



U.S. Bank One Card Procedures

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Office of Accounts Payable

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Updated as of December 2017

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## U.S. BANK ONE CARD PROCEDURES INTRODUCTION

### Introduction

The University of San Diego One Card is a University- sponsored U.S. Bank Visa credit card issued to qualified University employees at no charge. The One Card should be utilized for the following University business purchases: 1) all travel and entertainment expenses including airfare, lodging, car rental, meals and other incidental costs and 2) low dollar orders of University business-related goods and merchandise. The One Card must be used exclusively for University business purposes. **Personal transactions on the One Card are strictly prohibited.**

The goal of the One Card program is to eliminate the need for out-of-pocket expenses and is designed to provide an efficient way to process low dollar orders of University business-related goods, merchandise, and travel related expenses. Qualified purchases within a predetermined single transaction purchase limit (\$5,000) can be charged directly to the One Card. The program also facilitates compliance to University and IRS procedures with regard to substantiation of business expenses. All One Card purchases are billed centrally to the University and paid to the card sponsor, U.S. Bank, on a monthly basis.

Although the purchases related to the One Card are centrally billed, the University employee (cardholder) is still responsible to ensure all purchases made with the One Card are in conjunction with a University of San Diego business purpose. Cardholders are required to reconcile their statement and/or charges on a monthly basis to ensure that charges are legitimate and that transactions are posted to the correct POETS/GL account(s).

This program provides many benefits to cardholders, employees, departments and the University, for example:

- Cardholders can obtain goods and merchandise quickly and efficiently by dealing directly with suppliers;
- Cardholders can make travel arrangements and pay for travel costs directly with the One Card;
- Cardholders may use the One Card to make purchases at the USD Torero Store and/or any of the dining facilities on campus;
- Cardholders need not use personal funds for purchases;
- Purchase requisitions or payment requests are not required for qualified purchases;
- Petty cash funds are not necessary to cover purchases;
- The number of purchase orders, invoices, payment requests, and checks processed are significantly reduced on a University-wide basis; and
- Faculty and staff can better focus on value-added activities for the University.

## SECTION 1 – U.S. BANK ONE CARD OVERVIEW

### 1.1 Eligibility

A full-time employee is eligible to obtain a credit card if he/she:

- 1) Obtains approval from his/her supervisor **and** budget administrator

### **AND**

- 2) Travels on University business on a regular basis, organizes or participates in official University events and functions (e.g., local business meals, conferences, etc.), and/or purchases low dollar orders of University business-related goods and merchandise. The minimum threshold is purchases totaling more than \$1,000 and/or more than six (6) transactions per fiscal year.

To obtain a card, individuals must complete the One Card Application; attend an online One Card training/orientation session; and sign the One Card Cardholder Agreement. The cardholder is required to read both the *Accounts Payable Expenditure Procedures* and these *One Card Procedures* and adhere to all guidelines within/herein. Cardholders must also have an active employee ID and an active sandiego.edu email address.

The One Card should be used by the individual whose name appears on the card. Cards and card numbers must be safeguarded against use by unauthorized individuals within or outside of the University.

Note: A University One Card is not a benefit of employment. The University reserves the right to terminate individual One Card privileges at any time, with or without cause. Students, student employees, and non-employees are not eligible to obtain the One Card.

### 1.2 One Card Credit Limits

In order to prevent misuse of the One Card, each card has transaction limits. These controls generally include:

- Monthly spending limit of \$10,000;
- A single purchase limit of \$5,000. Multiple charges and/or “splitting” a transaction to purchase items exceeding the purchase limit are strictly prohibited and may result in loss of card privileges;
- Restricted merchant codes and other restricted transactions. (See Restricted Transactions below).

When a supplier processes a transaction, the transaction is approved or declined based on the above criteria associated with the credit card. The One Card is intended to be a flexible tool for the departmental procurement of travel expenses and low dollar goods and merchandise. If a One Card's

monthly spending limit constrains its effectiveness for departmental use, please contact the Corporate Card Administrator.

### **1.3 Applying for a One Card**

Eligible University employees wishing to apply for a One Card should complete the One Card Application on the last page of this procedure manual.

### **1.4 One Card Costs & Credit Ratings**

There is no annual fee for a One Card. Applying for the One Card will not affect the cardholder's personal credit rating in any way.

### **1.5 New Card Delivery and Activation**

All new One Cards are mailed to the Corporate Card Administrator and will be picked up at the Administrator's office. A Cardholder Agreement must be signed prior to receiving a One Card.

### **1.6 Card Cancellation, Expiration, and Renewal**

#### *1. Card cancellation by employee or University*

A cardholder can cancel their card by contacting Corporate Card Administrator at (619) 260-2337. One Cards will be cancelled automatically upon notice of termination. Upon card cancellation by a cardholder or upon notice of a cardholder's termination, the One Card must be returned to the cardholder's supervisor or the Corporate Card Administrator.

#### *2. Cancellation by U.S. Bank*

A card may be cancelled by U.S. Bank at any time (a written explanation will be provided).

#### *3. Expiration and Renewal*

The One Card will expire on the date embossed on the card. Approximately two weeks prior to the expiration date, a renewal card will automatically be sent to the Corporate Card Administrator and the cardholder will be notified that the card is ready for pick up or the card will be sent directly to the cardholder.

### **1.7 Travel Insurance and Other Benefits**

The University's One Card (*Visa*) provides travel insurance and other benefits as follows. Further information regarding these benefits may be obtained from the Corporate Card Administrator. Please note that additional insurance purchased (at the time of airfare purchase) is not reimbursable.

- Travel Accident Insurance (additional travel insurance should not be purchased)
- Lost Baggage Insurance
- Emergency Assistance

## 1.8 Allowable Transactions

Except for certain restricted transactions (see following section), the One Card may be used for purchases, within the card's limits. Please refer to the Accounts Payable Expenditure Procedure Manual for more information regarding allowable transactions.

## 1.9 Restricted transactions

The One Card **may not be used** for the following purchases:

- Any purchase requiring a purchase requisition under University policy
- Airline first-class or business-class airfare
- Animals and animal-related purchases
- Car rental insurance for domestic car rentals
- Cash advances and ATM withdrawals
- Catering services (where a signed contract is required)
- Child care or pet care
- Computers and printers
- Furniture and furnishings
- Magazines and other reading material
- Membership fees for frequent flier clubs or airline VIP associations
- Office supplies that exceed \$5,000 per transaction
- Outside travel agency transaction fees that exceed \$35
- Personal expenses, goods, and services
- Prescription drugs and controlled substances
- Radioactive and hazardous materials/chemicals
- Store (including online) memberships
- Travelers checks
- Telecommunications services, including cell phones and related monthly charges
- Weapons and ammunition

Where appropriate, restricted items should be purchased in accordance with established purchasing policies and procedures (i.e., purchase orders must be issued through Procurement Services) and disbursements must be processed through the Office of Accounts Payable).

## 1.10 General Guidelines

The One Card should be used in conjunction with the University's financial policies and procedures. For further information about these policies, please contact the Office of Accounts Payable at (619) 260-2337.

## **SECTION 2 – CARDHOLDER RESPONSIBILITIES**

### **2.1 Account Monitoring (U.S. Bank Access Online)**

Cardholders must register and access on-line information about their credit card charges at <https://access.usbank.com>. *USD's organization short name is USD*. This website provides cardholders the ability to monitor card activity, review available spending limits, access the detail of certain purchases, and dispute unauthorized charges. These activities are available anytime and anywhere there is an Internet connection.

### **2.3 Communication with Corporate Card Administrator**

The cardholder is responsible to tell the Corporate Card Administrator of any/all "leave-of-absence" situations. The card must be suspended from use while the cardholder is out of the office during a leave-of-absence.

The cardholder should communicate any irregular, suspicious, or fraudulent activity to the Corporate Card Administrator, as such activity should be reported to U.S. Bank immediately/as soon as possible.

### **2.2 Documentation**

The privilege of obtaining a university credit card comes with the responsibility to consistently retain and submit adequate documentation for all transactions on the card. The documentation should include an original receipt and any other supplemental documentation that supports the transaction and business purpose (the cardholder must prove the expenses were incurred in connection with a business purpose). Accounts Payable requires that the correct form (and/or system process) is used, along with original documentary evidence of expenses incurred.

#### **Original documentary evidence must include:**

- Original itemized receipts that clearly state the items purchased
- Transaction date
- Name of the business establishment (name of merchant)
- Location
- Cost
- Form of payment used
- Business purpose
- Names of all persons involved

Names of the people who benefited from the transaction must be included on the reimbursement/payment request, regardless of source of funds, venue location, and form of payment used. In lieu of individual names for groups larger than ten (10), the approximate number or persons, and the group's identity, along with the business purpose, will be accepted.

Credit card receipts in lieu of itemized receipts are not an acceptable form of documentary evidence. On-line receipts are acceptable provided they reflect the method and proof of payment in addition to the above items. Although exceptions to the documentation requirement are allowed (such as for mileage, metered parking, and cash gratuities), an explanation is required and the expenses must be reasonable.

## 2.3 Disputing a Transaction

The cardholder is responsible for transactions charged to their One Card. Therefore, the cardholder must ensure the receipt and quality of goods, merchandise, and travel related expenses and resolve any delivery problems, discrepancies, or damaged goods with the supplier. Returns should be made directly to the supplier according to supplier requirements. The cardholder is responsible for ensuring that proper credit is posted for any returned and/or disputed items.

If the cardholder encounters erroneous charges, disputed items, unprocessed returns (credits), etc. on their One Card, **it is the cardholder's responsibility to resolve the issue with the supplier**. If the cardholder is unable to reach agreement with the supplier, they should contact U.S. Bank at (800) 344-5696 and describe the nature of the problem, the date, and amount of the transaction. U.S. Bank will work with the supplier to help resolve the dispute.

## 2.4 Fraudulent Activity or Referred Accounts

Fraudulent activity must be reported immediately. In such cases, cardholders must promptly phone U.S. Bank (800) 344-5696. If cardholders are outside of the United States, call collect (701) 461-2010 (representatives are available 24 hours a day, 7 days a week). Please also report the fraudulent activity on your credit card to the Corporate Card Administrator at (619) 260-2337 or ap@sandiego.edu. You will certify and file a fraud report with U.S. Bank and the compromised card will be deactivated. A replacement card (with a new account number) will be issued to the cardholder. Please always request that your replacement card be *rush delivered*, as normal delivery could take up to ten (10) business days.

Your account may become "referred" if your card or card number is compromised. In such cases, cardholders must promptly phone U.S. Bank (800) 344-5696 to review the account. If cardholders are outside of the United States, call collect (701) 461-2010 (representatives are available 24 hours a day, 7 days a week). If the account was not compromised, U.S. Bank will allow the continued use of the card. If the account was compromised, you will certify and file a fraud report with U.S. Bank and the compromised card will be deactivated. A replacement card (with a new account number) will be issued to the cardholder. Please always request that your replacement card be *rush delivered*, as normal delivery could take up to ten (10) business days.

Please note that the cardholder is required to reconcile all of the transactions appearing on their credit card statement, regardless if the transactions are fraudulent charges and in the process of being disputed. We suggest using a "default account" to reconcile the fraudulent charge(s). Once the fraudulent charge is disputed with U.S. Bank, the cardholder will receive a credit on their credit card statement. That credit should be reconciled using the same "default account" used to reconcile the original charge(s). Please contact the Corporate Card Administrator with any questions or concerns regarding this process.

## 2.5 Lost or stolen cards

Lost or stolen One Cards must be reported immediately. In such cases, cardholders must promptly phone U.S. Bank (800) 344-5696. If cardholders are outside of the United States, call collect (701) 461-2010 (representatives are available 24 hours a day, 7 days a week). Please also report your lost or stolen credit card to the Corporate Card Administrator at (619) 260-2337 or ap@sandiego.edu. A report will be filed and the lost or stolen card will be deactivated. A replacement card (with a new account number) will be issued to the cardholder.

## 2.6 Leave of absence (LOA)

It is the responsibility of the cardholder, budget administrator, and/or Supervisor to advise the Corporate Card Administrator of any/all "leave-of-absence" situations. The card must be suspended from use while the cardholder is out of the office during a leave-of-absence." It is also the responsibility of the cardholder, budget administrator, and/or Supervisor to advise when the LOA is completed.

## 2.7 Misuse of Card Privileges

The One Card is to be used for business purposes only; **personal charges of any kind are strictly prohibited.** U.S. Bank routinely provides the University with charge activity, and account payment and delinquency status. Improper use of the credit card, and seriously delinquent accounts, may result in disciplinary action up to and including termination of employment. A cardholder may also be required to attend a refresher training course on proper usage of the One Card.

## SECTION 3 – OTHER RESPONSIBILITIES

### 3.1 Responsibilities of Supervisors and Budget Administrators

Supervisors and budget administrators retain responsibility over the budgeted funds used to pay charges on One Cards. In order to ensure proper oversight of University funds, supervisors of cardholders and budget administrators must:

1. *Review and approve expense reports*

In accordance with University procedures, supervisors and budget administrators must review and approve all expense reports and supporting documentation. The employee, together with his/her supervisor and applicable budget administrator, are held accountable that expenses listed on approved expense reports are incurred in connection with a business purpose. In addition to reviewing and approving the expense reports and supporting documentation, a supervisor and budget administrator should:

- Review and approve the expense report within five business days of receiving the expense report from the cardholder;
- Promptly investigate any unexplained, unusual, or significant items; and
- Submit the completed expense report promptly to Accounts Payable.

2. *Review procedures for delinquent cardholders*

As part of the disciplinary process, supervisors of cardholders may receive notification of a cardholder's payment delinquency. At that time, the supervisor should promptly remind the cardholder of their responsibilities outlined in this procedure manual. Note that improper use of the One Card, and seriously delinquent accounts, may result in disciplinary action up to and including termination of employment.

3. *Report LOA or termination of cardholders*

Upon the notice of LOA or termination of a One Card-holding employee, the supervisor must:

- Immediately notify the Corporate Card Administrator of the notice of LOA or termination; and if termination
- Obtain the One Card and return it to the Corporate Card Administrator.

### 3.2 Credit Card Audits

The University Auditor will conduct regular audits of One Card activity and transactions to ensure cardholders and their respective departments adhere to One Card Procedures. Audits performed by the University Auditor are in addition to and separate from the regular review and auditing by the Office of Accounts Payable. Exceptions noted during these audits will be communicated to the cardholder; the cardholder's supervisor, where appropriate; the Corporate Card Administrator; and other University personnel, as appropriate, up to and including the Audit Sub-Committee of the Board of Trustees. These audits will assess adherence to University policies and procedures and will specifically examine whether:

- University issued credit cards are used only by authorized cardholders for allowed University expenses, and are not used for inappropriate expenses;
- Documentation for all charges is appropriate and complete – especially the documentation of a business purpose and all persons involved;

- Charges are directed to appropriate Oracle POETS codes;
- Account statements are reconciled in a timely manner;
- Card transactions are reported on an expense report in a timely manner; and
- Transaction Logs are being reviewed and approved in a timely manner.

Failure to adhere to University policies and procedures may result in disciplinary measures including suspension or termination of One Card privileges, suspension or termination of employment, and/or legal action in accordance with the terms and conditions of the One Card Cardholder Agreement.

## SECTION 4 – MONTHLY RECONCILIATION

### 4.1 Overview

Each month, cardholders will receive a statement directly from U.S. Bank reflecting all charges for their card for that billing cycle. Cardholders should download their statement directly from U.S. Bank Access® Online (<https://access.usbank.com>) Cardholders are required to reconcile their statement to their backup documentation (i.e. receipts, etc.) each month using the procedures below.

- Download the monthly statement from the U.S. Bank Access® Online system
- Fill out a One Card Transaction Log with all monthly statement transactions (cannot leave any transactions out of/off of the log, even if disputing a transaction)
- Code each transaction with the appropriate POETS or GL coding information
- Submit the log and statement with the original receipts to Accounts Payable within the timeframe allotted.
- Email a copy of the electronic log (excel sheet) to [onecard@sandiego.edu](mailto:onecard@sandiego.edu).
- All transactions on your monthly statement must be reconciled

### 4.2 Step-by-Step Reconciliation Process

1. On the 25th day of each month the cardholder's monthly statement will be available to download from U.S. Bank Access Online (<https://access.usbank.com>)
2. The cardholder will have until the 25th of the next month to submit their One Card Transaction Log for submitting (i.e. April 2015 statement will be available on the 25<sup>th</sup> day of April and the cardholder has until May 25<sup>th</sup> to submit their transaction log for processing).
3. The cardholder will include the transaction log, monthly credit card statement, receipts/proof of payment, and have their budget administrator and supervisor approve the transaction log.
4. Submit the log and statement with the original receipts to Accounts Payable within the timeframe allotted.
5. The cardholder will email a copy of the One Card Transaction Log Excel sheet to [onecard@sandiego.edu](mailto:onecard@sandiego.edu) for AP review and use for processing.
6. If the AP office has any questions or concerns, an email will be sent to the cardholder before processing.

### 4.3 Important Notes

1. Once the monthly One Card journal entry has been processed (by the AP/Accounting close of each month), there will be no editing or corrections made by AP.
2. If AP does not receive the cardholder's transaction log by the 25th of the month, the default POETS will be used to record all charges made on the One Card in that specific month.
3. If AP does not receive the cardholder's statement by the 25th of the month and the default POETS is used, the cardholder will be responsible for submitting a journal entry through the Accounting Office to distribute expense to other POETS of their choice within 60 days.
4. The Director/Corporate Card Administrator will keep a running list of all past due/outstanding transaction logs and will send out past due emails each month.

5. If a cardholder does not turn in their One Card Transaction Log by the 25th, their credit card will be suspended from further use after the third missed reconciliation. In order to resume the privilege (of having a One Card), the cardholder must view the One Card Online Training Video and confirm their re-training with the Corporate Card Manager.

## **SECTION 5 – TAX AND OTHER INFORMATION**

### **5.1 Use Tax**

Definition: A use tax is levied in the United States upon otherwise “tax free” tangible property by a resident of the assessing state for use, storage or consumption of goods in that state, regardless of where the purchase took place. Typical purchases that require payment of use tax include those done while traveling (for things carried or sent home), through mail order, or purchases via telephone or internet.

Therefore when making purchases as described above in a state other than California the cardholder must also place the use tax amount on the transaction log and the department will be charged for the tax on that item even if the invoice does not include such tax. USD is responsible for paying the use tax on all items purchased in such a manner as described above. The Office of Accounts Payable will accrue the applicable Use Tax and charge to POETS information used to reconcile the related original transaction.

### **5.2 Grant and Contract Expenditures**

Grant and contract travel and entertainment expenditures can be made with the One Card. However, such purchases are limited to those costs that can be identified with a particular sponsored project and meet the specified criteria for direct costs:

- Reasonable and necessary for the performance of the project;
- Allocable to the project;
- Consistently treated in like circumstances as a direct charge to a project; and
- Allowable under OMB CIRCULAR A-21 ([www.whitehouse.gov/omb/circulars/a021/a021.html](http://www.whitehouse.gov/omb/circulars/a021/a021.html)).

Grant and contract expenditures must also comply with University policies — even if such policies are more restrictive. Only One Card purchases that comply with award guidelines can be charged to a grant or contract. When an expenditure is not allocable to the grant or contract, such expenditure should be charged to an unrestricted source.