT

- 3.6.1 At the end of a statement period, the Cardholder/Reconciler will be notified via email that it is time to review the purchase card statement. The Cardholder/Reconciler will access the CCER tool via the Internet to review the statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. The Cardholder/Reconciler will have the ability to reconcile his/her account as the transactions are posted to the statement or at the end of a statement period.
- 3.6.2 Upon receipt of the statement the Cardholder/Reconciler shall check each transaction listed on the monthly statement against his/her receipts to ensure that the transactions posted are legitimate transactions made by the Cardholder. The Cardholder/Reconciler will check the box "Receipts Attached" to indicate which receipts will be attached to the statement.
- 3.6.3 The Cardholder/Reconciler will select the transaction for reconciliation by clicking the reclassify button. This will allow the Cardholder/Reconciler to document the account number, business purpose and details of overnight travel if applicable. The IRS requires that overnight travel be carefully documented. To meet these requirements the following information must be documented:
- Destination
  - Dates of Departure and Return
  - Number of Days Spent on Business

If everything is in order, the Cardholder/Reconciler will mark the statement as reviewed. The Cardholder/Reconciler will no longer be able to make changes to the statement if the Cardholder/Reconciler has selected the "review complete" button. The Cardholder/Reconciler should be sure to check with the Program Coordinator on internal department procedures as some departments have elected to develop an internal process for the purchase card program. Once the statement has been marked as reviewed, an email will be issued to the Cardholder's Approving Supervisor for his/her approval. The Cardholder/Reconciler will print the statement and attach original sales documents, (packing slip, invoice, cash register tape, credit card slips, etc.) for all items listed on the monthly statement. Receipts must be neatly attached, in sequence, to the statement. This data attachment is critical to provide substantiation in the event of an Internal Revenue Service (IRS) or California State Board of Equalization (CSBE) audit. If substantiation is not attached, purchases may be ruled by the IRS as income to the Cardholder or subject Harvey Mudd College to sales tax penalties by the CSBE. **Repeated failure to adhere to this procedure will result in the card being suspended or revoked.**

The Cardholder/Reconciler shall complete the monthly reconciliation of the purchase card statement within ten (10) working days of receipt. Upon completion of the reconciliation the Cardholder/Reconciler will forward the statement and original supporting receipts to the Program Coordinator. The Cardholder/Reconciler is encouraged to make copies for his/her records.

If a Cardholder/Reconciler is having difficulty with the online reconciliation he/she should contact the Program Coordinator. All of the functions on the CCER website will be part of the Cardholder's/Reconciler's initial training and can be referenced in the Cardholder/Reconciler Quick Reference Guide.

The Approving Supervisor shall access the CCER tool via the Internet to review the Cardholder's monthly statement and confirm with the Cardholder the following items as a minimum:

- a) Receipts and shipping documents exist for each purchase.
- b) The goods were received.
- c) The Cardholder has complied with applicable procedures, including this PCP procedure.

The Approving Supervisor will have the ability to make changes to the statement using the reclassify feature. If changes are not necessary the Approving Supervisor will select the "approval complete" button. This online approval of a Cardholder's monthly statement indicates that the Cardholder was authorized to make those purchases and that they were made in accordance with applicable procedures.

- 3.6.4 If the Cardholder does not have documentation of a transaction listed on the monthly statement, he/she shall attach an explanation that includes a description of the item(s) purchased, date of purchase, Vendor's name and reason for the lack of supporting documentation.
- 3.6.5 If the Cardholder is disputing a charge, he/she shall make note of the dispute on the monthly statement print out, attach a copy of the written correspondence sent to the vendor and Wells Fargo Bank detailing the disputed charge, and include it with the statement package.

If an item has been returned and a credit voucher received, the Cardholder/Reconciler shall verify that this credit is reflected on the monthly statement.

If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be **RETAINED** by the Cardholder/Reconciler until the next monthly statement. If the purchase or credit does not appear on the statement within 60 days after the date of purchase, the Cardholder/Reconciler or Approving Supervisor shall notify the Program Coordinator.

- 3.6.6 If an item(s) purchased using the Purchase Card is found to be unacceptable, the Cardholder is responsible for obtaining replacement or correction of the item as soon as possible. If the Vendor has not replaced or corrected the item by the date the Cardholder receives his/her monthly statement, then the purchase of that item will be considered in dispute and should be duly noted on the print out of the monthly statement.

### 3.7 CARDHOLDER AUDITS

- 3.7.1 Cardholder statements are subject to audit at any time by the Program Coordinator, Assistant Vice President, Finance & Budget, Assistant Treasurer or designated representative from CUC's Office of Financial Services. The Cardholder will receive a one-week advance notice of an audit. The card may be **suspended or revoked** in the event of repeated failures to adhere to the approval and record-keeping procedures.

### 3.8 CARD SECURITY

- 3.8.1 It is the Cardholder's responsibility to safeguard the Purchase Card and account number to the same degree that a Cardholder safeguards his/her personal credit information.

The Cardholder must not allow anyone else to use his/her account number. A violation of this trust will result in that Cardholder having his/her card **suspended or revoked** and receiving disciplinary action.

- 3.8.2 If the card is lost or stolen the Cardholder shall immediately notify Wells Fargo Bank at 1-800-932-0036. Representatives are available 24 hours a day. The Cardholder shall advise the representative that the call is regarding a Visa Purchase Card. The Program Coordinator shall also be notified immediately.

3.8.3 A new card shall be promptly issued to the Cardholder after the reported loss or theft. A card that is subsequently found by the Cardholder after being reported lost shall be delivered to the Program Coordinator to be destroyed.

3.9 CARDHOLDER SEPARATION

3.9.1 Prior to separation from the college, the Cardholder shall surrender the purchase card, perform the online reconciliation and forward original receipts to his/her Approving Supervisor. Upon its receipt, the Approving Supervisor will review, approve and forward to the Program Coordinator along with purchasing card, which will be destroyed by the Program Coordinator.

ATTACHMENT 1

**HARVEY MUDD COLLEGE  
Purchase Card Program  
Employee Agreement**

I, \_\_\_\_\_, hereby request a Purchase Card. As a holder I agree to comply with the following terms and conditions regarding my use of the card:

1. I understand that I will be making financial commitments on behalf of **HARVEY MUDD COLLEGE** and will strive to obtain the best value for the college.
2. I understand that the college is liable to Wells Fargo Bank for all charges made on the card.
3. I agree to use this Card for approved purchases only and agree not to charge personal purchases. I understand that the CUC Office of Financial Services will audit the use of this Card and report on any discrepancies with the College taking appropriate action.
4. I will follow the established procedures for use of the Card. Failure to do so may result in either suspension or revocation of my use of privileges or other disciplinary actions, up to and including termination.
5. I have been given a copy of the Purchase Card Policy & Procedure and understand the requirements for the Card's use, including the requirement that all items purchased using the Purchase Card must be reconciled through the online Commercial Card Expense Reporting (CCER) system within 10 days of receipt of the statement. I understand that a Reconciler may be assigned to complete the online reconciliation for me in accordance with the Purchase Card Policy & Procedure. Assignment of a Reconciler is at the discretion of the Approving Supervisor.
6. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change that causes my cost center to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
7. If my Card is lost or stolen, I agree to notify the Purchase Card Program Coordinator and Wells Fargo Bank immediately.

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Employee Signature \_\_\_\_\_ Date \_\_\_\_\_

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Employee Social Security Number \_\_\_\_\_ HMC Extension \_\_\_\_\_

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Campus Location \_\_\_\_\_ Department \_\_\_\_\_

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Supervisor Signature \_\_\_\_\_ Date \_\_\_\_\_

General Template       Traveler Template (Supervisor—please check one box)

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Program Coordinator Signature \_\_\_\_\_ Date \_\_\_\_\_