

# HERKIMER COUNTY COMMUNITY COLLEGE BOARD POLICY

**TITLE:** Credit Card Policy

**POLICY #:** FA 24-11

**DATE OF BOARD OF TRUSTEES APPROVAL:** April 28, 2025

**RESOLUTION #:** 24-11

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## **POLICY STATEMENT:**

Introduction: Herkimer College (“College”) will provide authorized employees with a credit card for business purposes, including procuring goods and materials and/or business travel expenses. Credit Cards exist to provide an approved alternative method for purchasing small dollar value items. The College has various store cards, WEX gas cards, and the M&T Bank credit card used for procurement and business travel expenses. This policy sets forth the requirements for the use of credit cards when incurring business expenses or in obtaining goods and/or services on behalf of the College.

Reason for Policy: The purpose of this policy is to establish the requirements and responsibilities associated with the distribution and use of College-issued credit cards. This policy outlines dollar limits for purchases, the types of permitted purchases, and the documentation required to support transactions. Additionally, it describes procedures for safeguarding credit cards, monitoring their use, and recovering funds in cases of improper use.

This policy serves as a guideline for employees on obtaining a College credit card, using it appropriately, and adhering to the College’s expectations for ethical use. It provides clear instructions on the issuance, use, safeguarding, payment, and termination of credit cards. Cardholders and their supervisors are responsible for ensuring compliance with this policy and minimizing the risk of misuse.

The College credit card enables employees to access efficient and flexible payment methods for approved business expenses, small-dollar goods, and travel-related costs.

Scope: This policy applies to all College employees who are issued a College credit card or use a College-provided store card, gas card, or procurement card for business purposes. It governs the use of these cards for the purchase of goods and services or for business travel expenses incurred on behalf of the College.

Specifically, the policy outlines the procedures for obtaining a credit card, acceptable uses, record-keeping requirements, and the responsibilities of cardholders and their supervisors. It also addresses restrictions, consequences for misuse, and guidelines for safeguarding cards and transactions.

By adhering to this policy, employees help ensure the responsible use of College resources and compliance with institutional and legal standards.

Type of Cards and Definitions:

- **Store Credit Cards**

The College maintains store credit card accounts with Herkimer Wal-Mart, Herkimer Tractor Supply store, and Lowes. Cards are issued to select offices/departments that require frequent use of store cards. Other offices and departments requiring one time use of the Wal-Mart or Tractor Supply store card may contact the Purchasing Office to sign out as the Purchasing Office has cards reserved for this purpose. Offices utilizing these stores to make their purchase must submit a banner requisition immediately upon return and forward the original receipt to the Purchasing Office. The Accounts Payable Staff Accountant performs monthly reconciliations and payments of Wal-Mart and Tractor Supply and Lowe's store card statements.

- **WEX Gas Credit Card**

The College maintains a gas credit card account with Wright Express Fleet Services. Gas cards are issued to specific employees/departments for the purchase of gas for college vehicles and roads and grounds equipment. The College Purchasing Office also provides gas cards to employees using a college fleet vehicle during college-related travel. After purchases are made with a gas card, the receipt is forwarded to Accounts Payable. Accounts payable performs a monthly reconciliation of the statement and processes payment.

- **M&T Bank Credit Card**

M&T Bank credit cards (College cards) are issued to select employees. The College credit card is to simplify the purchase of low-dollar goods that cannot be readily purchased or through other contract suppliers as well as a primary way to pay for travel and individual business expenses.

College Card Eligibility and General Policy Guidelines: To be eligible for the College card, the employee must travel frequently in the course of his/her duties, travel overseas in the course of his/her duties, purchase significant volumes of minor goods and services for use by the college, or frequently incur other business-related expenses of a kind appropriately paid by credit card.

Any employee who has a frequent business need to purchase goods or services on behalf of Herkimer College in accordance with their job responsibilities and has obtained proper approval will be considered for a college credit card. To obtain a credit card, an application must be completed, approved, and forwarded to the Purchasing Office for ordering. Prior to issuance, the cardholder must review and sign the cardholder agreement and have obtained the respective training on credit card usage.

Requirements: All purchases must be compliant with the College's current policies. College employees that have been issued a credit card shall act in accordance with this policy and with the highest ethical standards and shall not use for personal reasons.

**Cardholder Roles and Responsibilities:** Cardholders are responsible for the safekeeping and appropriate use of their College-issued credit cards. The following outlines the expectations and responsibilities of cardholders:

- **Card Security:** Cardholders must ensure that the credit card is safeguarded against loss, theft, or unauthorized use. The card may not be transferred, assigned, or used by anyone other than the designated cardholder.
- **Activation and Signing:** Upon receipt, the cardholder must activate and sign the card immediately.
- **Receipts and Documentation:** Cardholders are required to obtain and retain itemized receipts for all transactions. Receipts should clearly document the date of the transaction, the merchant's name, and details of the purchase. If a receipt is missing, a Missing Receipt Form must be completed with an explanation of the expense.
- **Compliance with Limits:** Cardholders must adhere to the pre-set spending limits and may not split transactions to bypass these limits. Spending limits are authorized by the President, VP/Dean, or their designee, and the Purchasing Agent.
- **Business Use Only:** College credit cards are strictly for business-related transactions. Personal use of the card is strictly prohibited.
- **Expense Reporting:** Cardholders must submit itemized receipts and necessary documentation for purchases, along with a requisition, promptly. For travel-related expenses, receipts must be submitted with travel paperwork within 10 days of return.
- **Returning Cards:** Expired, replaced, or unused cards must be returned to the Purchasing Office. In cases of employment termination, the card must also be surrendered to the supervisor or Purchasing Office.
- **Lost or Stolen Cards:** Cardholders must report lost or stolen cards immediately to the credit card provider and notify their supervisor and the Purchasing Office.

Failure to adhere to these responsibilities may result in suspension or revocation of card privileges and further disciplinary action as outlined in the College's policies.

**Card Restrictions:** The following restrictions apply to all College owned credit cards:

- **Promotional and Print:** When the Card is used to purchase promotional items or printed materials that bear the College's name, logo, or seal, the purchase must have prior documented approval by the Director of Marketing and Communications.
- **IT Hardware and Software:** IT hardware, software, and other services requires pre-approval by the Director of Information Technology to ensure compatibility with existing systems as well as agreement on future replacement requirements.

**Unauthorized Transactions:** Cardholders must use College credit cards exclusively for business purposes. The following transactions are strictly prohibited:

- **Personal Use:** Purchases for personal benefit are not allowed.
- **Cash Advances:** Cash withdrawals or advances are blocked.

- **Herkimer College Purchases:** Purchases from the Bookstore and Dining Services must be charged directly to your account instead of using a College card.
- **Athletics:** College issued credit cards may not be used for expenses related to intercollegiate athletics which are the responsibility of the HCCC Faculty Student Association.
- **Restricted Items:** The purchase of IT hardware, software, or services requires prior approval from the Director of Information Technology. Additionally, promotional and print materials must have documented approval from the Director of Marketing and Communications. Likewise, major furniture acquisitions or office layout changes must be coordinated through the Purchasing Office.
- **Vehicle Fuel:** Gasoline for personal vehicles should be reimbursed via mileage reimbursement forms rather than charged to a College card.
- **Miscellaneous Restrictions:** The purchase of travel insurance, priority seating, advanced boarding fees (unless under special approval), donations, contributions, fines, penalties, gift cards, or gifts is not permitted.

Transactions that violate these restrictions may result in disciplinary action, including suspension or termination of card privileges.

**Policy Violations:** Cardholders are accountable for all purchases made using their College-issued credit card. Failure to comply with this policy may result in disciplinary action. Examples of policy violations include, but are not limited to:

- Purchasing items for personal use.
- Splitting transactions to circumvent spending limits.
- Failure to submit reconciliation statements or receipts in a timely manner. All receipts must accompany the monthly reconciliation statement.
- Neglecting to report a lost or stolen card immediately.
- Transferring or assigning the card to another individual.
- Repeatedly allowing sales tax to be charged when the purchases are tax exempt.

**Consequences of Violations:**

- **First Offense:** The cardholder and their supervisor will be notified via email of the infraction. The cardholder will be reminded of policy expectations and warned that privileges may be suspended for future infractions. For personal use violations, the cardholder must reimburse the College for unauthorized purchases, and Human Resources will determine further steps. Serious offenses may result in NYS Ethics Guidelines violations.
- **Second Offense:** The cardholder and supervisor will be notified, and privileges will be suspended for three months. For personal use violations, the cardholder must reimburse the College, and the card may be revoked permanently. The College may review all account activity for the previous year and consult with Human Resources for further action.

The College reserves the right to take additional disciplinary actions as deemed necessary based on the severity of the violation.

Cardholders are responsible for and accountable to the College for all purchases made with their College issued credit card. All card purchases are to be made within the guidelines established in this policy. Any cardholder who fails to use the card properly or abuses its use will be subject to, but not limited to the penalties outlined in the following section. The College will seek restitution for any misuse or inappropriate purchases made with College owned credit cards.

Policy violations include, but are not limited to:

- Purchasing items with the credit card for personal use.
- Failure to submit properly completed reconciliation statements in a timely manner. All receipts must accompany the monthly reconciliation statement.
- Failure to report a lost or stolen credit card to the appropriate person immediately after discovery.
- Transferring assignment of the credit card to another individual.
- Repeatedly allowing sales tax to be charged when the purchases are tax exempt.

Personal Liability: If charges incurred are deemed inappropriate, unauthorized, or accidental, they become the personal responsibility of the employee and must be settled with the college within 30 days of posting.

Lost/Stolen Credit Cards/Disputes and Fraud: To resolve disputes or billing errors, the cardholder must contact M&T Commercial Card customer service immediately. As soon as the cardholder is aware of or suspects fraudulent use of their card, they must notify M&T Commercial card customer service. M&T Commercial card will then take the necessary steps to investigate and issue resulting cards for all charges that are deemed fraudulent.

To report a card lost or stolen, or to dispute a transaction, please contact Commercial Card Customer Service at 1-800-443-8671. Live Agent support is available 24x7x365.

- The cardholder is also to report the incident to his/her immediate supervisor and Purchasing Agent.
- The Cardholder is also to confirm that notification to M&T Bank has been completed.

Sales Tax: Herkimer College is tax exempt. The Sales tax exemption letter for New York may be obtained by contacting the Purchasing Office at 315-866-0300 x8292. Sales tax is not automatically exempt by using the credit card. Vendors require documentation to provide sales tax exemption. It is the responsibility of the cardholder to make certain that sales tax is removed from the sale prior to using the credit card.

If a sales tax charge appears on your statement, the cardholder must contact the merchant or supplier directly to request a reversal of the charge. Ask the merchant to issue a credit to your account for the sales tax. If the merchant is unable to process the credit, the attempt must be documented on your receipt and/or related paperwork.

Returns and Credits: To return an item, contact the supplier directly to determine the proper return procedures. Any credit issued should appear on a subsequent statement. Whenever an item is purchased with the College credit card is returned to the supplier and credit is due, the cardholder must request that the supplier issue a credit to the card. Under no circumstances will cash or store credit be accepted to resolve a credit situation.

Card Limit Increases: Authorizations for permanent or temporary credit limit changes to monthly limits and/or single purchase limits require approval of the cardholder's supervisor. Approved requests are to be forwarded to the Purchasing Agent for processing.

Business Travel Expenses: Employees issued with the M&T Visa must follow the College travel policies and provisions addressed in the most recent faculty staff handbook. Cards are to be used for, but not limited to:

- Business meals
- Recruitment Expenses
- Training Courses/Conference fees
- Reasonable and customary baggage fees
- Travel related costs (Airfare/Hotel/Ground Transport/Visa/Passport)
- Memberships and Association dues related to college business.

Account Reconciliation: Employees must submit a requisition for all goods and services purchased with a College-issued credit card, either before or immediately after the purchase.

Travel-related expenses must be submitted with a travel expense voucher within 10 days upon return. Expenses must be clearly documented to include:

- Who incurred or benefited from the expense (include names).
- What the expense entailed (e.g., item purchased, or activity conducted).
- Why it qualifies as a college expense (i.e., specific reason, purpose).
- Where the event or activity occurred (if not apparent in transaction details or receipts).
- When the event or activity happened (if not apparent in transaction details or receipts).

Itemized receipts are required for meals and hotels which include the merchant names, date of purchase, items purchased, total amount paid including gratuities. A vendor invoice is acceptable in lieu of a receipt. In the event the employee does not have a receipt, was lost, or was not obtained from the merchant, the employee must complete a Missing Receipt Form.

Comments or questions regarding this College Credit Card policy should be directed to the Controller, Assistant Controller, or the Purchasing Agent.

Appendices:

- Missing Receipt Form
- Cardholder Application
- Cardholder Agreement
- Travel Expense Voucher(s)

**BACKGROUND:** The purpose of this policy is to establish the requirements and responsibilities associated with the distribution and use of College-issued credit cards. This policy outlines dollar limits for purchases, the types of permitted purchases, and the documentation required to support transactions. Additionally, it describes procedures for safeguarding credit cards, monitoring their use, and recovering funds in cases of improper use.