



FERRIS STATE UNIVERSITY

FINANCIAL SERVICES

Card Program Guide



The Card Programs are administered thru the:

Financial Services Office

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Web Page:

<http://www.ferris.edu/htmls/administration/adminandfinance/finance/financialservices/index.htm>

November 10, 2008

Contents

Section A – Card Program - General.....	3
1. Usage and Compliance - General	3
a) Introduction:.....	3
b) Card Transactions:.....	3
c) Appropriate/Inappropriate Purchases:.....	3
d) Tax Exempt:.....	4
e) Card Activity, Limits and Balances.....	4
f) Card Security:.....	5
g) Cardholder Termination From (or Transfer within) University:.....	5
h) Misuse of Cards:.....	5
i) Lost or Stolen Cards:.....	5
j) Emergency Information for Travelers.....	6
Section B – Purchasing & Commercial Cards.....	7
1. Using the Cards	7
a) Vendor Transactions:.....	7
b) Authorized Addresses:.....	7
c) Record Keeping:.....	8
d) Card Monitoring – Financial Services Department:.....	8
e) Disputed Purchases:.....	8
f) Unauthorized or Fraudulent Purchases:.....	9
2. Obtaining & Maintaining a Card	9
a) Obtaining a card:.....	9
b) Maintaining a Card.....	10
c) Declining Balance Card - Using the Cards for a Specific Project or Event:.....	10
Section C – Corporate (Travel) Card.....	11
1. The Corporate (Travel) Card – General	11
a) Travel Card Details.....	11
c) Benefits for Traveler/Cardholder.....	11
d) Corporate (Travel) Card Fees.....	11
2. Going on Travel:	12
a) Travel Approval.....	12
b) Return from Travel.....	12
3. Corporate (Travel) Card Review and Payment:	13
a) Corporate Card Statement Payment.....	13
Section D – Forms.....	16
Section E – Glossary of Terms.....	17
Section F - FSU VISA CARD PROGRAM ADMINISTRATION.....	19

Section A– Card Program - General

1. Usage and Compliance - General

a) Introduction:

- The Card Program offers credit cards as payment tools for University related business expenses.
- The Programs offered thru the University include:
 - Departmental Purchasing Card
 - Commercial Card
 - Corporate (Travel) Card
 - Declining Balance Card
- All Cards are subject to the following policies:
 - [FSU Purchasing Policy.](#)
 - [Transportation & Travel Policy.](#)
 - [Business and Special Expense Policy.](#)
 - [Guidelines Governing Financial Accounting of FSU Computer-Related Acquisitions.](#)
 - [Board of Trustee Policy: Part 10 – Other matters.](#)

b) Card Transactions:

- The total value of a transaction shall not exceed the single purchase limit.
- Transactions may **not** be split into multiple transactions to stay within the single-purchase limit.

c) Appropriate/Inappropriate Purchases:

- Purchases must have a clear business purpose that benefits the University and supports the mission of the business unit.
- Commodities deemed appropriate or inappropriate are allowed or blocked according to its Merchant Category Code (MCC code). [MCC code chart](#) available on the Financial Services website.
- Some purchases may require prior approvals or need to be pre-qualified prior to making the purchase, such as:
 - Computer purchases and peripherals (eSHARF)
 - Services, including maintenance (requires Purchasing approval).
 - Hazardous materials, chemicals, controlled substances (requires approved exception on file in Financial Services)
 - Stamps (requires approved exception on file in Financial Services)
 - Alcoholic beverages
 - Travel expenditures
 - Cash advances (only available for Corporate Card)

d) Tax Exempt:

- Prior to a transaction, Cardholder should inform the vendor that the purchase is for Ferris State University and is tax exempt. “**Tax exempt**” is printed on each card and is applicable for all transactions. The University tax exempt number is 38-73-0152-F.
- Some vendors, such as hotels and conference centers, may still require a copy of the tax exempt form. The forms can be accessed on the [University Purchasing Office](#) web site.
- The tax exemption only applies to those transactions with an authorized business purpose. Unrelated business, such as a retirement event, where the cost is recovered may not qualify as related business, and may not be eligible for the tax exemption. If you are unsure, please contact either Financial Services or Accounting to verify.

e) Card Activity, Limits and Balances

- Transactions, card limits and balances are accessed using the University’s Card provider web interface PaymentNet.
 - To log onto PaymentNet for the Purchasing and Commercial Cards go to:

<https://www.paymentnet.com/Login.asp>

Organization ID <us00980>

User ID <first initial last name>

Pass Phrase <assigned>

- To log onto PaymentNet for the Corporate (Travel) Cards go to:

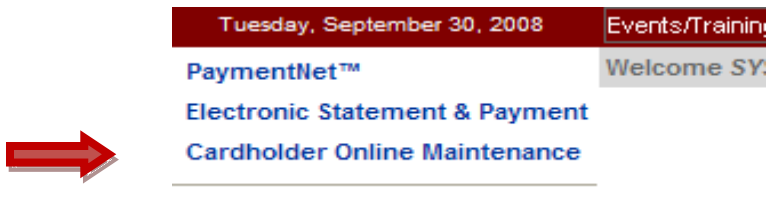
<https://www.paymentnet.com/Login.asp>

Organization ID <us600446>

User ID <first initial last name>

Pass Phrase <assigned>

- Note - It is recommended to change the “Pass Phrase” the first time accessing the site.
- Select “Change Pass Phrase” option from the left menu bar. Follow the instructions.
- Press “Home” button to return to the Main Menu.
- For Card activity, limits and balance select “Cardholder Online Maintenance” option from the left menu bar.
- In the “Menu” box, select “Account Activity” or the “Current Balance/Current Status” option depending on action desired.



f) **Card Security:**

- Cardholder assumes full responsibility to safeguard the Card and account number to the same degree that the Cardholder safeguards his/her personal credit card.
- Cardholder must not allow any unauthorized individuals to use the Card or the Card number. A violation of this trust may result in the Cardholder having his/her Card withdrawn and/or disciplinary action for the Cardholder and/or unauthorized individuals.
- Cardholder is responsible for assuring all transactions on the card are authorized business transactions with appropriate supporting documentation.
- Cards must be turned into Financial Services or Human Resources Office on or before time of termination or transfer.
- Cardholder may request a written receipt for the return of the Card.

g) **Cardholder Termination From (or Transfer within) University:**

- Cardholder is responsible for promptly accounting for any outstanding balances and/or supporting documents before termination or transferring.
- Cards must be turned into department or the Human Resource Office on or before time of termination or transfer.
- Department or the Human Resource Office forwards the Cards to the Card Administrator (cutting the Cards in two before forwarding).
- Cardholder may request a written receipt for the return of the Card.

h) **Misuse of Cards:**

- Misuse or careless handling of Card could result in disciplinary action, including the cancellation of card privileges, liability for amount of any unauthorized purchases including related Bank charges, and/or other appropriate measures.
[\(Refer to the Purchasing Card Program Abuse Guidelines\)](#)

i) **Lost or Stolen Cards:**

- **Immediately** notify the Bank by calling 1-800-270-7760.
 - The date on which the card is reported stolen to the Bank is when fraudulent charges become the Bank's liability. Any fraudulent charges made before the Card is reported stolen are the University's liability.
- Stolen Card - contact the Office of Public Safety (231-591-5000).
- For both lost and stolen Cards - notify the Card Administrator (231-591-3897).
- Document lost or stolen Cards in writing, copying Cardholder supervisor and Card Administrator.
- After a Card is reported lost or stolen:
 - A new Card will be promptly issued to the Cardholder by the Bank.
 - A Card that is found after being reported lost must be cut in half and sent to the Card Administrator in the Financial Services Office (252 Prakken).

j) **Emergency Information for Travelers**

- **EMERGENCY information** – if you are experiencing problems with your card while away from home (on travel for the University) and need assistance outside of normal business hours to prevent being stranded: **Contact JPMChase Program Coordinators to request assistance at: 1-800-748-9598 x-7147**
- If during business hours, the cardholder should call the Financial Services Department at: **1-231-591-3897**

1. Using the Cards

a) Vendor Transactions:

- Card cannot be charged until receipt of goods – do not prepay for merchandise.
- Deposits can be paid with the Card for conferences, training, and/or travel arrangements as long as there is proper approvals and documentation (see Letter-C in this Section).
- For the Departmental Cards – if there is no activity on the Card for six (6) months or more, the Card is automatically closed.
- Vendor selection – Use contracted vendors, when appropriate, e.g. office supplies, business forms and computer purchases (Refer to [University Purchasing Policy](#)).
- Review the Minority/Women Enterprise listing for applicable vendors (Refer to [University Purchasing Policy](#)).
- Direct the vendor to include the following on the shipping and packing list:
 - Contact name and department name
 - Complete delivery address
 - The words “Purchasing Card Purchase”
 - The vendor’s order number

b) Authorized Addresses:

- The standard billing address for all purchasing cards is:

Purchasing Office Ferris State University 420 Oak Street – PRK 252 Big Rapids, MI 49307
--

- The “ship to” address is the individual Department campus address as provided on the card application.
- In addition to the Departmental address, all cards are also authorized to ship purchases to:

Technology Inventory Center Ferris State University 915 Campus Drive Swan 110 B Big Rapids MI 49307

c) Record Keeping:

- Required – detailed receipts, including business purpose, must be attached to monthly Card billing statement, matching receipts to transactions, in order listed on the statement. For multi-user cards a usage and transaction log must also be maintained.
- Documentation as required by applicable University Policy (i.e. list of attendees & agenda for business meals).
- Any PayPal or other payment services will require back-up faxed/emailed to Financial Services (please note Transaction # on all documentation provided).
- Cardholders to demonstrate compliance with University Policies, record keeping, statement reconciliation and document retention processes for their Cards.
- Cardholder to demonstrate required receipt retention and stated business purpose for each transaction.
- Timely reconciliation/approval of cardholder statements.
- Purchases resulting from the Electronic Hardware Software Acquisition Review Form (eHSARF) process and delivered to Computer Support Inventory Services may have the original receiving documentation retained by Computer Support Inventory Services, as well as, electronically within the eHSARF system.
- Individual Cardholders should consult Department for specific procedures for:
 - Documenting and verifying proof of every purchase.
 - Retaining statements and receipts, complying with [University Retention Schedule](#).

d) Card Monitoring – Financial Services Department:

- Transactions are reviewed daily in PaymentNet for compliance
- Compliance Reviews are conducted throughout the year for compliance with all University policies and procedures.
After a compliance review has been completed, a report giving feedback is given to the departments.

e) Disputed Purchases:

- In the event of a purchase dispute, such as quality issues, purchase price discrepancies, warranty issues, and other performance issues, cardholder will use reasonable efforts to resolve dispute with the merchant first. If the cardholder is unable to resolve the issue with the vendor, the transaction must be disputed in PaymentNet within 60 days after date-of-purchase. The bank will use commercially reasonable efforts to assist the cardholder in attempting to obtain reimbursement from the Merchant; provided however, the cardholder understands that no chargeback will be granted for a transaction resulting from usage where a cardholder's name is not embossed on the card.
- If at any time you suspect your card has been used fraudulently, contact the Financial Services Department immediately.

f) **Unauthorized or Fraudulent Purchases:**

- JPMChase and VISA offer coverage for unauthorized or fraudulent purchases made on a card that is issued in a person's name. This coverage does not apply to cards issued in a generic or departmental name.
- If you suspect that your card has been used fraudulently please contact the Financial Services Office (or JPMChase outside of normal business hours) to have your card closed immediately. VISA will only cover fraudulent transactions that post after a card has been reported to the bank as compromised. It is very important that you monitor your card usage/transactions in PaymentNet regularly to assure prompt identification and reporting of potential fraudulent usage.
- If your card has unauthorized transaction/usage and you are not able to obtain repayment from the employee responsible for making the transaction, VISA does offer a recovery program provided appropriate disciplinary measures ([Refer to the Abuse Guidelines](#)) have been followed.

2. Obtaining & Maintaining a Card

a) **Obtaining a card:**

- Refer to the [Card Program Descriptions](#) guide on the Financial Services web site to determine what type of card would suit the needed purpose.
- Requestor completes appropriate card application
- Obtain approvals from sponsor department who will establish the Card limits/controls.
- Applicant will be notified by email of application status.
- Training
 - Cardholder must schedule Card training thru the Financial Services Office, or
 - Complete the online training available thru FerrisConnect (available Fall '09).
 - Visit the University [Financial Services](#) web site for the cardholder online training module and frequently asked question section (available Fall '09).
- Financial Services receives and distributes new Cards. Cardholders are notified when Card is available to be picked up in the Financial Services Office (PRK-252).
- Before receipt of Card:
 - Individual cards – Financial Services Office writes: “See Picture ID” on the back of Card.
 - Departmental cards are signed “Any Authorized User” and “See FSU Picture ID” in the signature area on the back of the card.
- Upon receipt of Card:
 - Cardholder is given the specific web interface logon User ID and Pass Phrase to access the University's card provider web site called PaymentNet.

b) Maintaining a Card

- The following forms are used by the managing department to update Cards for specific purposes. All can be found on the Financial Services web site:
 - [Usage Change](#) form – Form requests change of the Merchant Category Codes (MCC) attached to the Card, permanently or temporarily.
 - [Limit Change](#) form – Requests increases or decreases of dollar spending limits, permanently or temporarily.
 - [Name Change](#) form – Requests name change for specific Card.
 - [Missing Receipt](#) form – Documents a receipt that was not attached to the monthly statement.
 - [Card Transaction](#) log – Manual log for Card users to record transaction information.

c) Declining Balance Card - Using the Cards for a Specific Project or Event:

- A Purchasing or Commercial Card may be set up to be used strictly for a specific project, function, event or committee, such as (but not limited to), a grant, study abroad program, student group travel, academic field trip or search committee.
- The Card is set as a [Declining Balance Card](#) which allows the sponsoring department to customize the total spending limit, transaction limit, daily spending limit and spending categories for a specific time limit (no less than 30 days).
- Declining Balance or Project Card limits DO NOT renew monthly. These cards have a maximum dollar limit and defined life (one to thirty-six months). When either the maximum dollar limit or the time limit is reached, the card will close.
- Find the [Declining Balance Card Application](#) on the Financial Services web site.

1. **The Corporate (Travel) Card – General**

a) **Travel Card Details**

- Is a payment tool designed for University travel related expenses.

a) **Traveler/Cardholder Responsibility**

Similar to a personal credit card, the following is the responsibility of the cardholder (employee):

- Security of the Card.
- Submission of Travel Voucher for reimbursement.
- Payment of statement prior to due date– electronically or by mail (see Section 3: Corporate (Travel) Card Review and Payment).

c) **Benefits for Traveler/Cardholder**

- Getting a Card is not dependent on individual’s credit rating.
- Does not affect personal line-of-credit.
- Builds individual’s credit rating if paid promptly.
- Web interface available to view charges, balances and payments.
- Card designed to be easily recognized as Ferris State University.
- Issued by the widely accepted VISA.

d) **Corporate (Travel) Card Fees**

- Fees will be applied to the individual account and become the responsibility of the cardholder. The University will not reimburse fees.
- Late Fee: \$10.00, Card is closed for non-payment after ninety (90) days
- Delinquency Fee: 2.5% of balances two or more cycles past due
- Statement duplication (printed): \$5 per statement; \$0 thru PaymentNet
- Card replaced and mailed with a “rush service”: \$25.00
- International Transaction Fee: up to 1% of the transaction amount (this is a reimbursable fee for University authorized travel expenditures).
- Cash Advance: 2.5% (\$2.50 minimum)

2. Going on Travel:

a) Travel Approval

- All travel plans must be approved in accordance with the University's [Transportation & Travel](#) policies and procedures, before travel commences.
- Requests for approved travel are submitted to the sponsoring department using the University's [Travel Voucher](#).
- Note – the Card is to be used strictly for University travel related expenses. In some cases personal-in-nature expenses are charged to the Card, cardholder will be ultimately responsible for the payment of such charges. An example of such case would be when a spouse happens to be traveling along with the employee. The spouse's expenses would be the personal responsibility of the Cardholder.
- Merchant category codes (MCC) are programmed into the Card program to limit transactions to only travel related vendors.

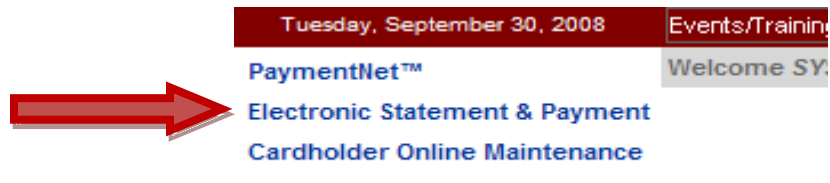
b) Return from Travel

- Travel reimbursements are governed by the University's [Transportation & Travel](#) policies and procedures.
- Cardholder submits [Travel Voucher](#) (with all relevant receipts) requesting reimbursement of applicable travel expenses to sponsoring department for reimbursement.
- Note – timely submission of [Travel Voucher](#) means timely reimbursement, in time for payment of Card expenses.

3. Corporate (Travel) Card Review and Payment:

a) Corporate Card Statement Payment

- Monthly Card statements will be mailed to cardholder's address specified on their application. The statement can also be viewed on PaymentNet.
- Before the due date, cardholder mails a check for the total amount due or pays the amount due electronically. Log onto PaymentNet and select the "Electronic Statement & Payment" option:



- The current month's statement will appear for your Card:

Account Number		Billing Date	Due Date	Total Amount Due	Amount to Pay
<input type="text"/>					
Account Name		Spend Limit	Available to Spend		

Average Daily Balance	Monthly Periodic Rate	Annual Percentage Rate	Annual Percentage Rate	Account Summary
				Previous Balance
Purchases		0.00%		Purchases +
Cash Advances		0.00%		Cash Advances +
			Number of Days in This Billing Cycle	Credits -
				Payments -
			New Cash Advances	Other Charges +
			Cash Advance Fee	Finance Charge +
				New Balance =

- o In the “Menu” box, select “Bank Setup” option. Complete the form with your personal banking information.



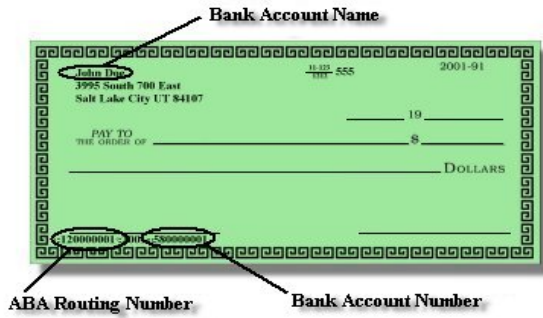
JPMorganChase Menu: Bank Setup

Bank Setup Bank setup must be completed before electronic payments can be made.

To setup bank information please enter an ABA Routing Number.

ABA Routing Number*	<input type="text"/>
Bank Branch	<input type="button" value="v"/>
Bank Account Type*	Checking <input type="button" value="v"/>
Bank Account Number*	<input type="text"/>
Bank Account Name*	<input type="text"/>
Bank Name	<input type="text"/>
Bank Address 1	<input type="text"/>
Bank Address 2	<input type="text"/>
Bank City, State/Province, Zip/Postal Code	<input type="text"/>
Bank Phone	<input type="text"/>

* Denotes required information



- After setting up the bank information, in the ‘Menu’ box select “Electronic Payment” option or “Autopay Setup” option:
 - Electronic Payment – cardholder must enter payment amount and time of payment for each scheduled payment.
 - Autopay Payment – cardholder sets up payment information once and payment is made automatically each month on the same designated day for the amount due.
 - Note – Bank Setup information must be entered before PaymentNet will allow payment information to be entered.

Electronic Payment

Submit payment is not available because account balance is zero.

By using the e-Payment option, the "Company/Individual" hereby authorizes Chase Manhattan Bank USA, NA ("Chase") to initiate ACH debits to the Company/Individual's account for the purpose of collecting amounts owed by the Company/Individual in connection with its commercial credit card account(s). The Company/Individual hereby instructs the Bank to accept this authorization as evidence of Chase's authority to initiate such ACH debits.

Please note that payments scheduled after the due date and partial payments can still result in late fees and finance charges.

LINDA GOLDEN
420 OAK ST
BIG RAPIDS, MI 49307-2000

PAY TO
THE ORDER OF **Chase Manhattan Bank USA**

West Michigan CU
215 BELL AVE
CADILLAC, MI 49601

10/8/2008

45.15

272481004

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Section D – Forms

- **Card Application**
 - A form requesting approval to obtain a University credit card.
- **Cardholder/Employee Agreement**
 - Must be signed prior to issuance of card, must be renewed when ever new card is issued or every three years.
- **Conflict of Interest Questionnaire**
 - Must be updated annually with the Vice President of Administration and Finance Office
- **Departmental Usage Log**
 - For cards issued in Departmental name – tracks when card is signed out, where used, and time/date returned.
- **Limit Change Form**
 - Used to request transaction and monthly spend limit changes.
- **Missing Receipt Form**
 - Required when a Purchasing Card transaction does not have the required itemized receipt from the merchant.
- **Special Use Addendum**
 - Request in writing of an addition of restricted, or limited usage options. The addendum is referred to as exceptions to the Business Policy Letters in [Appendix A – Table of Reimbursable and Non-reimbursable Expenditures](#). Examples may include flower or alcohol purchases.
- **Statement**
 - The list of detailed transactions for a specific time period.
- **Transaction Log**
 - Used to track transactions made on the card includes vendor, brief description, amount, and any additional comments.
- **Usage Change Form**
 - Used to add (temporarily or permanently) a restricted, or limited usage option to an existing card.

Section E – Glossary of Terms

- **Account Manager:**
 - Individual that has budget authority within a department.
- **Authorizer/Sponsor Department:**
 - Department/Unit approving the issuance of a Corporate (travel) Card for a faculty/staff member relative to travel expenditures authorized by that Department/Unit (example: UCEL, Study Abroad, Faculty Senate).
- **Billing Cycle:**
 - Each month is comprised of one billing cycle.
- **Cardholder:**
 - Personnel who are issued credit cards and who are authorized to make purchases in accordance with University policy and procedures.
- **Commercial Card:**
 - Is used for authorized commodity purchases, including University business travel expenses.
- **Compliance Review:**
 - Conducted by Financial Services on a scheduled frequency of no less than bi-annual. Reviews for compliance with all University policies and procedures.
- **Corporate (Travel) Card:**
 - Used for University related travel expenses.
- **Declining Balance Card:**
 - Is used strictly for a specific project, function, event or committee, such as (but not limited to), a grant, study abroad program, student group travel, academic field trip or search committee.
- **Departmental Purchasing Card:**
 - Is used for authorized commodity purchases. Card is issued in either the cardholder's or department's name.
- **Expense Distribution:**
 - Assigning specific or multiple account codes to a Card transaction.
- **Fraud or fraudulent transaction:**
 - Illegal use of a card account. May include purchases made on a lost/stolen card or account by unauthorized person through fake plastic or the account information.

- **Merchant Category Code (MCC):**
 - A code assigned to a vendor that designates the type of goods and/or services the vendor provides.
- **Program Administrator (Financial Services):**
 - Responsible for program details, including Cardholder inquiries.
 - Conducts daily oversight of program activity.
 - Maintains all records of Purchasing Card requests.
 - Adjusts Card transaction and monthly limits, with approval of Account Managers and abiding by University Policy limits.
 - Addresses cardholder transfers and terminations.
 - Card Policy/Programmatic governed by Purchasing Advisory Committee.
- **Reviewer:**
 - Person in college, department or program who reviews Card transactions online including (depending on type of card); addressing non-payment and compliance issues, and reallocating the transaction dollars.
- **Single Purchase Limit:**
 - Dollar threshold at which the will decline when exceeded for a single purchase.
- **Sponsoring Department:**
 - Department that holds the responsibility of managing the Card Program.
- **Total Value of a Transaction:**
 - Total financial commitment by the University to the provider (merchant, retailer, etc.)
 - Includes payments made in different periods, such as any deposits or prior/future payments.
 - For routine/scheduled (i.e. monthly, weekly, daily) payments, the total annual commitment will constitute the Total Value of the transaction.
- **Transaction Detail Report:**
 - This is a listing of all transactions by Cardholder available thru the online Card reconciliation software.
- **Transaction Splitting:**
 - A vendor processing a single transaction as more than one transaction in order to avoid the Card's single transaction spend limit. This is a violation of the University's Purchasing Policy, section III, letter C.
- **Unauthorized transaction/usage:**
 - Purchases made by authorized cardholder/user that do not have a valid business purpose, exceed authorized limits, or were not approved through appropriate University/Departmental processes.
- **Vendor:**
 - A company from which a Cardholder is purchasing goods under the provisions of this procedure.

Section F - FSU VISA CARD PROGRAM ADMINISTRATION

WEB PAGE: <http://www.ferris.edu/htmls/administration/purchase/pcard.htm>

Contact information:

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The Card Programs are administered thru the:

Financial Services Office

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Email: pcard@ferris.edu

Web Page:

<http://www.ferris.edu/htmls/administration/adminandfinance/finance/financialservices/index.htm>