Use of Business Cards Procedure

Related Policy
General Purchasing Policy

Responsible Officer
Senior Manager Financial Operations

Approved by
Chief Financial Officer

Approved and commenced
December, 2014

Review by
December, 2015

Responsible Organisational Unit
Financial Services

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1 Objective

The objectives of this procedure are to:

- provide information regarding the use of University of Tasmania (University) business cards provided to nominated staff in order to facilitate the purchase of goods and services and
- detail the processes of issuing, usage, claiming, disputing and associated security processes surrounding the use of University business cards, which must only be used in the best interest of the University.

2 Scope

This procedure applies to all University budget centres, including Institutes, Centres, Divisions and the Foundation.

3 Procedure

Business card expenditure will only be made within the appropriate delegations for expenditure. Cardholders do not require a financial delegation however the authoriser must have the appropriate financial delegation.

The individual card holder is responsible for all transactions on the card.

3.1 Issue of New Cards

3.1.1 Who may have a card?

Permanent or contract University Staff will be issued with a University business card however business cards will not be issued to casual staff.

The Chief Financial Officer or delegate may approve the issue of a card to a postgraduate student where recommended in writing by the Head of Budget Centre.

3.1.2 Application for a Business Card

The following forms should be completed and forwarded to Financial Services

- Business Card Management System (BCMS) Corporate Credit Card Application
- CBA New Cardholder Request

Prior to issuance of a new business card, staff are required to complete online BCMS training.
3.1.3 Issue and collection of Business cards

A card will be requested from the Commonwealth Bank following the approval of the Chief Financial Officer or delegate. The card will be issued in the name of the cardholder as an employee of the University.

Financial services will advise the cardholder where the business card can be collected. Cards must be collected in person and staff will be required to show their staff identification or another form of identification at the time. The cardholder should sign the card immediately upon collection.

3.1.4 Card Activation, Pin Number and Replacement Cards

Cardholders must activate and place a pin number on their business card prior to being able to transact. Other staff cannot activate the card on behalf of the cardholder. Cardholders must destroy their old card upon receipt of their new one.

3.1.5 Change of personal details

It is important that if a cardholder’s details change, that they contact Financial Services to advise of the change.

3.2 Use of Business Cards

A business card should only be used to make bona fide purchases of goods or services for University business purposes.

Use of business cards is subject to General Purchasing Guidelines and all other University policies, procedures and guidelines.

The business card can be used to make purchases in person, by telephone, mail or internet. It is recommended that all purchases overseas, by telephone, mail order or internet be limited to reputable and established suppliers.

3.2.1 Limits for new cards

Individual business cards have separate limits agreed on between Financial Services and the budget centre. Cards are generally issued with the following limits:

- Up to $5,000 per transaction and
- Up to $10,000 total transactions per month.

Higher limits may be granted to high usage cardholders. Where limits are over $20,000 written justification must be provided by the relevant Executive Dean, Head of Academic Unit, or Head of Division when submitting the application form.
3.2.2 Change to Business Card limits

If a cardholder wishes to change the limit on their card, they must complete a Card Limit Increase and/or Decrease form and return it to Financial Services. This must be signed by the relevant College Executive Dean, Head of Academic Unit, or Head of Division.

3.2.3 Transaction Limits

A University business card can be used to affect purchases up to $5,000 or to the cardholder’s approved transaction limit.

Transactions will be rejected by the supplier if limits are exceeded.

Purchases must not be split over more than one transaction to avoid the transaction limit.

3.2.4 Documentation

Cardholders should obtain appropriate supporting documentation for all purchases made with a business card. This should be obtained at the time of purchase or as soon as practicable thereafter. All records and information will be kept and maintained in accordance with the Records Management Policy.

Financial Services reserves the right to cancel a credit card where cardholders frequently fail to obtain appropriate supporting documentation. Refer to General Purchasing Guidelines regarding what documentation is required.

3.2.5 Cash Withdrawals

All University Business cards are blocked for cash withdrawal. In exceptional circumstances a Business Card can be used for cash withdrawals. This can only occur if the card has been cash enabled on the written approval of the relevant College Executive Dean, Head of Academic Unit, or Head of Division. Approval can be sought by contacting Financial Services with a supporting business case. Generally, three (3) weeks’ notice is required to arrange this with the Commonwealth Bank. It should be noted that:

- cash access will only be provided in exceptional circumstances
- interest will be charged to the budget centre from the date of the cash withdrawal
- any surplus cash must be repaid to the University Cashier within one week of the transaction, or the cardholder’s return to the University and
- a reconciliation must be completed and attached to the Business Card Claim

3.2.6 Misuse of the business card
Misuse of a Business Card or breach of policy may result in forfeiture of the card, personal liability for the debt and/or disciplinary proceedings.

3.3 Business Card Claims

3.3.1 Business Card Management System

Cardholders use the University's Business Card Management System (BCMS), to facilitate the efficient and timely processing of business card expenditure.

3.3.2 BCMS Reconciliations

Transactions are downloaded from the Commonwealth Bank on a daily basis and imported into the BCMS System. Cardholders do not receive paper statements for reconciliation.

Refer to the BCMS User Guide and BCMS FAQs for details of the steps to follow when reconciling Business card transactions.

3.3.3 BCMS Calendar

The University reconciles a monthly statement from the Commonwealth Bank which is usually received on or near the middle of the month. All University business cards are cleared on this date.

In order for transactions to be recorded in the appropriate project and natural account in TechOne Financials they must be coded, submitted and approved. Approved transactions are transferred to TechOne Financials on a daily basis.

Any transactions not coded, submitted and approved are transferred to the Paid in Absence natural account against the cardholders default project. These amounts are automatically reversed once the transaction has been finalised in the BCMS.

Details of monthly clearances are available on the BCMS Calendar for the current year.

3.3.4 Use of BCMS at Peak Times

It is strongly recommended that staff reconcile their accounts as early as possible due to the limited number of BCMS licences available. Some cardholders may not be able to access BCMS if too many users try to access the system at the same time. This is particularly important at end of financial year.

3.3.5 Authorisation and Responsibility for Business Card Expenditure

Individual cardholders are responsible for reconciling their own statements. A delegate can be nominated to undertake the coding of transactions on behalf of the cardholder. The cardholder is still responsible for the transactions made against their card and for providing supporting documentation.
The Head of Budget Centre is responsible for ensuring all business card expenditure is monitored and appropriately authorised. The Head of Budget Centre can delegate the approval process in line with the University’s delegations of authority.

It is recommended that authorisers review the supporting documentation of cardholders’ claims on a random basis to satisfy themselves of the accuracy and appropriateness of expenditure.

3.3.6 Timely submission of claims

Cardholders are responsible for ensuring claims are coded and submitted on a regular basis for authorisation. Where cardholders frequently fail to code and submit claims in a timely manner the following will occur:

- greater than 60 days overdue the card limit will be reviewed and reduced
- greater than 90 days overdue recommendation will be made to the relevant manager that the card be cancelled.

3.3.7 New Cardholder Reviews

Where the cardholder is new, BCMS transactions will be audited for a first three months of activity by Financial Services. It is recommended the approver review the supporting documentation to ensure accuracy and appropriateness of the transactions, prior to authorisation.

3.4 Disputes and Returns

3.4.1 Disputing a Transaction with the Bank

Commonwealth Bank guidelines indicate that a transaction must be disputed within 30 days from the business card statement date on which the transaction appears. Therefore, cardholders must take the following steps immediately once they discover a transaction that should be disputed:

- the transaction should be coded as a disputed expense in BCMS
- the cardholder should complete a Disputed Transaction Declaration and forward to Financial Services immediately by internal mail or e-mail
- Financial Services will dispute the transaction with the CBA
- the amount of the transaction will be charged to a central University account until the dispute is resolved. In the event the University is found to be liable for a disputed transaction, it will be charged back to the relevant budget centre.

A transaction can be disputed with the Commonwealth Bank if one of the following occurs:

- the cardholder did not authorise the transaction(s)
- the cardholder only authorised one of the transactions (apparent duplicate)
• the cardholder did not complete a transaction for the same amount with a different merchant name (sometimes the name of the merchant on a credit card statement will not be the same as their trading name)
• the cardholder engaged in the transaction but did not receive the goods/services ordered (the cardholder must have attempted to contact the merchant without success) or
• the cardholder has cancelled the authority with the merchant but the card is still being charged (the cardholder must provide a copy of the cancellation letter sent to the merchant)
• an adjustment note is pending for the transaction
• another method of payment was used for the transaction
• the amount has been incorrectly processed by merchant.

3.4.2 Disputing a Transaction with the Supplier: Returning Goods for Credit

If goods purchased using a business card are returned or a refund of any business card expenditure is due, a cash refund must not be taken. The refund must be taken by way of a credit to the cardholder’s business card. If this is not possible then a direct deposit into the University bank account should be requested. Appropriate paper work should be obtained for reconciliation and cost allocation purposes.

3.5 Security, Loss of Cards and Emergencies

3.5.1 Security of Cards

Cards must be kept in a secure location or on the cardholder’s person at all times. The front and back of a business card is not to be copied under any circumstances. Card numbers and expiry dates must not be provided via email or by any other unsecure method.

Cardholders going on extended leave (for example long service, study leave or maternity leave) should leave their card in a secure location until their return. Cardholders are strongly advised to forward their card via the internal locked bag to Financial Services, to be held in the Finance safe until their return. Card limits will be reduced to $100 during the leave period.

Cards or card details are NOT to be given to other people or organisations to use on your behalf. If this occurs the card will be immediately cancelled.

3.5.2 Cardholder Mobile Phone Numbers

To help prevent fraud, the University obtains mobile phone numbers at the time of application from the cardholder, to be provided to the Commonwealth bank. The number is then stored in the BCMS and used to contact cardholders if the Commonwealth bank is unable to make contact.

If a cardholder has a mobile phone change, they should email the credit.cards@utas.edu.au with the updated details.
3.5.3 Fraudulent Credit Card Activities Detected by the Bank

Due to the increase in fraudulent credit card activities worldwide, the Commonwealth Bank Frauds team are reviewing business card transactions prior to them being charged to the business card. In their review they are identifying transactions that may be of a suspicious or fraudulent nature.

In instances where such transactions are found, the Commonwealth Bank will perform the following to protect the University from possible fraudulent transactions:

- the bank will temporarily stop the card until the cardholder has been contacted.
- if the transaction is deemed fraudulent, the card will be cancelled on the cardholder’s advice.
- if the transaction is for legitimate University purpose, the temporary stop will be removed.

3.5.4 Loss or Theft of Card

If a business card is lost, misplaced or stolen, the cardholder must immediately advise the following two parties:

1. Commonwealth Bank Card Services
2. Financial Services

Within Australia: Contact 131576 24 Hours a day or visit a local branch during bank hours

From Overseas: Contact one of the following emergency hotline numbers-
   If the cardholder is in the USA – 1-800-Mastercard (18006278372- free call)
   If the card holder is in another country, contact the local telephone operator and request a reverse charge/collect call to the USA, quoting 1 636 733 7111 or
   Alternatively, call into any financial institution displaying the card scheme sign and notifying them of the loss, theft or known or suspected unauthorised use of the card.

Financial Services: Internal contacts extn.3780
   External contact (03) 63243780
   Email Credit.Cards@utas.edu.au

Commonwealth Bank Card Services will give the cardholder a stop number that should be recorded for future reference. The cardholder should also confirm the advice to Financial Services in writing and include the stop number provided by the Bank.

A new business card (with a different number) will be re-issued in approximately 7-10 days.

3.5.5 Damaged Cards
If a business card is damaged such that it needs replacement, the cardholder should contact both Commonwealth Bank Card Services and Financial Services as detailed above for Loss of Card. The card should be destroyed by the cardholder. A replacement business card (with the same number) will be issued in approximately 7-10 days.

3.5.6 Backup Emergency Card

Travellers are advised to have a backup emergency credit card in case the business card is cancelled. This will need to be a private credit card.

3.5.7 Emergency Contacts

The Commonwealth Bank Business Card, a Mastercard, provides cardholders with various global assistance schemes. For service outside Australia, ring a toll-free number for the MasterCard Operations Centre (staffed 24 hours a day, 365 days per year) to gain access to:

- emergency medical assistance
- travel assistance
- legal assistance

A replacement Mastercard or cash advance can usually be arranged within two days from most major travel destinations. Contact the emergency hotlines for within Australia or overseas as shown in section 3.5.4 or call into any financial institution displaying the card scheme sign and notifying them of the loss, theft or known or suspected unauthorised use of the card, or within Australia any local Commonwealth Bank Branch during business hours.

4 Definitions and Acronyms

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<tr>
<th>Term/Acronym</th>
<th>Definition</th>
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<tr>
<td>Academic Unit</td>
<td>Means the secondary organisational unit in the academic structure of the University, reporting directly to the College Executive Deans, as per Ordinance 14 – Academic Structure.</td>
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| College        | Means (a) the primary organisational unit in the academic structure of the University, as per Ordinance 14 – Academic Structure  
(b) the University College |
| Executive Dean | Means: (a) the Executive Dean of the relevant College, or (b) in relation to the University College, the Principal of the University College |
Head of Academic Unit  Means the head of the relevant Academic Unit

Organisational Unit  College, Faculty, School, Centre, University Institute, other University Entity, Division, Section or University Business Enterprise.

BCMS  Business Card Management System
CBA  Commonwealth Bank of Australia
TechOne  TechnologyOne Financials

5 Supporting Documentation

- Travel Policy
- Hospitality Policy
- FBT Guidelines
- General Purchasing Guidelines
- GST Guidelines
- Hospitality Guidelines
- Invoice Payment Guidelines
- Travel Guidelines
- BCMS Calendar
- BCMS User Guide
- Records Management Policy

6 Versioning

| Current Version   | Version 3 – Use of Business Cards Procedure (current document); approved December 2014, amended in December 2017 to incorporate the finalised academic structure. |