

SMU Card Program Guide

INTRODUCTION

The SMU card gives employees the ability to charge small dollar purchases and purchase travel and entertainment eliminating requisitions, check requests and petty cash reimbursements. This will give schools and departments greater convenience, control and flexibility. There are some specialized procedures that you will have to follow within your work area, but once familiar with these procedures, you will find that the SMU card is the best way to make your purchases.

1.0 PURPOSE:

To establish the Procedures for the Southern Methodist University SMU card Program provided to certain faculty and staff to make purchases.

2.0 INTRODUCTION TO THE SMU CARD PROGRAM:

The SMU card Program has been established to provide a more convenient means with which to make purchases, rapid turnaround of requisition for low dollar value goods, travel and entertainment, and to reduce paperwork and handling costs. The SMU card Program Administrator is responsible for managing the Program and each Academic and Administrative department is responsible for managing its Cardholder accounts. Faculty

and Staff who have been issued SMU cards may initiate transactions in-person, by telephone, or electronic media within the limits of this procedure, and receive goods. Payments to vendors are made via the Visa settlement system. The SMU card consists of three profiles established for purchases, i.e. a SMU card, a travel card and both a SMU and travel card (one card).

3.0 DEFINITIONS:

3.1. Authorized Manager: Designated person within each department or administrative area (division, school, etc.) responsible for administering the SMU card program for the area, including authorizing cardholders and establishing card limits

3.2. Cardholder: University employee whose name appears on the SMU card and is accountable for all charges made with that card.

3.3. Default Account: The University account code, fund, and org assigned to an individual Cardholder's SMU card. Only one Default Account can be assigned to any SMU card and all charges made with the card will be posted into that Default Account unless those charges are reallocated. (See **Section 11.0**)

3.4. Independent Reviewer: University employee(s) within each department or administrative area (division, school, etc.) who is responsible for the budget of the Org/Project charged. The independent reviewer is responsible for reviewing SMU card transactions to verify that they are appropriate and supported by adequate documentation. Cardholders may not be their own Independent Reviewers. The Independent Reviewer may not be a subordinate reporting to the Cardholder. **3.5. Monthly Spending Limit:** A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle. This limit is to be assigned by the Director of Purchasing with input from the cardholder's financial officer. Any limit exceeding \$5,000 for a single transaction or \$25,000 for the month must be approved in advance by the Vice President of Business and Finance.

3.6. SMU card: A charge card issued to an employee of SMU for the purpose of making authorized purchases on the University's behalf as required as a function of his or her duties. The University will issue payment for charges made with the SMU card.

3.7. Program Administrator: University employee responsible for administering the SMU card Program for the University and who is the main contact between the University and the Bank.

3.8. Statement of Account: A listing of all transactions charged to the Cardholder's card account up to the end of the monthly billing cycle.

3.9. Support Documentation: A merchant produced or non-University document that records the relevant details for each item purchased including quantities, amounts, and a description of what was purchased, the total charge amount and the merchant's name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.).

3.10. Transaction / Charge Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each transaction made with the SMU card.

3.11. Preferred Provider/Buying Consortiums: A number of firms have been selected through a competitive process and are listed as Preferred Providers for various commodities. Additionally, SMU belongs to six buying consortiums, Educational and Institutional Cooperative Service, Inc., Horizon Resource Group, The Cooperative Purchasing network, Provista, The Cooperative Purchasing Network (TCPN), U.S. Communities, Buy Board and MiCTA. Any firm listed as a Preferred Provider or with these buying consortiums is guaranteed to have a competitive price and their use is encouraged.

4.0 OBTAINING THE SMU CARD:

4.1 A completed Cardholder Enrollment Form must be submitted for each prospective Cardholder. This form must be signed by the Authorized Manager for the default account shown on the form, and then forwarded to the Program Administrator.

4.2 All prospective Cardholders must sign a Cardholder Agreement Form including the conflict of interest statement to be eligible to receive an SMU card.

4.3 When we go live on Concur, after submitting application, cardholder must complete training and take a general pcard test. Cardholder must pass their test in order to receive their card when it comes in.

4.4 There will be 3 types of card options. Please keep this in mind when ordering your card.

- Purchase Card: This will be used to make non travel purchases for items allowed by policy.
- One Card: This card can be used for both travel and non-travel related purchases allowed by policy.
- Travel Only Card: this can be used for only travel related purchases allowed by policy.

4.5 Rebates received for use of the SMU card are received yearly. Part of the algorithm that is used to determine the amount of rebate SMU receives is the number of cards in active use during the calendar period. If any of the cards are not active then the University does not receive maximum benefit of the use of the card program. Therefore, if SMU cards are inactive in a ninety (90) day consecutive period the Cardholder will be advised by the SMU card Administrator that the card will be cancelled if the card remains inactive for a one hundred and twenty (120) day consecutive period.

5.0 AUTHORIZED CARD USE:

5.1 Cardholders are authorized to use the SMU card to purchase any merchandise required as a function of their duties at the University, with the exception of the following unauthorized uses:

1. Any purchases prohibited by University policy or not related to University business – pay special attention to policies 3.7 *Travel Management Policy and Procedures* and 3.10 *Entertainment Management Policy*

2. Cash advances
3. Chemicals and hazardous materials
4. Contracting
5. Financial services
6. Alcoholic beverages (except with prior approval)
7. Gasoline (except University vehicles)
8. Items for personal use
9. Motorized vehicles
10. Radioactive material

Note: Purchases of laboratory animals requires prior approval of the Institutional Animal Care and Use Committee.

5.2 A Cardholder, whose name is embossed on the SMU card, is authorized to use the card and is responsible for insuring that all charges made with the card are in compliance with these Procedures.

5.3 A Cardholder may not authorize use of their card to another university employee unless the card is to be used as a departmental card within the specific department of the cardholder and for purchase of common use supplies. The cardholder of this departmental card is responsible for any mistakes or erroneous charges by someone other than the cardholder. Therefore, it is paramount that the named individual on the SMU card have complete faith and trust in someone else utilizing the card as well as receiving all proper paperwork to back up the required reporting.

5.4 When a purchase is made for entertainment purposes, the cardholder must document the business purpose of the expenditure and list all attendees.

5.5 The cardholder must document where on the SMU campus items such as electronics or appliances are placed and/or used.

5.6 SMU employees with or without a SMU card are not authorized to use a personal credit card for official University purchases and then request reimbursement through Accounts Payable.

6.0 UNAUTHORIZED OR INAPPROPRIATE CARD USE:

The SMU card **must never** be used to purchase items for personal use or for non-University purposes even if the Cardholder intends to reimburse the University.

A Cardholder who makes an unauthorized purchase with the SMU card as defined in Section 5.0, or uses the card in an inappropriate manner will be subject to disciplinary action including possible card cancellation, termination of employment at Southern Methodist University and/or criminal prosecution. The Cardholder will abide by the University policies of conduct as stated in Policy 9.12 (Personal conduct) and Policy 9.34 (Dishonest, Fraudulent and Illegal Practices). Disciplinary action will be in accordance

with Policy 6.16 (Procedural Standards for Faculty Sanctions and Dismissals) and Policy 9.13 (Corrective Disciplinary Procedures for Non-Faculty Personnel) as appropriate.

Normally, the first violation of the SMU card procedures will result in an e-mail sent to the cardholder, copied to the Financial Officer and independent reviewer, notifying him or her of the infraction. A follow-up phone call from the SMU card Administrator to the individual as to the nature of the offense and the appropriate usage of the card will be made. A hard copy of the e-mail, (including the cardholder's response) and a brief notation of the phone call will be placed in the cardholder's file. If the violation is considered major, a card may be cancelled and the offending employee may be subject to disciplinary action up to and including termination.

A second violation within a one-year period of time will result in suspension of the card for three months, and a face-to-face meeting with the SMU card Administrator before the card is reactivated. A memorandum will be sent to the cardholder's independent reviewer and Financial Officer regarding the violation and the result of the meeting. Again, if the violation is considered major offense, a card may be cancelled and the offending employee may be subject to disciplinary action up to and including termination.

A third violation, regardless of time frame, will result in a formal memo from the SMU card Administrator to the cardholder notifying them of the current violation, past violations and will result in the cancellation of the card and may be subject to disciplinary action up to and including termination.

7.0 MAKING A PURCHASE WITH THE SMU CARD:

7.1 The Cardholder should purchase from SMU Preferred Providers, Buying Consortia or established SMU contracts whenever possible to take advantage of pricing and terms negotiated on a University-wide contract basis. Preferred Providers are listed on the Purchasing website.

7.2 Whenever making a credit card purchase, the Cardholder will check as many sources of supply as reasonable to the situation to assure best price and delivery. Confirm that the selected merchant accepts VISA. If the preferred vendor does not accept VISA, the cardholder should either submit a requisition to Purchasing or select another vendor.

7.3 When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy. The Cardholder should verify that either the charge receipt or sales receipt complies with the requirements for support documentation.

7.4 Cardholders making purchases by telephone, computer, mail order, Internet, or Fax should give the merchant the account number embossed on their card, the taxpayer number and direct the merchant to include the following on the shipping label and/or packing slip:

- Cardholder name and phone number
- Department name
- Complete campus delivery address including building name and room number

- The words "VISA Purchase"

Internet purchases -- You must print the order showing the vendor, items ordered and the price to use for your documentation.

7.5 The University's state taxpayer number has been labeled on each card. The Cardholder must give this number to all suppliers at the time of any transaction to exempt payment from sales tax. In the event sales tax is billed to the Cardholder's account, it should be rectified directly with the supplier or disputed as outlined in this procedure. (See **Section 11.0**) The Cardholder will be provided a copy of the "Tax Exempt Certificate" to provide to a merchant when appropriate. The Cardholder should be aware that SMU is exempt from Texas State and Local Sales Tax and therefore is responsible for making the vendor aware of this exemption. Should Sales Tax be paid, it is the responsibility of the cardholder to make a serious attempt to recover the taxes from the Vendor. Continued incorrect payment of Texas State & Local Sales Tax will result in suspension and eventual cancellation of the card. New Mexico Gross Receipts Tax (NMGRT) is not to be paid when purchasing office supplies for the Taos campus.

7.6 Cardholders are encouraged to receive their own shipments; however, if someone on campus will be receiving a shipment on the Cardholder's behalf, the Cardholder should notify them in advance. Regardless of who receives the shipment, the Cardholder is responsible for obtaining the documentation that relates to the purchase and making sure that documentation complies with the requirements for support documentation set forth in Section 3.0 (**paragraph 3.9**).

8.0 MERCHANDISE RETURNS AND EXCHANGES:

8.1 The Cardholder is responsible for contacting the merchant when merchandise purchased with the SMU card is not acceptable (incorrect quantity, wrong item, damaged or defective materials, etc.) and arranging a return for credit or exchange.

8.2 If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. Receiving cash or checks to resolve a credit is discouraged. The card account should always be credited when possible.

8.3 If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the support documentation for that purchase.

9.0 RECORD RETENTION:

9.1 The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the SMU cCard and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0.

9.2 The University has partnered with Concur Technologies to manage expenses made via the SMU Card. The use of Concur to report purchases made with the SMU Card is mandatory.

9.3 When the purchase is made in person, the Cardholder shall retain the invoice to submit with his/her expense report through Concur.

9.4 When making a purchase by telephone, the cardholder must request a receipt or paid invoice from the vendor to upload into the Concur system.

9.5 Following the billing cycle, the Cardholder must verify all charges as outlined in Section 10, upload all documentation corresponding to card charges into the Concur system, and create an expense report for approval by appropriate/authorized parties within Concur. **CARDHOLDERS ARE ONLY ALLOWED TO SUBMIT ONE EXPENSE REPORT PER MONTH, SO MAKE SURE THAT YOU INCLUDE ALL CHARGES ON YOUR REPORT.**

9.6 When purchasing meals and entertainment, make sure to document the business purpose consistent with the Entertainment Management Policy (**the travel team may be changing this title/policy number – so check**) when submitting your expense reports in Concur.

10.0 VERIFICATION OF CHARGES:

10.1 At the end of each billing cycle (20th-19th), the Cardholder will have access to his/her monthly statement of his/her transactions. Cardholders are accountable for all charges made with their SMU Cards and are responsible for checking all transactions. Charges can be checked through either PaymentNet or Concur.

10.2 If a particular charge or credit does not appear, it should be checked again in the next billing cycle. If the charge is incorrect or credit does not appear within 60 days after the original charge was made, the Cardholder must notify the SMU Card Administrator.

10.3 If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Statement of Account on which the disputed charge appears

10.4. After all transactions have been checked, the cardholder must build his/her expense report in Concur using his/her credit card charges that have transferred over from the PaymentNet system.

10.5 Each transaction should be defined, allocated, and backed up with receipt and/or support documentation.

10.6 After the report is created it should be submitted into the approval workflow. The following items will be checked:

- The charge was for University business
- A detailed receipt exists for each purchase
- The Cardholder has complied with applicable procedures

The approver's electronic approval of a Cardholder's monthly report indicates that the Cardholder was authorized to make those purchases, and those purchases were made in accordance with the applicable procedures.

10.7 Senior managers at SMU should forward their card statements to the Director of Purchasing for review.

The Director of Purchasing will review each submitted monthly statement and approve each as having been reviewed for completeness and compliance with policy. Any administrative mistakes, for example, no backup receipt, inadequate documentation, missing signature, etc., will be brought to the attention of the submitter, for their correction and re-submittal. The Director of Purchasing will forward to the Vice President of Business and Finance any questionable purchases that do not conform to the SMU card guidelines.

Should the Vice President of Business and Finance decide that the actions taken by the SMU card holder are adequate and appropriate then she shall approve them; should she concur that there is a questionable expenditure, she will address the issue with the member in question. Upon resolution, she will forward the statement back to the Purchasing Director with direction as to the appropriate action to be taken.

10.8 For there to be a discrepancy associated with a charge, any one or more of the following situations must exist:

- Insufficient support documentation.
- Lost documentation - a copy must be obtained from the vendor.
- One or more of the criteria for authorized card use set forth in Section 5.0 have not been met.
- The Cardholder disputes the charge.

All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the Support Documentation and Statement of Account. Cardholders are accountable for all discrepancies.

Note: If a discrepancy cannot be resolved, the SMU Card Administrator must be notified.

The SMU Card Administrator will randomly review transactions on a monthly basis to ensure that no impropriety exists within the program. On a quarterly basis the Administrator will review the No Activity Listing to ascertain those individuals who have had no actions on their cards for the last three months. As stated in 4.3 above, SMU Card holders that are inactive in a ninety (90) day consecutive period will be advised by the SMU cards Administrator that the card will be cancelled if the card remains inactive for a one hundred and twenty (120) day consecutive period. Before cancellation the Administrator will contact the applicable financial officer to determine if those individuals will be allowed to continue to hold a card.

10.9 Non-travel expense transactions are to be reconciled with an expense report in Concur within 10 calendar days of billing cycle close (19th of the month). The SMU card Administrator will then audit transactions on a monthly basis. Failure to comply with

reconciliation of transactions may result in suspension of the Cardholder's card privileges. Ongoing lack of submitting transactions for approval will be considered fraudulent purchases subject to investigation, disciplinary action up to termination.

11.0 CHARGE ALLOCATION TO NON-DEFAULT ACCOUNTS:

Allocation of charges to accounts, funds, and orgs other than the default may be made in Concur prior to submittal of expense report. The billing cycle ends on the 19th of each month (unless that date falls on Saturday or Sunday, in which case it will be either the 18th or the 20th). All on-line reallocations should be completed and submitted on an expense report via Concur in a timely manner.

After an expense report is submitted and approved through Concur, the transactions will be posted to the General Ledger. Reallocation at this point will require a Journal Entry.

Note: Reallocation to Revenue or Salary accounts is not permitted.

12.0 SMU CARD SECURITY:

12.1 It is the Cardholder's responsibility to safeguard the SMU card and SMU card account number at all times.

12.2 Cardholders must sign the back of the card upon receipt of the card.

12.3 Cardholders must keep their SMU cards in a secure location at all times.

12.4 Cardholders must not allow anyone else to use their SMU card and/or SMU Card account numbers unless the provisions of Section 5.3 are followed.

13.0 LOST, STOLEN OR DAMAGED SMU CARD:

13.1 If a SMU card is lost, stolen or damaged, the Cardholder must notify the Bank (Chase) immediately at 1-800-270-7760. Representatives are available 24 hours a day.

13.2 Cardholders must notify the Program Administrator within 24 hours after reporting the incident to the Bank if their cards are lost, stolen or damaged.

13.3 After the above notification procedures have been completed, a new SMU card will be issued to the Cardholder by the Program Administrator.

13.4 A SMU card that is found after it has been reported lost or stolen must be destroyed by cutting it in half. The same procedure applies if a card is damaged.

13.5 It normally takes 4 – 7 days for a new SMU card to be received after ordering. If you need your SMU card sooner, then we will request Chase expedite the new card. The bank charges \$25 for expediting a new card.

14.0 CARDHOLDER ACCOUNT MAINTENANCE:

Whenever any of the information contained on a Cardholder's Enrollment Form changes, it is the Cardholder's responsibility to notify the Program Administrator via e-mail. This e-mail must be sent from the cardholder's financial officer

15.0 CARDHOLDER TRANSFER WITHIN THE UNIVERSITY:

Cardholders, who transfer to a new position outside of their current department or school but within the University and require the use of a SMU card as part of their new duties, should reapply for a new card based upon their new status and location. If a cardholder transfers to a new position within the same department or school then they should continue to use the same card. (See Section 14.0) The SMU Card Administrator must be notified of the change and provided the new default account codes, phone, address, and independent reviewer. Cardholders who no longer require a SMU Card in their new positions must cancel their cards per instruction in Section 17.0.

16.0 CARDHOLDER SEPARATION FROM THE UNIVERSITY:

Prior to separation from the University, Cardholders must surrender their SMU Cards and corresponding support documentation to the Authorized Manager.

17.0 SMU CARD CANCELLATION:

The Program Administrator must be notified immediately when a SMU Card is to be canceled. The Authorized Manager must destroy the card.

18.0 HELP USING THE CARD:

Southern Methodist University: Program Administrator:

General guidelines and service for use of the SMU card, ordering and canceling cards, updating cardholder information, etc., call:

- Monica Corte
- 214-768-4151
- e-mail – mcorte@smu.edu

J P Morgan Chase

Contact for any general questions regarding accounts, usage, disputing a charge, etc.

Lost or Stolen Card call 1-800-270-7760 (24 hours)

Signature of SMU Card Holder acknowledging having read this Guide

**SOUTHERN METHODIST UNIVERSITY
SMU CARD CARDHOLDER AGREEMENT**

I (employee name) _____, as the Cardholder, agree to the following conditions and will abide by the conflict of interest requirements below regarding my use of Southern Methodist University SMU Card:

CONDITIONS

- 1.** I understand that by using the SMU Card, I will be making financial commitments on behalf of Southern Methodist University and that the University will be liable for all charges made with the SMU Card.
- 2.** I will strive to obtain the best value for the University when purchasing merchandise with the SMU Card.
- 3.** I agree to use the SMU Card only for authorized purchases and in an appropriate manner, as defined in the University's Policies and Procedures for the SMU Card Program.
- 4.** I understand that if I make an unauthorized purchase with the SMU Card or use the SMU Card in an inappropriate manner, I will be subject to disciplinary action including possible:
 - card cancellation
 - Cardholder authorized payroll deduction for charges unapproved for business use
 - termination of employment at the Southern Methodist University
 - criminal prosecution
 - all of the above
- 5.** I authorize the University to deduct from my salary any and all amounts for any and all prohibited purchases made on my SMU Card that are prohibited by University policies and procedures.
- 6.** I understand that the University will monitor and audit my use of the SMU Card.
- 7.** I agree to return the SMU Card to the Authorized Manager within my department or administrative area, as defined the SMU Card Program Procedures, immediately upon the request by the Program Administrator or upon my transfer to a different department or upon termination of my employment at Southern Methodist University.

8. I have received a copy of the Southern Methodist University SMU Card Program Procedures Manual, understand it and will abide by all the requirements set forth in the Manual.

CONFLICT OF INTEREST

1. Unless specific written exception has been obtained from the Vice President of Business and Finance, no employee, officer, or agent of the University shall participate in the selection, award or administration of purchases or contracts where to his or her knowledge, the employee, his or her immediate family, or partner has a financial interest in the supplier's organization.

2. Employees, officers, and agents of the University shall neither solicit nor accept cash, gratuities, favors, or anything of monetary value from suppliers or potential suppliers.

3. The Cardholder will abide by the University Policies of conduct as stated in Policy 9.12 (Personal Conduct), and Policy 9.34 (Dishonest, Fraudulent and Illegal Practices).

4. Employees, officers, and agents of the University who knowingly violate this policy will be subject to such disciplinary actions as stated in the University Policy 6.16 (Procedural Standards for Faculty Sanctions and Dismissals) and Policy 9.13 (Corrective Disciplinary Procedures for Non-Faculty Personnel) as appropriate.

My signature below indicates that I have read this agreement, understand it, and agree to be bound by it, and any subsequent amendments or addenda, for as long as I am a SMU Cardholder at Southern Methodist University.

Employee Signature: _____ **Date:** _____

SMU Employee ID (for identification purposes only): 0- _____

College and/or Department Name: _____