

Declining Balance Card Policy

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Effective Date: May 1, 2012

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Responsible University Officer:

Vice President for Business and Finance

Policy Owner:

Associate Vice President for Accounting and
Business Services

Policy Contacts:

Dennis Miller

POLICY STATEMENT

The University utilizes a declining balance card as a preferred method of expense reimbursement in connection with a number of business activities. The card is issued to faculty for official travel, professional development, and related expenses incurred with Faculty Development Funds.

Faculty members also use the card for certain entertainment and mentoring activities. Departments may use the card, as well, to support the payment of staff business travel and entertainment expenses and student travel expenses.

REASON FOR POLICY

This Policy establishes the standards for the use and administration of the University's declining balance card, including the reconciliation of cardholder transactions in the Concur system.

WHO SHOULD READ THIS POLICY

Any employee or student who is provided with a declining balance card for use in conducting University business; the members of the Leadership Team, as well as supervisors and Business Managers who supervise an employee or student issued a declining balance card.

POLICY TEXT

The University's declining balance card is a Visa-brand credit card issued by J.P. Morgan Chase. The card is loaded with a pre-determined dollar amount funded by the cardholder's department. The card allows authorized University faculty, staff, and students to make business-related purchases on behalf of the University while eliminating the need to use the Payment Request process. The card is issued to University employees and students who are approved by their department Business Manager and the Purchasing Card Administrator in the Office of Accounting and Business Services (ABS).

Transactions charged to a declining balance card must have a business purpose, must be documented, and must be approved by a Business Manager in compliance with this Policy and related University policies. See **Reconciliation Procedures**.

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RELATED INFORMATION

Source	Description
USF	Purchasing Card Policy
USF	Travel and Entertainment Policy

DEFINITIONS

Term	Definition
Business Manager	A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the financial manager for the University account(s) being used by a cardholder. This may include the President, Vice Presidents, Vice Provosts, or Deans.
Business Purpose	Travel, entertainment, and other business expenses that are in furtherance of the educational and research mission of the University.
Concur	The University's on-line system for payment requests, expense reimbursements, cash advance requests, and reporting.
Declining Balance Card	A bank-issued Visa card with a declining balance limit established by Business Services. The card is used for University business-related expenses incurred in accordance with this Policy and related University policies.

FOAPAL (or FOAP)	The acronym representing each element of the University's chart of accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.
Merchant Category Code (MCC)	Each vendor is assigned an MCC based on the nature of its business. The MCC is used to allow or disallow transactions at the point of sale based on the code assigned to a particular vendor.

ADDITIONAL CONTACTS

Subject	Contact	Phone	Email
Accounting and Business Services	Desmond Dair	415.422.6732	ddair@usfca.edu
Disbursement Services	Dennis Miller	415.422.2102	millerd@usfca.edu
Payment Request	Disbursement Services	415.422.2387	ap@usfca.edu
Purchasing Card Administrator	Disbursement Services	415.422.5977	pcard@usfca.edu

FORMS

Form	Use	Location
Change Request for Purchasing Card or Declining Balance Card Application	Used to request a change in a cardholder's spending limit, MCC assignments, FOAPAL, etc.	ABS
Missing Receipt Form	Used when original receipt substantiating a business expense is lost and a duplicate cannot be obtained	ABS
Payment Request	Used to initiate payment requests in the Concur Reporting System	ABS
Purchasing Card or Declining Balance Card Application	Used to apply for declining balance card	ABS

RESPONSIBILITIES

Cardholder

- Uses declining balance card for business-related expenses in accordance with this Policy and related University policies.

- Completes Expense Report, including proper documentation, and submits it to the Concur system no later than the first business day of the month following the month after an expense has been incurred.
- Certifies that all business-related charges are correct and refunds any portion of a cash withdrawal not used for a University business purpose.

Department/Business Manager

- Approves employees and students authorized to receive a declining balance card.
- Reviews and approves Expense Reports documenting charges in the Concur system.
- Ensures all expenses are business-related and in compliance with this Policy and other applicable University policies.

Accounting and Business Services

- Works with JP Morgan Chase to activate declining balance cards for employees and students authorized to receive such cards.
- Reissues lost or stolen cards; assists in resolution of disputed transactions.
- Conducts cardholder training on the University's expense policies and the Concur system.

President, Vice Presidents, Vice Provosts, and Deans

- Ensures that cardholders in his or her division are in compliance with this Policy.
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FREQUENTLY ASKED QUESTIONS

(N/A)

REVISION HISTORY

06/21/2016 - Updated to include additional information about cards assigned to students and to include several technical changes.

05/01/2012 - First publication of Policy.

APPENDICES

(N/A)

PROCEDURES

AUTHORIZATION

The declining balance card is administered by the Office of Accounting and Business Services (ABS). Access to a declining balance card and any request to change the dollar limits or other restrictions associated with the card must be submitted to the Purchasing Card Administrator in ABS for review and approval.

GENERAL PROCEDURES

Issuance of a Declining Balance Card

Employees and students approved by their Business Manager to receive a declining balance card must complete a **Purchasing Card or Declining Balance Card Application** for submission to the Purchasing Card Administrator. For group enrollments (e.g., student athletes), an Excel file including all of the required information may be provided to the Purchasing Card Administrator instead.

The declining balance card will be issued by ABS within 10 business days of receiving a properly approved application. The card will be issued in the individual's name, include an expiration date, and will be loaded with the dollar amount authorized by the Business Manager.

Activating a Declining Balance Card

To activate the declining balance card, cardholders must call the J.P. Morgan Chase toll-free number included with the card. The automated activation line will prompt cardholders for the credit card number, the last four digits of their social security number, and their date of birth.

The card may be reloaded, as needed, to fund additional travel and entertainment activities approved by the cardholder's department. Regular users of the card may be required to attend training on the University's **Travel and Entertainment Policy** and the **Concur** system expense reimbursement procedures conducted by ABS.

Lost or Stolen Cards

If a declining balance card is lost or stolen, the cardholder must immediately contact his or her Business Manager. The Business Manager will notify the Purchasing Card Administrator, who will deactivate the card and issue a new card. Employees are responsible, however, for monitoring any subsequent charges reported in the Concur system related to the lost or stolen card and reporting such activity to their Business Manager.

USING A DECLINING BALANCE CARD

The declining balance card is used like a typical bank card. The cardholder must present the card at the time of purchase and sign the receipt produced by the merchant. Use of the card is intended for paying appropriate business travel, entertainment, and similar expenses. See **Travel and Entertainment Policy**.

Merchant Category Restrictions

Cardholders may be restricted from purchasing certain items or services (e.g., automotive, furniture, jewelry, etc.). Such restrictions are set by the Purchasing Card Administrator by assigning specific Merchant Category Codes (MCC) to each cardholder that are appropriate for

University travel and entertainment expenses. Accordingly, certain card purchases may be declined at the point of sale based on the MCC assignment.

Declines

If a cardholder encounters problems using his or her declining balance card or the card is declined, he or she should call JP Morgan Chase Customer Service at 1-800-270-7760 x2102 for assistance. Representatives are available 24 hours a day to assist cardholders. If the bank is unable to assist the cardholder in completing a transaction, the individual should contact his or her Business Manager.

Declining Balance Card Changes

Cardholders who need a change made to their declining balance card spending limit or MCC restrictions should ask their Business Manager to approve a **Change Request for Purchasing Card or Declining Balance Card Application** and submit it to the Purchasing Card Administrator. The form may also be used to request a change in an employee's name or e-mail address and to make FOAP changes. Such changes require three business days to complete.

PAYMENT REQUESTS

If a declining balance card is not an acceptable form of payment for an expense (e.g., a conference registration fee), the individual must request that his or her department initiate a Payment Request through the **Concur** system. A check will be issued by Disbursement Services within 10 business days after it receives the properly approved Payment Request.

RECONCILIATION PROCEDURES

Faculty and staff are required to reconcile their declining balance card charges, including cash withdrawals, in the Concur system by completing an Expense Report by the first business day of the month following the month in which the trip or event ended. Student charges must be reconciled by a staff member in the student's department. Original receipts for all expenses must be faxed or scanned for submission to the Concur system before the Expense Report can be submitted.

Any portion of a cash withdrawal that is not used for a business purpose must be refunded to the University when the Expense Report is submitted. In such cases, a check made payable to the University of San Francisco must be sent to the University Cashier. See **Travel and Entertainment Policy**.

Disputing a Transaction

Each employee issued a declining balance card is responsible for promptly resolving any disputed transactions directly with the merchant. If attempts to resolve the matter with the vendor are unsuccessful, the cardholder should notify the Purchasing Card Administrator regarding the disputed item by sending an e-mail to **pcard@usfca.edu**. The Purchasing Card Administrator will provide further instructions on the steps necessary to formally dispute the transaction.

DOCUMENTATION

Employees are required to provide sufficient documentary evidence to support all charges made using the declining balance card. Documentation should be in the form of an original bill or receipt, which includes the date, vendor name and location, description of the goods or services purchased, business purpose, and total dollar amount.

An original receipt is required for any expense of \$50 or more. If an original receipt is lost, and every effort has been made to obtain a copy of the receipt, the employee must complete a **Missing Receipt Form** and submit it with the Expense Report, as provided above.

VIOLATIONS

A violation of any portion of this Policy may result in the suspension or termination of the cardholder's right to use his or her declining balance card. Employees may also be subject to disciplinary action, up to and including termination of employment and/or legal action. In addition, the employee will be personally liable for any declining balance card charges determined not to be for a University business purpose.