

# Cornerstone University Credit Card Policies and Procedures

## Objectives

1. To allow university personnel access to efficient and alternative means of payment for approved expenses, especially expenses related to business travel. The university's purchase order system will continue to be the preferred purchasing method for purchases over \$2000.
2. To improve managerial reporting related to credit card purchases.

## Policies

1. University credit cards will be issued to faculty and administration only upon approval of an employee's area dean or executive director/vice-president and the V.P for Operations.
2. Credit cards will only be used for business purposes. Personal purchases of any type are not allowed.
3. The following purchases are not allowed:

*alcoholic beverages/tobacco products	*purchases involving trade-in of university property
*capital equipment & upgrades	*rentals (other than short-term autos)
*construction, renovation/installation	*software, licensing agreements
*controlled substances	*telephones, related equipment or services
*items or services on term contracts	*ultra-hazardous materials and/or products
*maintenance agreements	*any other items deemed inconsistent with the values of
*personal items or loans	Cornerstone University
4. Cash advances on credit cards are not allowed without written permission from the Controller.
5. Credit cards should be used for travel only, not for University purchases of supplies, equipment, etc. Exceptions to this policy may only be made with approval of the Controller prior to the purchase.
6. Cardholders will be required to sign an agreement indicating their acceptance of these terms. Individuals that do not adhere to these policies and procedures will risk revocation of their credit card privileges and/or disciplinary action.

## Procedures

1. Credit cards may be requested for prospective cardholders by written request (Credit Card Request Form) by the employee's area dean or vice-president to the V.P. for Operations.
2. Detailed receipts must be retained and attached to the credit card statement. In the case of meals and entertainment, each receipt must include the date, time, names of all persons involved in the purchase, and a brief description of the business purpose of the purchase, in accordance with Internal Revenue Service regulations.
3. Monthly statements, with attached detailed receipts, must be submitted to the Business Office within ten days of receipt of the statement to enable timely payment of amounts due.
4. All monthly statements submitted for payment must include the initials of the cardholder, the signature of the approving budget director and the date of approval. Each statement must have the approval of a supervisor in addition to the approval of the cardholder. All monthly statements submitted for payment must have the appropriate account number(s) and the associated amounts clearly written on the statement. Multiple purchases charged to the same account number must be subtotaled.
5. Cardholders should make every effort to ensure that purchases do not include sales tax. Tax-exempt certificates are available through the Business Office. Under Michigan law, the University is not required to pay gross retail tax (sales tax) on acquisitions of "tangible personal property" and "services". Tangible personal property is property that can be touched and retained in one's possession (excludes food, entertainment and other consumables). Services are works or activities performed by another for a fee (includes normal services such as personal services performed by professionals and/or non-professionals, but excludes lodging). Sales taxes may be paid for minimal expenditures from one-time vendors who refuse the exemption, but sales taxes should not be paid (select another vendor) where the purchases are for more substantial expenditures or are repetitively incurred.