

Northwestern University Feinberg School of Medicine Corporate Card Policies & Procedures

Introduction/Overview:

The Corporate Card is intended to streamline and simplify the purchasing process for certain types of transactions. It is a tool that facilitates timely acquisition of materials and supplies, reduces transaction costs, and automates data flow for accounting purposes. The Corporate Card should never be used to avoid or bypass the current University policies and procedures. All purchases must be made in compliance with established University purchasing policies & procedures which can be found on the Northwestern University website at <http://www.northwestern.edu/financial-operations/policies-procedures/policies/purchasing-payment-policy.pdf>. All individuals involved with the Corporate Card including Cardholders, Allocators, Reviewers, and Post Auditors are expected to understand and follow all NU/FSM policies and procedures. Intentional misuse or fraudulent use will result in personal liability and/or disciplinary action.

This document was created as a supplement for the Feinberg School of Medicine (FSM) users and should be used in conjunction with the Northwestern University Corporate Card Cardholder Manual. Other program information, can be found on the Procurement and Payment Services website at <https://www.northwestern.edu/procurement/payment/corporate-card/index.html>.

Guidelines for Card Use:

Who May Obtain a Card in FSM

The FSM Office of Finance and Administration approves departments/divisions for participating in the Corporate Card Program. Departments/divisions should understand that the Corporate Card can be revoked at any time for failure to meet the guidelines stipulated in this policy.

Within each approved department/division, Corporate Cards will only be issued to high volume/frequent purchasers that have authorization to make purchases for their department/division. High volume/frequent purchasers are people who anticipate making at least 30 purchases per fiscal year using the Corporate Card.

Examples of positions that are most typically approved as Cardholders include: department assistants, lab managers, financial assistants, coordinators, etc. Also, Corporate Cards will only be issued to NU staff members and non-NU individuals that currently have NU security clearance and routinely use NU systems such as NU Financials and/or myHR (e.g. NMG staff). Cards will not be issued to the following individuals:

1. Faculty members
2. Temporary Employees
3. Visiting Postdocs, Scholars, etc.
4. Workstudy participants
5. Contractors
6. Employees of NU affiliates without an NU employee ID

Procedures for Obtaining a Card in FSM

Once a department/division is approved for participation in the Corporate Card by the Office of Finance and Administration, it is easy to obtain a Corporate Card. A card will be issued after the following steps have been completed:

1. First, the Cardholder must read and review the Northwestern University Purchasing Policies and Procedures (<http://www.northwestern.edu/financial-operations/policies-procedures/policies/purchasing-payment-policy.pdf>), Corporate Card information found on the NU website (<https://www.northwestern.edu/procurement/payment/corporate-card/index.html>), and the FSM Corporate Card Policies & Procedures (this document).

2. The Cardholder should then complete the Northwestern Corporate Card Application and Agreement Form from the link found on this page, <https://www.northwestern.edu/procurement/payment/corporate-card/getting-a-card.html>. By completing and submitting this form the Cardholder acknowledges that he/she has read, understands, and agrees to comply with the established Corporate Card policies and procedures (both NU and FSM).
3. The form is submitted to workflow which includes the cardholder's supervisor and FSM Office of Finance and Administration.
4. The final step is for the Cardholder to attend a **mandatory** online training session held by the Corporate Card Office. The Cardholder will be notified by Procurement and Payment Services of the available trainings so that the Cardholder can register for one of the sessions. The Corporate Card will be distributed to the Cardholder following completion of the training session. The Cardholder can then begin making purchases immediately.

Purchasing Rules for the Card

1. The Corporate Card should only be used for NU purchases. All Corporate Card expenses are paid with NU funds and, therefore, the Corporate Card cannot be used for non-NU purchases.
2. **Itemized** receipts are required for all purchases. To help departments/divisions identify what documentation is considered appropriate for various types of transactions, FSM has established the following guidelines to identify what should be retained as receipts for each transaction type.
 - a. **Phone Order:** Receipt received from the vendor via email or faxed order confirmation that includes prices
 - b. **Web Order:** Email confirmation or order confirmation page
 - c. **Store Purchase:** Original itemized store receipt
3. The Corporate Card **CANNOT** be used for the following types of transactions:
 - a. Travel/Entertainment
 - b. Dining out at restaurants (the Corporate Card may be used to cater in for special events that are within NU policies/procedures, alcohol is not permitted.)
 - c. Alcoholic Beverages
 - d. Cellular Phones/Pagers
 - e. Club Memberships
 - f. Gifts/Flowers
 - g. Purchases made on auction sites (e.g. Ebay, Ubid, etc.)
 - h. Individual purchases of \$5,000 or more including Capital Equipment
 - i. Purchases to vendors that do not accept NU's tax exempt status
 - j. Cash Advances
 - k. Personal Purchases

***Please note that the list above is not a comprehensive list and FSM reserves the right to deny any purchase made to a questionable vendor.

Thresholds/Dollar Limits on Cards

When a department/division requests a new Corporate Card, the desired threshold/dollar limit should be requested on the Corporate Card Cardholder Agreement form. Please note that a purchase will be declined by the vendor if a Cardholder attempts to make a purchase that is greater than the limits established for his/her Corporate Card.

Cardholders can request one of the following threshold/dollar limit options:

1. \$500 per transaction limit; \$1,000 total monthly transaction limit
2. \$2,500 per transaction limit; \$5,000 total monthly transaction limit
3. \$4,999 per transaction limit; \$10,000 total monthly transaction limit

The FSM standard limit is \$2,500 per transaction/\$5,000 total monthly. If a compelling reason is given a higher limit may be granted.

The dollar limits on Corporate Cards can be adjusted by the Corporate Card Administrator if necessary. The limits may be temporarily increased if a unique situation arises and a Cardholder needs to make a purchase for an amount greater than the established threshold. All requests for temporary dollar limit increases should be made via email to the FSM Office of Finance and Administration. If approved, the request will be forwarded by the FSM Office of Finance and Administration to the Corporate Card Administrator. Once the request is received and approved by the Corporate Card Administrator, the temporary increase is typically made within 24 hours. All requests for any changes for permanent threshold/dollar limit increases should also be made via email to the FSM Office of Finance and Administration.

Paying the Bill

The Corporate Card has been established as a corporate pay arrangement. Account balances are paid in full each month by NU. Purchases must be reconciled monthly (best practice is to reconcile weekly) via a My Wallet expense report. Although Cardholders will receive a monthly credit card statement from the bank, departments/divisions **should not** pay monthly statements via purchase orders. This will result in double payment to the bank.

FSM Purchasing Card Responsibilities:

Responsibilities of the Cardholder

The Corporate Card will be issued in the name of the Cardholder. In general, Cardholders are high-volume/frequent purchasers that have authorization to make purchases for their respective department or division. Examples of positions that are most typically approved as Cardholders include: department assistants, lab managers, financial assistants, coordinators, etc. **The Corporate Card is not transferable and may not be used by anyone other than the Cardholder.**

Cardholder responsibilities include:

1. Attending mandatory Corporate Card training session
2. Making approved/allowable purchases in accordance with all NU/FSM policies
3. Ensuring that purchases made on sponsored project accounts are in accordance with sponsored project conditions and requirements
4. Informing merchants of NU tax-exempt status so taxes are not paid on purchases made with the Corporate Card
5. Obtaining a detailed, itemized receipt for each purchase
6. Documenting appropriate Chart strings that should be charged
7. Resolving discrepancies
8. Obtaining credits if necessary
9. Reconciling transactions via My Wallet expense report
10. Receiving monthly credit card statement and verifying transactions against receipts
11. Forwarding purchase documentation to designated Reviewer for approval

Responsibilities of the Reviewer

Reviewers are required to ensure that charges are authorized, appropriate, within University policies and procedures, and adequately documented. The Reviewer is typically the Cardholder's supervisor or someone within the Cardholder's chain of command. A Reviewer **MAY NOT** review his/her own transactions to ensure adequate internal controls and separation of duty. Examples of positions that are most typically Reviewers include: research administrators, accounting supervisors, department managers, division administrators, budget/financial analysts, etc.

Reviewer's responsibilities include:

1. Providing department/division approval of Cardholder purchases
2. Verifying that itemized receipts have been obtained for all purchases
3. Confirming that all purchases are authorized, appropriate, and consistent with NU/FSM policies and procedures
4. Ensuring that appropriate Chart string is identified in the My Wallet expense report
5. Ensuring that correct account code is used
6. Ensuring that detailed descriptions are included on expense report
7. Verifying that no tax has been charged for purchases
8. Maintaining adequate records for audit purposes (e.g. monthly statements, itemized receipts, transaction log, etc).

Post Audits

It is the responsibility of the department/division to review the Corporate Card transactions to ensure that the transactions were posted to the correct accounts.

Departments/divisions should note that all Corporate Card transactions allocated to a sponsored project account will be reviewed in expense report workflow by Accounting Services for Research and Sponsored Projects (ASRSP). ASRSP reviews each transaction and will deny the expense report if charges are unallowable to specific accounts. It is the department's/division's responsibility to move the charges from the sponsored project account to a different departmental Chart string prior to resubmitting the expense report.

At any time, NU Internal Audit, ASRSP, the Corporate Card Administrator, FSM Office of Finance and Administration, or other authorized University Office may conduct audits of a department's/division's Corporate Card activity. Departments/divisions are expected to provide monthly statements, itemized receipts, transaction logs, and other reconciliation documents as requested during the audits. Additionally, the Corporate Card Administrator reviews individual purchases made by each Cardholder to ensure that Cardholders are adhering to the Corporate Card policies. Cardholders will be contacted by the Corporate Card Administrator and/or the Office of Finance and Administration regarding issues such as questionable transactions, tax payments, or failure to document correct Chart string account codes.