

# Minnesota State University Moorhead VISA Credit Card Procedures

## Questions and Answers (Q&A)

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### Authority - MnSCU – Credit Cards

*Board Policy 7.1, Authority*, delegates to the Chancellor authority to develop procedures and guidelines to implement Board policies.

<http://www.mnscu.edu/board/procedure/703p3.html>

**LOST OR STOLEN CARDS ARE REPORTED TO 1-800-932-0036**  
**This is a “WellsOne Commercial Card issued by Wells Fargo”**

### A. Purpose

#### Why did the university implement these procedures?

Board Policy dictated that each campus provide rules for local use of a university credit card compliant with statute.

The Business Office has left it to the Deans, Directors and other budget managers to specify what procedure we wish to use to approve general purchases by individuals within each budget area.

Under the university authority for local purchase, the budget officer will set aside funds to ensure the entire credit card bill for the university will be paid monthly and the individual purchases will be reviewed by the budget managers.

This may mean that you may continue to use your MSUM cards to make *general purchases* without prior approval, as long as those purchases fall within the guidelines set forward by your approver. Requiring pre-approval for all of the hundreds of purchases made every month would put an unnecessary burden on both the card-user and the budget manager, and negatively impact the timeliness of purchases.

We have had very few, if any, examples of inappropriate use of MSUM credit cards in the university, and as long as this continues to be the case, we can continue to follow the process we have always used.

## **B. Definitions**

### **Can I get a credit card for my student worker?**

NO.

A VISA card in the name of a university can only be issued to a state employee upon approval by the employee's supervisor and/or budget manager. The university is liable to the credit card company for all charges made in connection with the credit card issued to the individual. VISA credit cards cannot be issued to a contractor, contract employee, or student employee.

## **C. Procedures for Obtaining Credit Cards**

### **How can I get a credit card?**

The VISA card with Wells Fargo is for **official university business use only**. An application form is available on the Business Office web site [www.mnstate.edu/busoff](http://www.mnstate.edu/busoff)

## **D. Authorized Card Use**

### **Do I still need to complete a "REQUEST FOR APPROVAL TO INCUR SPECIAL EXPENSES" form when using my university credit card?**

Yes.

*With prior approval*, you CAN use your MSUM credit card for group meals for *business-related meetings* (i.e. when you serve as the "sponsor" of a group meal where the group is meeting for business purposes). You have to fill out the "Approval to Incur Special Expense" form, available on the Business Office website.

<http://www.mnstate.edu/busoff/forms/specialexp.pdf>

"Special Expense" is a necessary, extraordinary expense as described in the State rules on Special Expense incurred in connection with assigned official duties of a State employee where the benefits of the employee's attendance or participation will accrue primarily to the State. Examples are meals or lodging within a work area, meal costs over maximum reimbursement rates, and conference and registration fees.

Employees may be reimbursed for the actual cost of a meal regardless of assigned work area, provided the meal is on the agenda of a conference, workshop, seminar or meeting, the event requires the employee's attendance, and attendance has been approved through the special expense process. Costs of such meals outside the work area which exceed the maximums allowable under state rules or bargaining agreements and costs of all such meals within the work area are treated as special expenses.

The cost of serving refreshments such as coffee, tea or soft drinks as part of a meeting, conference, or workshop sponsored by the department and where the majority of participants are not state employees should be treated as special expense. However, refreshments are limited to relatively inexpensive beverages. Food items are not included.

Registration fees for conferences that exceed \$1000 per participant require approval as special expenses. Lodging within an employee's work area should be treated as a special expense when the employee is actively participating in an event directly related to the employee's position requiring his/her presence overnight or weather conditions or other unforeseen occurrences prevent the employee from returning home.

So, for example, if you intend to host a meeting at a restaurant and intend to use university funds to pay for the group meal, you must fill out this form ahead of time before charging the meal to a university credit card or university account. This is the one area where we, as a university, have not always been in compliance. Please be attentive to this in the future. Again, university funds may not be used for the purchase of alcoholic beverages, so make sure that any such purchases are billed and paid for separately.

### **How about the expenses for a candidate?**

*Candidate's meals:* If you take a candidate out for a meal, DO NOT use your personal MSUM card to pay for the meal. The best way to pay for candidate meals is to charge them directly to the university. If you wish to take a candidate to a restaurant not on the Academic Affairs list, you can pay for the meal yourself and then submit the receipt for reimbursement. Note, however, that the reimbursement does count as taxable income. Please refer to the rules regarding candidate meals for details. Meal information can be found at:

<http://www.mnstate.edu/acadaff/Departments/Recruitment/CandCosts.htm>

General handbook on candidate guidelines is located at:

<http://www.mnstate.edu/affirm/2005HrgGuidelines/TOC.pdf>

### **What is my responsibility as a budget manager for the university in regards to credit card use?**

It is the responsibility of the cost center budget manager and cardholder to ensure compliance with Minnesota Statute. The approval documents should be kept with the cost center records of credit card use by the employees covered in that cost center. IT, AV/TV, central stores or other university service departments making VISA purchases on behalf of another cost center or for restocking inventory should retain a copy of the document (e-mail, requisition, inventory tally, etc.) requesting and authorizing that purchase.

### **Then can I travel without pre-approval?**

No.

Use of the travel requisition is still required for a number of liability issues.

1. Travel Requisitions should be submitted to the Business Office at least two weeks prior to departure date and earlier if advance is needed.
2. By signing I am stipulating that I have a valid driver's license which is required to operate a state/private/rental vehicle while on state business. I also stipulate that my private vehicle is properly insured. State vehicles must be reserved in advance by calling the Motor Pool, Ext. 2662.

3. Estimate employee expenses as closely as possible. Expenses exceeding contractual rates, tuition exceeding \$1000, and conference registration fees exceeding \$1000 will be considered for approval only if Form FI-00023-07 Request for Approval to Incur Special Expenses—is approved in advance.

## **E. Unauthorized and/or Inappropriate Card Use**

### **When and where can I use my credit card?**

Credit cards must never be used to purchase items for personal use or for non-university purposes, even if the cardholder intends to reimburse the university.

Use your credit card, in accordance with these guidelines, at any place of business where you see the “VISA” sign at that retail location. MOST merchants prefer the credit card over the PO process—the sale is finalized within a day AND the merchant does not have to deal with billing the state (the merchant’s accounts receivable cost) and wait 30-60 days for payment (MSUM accounts payable time).

Remember: Inform the cashier before processing a charge that **MSUM is tax exempt** on all items except: lodging, meals eaten in restaurants, car rental and solid waste collection & disposal. The tax-exempt number is on the VISA card. That number is 1746999.

## **F. Responsibility and Accountability**

### **What is my responsibility as an individual cardholder?**

Safeguard the VISA card and VISA card account number at all times. **Lost or stolen VISA cards** must be reported immediately to Wells Fargo credit card division AND to the MSUM Business Office. **LOST OR STOLEN CARDS ARE REPORTED TO 1-800-932-0036.**

## **G. Professional Development Travel**

### **How about use of the card for PDF, 19A or 19B funds?**

Credit card may be used for transportation, lodging and registration fees when traveling for professional development. No meals are to be charged. Cash advances may be made as allowed under employee expense policy.

### **Cash ADVANCE?**

I. From MnSCU System Procedures, 5.19.3 Travel Management, Part 9. Travel Advances:

The use of state credit cards for authorized business expenses is strongly encouraged. An employee and any other individual authorized to travel including students may be issued a travel advance subject to minimum amounts determined by his/her bargaining agreement or compensation plan. The amount of the advance should not include any expense that will be directly billed. Advances should be requested using the Employee Expense Report a minimum of 14 days before departure. An employee or any other individuals authorized to travel including students may not have more than one outstanding travel advance due to failure to settle the advance for a trip that has been completed. The advance must be

submitted with an Employee Expense Report with appropriate receipts and documentation within five (5) days of returning from the trip. Advances not settled within 28 days of return date will be deducted in their entirety from the employee's paycheck.