

Claremont McKenna College  
Wells One Commercial Card Program  
Policy and Procedures Manual  
Effective July 1, 2013

1.0 **INTRODUCTION**

The Wells One Commercial Card Program has been established at Claremont McKenna College (the College or CMC) in order to provide a convenient, rapid purchasing process, and to reduce paperwork and handling costs. Those purchasers who have been issued Wells One Commercial Cards may initiate transactions in-person, by telephone, or over the Internet within the limits of this policy and procedure manual. This manual will provide you with the particulars of the program, including general guidelines, reconciliation and record keeping procedures, and customer service information. It is important to read the following information carefully, as you will be responsible for adhering to the CMC-established policy and procedures.

2.0 **GENERAL**

2.1 **ABBREVIATIONS**

- 2.1.1 PCP: Purchase Card Program
- 2.1.2 CCER: Commercial Card Expense Reporting

2.2 **TERMINOLOGY**

- 2.2.1 Vendor: A company from which a Cardholder is purchasing materials, equipment or services under the provisions of this procedure.
- 2.2.2 Cardholder: Personnel who have been issued Purchase Cards and who are authorized to make purchases in accordance with these procedures.
- 2.2.3 Reconciler: Personnel who have been assigned to reconcile a Cardholder's Purchase Card statement.
- 2.2.4 Approving Supervisor: This individual shall review and approve a Cardholder's monthly statement of account.
- 2.2.5 Program Coordinator: The person responsible for all program details, including all Cardholder inquiries. The following Treasurer's Office staff have been designated as coordinators:
  - Assistant Vice President for Finance
  - Budget Director
- 2.2.6 Statement of Account: This is the monthly listing of all transactions by the Cardholder.
- 2.2.7 Monthly Card Limit: A dollar amount limitation of purchasing authority delegated to a Cardholder on a monthly basis. This dollar limit is currently set at \$5,000, but can be increased with the Approving Supervisor's approval.

3.0 **PROCEDURE**

3.1 **RECEIVING A PURCHASE CARD**

- 3.1.1 Department chairs/supervisors may propose personnel to be Cardholders by contacting the Program Coordinator.
- 3.1.2 The proposed Cardholder shall be issued a copy of this procedure and shall be required to sign an Employee Agreement, indicating that the Cardholder understands the procedures and the responsibilities of a PCP cardholder. The completed Employee Agreement is forwarded to the

Program Coordinator. The Program Coordinator will submit a request for a new Purchase Card on the CCER website.

### 3.2 AUTHORIZED PURCHASE CARD USE

- 3.2.1 The Purchase Card that the Cardholder receives has his/her name embossed on it and shall **ONLY** be used by the Cardholder. **NO OTHER PERSON IS AUTHORIZED** to use their Purchase Card. The Cardholder may make transactions on behalf of others in their department. However, the Cardholder is responsible for all use of his/her Purchase Card.
- 3.2.2 Use of the Purchase Card shall be limited to the following conditions:
  - a) The Purchase Card may only be used for purchases in conducting business in accordance with the College's mission.
  - b) The Cardholder must adhere to the College's policy for reimbursement of travel, entertainment and other business expenses.
  - c) Spending limits must be adhered to.
- 3.2.3 The Cardholder shall inform the Vendor that all applicable materials/supplies are subject to sales/use tax for L.A. County in the State of California.

### 3.3 UNAUTHORIZED PURCHASE CARD USE

- 3.3.1 The Purchase Card **SHALL NOT BE USED** for the following:
  - a) Personal purchases or identification;
  - b) Cash Advances;
  - c) Telephone calls/monthly service.
- 3.3.2 A Cardholder may, on occasion, incur charges that are considered to be of mixed personal and business purposes. The Cardholder must reimburse the College for all personal charges within 10 business days of the statement end date, by providing a check made payable to "Claremont McKenna College" to the Program Coordinator.
- 3.3.3 A Cardholder who makes unauthorized purchases or carelessly uses the Purchase Card may be liable for the total dollar amount of such unauthorized purchases plus any administrative fees charged by the Bank in connection with the misuse. The Cardholder may also be subject to disciplinary actions or termination and, if applicable, criminal prosecution.

### 3.4 MAKING A PURCHASE

- 3.4.1 Procurement procedures permit a purchase of tangible goods and services. It is policy to seek the lowest prices within the parameters of quality and delivery. Accordingly, whenever making a purchase the Cardholder will check as many sources of supply or services as reasonable to the situation to assure best price and delivery.
- 3.4.2 All purchases funded by a Federal grant must be reasonable, allowable, and allocable to the project per Office of Management and Budget Circular A-21, Cost Principles for Educational Institutions. To ensure that the College is not doing business with vendors who have been suspended or debarred from doing business with the federal government, the Treasurer's Office will check all purchase card statements against the Excluded Parties List System (EPLS). If a vendor appears on the EPLS website, the purchase will be moved off the federal grant.
- 3.4.3 It is extremely important that all material and equipment purchases be sent to the Cardholder ordering the merchandise, as this will ensure that the documents necessary for the record keeping are readily available to the Cardholder. Cardholders should also retain documentation of authorized service-related purchases.

- 3.4.4 Purchase Card Returns - If an item is not satisfactory, received wrong, damaged and/or defective, duplicate order, etc., the Cardholder should make contact with the vendor to explain the problem and inquire about return policies.

### 3.5 CARDHOLDER RECORD KEEPING

- 3.5.1 When an order is made using a Purchase Card, either over the counter, by telephone or over the Internet, documentation shall be retained as proof of the purchase. Such documentation is to be used to provide detail of the purchase and as verification that appropriate sales tax has been paid. The detail is to be attached and filed with the Cardholder's monthly statement of account.
- 3.5.2 When the purchase is made over the counter, the Cardholder shall retain the invoice and "customer copy" of the charge receipt. The Cardholder is responsible to check that the vendor lists the quantity, fully describes the item(s), and includes sales tax, prior to the Cardholder signing the slip.
- 3.5.3 The required documentation to be submitted to the Program Coordinator on a monthly basis is: 1) the monthly statement printed out from the CCER website and 2) receipts for each disbursement over \$75. If the receipt is smaller than an 8 ½ x 11 sheet of paper, it must be taped onto a blank 8 ½ x 11 sheet of paper. The Cardholder or Reconciler may put more than one receipt on one sheet. Other documentation such as account number, business purpose, details of overnight travel (if applicable) will be necessary to complete the online reconciliation.

### 3.6 REVIEW OF MONTHLY STATEMENT

- 3.6.1 At the end of a statement period, the Cardholder/Reconciler will be notified via email that it is time to review the Purchase Card statement. The Cardholder/Reconciler will access the CCER tool via the Internet to review the statement. The Cardholder/Reconciler will have the ability to reconcile his/her account as the transactions are posted to the statement or at the end of a statement period.
- 3.6.2 Upon receipt of the statement the Cardholder/Reconciler shall check each transaction listed on the monthly statement against his/her receipts to ensure that the transactions posted are legitimate transactions made by the Cardholder. The Cardholder/Reconciler will check the box "Receipts Attached" to indicate which receipts will be attached to the statement.
- 3.6.3 The Cardholder/Reconciler will select the transaction for reconciliation by clicking the reclassify button. This will allow the Cardholder/Reconciler to document the account number, business purpose and details of overnight travel if applicable. The IRS requires that overnight travel be carefully documented. Include the following information in the description field:
- Destination
  - Dates of Departure and Return
  - Number of Days Spent on Business

If everything is in order, the Cardholder/Reconciler will mark the statement as reviewed. Once the statement has been marked as reviewed, an email will be issued to the Cardholder's Approving Supervisor for his/her approval. The Cardholder/Reconciler will print the statement and attach receipts for all items listed on the monthly statement. Receipts must be neatly attached, in sequence, to the statement. This data attachment is critical to provide substantiation in the event of an Internal Revenue Service (IRS) or California State Board of Equalization (CSBE) audit. If substantiation is not attached, purchases may be ruled by the IRS as income to the Cardholder or subject Claremont McKenna College to sales tax penalties by the CSBE. Repeated failure to adhere to this procedure will result in the Purchase Card being suspended or revoked.

The Cardholder/Reconciler shall complete the monthly reconciliation of the Purchase Card statement within ten (10) working days of receipt. Upon completion of the reconciliation the Cardholder/Reconciler will forward the statement and supporting receipts to the Program Coordinator.

The Approving Supervisor shall access the CCER tool via the Internet to review the Cardholder's monthly statement and confirm with the Cardholder the following items as a minimum:

- a) Receipts exist for each purchase.
- b) The goods were received and/or services performed.
- c) The Cardholder has complied with applicable procedures, including this PCP procedure.

The Approving Supervisor will have the ability to make changes to the statement using the reclassify feature. If changes are not necessary the Approving Supervisor will select the "approval complete" button. This online approval of a Cardholder's monthly statement indicates that the Cardholder was authorized to make those purchases and that they were made in accordance with applicable procedures.

3.6.4 If the Cardholder does not have documentation of a transaction listed on the monthly statement, he/she shall attach an explanation that includes a description of the item(s) purchased, date of purchase, Vendor's name and reason for the lack of supporting documentation.

3.6.5 If the Cardholder is disputing a charge, he/she shall make note of the dispute on the monthly statement print out, attach a copy of the written correspondence sent to the vendor and Wells Fargo Bank detailing the disputed charge, and include it with the statement package.

If an item has been returned and a credit voucher received, the Cardholder/Reconciler shall verify that this credit is reflected on the monthly statement.

If purchased items or credits are not listed on the monthly statement, the appropriate transaction documentation shall be **RETAINED** by the Cardholder/Reconciler until the matter is resolved.

### 3.7 CARDHOLDER AUDITS

3.7.1 Cardholder statements are subject to audit at any time by the Treasurer's Office or designated representative from CUC's Office of Financial Services. The Purchase Card may be suspended or revoked in the event of repeated failures to adhere to the approval and record-keeping procedures.

### 3.8 CARD SECURITY

3.8.1 It is the Cardholder's responsibility to safeguard the Purchase Card and account number to the same degree that a Cardholder safeguards his/her personal credit information.

**The Cardholder must not allow anyone else to use his/her account number.** A violation of this trust may result in that Cardholder having his/her Purchase Card suspended or revoked and receiving disciplinary action.

3.8.2 If the Purchase Card is lost or stolen the Cardholder shall immediately notify Wells Fargo Bank at 1-800-932-0036. Representatives are available 24 hours a day. The Cardholder shall advise the representative that the call is regarding a Visa Purchase Card. The Program Coordinator shall also be notified immediately.

3.8.3 A Purchase Card that is subsequently found by the Cardholder after being reported lost shall be delivered to the Program Coordinator to be destroyed.

### 3.9 CARDHOLDER SEPARATION

3.9.1 Prior to separation from the College, the Cardholder shall surrender the Purchase Card, perform the online reconciliation and forward original receipts to his/her Approving Supervisor. Upon its receipt, the Approving Supervisor will review, approve and forward to the Program Coordinator along with Purchase Card, which will be destroyed by the Program Coordinator.

ATTACHMENT 1

**CLAREMONT MCKENNA COLLEGE**  
**Purchase Card Program**  
**Employee Agreement**

I, \_\_\_\_\_, hereby request a Purchase Card. As a holder I agree to comply with the following terms and conditions regarding my use of the Purchase Card:

1. I understand that I will be making financial commitments on behalf of **CLAREMONT MCKENNA COLLEGE (the College or CMC)** and will strive to obtain the best value for the College.
2. I understand that the College is liable to Wells Fargo Bank for all charges made on Purchase Card (the Card) assigned to me.
3. I agree that the Card may only be used for approved business purchases and may not be used for personal purposes. I understand that the Treasurer's Office or CUC Office of Financial Services may audit the use of the Card at any time.
4. I will follow the established policies and procedures for use of the Card. Failure to do so may result in suspension or revocation of the Card, as well as disciplinary actions or termination of employment and, if applicable, criminal prosecution.
5. I have been given a copy of the Purchase Card Policy & Procedures Manuel and understand the requirements for the Card's use, including the requirement that all items purchased using the Purchase Card must be reconciled through the online Commercial Card Expense Reporting (CCER) system within 10 days of receipt of the statement. I understand that a Reconciler may be assigned to complete the online reconciliation for me in accordance with the Purchase Card Policy & Procedure. Assignment of a Reconciler is at the discretion of the Approving Supervisor.
6. I agree to return the Card immediately upon request or upon termination of employment (including retirement). Should there be any organizational change that causes my cost center to likewise change, I also agree to return my Card and arrange for a new one, if appropriate.
7. I understand that purchases made via the Card must adhere to the College's policy for reimbursement for travel, entertainment and other business expenses.
8. I agree that if I should violate the terms of this Agreement and use the Card for personal use or gain, I will reimburse CMC for all incurred charges and any fees related to the collection of those charges within 10 business days of the statement end date.
9. If my Card is lost or stolen, I will notify the Program Coordinator and Wells Fargo Bank immediately.

Employee Signature	Date
Employee Name (Print)	CMC ID Number
Approved Account Reconciler	Department
500 E 9th Street, Claremont, CA 91711	
Official College Address ( <i>to be used when making purchases</i> )	
Supervisor Signature	Date
Program Coordinator Signature	Date