



CORPORATE CREDIT CARDS

CONDITIONS OF USE & OPERATIONAL PROCEDURES

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1.0 Introduction

Corporate credit cards provide cardholders with a convenient means to meet necessary expenditure on business travel and business entertaining. Expenditure incurred by means of the card is subject to the University's Financial Regulations in the same way as expenditure incurred by other means. All expenses incurred using the Corporate Credit Card should be in line with the existing University Expenses Procedures which can be found at

<https://www.gla.ac.uk/myglasgow/finance/payandpensions/expensesprocedures>

The card is available to those members of staff who undertake, or expect to undertake, significant and regular travel on behalf of the University resulting in a high degree of personal expenditure being frequently incurred. Details of the application procedure can be found at

<https://www.gla.ac.uk/myglasgow/procurementoffice>

There are some significant additional considerations to take into account in relation to corporate credit cards and these are outlined in this document.

The provision of the facility of a corporate credit card places on the cardholder a high degree of financial responsibility and duty to act with care.

It is important to recognise the limited use to which the card can be put (see Section 3.0) and the alternative means of purchasing "other" items of expenditure (see Section 5.0). Equally important is the need to comply with the set limits placed on certain categories of allowable expenditure (see sections 8.8 to 8.10 inclusive).

In addition, it is important that cardholders comply with the various reporting requirements associated with these procedures including the need to ensure that each item on the corporate credit card statement is supported by a valid receipt and that an adequate explanation for the expenditure being incurred is provided (see section 8.2). Of equal importance is the requirement to provide the necessary supporting information in the event of business entertaining expenditure being incurred (see section 8.11).

Use of the card for personal items of expenditure is not allowed. The use of the card for personal expenditure will result in the withdrawal of the card and disciplinary action.

The card shall not be used to purchase any form of equipment (including computer items or accessories), books, subscriptions, conference or internet purchases where there are alternative University purchasing procedures already in place e.g. departmental purchasing cards.

Any expenditure deemed non-allowable will be deducted from salary at the full discretion of the Finance Office.

Cards will normally have a maximum monthly credit limit of £5,000 or less. In certain exceptional cases, for example where an individual is frequently travelling on University business, a higher limit may be permitted. Any individual requiring a temporary increase to their card limit can request this by contacting the Finance Office a week before the trip is due to start. Cards will not have large credit limits on a permanent basis.

University corporate cards should not be used to withdraw cash under any circumstances.

The card may only be used by the person named on the card.

Please note that compliance with the rules and procedures is required of all staff, regardless of the level of seniority, and that effective follow-up action will be taken in the event of failure in this respect.

When a member of staff leaves the University, the University corporate card must be returned to the Finance Office at least 30 days before their leaving date. All expenditure incurred must be processed and approved prior to the cardholder leaving the University. Failure to do so will result in a deduction from salary.

2.0 Cardholders' Responsibilities

Cardholders have an over-riding duty to ensure that expenditure committed using the University's corporate credit card is done so in accordance with the prescribed regulations governing the Scheme, which are specified in this document. Misuse of the card will be subject to disciplinary action.

Specific Responsibilities:

- 2.1 Cardholders must ensure that all expenditure is incurred wholly, necessarily and exclusively in the performance of the duties of employment.
- 2.2 Cardholders should note that any use of the card for personal expenditure will result in the withdrawal of the card and disciplinary action. Any expenditure deemed non-allowable will be deducted from salary at the full discretion of the Finance Office.
- 2.3 Cardholders must provide justification for all transactions and should expect to be challenged if they fail to do so.

Cardholders must ensure that a clear explanation exists as regards the reason for every line of expenditure on the credit card statement.

Cardholders must be able to demonstrate when, where and, vitally, why expenditure has been incurred.

- 2.4 Cardholders must ensure expenditure is limited to allowable categories. For reference, these are:
 - Direct travel costs, e.g. rail and taxi fares and parking and car hire
 - Subsistence (including overnight accommodation costs)
 - Personal incidental expenditure
 - Business Entertaining (but not Staff Entertaining)
- 2.5 Cardholders must obtain appropriate receipts to support expenditure for every line of expenditure on credit card statements.
- 2.6 Cardholders must ensure that expenditure does not exceed the laid down limits regarding tipping and subsistence rates; subsistence in this context includes overnight accommodation rates (see Section 8.8 to 8.10). In the event of these rates being exceeded, the cardholder must provide a written explanation, providing a business reason for exceeding these limits and note that non-allowable expenditure of this nature may be deducted from salary at the sole discretion of the Finance Office.
- 2.7 Where business entertaining costs have been incurred, cardholders must ensure the following information is shown on the "Additional Information" field within Core Expense in support of the claim:
 - The name of the venue the event took place in
 - The names of each person present (including the cardholder)
 - Whether the individual is internal to the University or is a third party
 - The purpose of the entertainment

- 2.8 It is recognised that when entering claims in Core Expense some expenditure may have been paid by the employee and some will have been paid using the corporate credit card. To facilitate the recording of claims a “Payment By” field has been activated in Core Expense when entering a new item in an expense trip.

The screenshot shows the 'Expense Details' form. At the top, there is a checkbox labeled 'Tick here if your expense item has foreign currency receipts'. To its right is the 'Payment By' field, which has two radio buttons: 'Me' (which is selected) and 'Company'. Below this, there are several input fields: 'Expense Type' (a dropdown menu), 'Location' (two dropdown menus labeled 'From' and 'To'), 'Dates' (two date pickers, both showing '15/11/2017'), and 'Times' (two dropdown menus labeled 'From' and 'To'). A large text area for 'Description' contains the placeholder 'Enter Description...'. Below these fields is a collapsed section for 'Cost Centre & Sub Project Codes'. At the bottom left, it shows '0.00 total claimed' with a small '0' below it. A three-dot menu icon is located at the bottom right of the form.

For items that require reimbursement no action need be taken as the “Payment By” field will default to “Me”.

To record expenditure paid for by the corporate card select “Company”. This will allow the employee to record the expenditure but no payment will be made to the employee.

- 2.9 When recording items where the receipt is in a foreign currency, that has been paid for using the corporate credit card, the pounds sterling value as displayed on the credit card statement must be input to ensure all claims can be properly reconciled.

- 2.10 All credit card statements must be reconciled by the employee and returned to the Finance Office within four weeks of receiving the statement.

Alongside each item of expenditure the employee must note the Trip ID in Core Expense that contains this item of expenditure.

Any item not yet recorded in Core Expense should be highlighted and a written explanation provided why it has not yet been recorded.

- 2.11 Credit card statements must be signed by the cardholder and passed to the Authorised Signatory for approval and countersignature before forwarding to the Finance Office.

- 2.12 Reconciled statements should be forwarded to Pay Control Section of the Finance Office (Tay House).

3.0 Allowable Expenditure Categories

The University’s corporate credit card must only be used for expenditure on specific items and must be incurred wholly, necessarily and exclusively for business purposes. The specific “allowable” expenditure categories are:

- Direct travel costs, e.g. rail and taxi fares and parking and car hire
- Subsistence (including overnight accommodation costs)
- Personal incidental expenditure
- Business Entertaining (but not Staff Entertaining)

4.0 Reason for limiting Expenditure Categories

Corporate credit card expenditure is restricted to the categories listed above as a consequence of HM Revenue & Customs (HMRC) regulations. Under these regulations, credit cardholders can incur such expenditure without a tax liability arising providing adequate controls exist to monitor expenditure. Using the corporate credit card to incur items of expenditure out-with the allowable expenditure categories puts the University at risk of non-compliance and also compromises the University's purchasing and financial regulations.

5.0 Alternative Methods available to Purchase 'Other Items'

There will undoubtedly be valid business reasons for wishing to purchase items not categorised as "allowable" under the Corporate Credit Card Scheme. In this event, cardholders must use the purchase order or the purchase card systems using approved suppliers. Purchases from other University departments must be effected by journal transfer.

Cardholders must not use their card for any type of expenditure where there is already an approved University procedure e.g. international flights should always be purchased using the University approved supplier.

6.0 Compliance Regime

Corporate credit card expenditure is subject to the same policies, rules and regulations as apply to the University's expenses reimbursement system.

7.0 Travel Policy

The University's Travel Policy Statement can be viewed at:

<https://www.gla.ac.uk/myglasgow/procurementoffice/travelproviders>

The policy statement covers many aspects of business travel, including matters such as optimising cost, health and safety, insurance, and authorisation of expenditure regarding mode and class of travel. This statement must be read in conjunction with the attached conditions of use and operational procedures.

This web page also contains details of current travel providers, both domestic and international, as well as a link to the University's Travel Insurance.

8.0 Rules and Regulations

The following rules and regulations govern the running of the Scheme and all cardholders are expected to comply with them, irrespective of level of seniority.

- 8.1 Costs must be minimised without impairing the efficiency of the University and unnecessary expense must be avoided.
- 8.2 Appropriate receipts must be provided for every line of expense on the credit card statement in support of expenditure claims. Failure to provide appropriate receipts may result in that expenditure being deemed non-allowable and subsequently deducted from salary at the full discretion of the Finance Office.

A receipt must be provided which includes: details of what was purchased; the date the item was purchased; the amount paid for each item and the total amount paid; and the supplier's name and identifying information.

The purpose of obtaining receipts containing the criteria above is to provide objective evidence that an item or service was obtained and paid for by the person.

Credit card receipts are acceptable as verification of expenditure only if no other receipt is available from the supplier. This would be an unusual occurrence, most establishments that provide a credit card receipt usually provide an itemised bill also.

If a receipt does not provide the required information this should be recorded by the cardholder and provided along with the receipt.

- 8.3 Cardholders have an obligation to provide clear and detailed explanations and documentation for all corporate credit card expenditure as a matter of routine, but must also comply with any request for additional information from the Authorised Signatory or Scheme Administrators.

Cardholders must ensure that a clear explanation exists as regards the reason for every line of expenditure on the credit card statement – where necessary a written explanation must be included on the face of the credit card statement.

- 8.4 The card should not be used to incur expenditure on behalf of another member of staff.

- 8.5 Parking costs incurred in the course of travelling on business are legitimate travel costs. Parking fines are not a legitimate business expense and should not be charged to the University by credit card or in any other manner.

- 8.6 Car hire should be considered where the use of public transport is impractical or not appropriate.

In the event that the corporate credit card is used for car hire, cardholders are reminded that no personal use of the car is permitted.

The corporate credit card may be used to purchase fuel for hire cars (but not private cars) and receipts must be provided. In this instance there will be no need to complete a mileage claim, as this journey cannot be claimed. Full details of the journey undertaken must be provided when the corporate credit card statement is returned to the Scheme Administrators.

- 8.7 Credit card insurance or any other form of insurance must not be purchased by cardholders with the exception of UK car hire of less than 3 days where, on these occasions, the car hire company's insurance should be taken out along with any insurance waiver that reduces the level of excess payable. For UK car hire of 3 days or more you should contact University Transport Services to ensure appropriate insurance is in place.

- 8.8 "Subsistence" is the term used to cover the costs of drinks, snacks and meals purchased and consumed during the course of a business journey. Allowable expenses under this category include the cost of a meal, the cost of a reasonable level of refreshments (both alcoholic and non-alcoholic) taken with the meal, and refreshments such as tea, coffee and/or soft drinks between meals.

Two rates apply

Maximum Daily Rate (A)

Employees may claim up to a maximum of £20 per day for each day on which they purchase snacks, meals, etc. whilst away from both home and their normal place of work, in instances where there is no requirement for an overnight stay.

Maximum Daily Rate (B) (Overnight Stay)

Employees may claim up to a maximum of £60 for each day on which they purchase meals, snacks, etc. whilst away from both home and their normal place of work, provided there is a requirement for an overnight stay.

These limits are the maximum recommended rates and should only be exceeded in the event of a supportable business reason being advanced on the face of the credit card statement, or otherwise, in writing. Receipts must be provided in support of subsistence claims.

8.9 It is not always necessary to tip, a service charge may have already been added or the service may not have been acceptable. In the event however of giving a tip to a service provider, the tip should NOT exceed 10%.

8.10 Personal Incidental Expenditure - Employees staying away from home overnight on business often incur minor expenses of a personal nature (for example, private telephone calls). Since these expenses are not incurred wholly in the performance of employment duties such expenses would not normally be allowable against tax. However, HMRC provide a concession that allows certain claims for what they term as 'incidental overnight expenses' to be reimbursed without the need to deduct tax. Currently the rates are £5 for every night spent away on business in the UK and £10 for every night spent away on business outside the UK. Note: these amounts are limits and not allowances. Receipts in support of 'personal incidental expenditure' must be provided where it would be reasonable to expect them.

Please note that incurring personal incidental expenditure up to HMRC limits specified is not an automatic right given to the cardholder and receipts must be supplied in order to support any such expenditure.

8.11 Entertainment expenses incurred “wholly, exclusively and necessarily” in the performance of an employee’s duties will be reimbursed on production of receipts. At least one third party must be present at a meal, function, etc. in order for it to qualify as ‘business entertaining’. Entertainment includes hospitality of any kind, not merely restaurant meals.

Staff entertaining costs are not allowable.

When entertaining has occurred, cardholders are obliged, as well as providing a receipt for the expense, to state the business case in the item description box within Core Expense. It is a prerequisite that the cardholder completes the “Additional Information” field when entering their claim in Core Expense.

The following information must be shown on the “Additional Information” field in support of the claim:

- The name of the venue the event took place in
- The names of each person present (including the cardholder)
- Whether the individual is internal to the University or is a third party
- The purpose of the entertainment

9.0 Cash Withdrawals

Cash withdrawals are NOT permitted.

10.0 Time Limit for Submission of Statements

Cardholders must ensure that expense claims detailing the content of their statement is recorded in Core Expense, together with associated receipts and any other documentation within four weeks of receiving the statement.

Failure to comply may result in some or all of the expenditure being charged to the cardholder. Persistent failure to comply may result in the withdrawal of the corporate credit card from the employee.

11.0 Authorisation

All corporate credit card expenditure incurred by each cardholder must, in addition to being signed by the cardholder be authorised by the holder's line manager certifying the legitimate nature of the expenditure.

The ultimate responsibility for ensuring the regularity of the expenditure covered by the statement falls upon the person authorising the statement.

12.0 Authorised Signatories Responsibilities

The ultimate responsibility for ensuring the correctness of the expenditure covered by the corporate credit card statement rests with the Authorised Signatory.

Authorised signatories have an obligation to satisfy themselves that the expenditure being authorised has been committed in accordance with the rules and regulations underpinning the running of the scheme as outlined in this document (see sections 8 to 10).

- 12.1 In particular, authorised signatories must ensure that the cardholder has provided a clear explanation as regards the reason for every line of expenditure on the credit card statement. Therefore claims in Core Expense have to be viewed to ensure proper explanations and receipts have been provided.
- 12.2 Authorised signatories must ensure expenditure is limited to the allowable categories.
- 12.3 Authorised signatories must ensure any misuse of the corporate credit card is clearly highlighted on the face of the credit card statement. Failure to highlight instances of misuse may lead to disciplinary action.
- 12.4 Authorised signatories must check that appropriate receipts have been provided to support expenditure for every line of expenditure on credit card statements.
- 12.5 Authorised Signatories must check that the cardholder has signed the statement then countersign the statement having carried out the procedures specified above.

The Authorised Signatory will be the cardholder's line manager. Delegation of line manager authority can only occur in the event of prolonged absence from their University post. Delegation of manager authority can only go to the line managers' manager to ensure the person authorising the statement is sufficiently senior to the cardholder to be able to legitimately question any aspect of expenditure appearing on the statement.

13.0 Role of Systems Administrator

The role of the Systems Administrator is to support the cardholders and authorised signatories by providing guidance on the rules, regulations and procedures underpinning the corporate credit card system. The Systems Administrator is also responsible for taking a pro-active role in monitoring and controlling expenditure.

- 13.1 To monitor on a regular basis the effectiveness of the System's control procedures and where appropriate, to query and seek explanation for individual transactions.
- 13.2 Ensure that all credit card statements are returned to the finance Office on a timely basis.
- 13.3 In the event of non-return of the signed statement within the stipulated three week period, an email will be sent to the cardholders and authorisers reminding them of their failure to comply with procedures. In the event of non-return of the statement within two weeks of the date of the email, the University reserves the right to seek reimbursement of the amount covered by the missing statement and to suspend the use of the card.
- 13.4 The Pay Control Section will be expected to carry out the following procedures:

Note: For audit purposes, all checks that are required to be undertaken as described below must be evidenced.

- 13.4.1 Perform a visual check to ensure the cardholder has signed the credit card statement. Perform a visual check to ensure the authorised signatory has signed the statement and verify authenticity of signature.
- 13.4.2 A check must be made by Control Section staff to ensure appropriate receipts have been provided to support each line of expenditure on the credit card statement.
- 13.4.3 A check must be made by Control Section staff to ensure that a proper explanation has been received for each line of expenditure on the credit card statement.
- 13.4.4 A check must be made by Control Section staff to ensure that specific expenditure limits i.e. subsistence, overnight accommodation and tips, have not been breached without proper explanations being provided.
- 13.4.5 A check must be made by Control Section staff to ensure that in the event of expenditure on entertainment taking place, the "Additional Information" fields in Core Expense has been properly completed.
- 13.4.6 In the event of missing or incomplete data being supplied, or "non-allowable" items being included, the statement will be returned to the cardholder via email explaining the reason for its return. The error or omissions highlighted should be corrected and the reasons for including "non-allowable" items given. Appropriate responses to questions asked and the return of the original statement must occur within two weeks of receipt of the email from the System Administrator. Failure to do so will result in the University instigating reimbursement and suspending or withdrawing the card.
- 13.4.7 Where items remain unreconciled by the end of the subsequent period, cardholders and authorisers will be emailed and explanations sought for failure to comply. Where items are not reconciled within the standard three month expenses period they will be deemed "non-allowable" and recovered from salary.
- 13.4.8 Instances of incomplete, missing or "non-allowable" items included on statements but not corrected in line with section 13.4.6 & 13.4.7 will be escalated to the Head of Pay & Pensions

and the Group Financial Controller for further action. All actions and outcomes will be documented.