

Hendrix College Credit Card

Introduction

Hendrix College offers a credit card to eligible employees for college business-related expenses. Participation in the credit card program is considered a privilege and convenience that carries responsibilities. Inappropriate use of the card may result in the loss of the privilege. The credit card is issued in the name of the employee but is considered College property and should be used with good judgment.

Hendrix College has designated purchasers with assigned ghost cards to assist in the purchasing process. Faculty and staff in need of reservations, office supplies, and other purchases should process all requests through these purchasers. All information for the purchase including the vendor, account code, and approval is required prior to making purchases. All physical credit cards are to be used for travel and/or emergency purchases only.

Cardholder Responsibilities

The cardholder is accountable for all transactions charged to their credit card and may become personally liable for unauthorized or prohibited transactions. No personal charges on the credit card are allowed. In the event a personal expense is charged to the credit card it is the cardholder's responsibility to contact the Business Office immediately and reimburse the college within 10 days of the transaction.

It is the cardholder's responsibility to review their transactions weekly, allocate expenses to appropriate expense accounts, and substantiate all transactions.

Substantiation

The College's policy requires cardholders to comply with the following "accountable plan" for all College credit card expenses:

- **Business Purpose** - For each expense there must be a business purpose. These expenses must be deductible business expenses, according to IRS regulations, which are incurred in connection with services performed as an employee.

- **Substantiation** - Documentation is required to substantiate business related expenses under IRS regulations. The IRS requires documentation which includes dated itemized receipts to support each expense. Substantiation includes verification of:

For travel related expenses:

- What – the description of expense
- When - the date of the expense
- Where - the location of the expense
- Why - the business purpose of the expense
- Who - full name of individual incurring the expense and full name of other individuals in attendance

For non-travel related expenses:

- What – the description of expense
- When – the date of expense
- Why - the business purpose of the expense

In order to comply with IRS regulations, expenses must be substantiated within thirty (30) days of the statement date. All transactions are due to be reviewed and approved at the department level within ten (10) days of the transaction post date.

Travel related expenses not substantiated within ninety (90) days of the statement date will be processed as taxable gross income and included on the cardholder's paycheck through the Payroll Office.

Cardholder's Failure to Substantiate

Failure to provide required documentation and substantiate expenses within ten (10) days of the last day of the month may result in revocation of college credit card privileges.

Transactions not reconciled and submitted within this period may result in the following consequences:

1st Offense

Card suspended until ALL the cardholder's transactions have been reconciled and approved.

2nd Offense

Card suspended until ALL the cardholder's transactions have been reconciled and approved and then may remain suspended for an additional 30 days.

3rd Offense

Card suspension for 60-90 days or card cancellation.

NOTE: The Business Office reserves the right to reduce or escalate disciplinary actions at its sole discretion.

Time Period: Rolling 12 months.

Authorized Use of the College Credit Card

The College Credit Card may be used for college business related expenses including but not limited to:

- Air travel
- Ground transportation (airport transfers, taxi, and car rentals)
- Local business meals and entertainment
- Lodging while traveling
- Meals while traveling
- Office supplies
- Registration for business conferences
- Subscriptions related to professional development

Unauthorized or Inappropriate Use of the College Credit Card

Unauthorized or inappropriate use of the College Credit Card will be reported to the Senior Leadership and may result in disciplinary action for the cardholder, which could include loss of credit card privileges, termination of employment and criminal prosecution. Furthermore, cardholders will be held personally liable for all unauthorized purchases.

General descriptions of College Card Accountholder infractions include but are not limited to:

1. Failure to reconcile transactions within 30 days from the post date of the transaction or end of the trip, whichever is later. Accounts may be suspended until all outstanding transactions are reconciled.

2. Failure to provide a valid & sufficient business justification for purchase (i.e. reason for purchase).
3. Failure to immediately report loss or theft of a card upon discovery.
4. Splitting transactions to circumvent transaction limits.
5. Failure to supply valid receipt, invoice, or other supporting documentation.
6. Using the College Credit Card to purchase non-allowable items per the Card policy (e.g., personal purchases, etc.) or misuse of any temporary exception to Card restrictions.
7. Other infractions warranting disciplinary actions, as deemed appropriate by the Business Office or the Accountholder's Business Manager or Department Head.

The following is a sample list of such inappropriate expenses and is not intended to be all inclusive:

- Alcoholic beverages where business purpose is not justified
- Cell phone/data services
- Computer Equipment (All computer and software purchases should be processed through Information Technology)
- Donations
- Extravagant accommodations (prudent judgement should be used when selecting accommodations)
- Furniture purchases including tables, chairs, cabinets, desks, sofas, etc. (prior approval required by the are Vice President and the Director of Facilities)
- Home-based internet services
- Hotel health club fees
- Items or services for personal use
- Liability insurance for rental vehicles
- Loss or theft of personal property
- Cash advances
- Medicine and medical expenses
- Membership fees to warehouse club stores (Costco, Sam's Club, Amazon Prime, etc.)
- Motorcycle, Scooter or similar rentals
- Movies or video rentals
- Payments made to individuals
- Personal reading materials (magazines, books, newspapers, etc.)
- Traffic fines or penalties

Non-Substantiated or Unauthorized Expenses

Any expense lacking appropriate substantiation, documentation or authorization is considered an unauthorized/inappropriate use of the College Credit Card.

Gift Cards

The IRS considers gift cards to be income to the recipient and as such, the purchase of gift cards or gift certificates is not allowed. There are some instances in which gift cards may be purchased for participant incentives with prior approval. Please reference guidelines provided in the [Procedures for Incentives for Research Participants](#).

Gift cards are reported to the IRS and included as taxable income. If the recipient is a College employee, the gift card is included as taxable income on the employee's paycheck. If the recipient is a non-employee the recipient is issued an IRS Form 1099 MISC at the end of the calendar year.

Gifts and Celebrations

Gifts, decorations, supplies or food items for wedding showers, baby showers, birthday celebrations or other similar events are considered non-business-related purchases and are an unauthorized/inappropriate use of the College Credit Card.

Cardholder International Travel

If a cardholder intends to travel internationally to conduct College business and expects to use their College Credit Card, it is necessary to change their Travel Status associated with the credit card with the credit card provider.

To place a card on Travel Status the cardholder must call the phone number on the back of the credit card and contact The Business Office Operations Coordinator in the Business Office with the dates of travel and the country of travel.

Monthly Billing Cycles

The credit card monthly billing cycle ends on the last business day of each month. Charges posted after the end of the monthly billing cycle will appear on the cardholders following month's statement.

Credit Limits

The cardholder's position and job duties are taken into account when determining the appropriate credit limits.

Temporary Limit Increases

A temporary monthly or single transaction limit increase to a cardholder's credit card limits may be requested if necessary. A temporary increase approval is dependent upon what is being purchased and who the merchant is.

A temporary limit increase must be requested in writing by email. The email should include the following and include the area vice president:

- Why the increase is being requested
- What should be increased (monthly or single transaction limit, or both)
- What your current limits are and the dollar amount of the requested increase
- Who the merchant is
- The date range of the increase

Credit Card Renewal

Credit cards may be used until the last day of the expiration month. The credit card provider will automatically mail a new credit card directly to the cardholder's campus mail code on file prior to the card's expiration date.

Termination of Employment

When a cardholder's employment is terminated with the College, Human Resources will notify the Business Office for cancelation of the credit card. The cardholder or their supervisor should destroy the credit card.

Extended Leaves

If a cardholder should take medical or any other type of extended leave the credit card should not be used by another employee.

If a card requires substantiation for charges made by the named cardholder after the employee begins his or her leave, another employee may prepare the substantiation. Documentation accompanying the substantiation must include the dates and an explanation for the cardholder's absence (e.g., "Medical leave, 1/1/23-3/31/23").

Lost or Stolen Card

If your card is lost or stolen:

1. Call First Horizon's customer service number (800)-290-4782 to report the loss.
2. Contact The Business Office Operations Coordinator and/or The Assistant Controller in the Business Office immediately to block further use of the card.

Cardholders will receive a replacement credit card from First Horizon within seven to ten business days.

Fraudulent/Disputed a Transaction

If it is necessary to dispute a transaction:

1. Contact the merchant first to resolve the situation.
2. If there is not a resolution with the merchant, place the item in dispute with First Horizon within 45 days from date of purchase by calling First Horizon customer service at (800)-290-4782.
3. Email notifications are sent from First Horizon when fraudulent activity is suspected. The Cardholder must contact First Horizon immediately to confirm the charges or suspected fraudulent activity. It is the cardholder's responsibility to respond to all fraudulent activity requests within the time specified by the First Horizon Fraud department.