DECLINING BALANCE CARD POLICY

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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 other employee travel and entertainment expenses. In addition, the card is used by the Athletics Department to provide student athletes with their daily meal allotments allowable under National Collegiate Athletic Association (NCAA) regulations.

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 Reporting 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 President, Vice Presidents, Vice Provosts, and Deans, as well as supervisors and Business Managers who supervise an employee or are responsible for a student with 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 to spend 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.

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.

PROCEDURES

- General Procedures
- Using a Declining Balance Card
- Payment Requests
- Reconciliation Procedures
- Documentation
- Violations

RELATED INFORMATION

<table>
<thead>
<tr>
<th>Type</th>
<th>Department</th>
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<tbody>
<tr>
<td>USF</td>
<td><strong>Purchasing Card Policy</strong></td>
</tr>
<tr>
<td>USF</td>
<td>Payment Request Policy - <em>under construction</em></td>
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<tr>
<td>USF</td>
<td><strong>Faculty Development Fund</strong></td>
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DEFINITIONS

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Business Manager</td>
<td>A University employee, designated by the President, Vice President, Vice Provost, or Dean who is the budget manager for the University account(s) being used by a cardholder. This may include the President, Vice Presidents, Vice Provosts, or Deans.</td>
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<td>Business Purpose</td>
<td>Travel, entertainment, and other business expenses that are in furtherance of the educational and research mission of the University.</td>
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<tr>
<td>Cardholder</td>
<td>A University employee or student approved by the President, Vice President, Vice Provost, Dean or Business Manager who is furnished with a declining balance card.</td>
</tr>
<tr>
<td>Concur Reporting System</td>
<td>The University’s on-line system for payment requests, expense reimbursements, cash advance requests, and reporting</td>
</tr>
<tr>
<td>Declining Balance Card</td>
<td>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.</td>
</tr>
<tr>
<td>FOAPAL</td>
<td>The acronym representing each element of the University’s Charts of Accounts, i.e., Fund, Organization, Account, Program, Activity, and Location.</td>
</tr>
<tr>
<td>Merchant Category Code (MCC)</td>
<td>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.</td>
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</table>

ADDITIONAL CONTACTS

<table>
<thead>
<tr>
<th>Subject</th>
<th>Contact</th>
<th>Phone</th>
<th>Email/URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursement Services</td>
<td>Dennis Miller</td>
<td>415.422.2102</td>
<td><a href="mailto:millerd@usfca.edu">millerd@usfca.edu</a></td>
</tr>
<tr>
<td>Payment Request</td>
<td>Emmy Moore</td>
<td>415.422.6731</td>
<td><a href="mailto:moore@usfca.edu">moore@usfca.edu</a></td>
</tr>
</tbody>
</table>

FORMS
### 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 Reporting 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.

**Business Manager**
- Approves employees and students authorized to receive a declining balance card.
- Reviews and approves Expense Report documenting charges in the Concur Reporting System.
- Ensures all expenses are business-related and in compliance with 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.

**President, Vice Presidents, Vice Provosts, and Deans**
- Ensures that cardholders in his or her division are in compliance with this Policy.
FREQUENTLY ASKED QUESTIONS

(None)

REVISION HISTORY

- 05/01/2012 - First publication of Policy.
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 Accounting and Business Services. For group enrollments (e.g., student athletes), an Excel file, including all of the required information, may be provided to Accounting and Business Services instead.

The declining balance card will be issued by Accounting and Business Services 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 Concur Reporting System expense reimbursement procedures conducted by Accounting and Business Services.

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 Accounting and Business Services, which will deactivate the card and issue a new card. Employees are responsible, however, for monitoring any subsequent charges reported in the Concur Reporting System concerning the lost or stolen card and reporting such activity to their Business Manager.

RETURN TO TOP

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. The card is intended for use in paying for appropriate charges for business travel and entertainment expenses, such as lodging and meal expenses, conference registration fees, and similar expenses. For additional information, 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 Accounting and Business Services by assigning a group of permitted Merchant Category Codes (MCC) to each cardholder, which 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.

**Cash Withdrawals**
Cardholders may also use the declining balance card to obtain cash at any Visa debit merchant or any bank, credit union, or ATM that accepts Visa. To obtain cash, the cardholder must establish a PIN by accessing the J.P. Morgan Chase website or interactive voice response system.

All cash withdrawals must be used for University business-related expenses.

**Declines**
If a cardholder encounters problems using his or her declining balance card or the card is declined, he or she should contact 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 form 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 FOAPAL changes. Such changes require 3 business days to complete.

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**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 Reporting System. A check will be issued by Business Services within 10 business days after it receives the properly approved Payment Request.

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**RECONCILIATION PROCEDURES**

**Employees**
Faculty and other employees are required to reconcile their declining balance card charges, including cash withdrawals, in the Concur Reporting System by completing an Expense Report by
the first business day of the month following the month in which the trip or event ended. Original receipts for all expenses must be faxed or scanned for submission to the Concur Reporting 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 Accounting and Business Services regarding the disputed item by sending an e-mail to pcard@usfca.edu. Accounting and Business Services will provide further instructions on the steps necessary to formally dispute the transaction.

Students
Students who are issued a declining balance card for their NCAA meal allotments are not required to reconcile their expenses, maintain receipts, or refund the unspent portion of a cash withdrawal. The Athletics Department, however, is required to reconcile meal allotment disbursements in the Concur Reporting System.

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 all expenses 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. See Forms.
VIOLATIONS

A violation of any portion of this Policy may result in the suspension or termination of the cardholder’s right to use the 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.