



## Minnesota State Colleges and Universities System Procedures Chapter 7 – General Finance Provisions

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### Procedures 7.3.3 Credit Cards

**Part 1. Authority.** Board Policy 7.1, Authority, delegates to the chancellor authority to develop procedures and guidelines to implement Board policies.

**Part 2. Purpose.** Credit cards provide the college, university, or Office of the Chancellor with a cost-effective, convenient and streamlined method of purchasing items, thereby reducing the volume of individual payments processed by the college, university or Office of the Chancellor to vendors. Reports on cardholder activity enable the college, university or Office of the Chancellor to capture information necessary to better manage college, university or Office of the Chancellor purchasing activities.

#### Part 3. Definitions

**Individual Credit Card:** A credit card in the name of a state employee in which the state employee is liable to the credit card company for all charges made in connection with the credit card issued to the state employee. Exceptions for other employees may be made by the chancellor for the Office of the Chancellor or the president for a college or university. Individual credit cards may not be in the name of a contractor, contract employee, or non-permanent student employee.

**Institutional Credit Card:** A credit card in the name of a college, university, or Office of the Chancellor and in the name of a state employee in which the college, university or Office of the Chancellor is liable to the credit card company for all charges made in connection with the credit card issued to the individual. Exceptions for other employees may be made by the chancellor for the Office of the Chancellor or the president for a college or university. Institutional credit cards may not be in the name of a contractor, contract employee, or non-permanent student employee

**State of Minnesota Purchasing Card:** In accordance with the policies of the Departments of Administration and Finance, Minnesota State Colleges and Universities is not eligible to participate in the State of Minnesota purchasing card program.

**Part 4. Procedures for Obtaining Credit Cards.** A college, university or Office of the Chancellor may establish a credit card in the name of the college, university or Office of the Chancellor with a financial institution provider for official college, university or Office of the Chancellor business use only. The college, university or Office of the Chancellor must receive monthly statements from the financial institution provider. More than one card may be obtained for various accounts.

Each college, university or Office of the Chancellor using a financial institution provider shall establish procedures and forms for implementing and monitoring a credit card purchasing program that includes, but is not limited to, the following:

1. A dollar limitation on the credit card;
2. A dollar limitation of purchasing authority assigned to the cardholder per transaction made with the credit card;
3. A dollar limitation of purchasing authority assigned to the cardholder for the total of all charges made during each monthly billing cycle;
4. Merchant category blocking.

**Part 5. Authorized Card Use.** Cardholders are authorized to use the card to purchase merchandise or services required as a function of their duties at the college, university or Office of the Chancellor. Unauthorized and/or inappropriate card use is addressed in Part 6 of this procedure.

A purchase made with a credit card may be made in-store, by telephone, fax, internet or U.S. mail. A requisition form is required in order to issue a purchase order for the estimated annual credit card purchases unless another encumbering and expenditure process has been approved by the college, university, or Office of the Chancellor.

**Part 6. Unauthorized And/Or Inappropriate Card Use.** Credit cards must never be used to purchase items for personal use or for non-college, non-university or non-Office of the Chancellor purposes, even if the cardholder intends to reimburse the college, university or Office of the Chancellor.

Unauthorized and/or inappropriate card use includes, but is not limited to:

1. Items for personal use;
2. Items for non-college, non-university, non-Office of the Chancellor purposes;
3. Cash or cash advances;
4. Food and beverages for an individual employee (Authorized cards may allow for food and non-alcoholic beverages for business-related meetings in compliance with system procedures and after obtaining approval for special expenses.);
5. Alcoholic beverages;
6. Weapons of any kind or explosives;
7. Relocation expenses;
8. Travel related expenses (To be reimbursed using SEMA4 Employee Expense Report form. Authorized cards may allow for airfare, room and related taxes, vehicle rental, and conference and seminar registration.);
9. Entertainment;
10. Recreation

A cardholder who makes an unauthorized purchase with the card or uses the card in an inappropriate manner will be subject to revocation of the credit card and disciplinary action including restitution to the college/university/Office of the Chancellor for unauthorized purchases, possible card cancellation, termination of employment at the college, university or Office of the Chancellor and criminal prosecution, as well as reimbursement of the unauthorized use.

If any item purchased with a credit card is not acceptable, arrangements must be made for a return for credit or an exchange. A cash refund or check is prohibited unless the vendor insists that a refund must be by cash or check, the funds must be deposited immediately with the college/university/Office of the Chancellor.

**Part 7. Responsibility and Accountability.** It is the responsibility of each individual cardholder to:

1. Safeguard the credit card and credit card account number at all times; lost or stolen credit cards must be reported immediately in accordance with college, university or system procedure;
2. Keep credit card in a secure location at all times;
3. Not allow anyone else to use the credit card and/or credit card account number;
4. Obtain and retain original itemized receipts for goods and services purchased. All forms of canceled checks and copies of credit card bills do not substitute for original receipts. An employee may be allowed to file an affidavit in lieu of a receipt if the original receipt is lost or a receipt is not obtained;
5. Review in a timely manner monthly statements from the financial institution provider for accuracy and ensuring all transactions posted are legitimate transactions made by the cardholder. Receipts and/or packing slips and the customer's copy of the charges must be attached to the monthly statement. The authorized user of the credit card must sign the statement that the goods have been received. A time period of five days is considered a timely review and submission
6. Submit the statement and documentation in a timely manner to the business office for payment processing;
7. Surrender the credit card and corresponding support documentation to the Card Administrator or Coordinator prior to separation from the college, university or Office of the Chancellor as requested;
8. Take any other steps necessary to ensure that the credit card is used only for authorized purposes.

The college, university or Office of the Chancellor shall conduct periodic reviews for proper card use. Credit card records will be audited from time to time.

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*Date & Subject of Revisions:*

07/09/09 – Amended Part 7, Number 5, giving a five day time period for review and submission.

Corrected “Office of the Chancellor” title and spelled out Minnesota State Colleges and Universities throughout the procedure.