

Knox College

**Wells Fargo Bank
*WellsOne*SM Commercial Card Program**

Policy and Procedures Manual

October 14, 2010



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Introduction

Welcome to the *WellsOne* Commercial Card Program!

The purpose of the *WellsOne* Commercial Card Program is to streamline and simplify the requisitioning, purchasing and payment process for small dollar transactions. The program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as purchase orders, petty cash, check requests and expense reimbursements. The goal of the program is to:

- Reduce the cost of processing small dollar purchases
- Receive faster delivery of required merchandise
- Simplify the payment process
- Provide cardholders with empowerment to choose!

This reference guide will provide you with the particulars of the program, including general guidelines, reconciliation and record keeping procedures, and customer service information. It is important to read the following information carefully, as you will be responsible for adhering to the company-established policy and procedures.

As with any new process, it is difficult to anticipate every question or issue that may arise. The pilot phase is intended to surface procedures, issues or hurdles that may be encountered in using the card. The feedback will give us an opportunity to refine our policies and procedures.

If you have any additional questions, please contact your manager or a Program Administrator in the Knox College Business Office:

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General Guidelines

Card Issuance:

As a cardholder, you will be asked to complete a cardholder agreement form, which will then be signed, by your manager. By signing the agreement form, you have agreed to adhere to the guidelines established in this manual. Most importantly, you are the only person entitled to use the card and the card is not to be used for personal use. As each card is linked to a specific cost center and individual employee, the card cannot be transferred from one employee to another.

Upon receipt of your *WellsOne* Commercial Card, you will need to activate the account by calling the toll-free number printed on the card. For verification purposes, you will be asked to provide the last four digits of your Employee ID. Although the card will be issued in your name, your personal credit history will not affect your ability to obtain a card. Knox College is responsible for payment of all purchases.

Account Maintenance:

If there's a need to change any information regarding your account, such as mailing address or expense accounting code, please contact a Program Administrator. The only account information you are able to change online is the email address and the automatic deposit (ACH) information, if applicable.

Card Usage:

The *WellsOne* Commercial Card can be used at any merchant that accepts Visa, except as Knox College otherwise directs. It may be used for in-store purchases as well as online, phone, fax or mail orders. There is no special terminal or equipment needed by the Visa merchant to process a card transaction.

When using the card with merchants, please emphasize that an invoice must not be sent as this may result in a duplicate payment. You must keep a detailed receipt for every transaction to include with your monthly reconciliation. For online, phone, fax and mail orders, please instruct the merchant to send a receipt only. Again, this receipt must be retained for your records. It is very important that you keep credit card purchases separate from invoices that need to be paid through the Accounts Payable Department.

Vendors Not Accepting Visa:

Not all of your suppliers will accept Visa. However, as card programs become more and more popular, vendors may want to accommodate their customers by accepting Visa as a method of payment. If you have a vendor who does not accept Visa, please contact a Program Administrator.

Limitations and Restrictions:

Your manager has assigned a credit limit to your card. Every cardholder has a total monthly dollar limit assigned to his/her account. As limitations vary by cardholder, please discuss the limit with your respective manager. If you believe your monthly limit to be insufficient for your requirements, and your manager agrees, your manager must contact a Program Administrator to request your limit be increased.

The *WellsOne* Commercial Card program also allows for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If your card is refused at a merchant where you believe it should have been accepted, you should call the Wells Fargo Business Purchasing Service Center at **1-800-932-0036** to determine the reason for refusal. Depending on the result of your inquiry, you may want to discuss the issue further with a Program Administrator. The Program Administrators are empowered to modify the restrictions on your use of the card.

IMPORTANT: All requests for changes in limitations and restrictions must be made through your manager or a Program Administrator. Wells Fargo Bank will change existing cardholder restrictions only after a request is received from a Program Administrator.

Lost or Stolen Cards:

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, **immediately** report this information to Wells Fargo Bank Business Purchasing Service Center (BPSC) at **1-800-932-0036**. – the BPSC is available 24 hours day/7 days week. Immediately after reporting to the BPSC, you must inform a Program Administrator. **It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.**

As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

Authorized Purchases

Purchases may include:

- Office supplies and forms
- Books and subscriptions
- Computer supplies, e.g., software and diskettes
- Day timers and calendars
- Professional membership dues
- Hardware and tools
- Spare parts
- Miscellaneous items, e.g., videotapes
- Congratulatory or sympathy flowers
- Uniform Rentals/Cleaning
- Courier/Overnight Deliveries
- Travel and Entertainment Expenses
- Company Vehicle Expenses

Unauthorized Purchases

- Items for personal use
- Stock items available through our warehouses or through approved ordering systems or programs
- Capital goods (Computers, Computer equipment, Phones and/or accessories, or any depreciable goods.
- Leased equipment
- Payment for honorariums, contractors, wages, or stipends.
- Gift Cards

As with any purchase through Knox College, the card is not to be used for any product, service or with any merchant considered to be inappropriate for College funds.

Failure to comply with the above guidelines for authorized purchases under the *WellsOne* Commercial Card program may result in disciplinary action, cancellation of your card privileges, and possible termination of employment.

Travel and Entertainment

The *WellsOne* Commercial Card is intended to assist you with, payment for airfare, hotels, and out-of-pocket expenses during business travel. If for some reason you do incur out-of-pocket expenses, when you reconcile your statement you can input out-of-pocket expenses. You will select, from a drop down list, the type of expense that was incurred and input the amount. If your bank account automatic deposit (ACH) information is in the system, the payment for that expense will be automatically deposited to you account.

The *WellsOne* Commercial Card, when used for travel, must be used in accordance with the travel and expense policy already established.

Reconciliation and Payment

Unlike personal credit cards, the *WellsOne* Commercial Card program is handled as corporate liability. Your personal credit history has not been taken into account when a card has been issued in your name.

The Accounts Payable Department is responsible for paying the Program invoice(s) each month. You are not responsible for payment under your account.

At the end of a statement period, you will be notified via email that it is time to review your card statement. You will access the Commercial Card Expense Reporting tool via the Internet to review your statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. You have the ability to reconcile your account at any time.

You are responsible for the following:

- **Retaining all receipts for items purchased under the program.**
- **Ensuring all transactions posted are legitimate purchases made by yourself on behalf of Knox College.**

Receipt Retention:

It is a requirement of the program that you keep all detailed receipts for goods and services purchased. For orders placed via phone, fax or mail, or online, you must request a receipt, detailing merchandise price, sales/use tax (there should be no tax charged as Knox College is tax a exempt organization), freight, etc., be included with the goods mailed/shipped. (*Note:* a merchant should not reject this request, as it is a Visa policy). It is extremely important to request and retain purchase receipts, as this is the only original documentation that shows whether sales tax has been paid.

Since standard reimbursement policies require retention of receipts or other proof of purchase, record keeping is not an extraordinary requirement.

As card records will be audited, it is essential to adhere to the above record keeping guidelines. Please refer to your copy of the Card holder Agreement item 7:

I will follow the established procedures for use of the Commercial Card and submit my statement in the Commercial Card Expense Reporting Envelope (envelopes available in the Business Office), with all receipts attached, to the Business Office, Campus Box 147 within 5 working days of distribution of cardholder statements. Failure to do so may result in revocation of my use privileges and/or may result either my purchases being reported as income to me or my purchases being considered personal purchases, therefore requiring me to reimburse Knox College.

Reconciliation of Purchases:

It is your responsibility, immediately upon receipt of your statement to check it to ensure all the transactions posted are legitimate transactions made by yourself, mark transactions for which receipts will be attached, and attach line item detailed point of sale receipts or delivery invoices. Other optional functions such as splitting transactions, adding descriptions, reclassifying expenses can be performed using the Commercial Card Expense Reporting tool. You can also mark any personal charges that may have been inadvertently charged to your Corporate Credit Card. Knox College understand that errors occur and that it is possible to inadvertently charge something on the wrong credit card. But, personal charges frequently charged to your Corporate Credit Card will not be allowed and can result in termination of your card privileges Please refer to your copy of the Card holder Agreement item3: *I understand that under no circumstances will I use the Commercial Card to make personal purchases, either for myself or for others.*

All of the available functions will be part of your initial training and can be referenced in the Cardholder Quick Reference Guide. If everything is in order, you will mark the statement as reviewed. Once your statement has been marked as reviewed, an email will be issued to your manager for his/her approval. Follow Knox's procedures for forwarding the receipts to your manager. Please make copies for your records.

Disputed or Fraudulent Charges:

If there is a discrepancy between your receipts and your statement, it is imperative that the issue is addressed immediately! Depending on the type of discrepancy, you will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

If you believe the merchant has charged you incorrectly or there is an outstanding quality or service issue, you must first contact the merchant and try to resolve the error or problem. If you are able to resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on your next statement. Note: The item should be highlighted on your record log as a reminder to verify that correct credit has been received.

If the merchant disagrees that an adjustment is necessary, you will complete the online dispute form. The details of the disputed transaction will be entered online and followed up on by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within **60 days** of the transaction date. Failure to comply with the Corporate Card guidelines may result in cancellation of your card privileges. While pending resolution, Wells Fargo Bank will credit Knox College's account for the amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, you should never assume that a dispute will be resolved in your favor.

If the dispute is not resolved to your satisfaction, and you believe the merchant has unfairly treated you, please notify your manager with the relevant details. If the merchant is one of our preferred vendors, our purchasing department may take further action.

Any fraudulent charge (i.e., a charge appearing which was not authorized by you) must be reported immediately to a Program Administrator. Prompt reporting of any such charge will help to prevent the company from being held responsible. A Declaration of Forgery or Unauthorized Use form may be required and will be sent to, if applicable.

Sales and Use Tax

Out-of-state purchases, where sales tax has not been charged, should accrue the applicable use tax. Since Knox College is a tax exempt organization your purchases are usually tax-exempt. You will be required to provide merchants with the necessary forms for non-taxable goods or services. Questions regarding this policy and any other questions concerning tax issues should be addressed to a Program Administrator. Knox College's tax exemption number is printed at the bottom of your Corporate Card. Please notify all vendors of Knox College's tax exemption status.

Frequently Asked Questions

- **Why did the company decide to participate in a Commercial Card Program?**

Like most companies today, we are exploring ways to streamline processes and reduce costs. Frequently the expenses incurred to process a small dollar purchase can run as high as the price of the item itself. With a commercial card, many of the typical purchasing steps should be eliminated including, generating a requisition, preparing a purchase order, matching a packing slip to a purchase order, matching invoices with purchasing requisitions, individual payments of invoices, etc.

- **What is the procedure when I pay for something with my commercial card?**

Essentially, the process is the same as when using your personal credit card. You must notify vendors of tax exemption and always ask for a receipt for your records, particularly for online, phone, fax and mail orders.

- **Are there any restrictions associated with the use of my card?**

Yes, in addition to our company policy stating the type of products you can buy and our preferred vendor list, other controls and limits may be placed on your card including:

- Monthly dollar limit
- Blocked merchant categories
- Personal Purchases

Please see your manager or a Program Administrator for your specific restrictions.

- **How will I know if I have exceeded my monthly limit?**

You can check you balance and expenditures online at any time. You may also call the toll-free Wells Fargo Bank Customer Service number on the back of your card.

- **What should I do if a supplier does not accept the *WellsOne* Commercial Card?**

Please contact a Program Administrator and provide him/her with the supplier's name, address and phone number.

- **How will I know if the company is getting billed correctly for the purchases I have made?**

You will be able to check all transactions online at any time. You will also review your statements at the end of each period. This statement is for your review only and allows you to reconcile your purchases. You must review the statement in a timely manner, as any disputed or fraudulent transactions must be reported to Wells Fargo Bank in a timely manner.

- **How will my monthly commercial card bills be paid?**

You are not responsible for the payment of your commercial card bills. The monthly statement you receive is for your review and reconciliation only. Accounts Payable will make one monthly payment to Wells Fargo Bank covering expenses for all Knox College employees using the card.

- **Who in our company may I talk to if I have questions going forward?**

We have designated the following individual(s) as Program Administrator(s) Melody Diehl, Old Main, Room 108, 309-341-7316. Melody should be contacted for any questions you have regarding limits, usage and other issues.

Lisa Steinbach, Old Main, Room 106, 309-341-7201 and Vicki Trant, Old Main, Room 106, 309-341-7343 are also available to help with any questions you have concerning your Corporate Card.

Only the Program Administrators have the authority to change any existing information or restrictions to a cardholder's account.

- **What should I do if I have a problem associated with something I bought with my *WellsOne Commercial Card*?**

Please refer to the "Disputed or Fraudulent Charges" section of this guide for complete details. It is extremely important that you address these items immediately.

- **Once I receive the card, can I begin using it immediately?**

Once you receive your card, you will be instructed to call Wells Fargo Bank's toll-free number and provide certain information (Last 4 digits of your employee ID number) to activate the card. This procedure ensures a secure card issuance process and helps to prevent fraud.

- **What should I do if my card is lost or stolen?**

It is extremely important to call Wells Fargo Bank's Customer Service toll-free number (1-800-932-0036) immediately in the event your card is lost or stolen. You must also notify a Program Administrator.

- **Can another employee utilize my card for purchases?**

Each *WellsOne Commercial Card* will be embossed with the individual employee's name. The employee is responsible for the proper use of his/her card. ***At no time should another individual utilize your card.***

- **Can the *WellsOne Commercial Card* be used out the United States?**

Yes, the *WellsOne Commercial Card* is accepted worldwide. Purchases can be made in any currency and billed in U.S. Dollars.

- **What should I do if I need to change my monthly or single purchase limits?**

You may request a credit limit change online under the Personal Profile tab or contact a Program Administrator.

By signing below, I am acknowledging that I have read and understood the above Policy and Procedures in regards to the Wells One Commercial Card for Knox College

Cardholder Signature

Print Name

Date