Earlham College - JPMorgan Chase MasterCard
Policies and Procedures

1. Program Objective
- Implement an innovative payment method for the purchase of supplies, services and travel associated with day-to-day operations for the College. Individual card setup is limited by departmental requirements.
- Streamline the procurement process by allowing employees to reduce the use of traditional purchase orders and the need for check requests or petty cash.
- Monitor inappropriate/fraudulent purchases with built-in spending controls and electronic reporting
- Generate income for the College through rebates with no annual fees.

2. Using the Card
The card will be used to purchase college-related goods and services for routine, small dollar, non-capital items within pre-approved spending limits. **Personal purchases of any type are not allowed.** Any accidental personal expenses reflected on the card should be reimbursed to the college within 10 days. **Cash advances are not allowed.**

Some examples of purchases that ARE allowed include:
- Office supplies
- Lodging
- Car Rental
- Conference Registration
- College travel related expenses
- College work related meals

The following are NOT permitted with the MasterCard:
- Items for personal use
- Alcoholic beverages unless approved by appropriate vice president
- Cash advances/reimbursements
- Purchases above the Cardholder transaction limits
3. Roles and Responsibilities

Cardholder
- Validates all card purchases made
- Works directly with companies regarding discrepancies
- Maintains accurate records for all transactions
- Reviews on line monthly statement, verifies charges and credits and assigns account codes
- Prints a Cardholder Activity Report (on line through Chase SmartData) and attaches all supporting receipts to the report.
- Submits completed documents to budget manager by the 5th of each month.

Supervisor/Budget Manager (unless otherwise specified)
- Identifies Cardholder within their department and approves/submits request for card to include spending limits (use the Credit Card Request form found at http://earlham.edu/accounting-office/forms/)
- Reviews and approves the Cardholder Activity Report and receipts to ensure purchases are within budget and are in compliance with the Business Expense Policy. Approved documents are due by the 10th of each month to Accounts Payable.
- Notifies Program Administrator when cardholder employment ends or program ends so the card can be cancelled.

4. Spending Limits

The spending limits will be established based on the request from the budget manager and approval of the VP for Finance and Administration or Controller. These limits can be adjusted up or down, depending on the individual needs and with appropriate approval. Any issues regarding changes to spending limits should be submitted by the budget manager to the Program Administrator using the Credit Card Requests form found at http://earlham.edu/accounting-office/forms/.

5. Card Security

The guidelines listed below are to be followed at all times:
- NEVER post your card number around your work area.
- NEVER give your card number to someone else.
- No one but the Cardholder should place an order using his/her card number.

Remember that the Cardholder is accountable for everything charged to the card bearing their name.

6. Lost or Stolen Cards

In the event of a lost, stolen or compromised card, the Cardholder must immediately contact the appropriate Earlham Program Administrator or if unavailable contact Commercial Card Customer Service at (800) 316-6056.
- If the card is stolen or compromised, it will be cancelled immediately.
- If the card is lost, the individual purchase authorization level will be cancelled, and the cardholder will have 24 hours to find the card, at which point the card will be cancelled.
- If the account is closed, a replacement card can be delivered to the Cardholder.

In addition to contacting the appropriate Earlham Program Administrator, the Cardholder is responsible for notifying their budget manager. Failure of prompt notification may result in inappropriate charges to the department.
7. Travel Policy Statement

Earlham will pay necessary and reasonable travel expenses to include transportation, meals, lodging, and miscellaneous expenses, for employees who travel on College business. Dated and itemized original receipts for all travel expenses are required, along with a statement of the specific business purpose of the trip. The Business Expense policy gives specific guidance and can be found on line at http://earlham.edu/accounting-office/forms/.

Travel/Cash Advances - Employees are not allowed to use their card for travel/cash advances.

8. Purchasing Procedures

When placing an order with a supplier, the following policies and procedures are to be used:

- Follow the individual suppliers requirements for ordering
- Compile documentation related to purchases (packing slips, order confirmations, etc.) for each purchase
- Obtain the following information from the supplier (this information is needed when filling out the Activity Report):
  - Base cost of the purchase
  - Sales tax amount
  - Total dollar amount of purchase
  - Request the supplier use the following guidelines for package delivery:
    - Packages must be marked on the outside of the carton with the requestor’s name
    - The packing slip must be similarly marked
    - Have invoice / receipt sent to “ship to” address, not A/P

For security purposes, your card number should never appear on the outside of the carton or on the packing slip.

9. Documentation

All purchases made using the card should be supported by receipts, packing slips, charge slips, shipping details, etc. These documents may be needed to resolve disputes.

When merchandise is being delivered, employees should request that the supplier include invoice transaction details, including purchase price, shipping charges and sales tax if applicable. Typically, when merchandise is picked up, a store receipt and charge slips are provided to the Cardholder at the point of sale. Electronic transactions generally provide electronic receipts.

Monthly, the Cardholder is required to attach all receipts, in the order they appear on the Activity Report, for all charges.

- For internet purchases, print a confirmation
- For meals, include both the meal ticket and the credit slip
- If a receipt is lost, please complete the Lost Receipt form as the replacement found on http://earlham.edu/accounting-office/forms/

The on-line review process will allow space to indicate reason for travel, names of persons taken out for a meal and business purposes, type of student event and the use to which equipment or supplies will be put. This information may also be hand-written on the receipt.

Accounting stores Activity Reports in accordance with a record retention policy for current year plus seven years after.
10. Cardholder Statements

Each month, JPMorgan Chase through SmartData, provides an electronic Activity Report. This includes a listing of purchases made and credits received during the monthly cycle which ends on the 26th of each month. The Cardholder Activity Report is a reference document, which equates to the charges on the central invoice received by Accounts Payable.

The Cardholder is responsible to check their online account monthly and verify that all activity listed on the Cardholder Activity Report is accurate and supported with receipts. Support for this process can be found online at http://earlham.edu/accounting-office/forms/. Completion of this task by the 5th of each month will allow budget managers time to approve all receipts and forward them to Accounts Payable by the 10th of every month. Delays have consequences and possible forfeiture of card privileges.

11. [SmartData] Online Review Process

Each Cardholder is required to review all activity on JPMorgan Chase’s SmartData Internet tool. Processes and procedures are defined on separate cover located on line at http://earlham.edu/accounting-office/forms/

Cardholder review procedures include:

- Match all transactions listed on the online Cardholder Activity Report to the supporting receipts for each transaction to include all sales receipts and other documentation as support.
  - If a receipt is lost or never given, please include a Lost Receipt Form for each charge. Form can be found at http://earlham.edu/accounting-office/forms/.
- Assign a department and account code to each charge within the electronic report tool.
- Identify and highlight all discrepancies on the monthly Activity Report.
- Contact the supplier to resolve discrepancies.
- Submit the approved Cardholder Activity Report and related receipts to Accounts Payable by the 10th of each month.
- Keep a copy of the reports for future reference.

Employees must run a Cardholder Activity Report via SmartData program and submit all original receipts to their budget manager for approval by the 5th of the month. Budget Managers will submit to Accounts Payable by the 10th of the month the approved documents. If this procedure is not followed, the cardholder and their manager will be notified of the noncompliance with policy. Disciplinary action will be initiated by the supervisor or VP for Finance and Administration beginning with educational email to verbal discussion with 10 days grace. If after 45 days the cardholder still has not submitted their Activity Report and required receipts, card privileges will be revoked and the card will be cancelled.

12. Approval

It is the responsibility of each authorizing budget manager to:

- Review Cardholder Activity report and receipts.
- Monitor monthly purchase activity to ensure cards are used in accordance with the College policies and procedures.
- Ensure activity is within approved spending limits and budget plans and coded to correct account
- Discuss any outstanding disputes/issues with the Cardholder
- Approve each monthly Cardholder Activity Reports and forward to Accounts Payable by the 10th of every month.
- Notify Program Administrator when a cardholder is no longer employed or program ends so card can be cancelled.
13. Payment of Statement

On a monthly basis, Earlham Accounts Payable will receive a central invoice from JPMorgan Chase, which consolidates all spending activity for all cardholders and paid electronically. If an error in coding is found or needs adjusting after submission, contact the Accounts Payable Office.

14. Returns and Exchanges

The Cardholder must ensure that any charges or credits – expected as the result of returned or exchanged goods – are accurately reflected on the Activity Report. Follow the procedures outlined below:

- Contact the supplier to confirm instructions for returned merchandise.
- Record and include all relevant documentation in the Activity Report.
- Review monthly Cardholder Activity Report to ensure that expected adjustments are reflected.

15. Disputed Charges

It is the responsibility of the Cardholder to resolve these discrepancies. While reviewing the Activity Report, look for charges for items that were not received/ordered or credits for returned goods or prior disputes that are not reflected.

The Cardholder should first contact the supplier to notify them of the dispute. If the supplier agrees that an error has been made, the supplier will credit the Cardholder account. This should be noted on the Cardholder Activity Report to ensure the appropriate credit is received on the next Cardholder statement.

If unable to resolve the dispute with the supplier, contact JPMorgan Chase Customer Service directly at (800) 270-7760 to report the dispute or submit a dispute online. All disputes submitted electronically must be reported to JPMorgan Chase within 60 days of the transaction. Disputes up to 120 days old can be submitted manually by calling JPMorgan Chase Customer Service directly.

In the rare instance the dispute cannot be resolved by the Cardholder or JPMorgan Chase, the Cardholder should contact the Earlham Program Administrator and/or the Purchasing Department.

16. Cardholder Terms and Conditions

By signing the Earlham/JP Morgan Chase Cardholder Agreement and accepting the card, the Earlham employee agrees to participate in the program and assumes the responsibility in accordance with the policies and procedures. These include but are not limited to the following:

- The MasterCards are issued at the discretion of the budget manager and VP for Finance and Administration. All cards remain the property of JPMorgan Chase. Each card has pre-set spending limits which may not be exceeded. Limits may be changed at the budget managers’ request and with the approval of the VP for Finance and Administration or Controller.

- The MasterCard is to be used for College expenditures only. Personal expenses are not permitted.

- The card will be issued only to the employee whose name appears on the card and may not be given to, assigned to, or used by anyone other than the designated cardholder.

- The card must be maintained with the highest level of security. If the card is lost or stolen, or if the Cardholder suspects the card or account number has been compromised, the Cardholder must immediately notify the appropriate Earlham Program Administrator or if unavailable contact Commercial Card Customer Service at (800) 316-6056 and their Earlham budget manager.
• Sign the MasterCard immediately upon receipt. When the expiration date has passed and/or after you have received a new MasterCard, cut the old card in half and dispose of it. Make sure the card is returned to you after each charge and verify that the returned card has your name on it.

• All charges will be billed to and paid directly by Earlham College. On a monthly basis, the Cardholder will be responsible to review, verify, provide account codes and provide all receipts for all activity associated with the card during the reporting period. The Cardholder's supervisor must review, approve and submit the activity report and receipts to the Accounts Payable by the 10th of each month. While the Cardholder is not responsible for making the payments, the Cardholder is responsible for the verification of all account activity.

• Cardholder accounts shall be subject to periodic internal control reviews and audits designed to protect the interests of Earlham College. By accepting the card, the Cardholder agrees to comply with these reviews and audits. The Cardholder may be asked to produce the card to validate its existence.

• Policies and procedures related to the MasterCard Program may be updated or changed at any time. Earlham College will promptly notify all Cardholders through the Program Administrator of these changes. The Cardholder agrees to adhere to the policies and procedures at all times. The full policies and procedures document can be found at http://earlham.edu/accounting-office/forms/.

• The Cardholder agrees to surrender and cease use of their card upon termination of employment whether for retirement, voluntary separation, resignation, dismissal or conclusion of a program. The Cardholder may also be asked to surrender the card at any time deemed necessary by Earlham College.

• Failure to comply with this agreement and the policies and procedures will result in revocation of the card and appropriate disciplinary action.

17. One-Card Internal Contacts

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<thead>
<tr>
<th>Name</th>
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