

Vanderbilt One Card – Policy

Date Effective
October 2018

Responsible Administrator: Vice Chancellor for Finance and Chief Financial Officer
 Responsible Office: Controller’s Office / Purchasing and Payment Services
 Policy Contact: Senior Director, Purchasing and Payment Services

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1. Policy Statement

The goal of this document is to outline the proper usage and guidelines for the Vanderbilt One Card. The Vanderbilt One Card provides cardholders flexibility when purchasing low dollar goods or services and serves as an individual travel and expense credit card for Vanderbilt-related travel. All university credit card purchases must adhere to the Travel & Business Expense Policy. Policy and use violations are subject to disciplinary actions including loss of card privileges and, depending on the severity of the offense, employee termination.

2. Scope

This policy applies to any member of the university community who initiates or approves transactions involving the Vanderbilt One Card. The guiding objectives of Vanderbilt’s One Card Program include:

- Streamlining the expense approval process
- Minimizing financial and operational risks for the university; and
- Reducing the need for costly check production, invoices, etc.

3. Definitions

Business Unit/Entity Approver (BEA) – The Business Unit/Entity Approver is responsible for the stewardship of assigned financial unit(s) ensuring that transactions equal to or greater than \$10,000 are recorded accurately and comply with applicable university and departmental policies. The BEA requires a deep understanding of the operations and financial landscape of the unit as well as institutional financial policies and procedures.

Cardholder – The employee’s name printed on the card and the single authorized user of the One Card. Cardholders are accountable for all charges and physical security of the card at all times.

Cardholder User Agreement – A legally binding agreement signed by the Cardholder that is a part of the One Card Application. The agreement certifies the Cardholder has read and understands the guidelines set forth in the One Card Policy and agrees to use the card in accordance with this policy. The Cardholder User Agreement is the second page of the One Card application and may be found on the Finance website.

Expense Delegate – An employee authorized to prepare and edit expense reports on behalf of the individual seeking reimbursement.

Financial Unit Manager (FUM) – The Financial Unit Manager is responsible for the financial stewardship of his/her assigned financial unit(s) ensuring that all transactions are accurate and comply with applicable university and departmental policies. The FUM requires a deep understanding of the operations and financial landscape of the unit as well as institutional financial policies and procedures.

Merchant Category Codes (MCC) – An industry standard coding system that consists of a four-digit number assigned to a business by major card issuing networks (MasterCard, Visa, American Express, etc.). The MCC classifies the business by the type of goods or services it provides.

Monthly Billing Cycle – The timeframe in which all cardholder transactions are aggregated and applied to the cardholder’s monthly spending limit. The US Bank monthly billing cycle ends on the 25th of each month. If the 25th falls on a weekend or banking holiday, the cycle will end the next business day.

Monthly Spending Limit – The total dollar value of all transactions charged to a card within a single, monthly billing cycle. The BEA approves the monthly limit on the One Card application during the application process. Monthly spending limits reset the day after cycle closes.

One Card – A credit card issued to an employee of Vanderbilt University for authorized business-related purchases. The university issues payment for charges incurred using the One Card.

One Card Application Form – The form completed by prospective cardholders to obtain a One Card. The applicant, FUM, and BEA of the prospective cardholder’s area of responsibility must sign the application. The One Card application is available on the Finance website.

Split Transactions – A single purchase split into multiple transactions in order to bypass the transaction limit threshold. Split transactions are prohibited and will result in card termination.

Supporting Documentation – A receipt issued by the merchant that provides proof of purchase. This receipt should include:

- Merchant information – name, address, phone, etc.
- Date of the transaction
- Itemizations of goods/services purchased
- Total amount paid
- Form of payment (last 4 digits of the card)

Transaction Limit – The total dollar amount the cardholder may expend on a single transaction. A single transaction can include one item or multiple items purchased at the same time, also known as “per swipe.” Transactions exceeding a cardholder’s transaction limit will result in a transaction decline.

Travel Assistant – An employee authorized to make travel reservations (airfare, hotel, and car rental) on behalf of another employee using the traveler’s credit card.

US Bank – The authorized financial institution responsible for issuance of Vanderbilt’s One Card.

4. Policy

a) **Cardholder Eligibility**

A cardholder is authorized by the Business Unit/Entity Approver. Eligibility is based on the following criteria:

- Must be an active employee or student
- Must read and sign the Cardholder Agreement (second page of the application form)
- Must complete the required online One Card training prior to receiving their card
- Must assign at least one Expense Delegate
- Must complete annually the online One Card refresher within 2 weeks of enrollment notification or card will be terminated

b) **One Card Limits**

Any changes to a cardholder’s One Card limits must be approved in writing (via email) by the cardholder’s BEA:

- Temporary limit modifications are not available. The card retains any limit increases approved based on current business needs.
- Split transactions are strictly prohibited and will result in card termination.
- Card limits are analyzed annually by the Expense & Payment Cards team and reductions will be made based on the documented business spend from the previous 12-month period.

c) **Card Security**

The cardholder is the only person authorized to make purchases utilizing the card and is responsible for the physical security of their One Card at all times.

- Cardholders cannot share their card number, expiration date, security code or PIN with other employees or students.
 - **Usage of a Vanderbilt One Card by an employee or student other than the assigned Cardholder, is strictly prohibited and will result in card termination.**
- Cardholders cannot compromise their card by including the card number, expiration date, security code or PIN in electronic communications.
- Lost, stolen, compromised, or damaged cards are to be reported to US Bank and the Expense & Payment Cards team immediately.
- Cardholders that have a name change processed by Human Resources (HR) are to request a new card from US Bank and inform the Expense & Payment Cards team.

d) Cardholder Leave of Absence, Change in Position, or Employee Termination

Cardholders are responsible for expensing all card transactions prior to one of the following taking place:

- Leave of absence
 - Card to be suspended two weeks prior to change
 - Card remains suspended while cardholder is on leave
- Change in work unit
 - Card must be closed two weeks prior to change
- Employee termination
 - Card must be closed two weeks prior to change
 - In the event of immediate termination, the Business Unit Manager collects the card(s) and immediately contacts the Expense & Payment Cards team
- If a terminated, suspended, or transferred employee continues to use their card, the work unit that issued the card will be liable for all charges. The Cardholder may also be subject to criminal prosecution.

e) Allowable One Card Uses

The Vanderbilt One Card is intended to facilitate miscellaneous, on-the-spot purchases that cannot go through the purchase order (PO) process. The One Card is not intended to replace or bypass the e-catalogue or PO process. Items purchased using the One Card that are available in the procurement catalogue will not receive Vanderbilt contract pricing. Cardholders should contact Purchasing and Payment Services with any questions related to approved suppliers and appropriate payment methods. Allowable One Card uses include the following:

- Books/periodicals/magazines
- Business/group meals
- Catering (on campus services require preapproval from Purchasing)
- Cash withdrawals (requires prior written approval from the CFO)
- Conference registration fees (for self or on behalf of other employees)
- Emergency repairs
- Entertainment expenses
- Florists
- Travel expenses, including:
 - Cardholder airfare
 - Cardholder car rental
 - Cardholder hotels or other lodging (does not include property leases)
 - Fuel (rental or Vanderbilt fleet cars only)
 - Ground transportation
 - Guest travel expenses (*ONLY* if the Cardholder is an authorized Guest Travel Coordinator)
 - Meals
- Gift cards (*ONLY* with preapproval from Expense & Payment Cards team)
- Professional dues & memberships (for self or on behalf of other employees)

- Shipping/freight/postage/couriers (imports that require customs must be preapproved by Vanderbilt Purchasing)
- f) **Allowable One Card Uses – ONLY with written preapproval from Vanderbilt Purchasing**
- Capital purchases
 - Computer hardware/software/maintenance/ licenses/ services
 - Furniture
 - Moving companies
 - Promotional materials
- g) **Prohibited One Card Uses**
- Consulting services
 - Controlled substances or prescription drugs
 - Firearms/ammunition
 - Insurance policies and premiums
 - Laboratory animals and animal-related purchases
 - Legal services
 - Personal expenses not related to Vanderbilt business
 - Radioactive and hazardous materials
 - Real estate leases/purchases
 - Recruiting/temporary hiring services
 - Tax payments
 - Trade contractors
 - Travel expenses for other Vanderbilt employees (Travel Assistants may make reservations using the traveler's credit card)
 - Travel agencies
 - Including third party travel websites such as Orbitz, Expedia, Hotels.com, etc.
 - Travel reservations are to be made through Vanderbilt's dedicated travel agency
- h) **Sales Tax Exemption**
- Vanderbilt University is a non-profit 501(c)(3) private institution of higher education incorporated in the State of Tennessee.
 - The Tennessee sales tax-exempt number is printed in the top right corner of every One Card. Cardholders are required to give this number to all merchants at the time of purchase to exempt the transaction from Tennessee state sales tax.
 - Transactions made outside of Tennessee may not be exempt from another state's sales and use tax.
- i) **Gifts, Awards, Prizes, and Donations**
- Purchase requires preapproval by the Expense & Payment Cards team.
 - Distribution to Vanderbilt employees requires reporting by the cardholder to Human Resources in accordance with Internal Revenue Service (IRS) policy.

- Distribution to Vanderbilt students requires reporting by the cardholder to Financial Aid and the Expense & Payment Cards team in accordance with Internal Revenue Service (IRS) policy.
- Contributions or donations of any kind require preapproval from the cardholder's general officer as delegated in the Vanderbilt University Delegation of Authority Policy.

j) Transaction Accuracy, Fraud, and Disputes

- Cardholders are required to review all transactions weekly to ensure each transaction is a valid Vanderbilt business expense that they authorized the merchant to charge and that it is correct.
- Cardholders should contact the merchant in the event of incorrect charges.
- If merchandise purchased with the One Card is unacceptable (incorrect, damaged, defective, etc.), the Cardholder is responsible for arranging returns, credits, services, or exchanges.
- Fraudulent transactions identified by the Cardholder are to be reported to US Bank immediately to initiate a fraud claim and to request a replacement card.

k) Expense Reporting

- Oracle Expense will serve as the sole location for users to upload receipts, reconcile transactions, submit expense reports, and store supporting documentation for all One Card transactions.
- All card transactions are required to be submitted and final approved within 30 days of their posted date via an expense report in Oracle Expense module.
- Supporting documentation/receipts are required for every transaction \$75 or more.
- Expense Delegates cannot submit expense reports to the Financial Unit Manager for approval. Only the Cardholder can finalize expense report submission.

l) Expense Auditing

- All card transactions are subject to US Bank fraud filters and audit analytics that may result in follow up with cardholders or frozen cards while the bank attempts to contact the cardholder.
- The Expense & Payment Cards team routinely performs audits on One Card transactions.
- Card audits include a review of transaction data, business purpose, transaction appropriateness, and supporting documentation.
- The Expense & Payment Cards team performs area-specific audits periodically and submits recommendations to the appropriate Business Unit/Entity Approver.

m) Loss of Card Privileges

- Failure to adhere to this policy will result in the suspension or termination of Cardholder privileges, and may also result in reporting of violations to HR and/or Audit, Risk, and Advisory Services, termination of employment, and possible criminal prosecution.
- Cards suspended 90+ days may be reinstated with the written approval of their Vice Chancellor and the CFO or Controller.

- Violations that will result in immediate 90 day suspension or termination of card privileges include:
 - Card misuse
 - Compromising/sharing a One Card
 - Failure to report fraudulent activity to US Bank within 30 days of posted date
 - Purchasing travel for another Vanderbilt employee on your One Card
 - Split transactions
 - Unauthorized purchases
 - Failure to complete the annual One Card refresher by assigned deadline
- Violations that may result in a 90 day suspension or termination of card privileges include:
 - Failure to attach the appropriate supporting documentation for transactions
 - Failure to expense transactions within 30 days
 - Personal transactions
 - Purchases from Vanderbilt e-catalog vendors
- These violations result in the following steps:
 - 1st occurrence will result in a warning email
 - 2nd occurrence will result in 30 day suspension & additional training
 - 3rd occurrence will result in 90 day suspension & additional training
- Expense & Payment Cards reserves the right to amend the credit limits, or suspend or terminate a card at any time.

5. One Card Responsibility Matrix

Activity	Cardholder	FUM	BEA	Payment Cards Team
Initiate One Card application and completes required training (initial and annual)	✓			
Approve One Card application		✓	✓	✓
Responsible for the physical security of the One Card at all times	✓			
Notify Expense & Payment Cards team of any cardholder leave of absence, change in position, or employee termination	✓	✓	✓	
Required to review all transactions weekly to ensure each transaction is a valid Vanderbilt business expense that they authorized the merchant to charge and that the charge is accurate	✓			
Report fraudulent charges immediately to US Bank to initiate a fraud claim and complete and return time sensitive required documents to US Bank	✓			
Submits all One Card transactions within 30 days of the transactions posted date via an expense report in Oracle Expense	✓			
Responsible for reviewing the appropriateness, business purpose, policy compliance, and supporting documentation of each transaction submitted in expense reports		✓		
Responsible for ensuring all card transactions are approved within 30 days of the transactions posted date via an expense report		✓		
Review and notify the responsible FUM and BEA of any non-compliance, policy violations, etc.				✓
Performs area-specific audits no less than annually and submits recommendations to the appropriate BU Approver				✓

6. Appendix A: Cardholder Agreement

Vanderbilt University One Card Cardholder Agreement

Participation in the MasterCard Payment Cards Program is a convenience that also carries cardholder responsibilities. This card is for the payment of Vanderbilt business expenses related to the individual whose name is printed on the physical card. This credit card is Vanderbilt University property and must be used only for appropriate and authorized university business. As the cardholder of a Vanderbilt credit card, I agree to the following terms and conditions:

1. The credit card is provided to employees based on their need to routinely incur business-related purchases. I understand that the card may be revoked at any time based on change of assignment business need, transfer of home departments or upon termination from Vanderbilt University. The credit card is not an entitlement nor reflective of title or position.
2. I understand that the credit card will not be used for personal, family or household purposes or for any purpose that is not directly for the benefit of Vanderbilt. Further, the credit card may be used only for valid and lawful purposes.
- 3. I understand that I am responsible for all charges made against the credit card.**
4. I understand that I will not request or receive cash back from suppliers as a result of exchanges, rebates, and refunds or for any other reason.
- 5. I understand that improper use of the credit card can be considered misappropriation of company funds, which may result in disciplinary action, up to and including termination.**
6. I understand that all transaction documentation and reconciliations will be subject to audit by Vanderbilt University, external auditors, and government agencies.
7. I am responsible for complying with internal control procedures in accordance with Vanderbilt policies, in order to protect the University's assets. This includes obtaining appropriate receipts and supporting documentation, reconciling every expense within the appropriate online expense reporting program and following proper credit card security measures.
8. I am responsible for reviewing and reconciling my transactions timely in the appropriate expense reporting application and allocating the expenses to the appropriate General Ledger COA string.
9. I am responsible for contacting our payment card provider to resolve any discrepancies (customer service number provided on the back of the card). I am responsible for completing all card provider procedures to resolve any issues.
10. I am responsible for ensuring the card, card number, and PIN are protected from theft or loss. I will not provide the complete card number in electronic communications transmitted through insecure channels (email). I will immediately notify the Payment Cards team of any loss, risk to, or improper use of the card, card number, or PIN.
11. I will surrender the credit card to the university's Payment Cards team or my immediate supervisor upon demand or upon my termination of employment with the university. Beyond that point in time, no further use of the account is authorized.
12. I have reviewed and understand the Vanderbilt One Card Policy, my school, division, and department policies. I am responsible for remaining current on all these policies as they relate to the use of the One Card.

I understand that any violation of the terms of this agreement may result in disciplinary or civil and criminal legal action, up to and including termination of employment. I understand that I will owe Vanderbilt an amount equal to the total of any discrepancies, of the total amount of any personal gain, and/or of any fees related to the collection of such money. I understand that Vanderbilt may seek to collect this money from me even if I am no longer employed by Vanderbilt.

Cardholder Signature

Cardholder Printed Name

Date