

## **SCHOOLCRAFT COLLEGE/FIFTH THIRD BANK MASTERCARD PURCHASING CARD PROGRAM PROCEDURES**

### **OVERVIEW**

Welcome to Schoolcraft College's Purchasing Card Program. Our purchase cards are MasterCard issued by Fifth Third Bank in the name of the College and the employee. This program is to be used to procure low-value, non-capital, expense items and travel expenses.

Typical examples of allowable purchases are:

- Items that are processed using check requests
- Petty cash
- Low-dollar purchase requisitions for supplies or miscellaneous repair materials.

### **1.0 GUIDELINES FOR CARD USE**

Purchases must be made at merchants/suppliers who accept Mastercard. Examples of the types of purchases your Mastercard may be used for include:

- |                            |  |
|----------------------------|--|
| - Departmental supplies    | - Electrical/Plumbing Supplies         |
| - Food/Supplies for Events | - General Maintenance/Repair Supplies  |
| - Travel                   | - Books, Videotapes, and Subscriptions |
| - Auto rentals             | - Restaurants                          |
| - Hotels                   | - Wherever Petty Cash might be used    |

**Never use your Mastercard for the following types of transactions:**

- |  |  |
|--|--|
| -Alcohol   | - Chemicals (MSDS sheet required)          |
| - Capital equipment  | - Consultants or other labor-type services |
| - Software or Computer Equipment<br>(Info Services must approve) |  |

***Use of your Mastercard for personal purchases, cash advances, or cash refunds is strictly prohibited.***

***Use of your Mastercard for gifts for employees (i.e., Gift cards, meals, etc.) is strictly prohibited. Use of your card for employee gifts will result in the inclusion of the value of the gift to the employee's annual taxable wages.***

## **2.0 GENERAL INSTRUCTIONS**

2.1 Each card will be issued in the cardholder's name. Embossed below the Schoolcraft College name and logo is a tax-exempt ID number. Inform the vendor of our tax-exempt status. Finance and Business Services or Purchasing can provide a tax-exempt letter if necessary.

2.2 When making a purchase, you **MUST** obtain a sales receipt. For orders completed via phone, please request that a sales receipt be faxed or e-mailed to you for your records. **THIS IS A MUST!!!!** Receipts are required to be retained in your office for three years for auditing purposes. Please check to be sure tax is **NOT** charged on the receipt. You may wish to record purchases on a [Purchase Card Authorization Form](#).

2.3 Per IRS Publication 5137 (Taxable Fringe Benefits); Any gift card purchase or meal charges (that are not part of an overnight stay for conference travel), are not reimbursable and are considered taxable income to the employee. Any meal charges that are to be considered reimbursable must be substantiated with a business purpose. **Any gift cards purchased and given to employees are considered taxable and must be added to the recipient's taxable wages.**

- When submitting a Purchase Card Authorization, if gift cards are listed you must also provide a list of names of employees that received them.
- The list of recipients will be sent to payroll to calculate the taxes and included on the nearest payroll processing date.
- If a list of recipients is not provided, the taxable wages will be added to the Purchase Cardholder that was used to purchase the gift cards.

2.4 An email reminder will be sent to each cardholder at the beginning of each billing cycle with a copy of the cardholder monthly statement. Each cardholder must reconcile their statement using the [Purchase Card Authorization Form](#). Sign the form, then print it to Microsoft Print To PDF, and send it with the statement attached through Adobe Sign to the department manager for approval. The cardholder or department manager should keep receipts for three years.

- Send the form with the statement through Adobe Sign, including for approval:
  - Yourself
  - Your department manager/supervisor
  - **For amounts exceeding \$5,000**, include The Business and Finance Department designee (currently Sherell Jackson)
  - **For amounts exceeding \$500**, include the department executive or chief.
  - CC [pcards@schoolcraft.edu](mailto:pcards@schoolcraft.edu).
- The Purchasing Card Payment Authorization Form must be submitted with the statement attached through Adobe Sign by the date indicated on the statement email sent on or near the 1<sup>st</sup> of each month. Late Payment Authorization Forms will not be tolerated. Credit cards will be canceled for employees/departments who do not submit payment information on a timely basis.

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- To access your statements yourself, you must set up an account in Fifth Third's Cardholder Portal using Schoolcraft's company ID, **Q55210**. Follow the instructions in the [Cardholder Portal Guide](#).

- 2.6 Please indicate on the Payment Authorization Form the account number(s) to be charged for all charges made on the Purchasing card.
- 2.7 Contact the Business and Finance department (Sherell Jackson or Kim Cardinal) if any changes need to be made to the information on the Purchasing Card Cardholder Account (i.e., changes to spending limit, change in department, etc.)
- 2.8 Each cardholder is required to sign a Schoolcraft College/Fifth Third Bank MasterCard Purchasing Card Agreement prior to receiving their card. This agreement will be kept in the on file in Business Services.

### **3.0 AUDITS**

To ensure the continued success of the Purchasing Card Program and to meet Schoolcraft's audit requirements, periodic audits of a cardholder's transaction file and monthly summaries will occur. The primary purpose of the audit is to ensure that the Purchasing Card Program procedures are being followed.

### **4.0 CONSEQUENCES FOR FAILURE TO COMPLY WITH PROGRAM GUIDELINES**

- Permanent revocation of card.
- Assignment of wages.
- Disciplinary measures that may include termination and legal action.

### **5.0 CREDIT CARD SECURITY**

The Mastercard should always be treated with at least the same level of care that you treat your own personal credit cards.

- 5.1 Keep your Mastercard in an accessible, but secure location. Since you, as the Cardholder, should be the only one using the card, it needs to be accessible only to you. In certain circumstances, there may be a departmental card issued, in which case, usage will be decided and monitored by one person designated by the Department Director/Supervisor (see 5.4).
- 5.2 Guard the Mastercard account number carefully! Do not post it at your desk or write it in any other place that is easily accessible by others.

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- 5.3** The only person entitled to use the Mastercard is the person whose name appears on the face of the card, with the exception of a departmental card (see 5.4). Do not lend your card to another person for use. If the Cardholder is going to be absent from the office for an extended period, the department manager may request that a new card be issued to a different person for the duration of the absence.
- 5.4** For departmental cards, there should be one person in control of the card and that person will keep a record of all users of the card and be responsible for the reconciliation of the monthly expense.

### **6.0 LOST OR STOLEN CARDS**

Like your personal credit cards, if the Mastercard is lost or stolen, you must immediately notify the Fifth Third Bank Fraud Department by phone, at 1-866-475-0729. You must also alert the Business and Finance department, Sherell Jackson, via email at [sjackson@schoolcraft.edu](mailto:sjackson@schoolcraft.edu) or by phone at extension 5369.:

The card will be automatically suspended, and a new card will be sent to Finance and Business Services within 7-10 business days.

### **7.0 WHAT IF THE CARDHOLDER LEAVES THE COLLEGE**

When the cardholder leaves Schoolcraft College, he or she must turn the Mastercard into the department manager or to HR during the exit interview. The department manager or HR representative will destroy the card and alert Finance and Business Services, who will immediately cancel the card.

### **8.0 WHAT IF THERE IS AN ERROR ON THE STATEMENT OR OTHER PROBLEMS**

#### **Process your monthly statement on time and then –**

In the case of an exception or disputed charge, you should first contact the supplier. Most exceptions or issues can be resolved between the cardholder and the supplier. If you cannot reach an agreement with the supplier, the next step is to contact Fifth Third Bank, Disputes Department. The staff is experienced in dealing with exceptions and should be able to help you. Nearly all exceptions can be managed using these two steps.

#### **8.1 If you use your purchase card in error, for a personal purchase, do the following:**

- Write a personal check made payable to "Schoolcraft College" for the amount of the personal purchase that was made.
- Send your personal check to the Cashier's Office for payment. Have the cashier's office charge the account number / budget center you would have used on your purchase card authorization.
- Obtain a receipt from the Cashier's Office for your payment and attach a copy of the receipt to your purchase card authorization form for the month the purchase was made.

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- 8.2 If you need to return a purchased item for any reason, return the item to the store. Request that the merchant/supplier issue a credit to your Purchase Card account. The credit should appear on a subsequent statement.

### **9.0 OBTAINING A MASTERCARD PURCHASING CARD**

A MasterCard will be ordered for an employee after a request is received, via email, from the department Director/Supervisor. The Business and Finance department designee (Sherell Jackson) will send an email to the employee to let them know a request has been made and to watch for an email from Adobe Sign containing the necessary documents, including The Fifth Third Bank Cardholder Application Form, to be completed by the employee. The Business and Finance designee (Sherell Jackson) will initiate the process and, when completed, will then order the card from Fifth Third Bank

The Mastercard will be sent to the Business/Finance Department and the cardholder will be notified to pick up the card.

### **10.0 QUESTIONS AND ANSWERS**

Q: WILL OUR MASTERCARD HAVE ANY IMPACT ON THE CARDHOLDER'S CREDIT REFERENCE?

A: No. Our Mastercard is a corporate liability card, not a personal liability card. Please remember you signed an agreement with Schoolcraft College prior to receiving your card and as such you are responsible for any abuse as outlined in this document.

Q: HOW WILL I KNOW IF A CREDIT CARD IS APPLICABLE FOR MY AREA OF RESPONSIBILITY?

A: Consider the following:

- Do you or your staff make frequent small dollar purchases (\$300 or less) or multiple higher dollar amount budgeted purchases?
- Does your department make frequent phone or online purchases?
- Is the nature of your purchases mostly of the expense variety?
- Do you make frequent pick-ups at local suppliers?
- Do your suppliers accept Mastercard as a means of conducting purchase transactions?
- Do you travel on college business?

**KEY CONTACTS—WHO TO CALL**

The following resources are available to help you with use of the Purchasing Card, answer any questions you may have, or help solve any problems that may arise:

1. To report a lost or stolen Purchasing Card with the Bank, please call (24-hours a day):

1-888-297-0778

2. To request specific assistance with use of your Purchasing Card, please contact:

Sherell Jackson, [sjackson@schoolcraft.edu](mailto:sjackson@schoolcraft.edu), Ext. 5369

3. For assistance with supplier or merchants, please call Purchasing:

April Parks, [aparks@schoolcraft.edu](mailto:aparks@schoolcraft.edu), Ext. 4537

4. For questions about Purchasing Card procedures or policy, please call:

Sherell Jackson, [sjackson@schoolcraft.edu](mailto:sjackson@schoolcraft.edu), Ext. 5369

Or

Kim Cardinal, [kcardina@schoolcraft.edu](mailto:kcardina@schoolcraft.edu), Ext. 5363

5. For any questions regarding Customer Service issues, please call:

Fifth Third Bank  
Customer Service  
1-866-475-0729

Customer Service representatives are available 24 hours a day; 7 days a week.