



University Policy: Corporate Credit Card Policy

Policy Category: Finance and Business

Subject: Authorization and issuance of corporate credit card to university employees

Responsible Executive: Chief Financial Officer, Vice President & Treasurer

Office(s) Responsible for Review of this Policy: Office of Finance and Treasurer

Supplemental Documents: Corporate Credit Card Cardholder Agreement, Corporate Credit Card Program Procedures, Corporate Credit Card Missing Receipt Form, Prohibited & Restricted Commodities List, Preferred Purchasing Methods, Corporate Credit Card FAQ

Related University Policies: Accounts Payable Procedures, Procurement and Contracts Policy, Domestic and International Travel Policy, International Travel Safety Tips and Resources, Relocation Reimbursement Policy

I. SCOPE

This Corporate Credit Card Policy applies to all faculty and staff who are issued an American University corporate credit card (“Card”).

II. POLICY STATEMENT

The Card may be issued to full time university employees to facilitate the purchase of supplies and retail goods and to provide a payment mechanism for university employees travelling on university business. Procurement of goods and supplies with special purchasing guidelines or for amounts equal to or more than \$10,000, must be ordered through the Procurement and Contract Department using a purchase order.

III. DEFINITIONS

Corporate Credit Card (“Card”): A credit card issued by American University to an eligible employee.

Cardholder: A person who is issued a Card and whose name is on the Card. For Cards issued to a department, this is the person assigned as the Cardholder in the Card Expense Management System.

Approver: A person who reviews and approves Card transactions for Cardholders.

Program Administrator: Administrator for the University’s Card program, who serves as the main point of contact between the University and the issuing bank.

Approval: The process in which the Approver reviews and approves transactions reconciled by the Cardholder.

Card Expense Management System (CEMS): An online tool provided by the bank issuing the Card, or other third-party for use by Cardholders, Approvers, and Program Administrators to monitor and reconcile transactions posted to the Cards.

Credit Limit: The monthly spending limit for each Card.

Inactive Card: A Card account without any transactions, excluding payments, for the last twelve (12) months.

Issuing Bank: The bank that issues the Card.

Reconciliation: The process in which the Cardholder satisfies the requirements for reconciling and documenting transactions in the CEMS.

Revocation: The withdrawal of an employee's Card privileges and closure of the account.

Single Transaction Limit: The dollar amount threshold above which no transactions will be automatically authorized.

Statement Closing Date: The last business day of each month.

Statement Cycle: The current statement cycle starts on the next calendar day after the last Statement Closing Date and ends on the last business day of the month.

Suspension: The employee's Card is temporarily put on hold. The Card account remains open and is reinstated after the suspension period is over.

IV. POLICY

A. General Guidelines

The Card may be issued to full time university employees to facilitate the purchase of supplies and retail goods and to provide a payment mechanism for university employees travelling on university business. The issuance of a Card is a privilege and not a right. The Cardholder is responsible at all times for the Card's safekeeping.

The University or the issuing bank may, at any time, suspend or terminate the Cardholder's privileges for any reason and the Cardholder will surrender the Card to his/her supervisor upon request. Use of the Card or account by the Cardholder after notice of its cancellation will be considered fraudulent use and the University or issuing bank may take legal action against the Cardholder for such fraudulent use.

As a condition of receiving an AU Card, the employee acknowledges the following:

1. The Card may only be used for University business and travel expenses;
2. American University may terminate Card privileges at any time for any reason;
3. The employee has completed the mandatory Card training and understands the regulations for use and protection of the Card;
4. The employee understands the responsibilities and liabilities for all charges made to the Card;
5. The employee understands the responsibilities and requirements to follow in the reconciliation process and for billing disputes; and
6. The employee understands and accepts the consequences which may result from violations in Card usage.

B. Corporate Credit Cards

The Card program exists to facilitate authorized University employees to carry-out University business involving the purchase of supplies and retail goods and to provide a payment mechanism for university employees travelling on university business. The University possesses the sole discretion in determining whether or not a University employee will be approved for a University Card or to suspend or terminate an existing Card account.

1. Individual Cards

This Card is available to University employees who are authorized to purchase limited services and supplies on behalf of the University, up to pre-approved limits. The Card is issued in the name of the employee, upon approval of the employee's supervisor and the Program Administrator and has no impact on employee's personal credit history. The employee whose name is embossed on the Card (the Cardholder) is solely responsible for authenticating and validating all charges made to the Card.

2. Eligibility

To be eligible for an individual American University Card, staff and faculty members must meet the following criteria:

- a. Must be a full-time staff or faculty member;
- b. Have sufficient business needs to justify the use of a Card;
- c. Supervisor approves Card application; and
- d. Possesses sufficient knowledge of the appropriate usages of corporate or personal credit card accounts.

3. Application Process

The online Card application process is available and is the preferred application process.

By submitting an online Card application, the applicant agrees to the terms and conditions of American University's Corporate Credit Card Policy and Corporate Credit Card Cardholder Agreement, as well as all other applicable University policies and procedures.

4. Department Cards

Department Cards will no longer be issued. Department Cards currently in use will be gradually converted to individual cards.

C. Card and Transaction Limits

All American University Cards have a standard monthly credit limit of \$10,000, with a single transaction limit of up to \$10,000.

1. Permanent Card Limit Increase

Higher monthly credit limits on the Card may be requested by completing a High Limit Request. The higher monthly credit limit application must be signed by the Cardholder and the school's Dean or department's Vice President. Approved applications should then be submitted to the Program Administrator for review at corporatecard@american.edu. The Program Administrator may deny applications for insufficient documentation or unsupported evidence that a need exists for a higher monthly credit limit.

2. Temporary Credit Limit Increase

Extreme circumstances that require a change to the standard monthly limit may be considered by the Program Administrator. The Cardholder and Approver must contact the Program Administrator in writing, providing sufficient justification for the request for a temporary credit limit increase.

If a temporary credit limit change is approved, the temporary limit will be valid until the end of the current statement cycle. A longer length of a temporary card limit change may be granted based on need and subject to the Program Administrator's approval.

The Single Transaction Limit is \$10,000 and cannot be increased, except in very rare circumstances with the Administrator's and Approver's review and approval.

3. Inactive Card

The Card account will be closed if fewer than twelve transactions, excluding credits, have been posted within a rolling twelve-month period.

D. High Risk Payment Processors

American University does not encourage the use of high-risk payment processors, such as PayPal and Venmo, which allow electronic fund transfers to private parties. The use of high-risk payment processor is not allowed if the vendor:

1. Requires Form 1099 from American University, or
2. Accepts payments via check or ACH deposits, or
3. Can process credit card payments via different methods.

When a Card is used for payment via mobile or online payment processors (such as Paypal, Venmo, etc), all transactions must be supported with receipts meeting the University's receipt requirements, regardless of transaction amount. Detailed transaction descriptions must be included with all transactions.

All high-risk payment processor transactions are audited by Procurement and Contracts Department on a monthly basis. Insufficient documentations may result in suspension of the Card and permanent revocation of Card privileges.

E. Audits

To ensure the continued success of the Card program and meet American University's

audit requirements, periodic audits of a Cardholder's transactions may occur. The Procurement and Contracts Department reviews Card charges monthly and may question the relevancy and appropriateness of any transaction. The primary purpose of the audit is to ensure the Cardholders adhere to the University's policies and procedures.

Refer to the Corporate Credit Card Program Procedures document for more information.

F. Violations of Corporate Credit Card Use

Violations are evaluated on an individual basis. Corrective action is dependent upon the nature and frequency of the violation and in accordance with applicable University policies and procedures. Violations of the Card program may result in the loss of Card privileges and/or disciplinary actions up to and including the termination of employment.

Refer to the Corporate Credit Card Program Procedures document for more information.

G. Personal Information Updates

To update personal information of a Cardholder (i.e. name change), notify the Program Administrator at corporatecard@american.edu.

H. Information and Assistance

For additional information or assistance with the Card program, contact the Program Administrator at 202-885-3899 or by email at corporatecard@american.edu.

V. EFFECTIVE DATE AND REVISIONS:

This Policy is effective July 10, 2020.

This Policy was reviewed or revised July 10, 2020.