



Permanent Memorandum No. 78

Effective July 1, 2015 (This PM supersedes and replaces FASOP: AS-20, LaCarte Card Program Policy)

F. King Alexander, President

A handwritten signature in black ink, appearing to read "F. King Alexander". The signature is written in a cursive style and is positioned to the right of the printed name.

UNIVERSITY LACARTE CARD PROGRAM

POLICY STATEMENT

The LaCarte card is the purchasing card issued to authorized employees for the purpose of making small dollar purchases. The LaCarte card is a Visa credit card issued by Bank of America (BOA) for the State of Louisiana. The card is a resource that simplifies the buying process, improves cycle time from ordering to payment, and benefits the University by reducing costs associated with less paperwork and processing time. The LaCarte card will be accepted by any vendor who accepts Visa.

The LaCarte card is a University corporate credit card and will not affect the cardholder's personal credit. When using LaCarte, an authorized University employee is entrusted with the authority to make small dollar purchases on behalf of their department. An employee's LaCarte card is "programmed" with a range of information:

- Cardholder's identity
- Cardholder's spending profile showing authority for procurement, travel or both;
- Dollar limits for cardholder's purchases; and
- Types of merchants (merchant category code; i.e. MCC) that may or may not be utilized.

This program does not allow cash withdrawals/transactions or any attempts for cash transactions, as cash is blocked from this program.

Bank of America has transitioned their Corporate Card Program to the Chip and PIN Technology to help prevent fraud and make it more difficult to copy or counterfeit a transaction.

New and renewal cards will have the Chip and PIN technology. The card insert will inform the cardholders if the card has the Chip and PIN technology and how to use the card to activate the card. Also, cardholders will be required to register at www.baml.com/PINCheck to obtain their PIN. Cardholders will need the following information to register:

- Verification code (provided to cardholder upon issuance of card)
- Card expiration date
- CVV number (3-digit security code located on the back of your card)
- Cardholders must enter their name exactly as it appears on the card.

The “PINCheck” website can be accessed by computer or mobile device. The cardholder’s PIN will be securely displayed one digit at a time. For additional information, please refer to www.baml.com/globalcardus.

I. Definitions

For the purpose of these regulations, the following words have the meaning indicated:

- A. Accounts Payable Office – the campus accounting office responsible for maintaining the LaCarte Card Program which includes the policy and procedures.
- B. Cardholder – terminology used to reference the employee that was issued a LaCarte card.
- C. Centrally Billed Account (CBA) – credit account issued in a Department’s name (no plastic card issued). These accounts are direct liabilities of the University and are paid by each Department. CBA Accounts are controlled through an authorized approver(s) to provide a means to purchase airfare and conference registration only. Each Department Head determines the extent of the account’s use.
- D. Cycle – the period of time between billings. For example, the University LaCarte card closing period ends at midnight the 5th of each month. Synonymous with “billing cycle”.
- E. Cycle Limit – maximum spending (dollar) limit a LaCarte/CBA is authorized to charge in a cycle. These limits should reflect the individual’s purchasing patterns. These are preventative controls and, as such, should be used judiciously.
- F. Departmental LaCarte Contact – employee designated by the Department Head to be the departmental liaison that is responsible for reviewing LaCarte transactions to ensure all transactions are University related and reconciled in a timely manner.
- G. Disputed Item – any transaction that was doubled charged, charged an inaccurate amount, or charged without corresponding goods or services by the individual cardholder.
- H. Electronic Funds Transfer (EFT) – an electronic exchange or transfer of money from one account to another, either within the same financial institution or across multiple institutions.

- I. Electronic Signature – an electronic sound, symbol or process attached to or logically associated with a record or executed or adopted by a person with the intent to sign the record.
- J. Fraud – any transaction, intentionally made that was not authorized by the cardholder or for official university business.
- K. LaCarte Agreement Form – a form signed by the cardholder that acknowledges the cardholder has received required training, understands the LaCarte card policy and accepts responsibility for compliance with all policies and procedures.
- L. LaCarte Administrator – person designated with the authority to maintain the LaCarte Card Program for compliance with all related University policies and procedures.
- M. LaCarte Card – a purchasing card issued in an employee’s name. This account is the direct liability of the University. It is the preferred means of payment for purchases of goods and services, and allowable travel expenses.
- N. LaCarte Enrollment Form – a form that initiates the LaCarte card issuance process for the cardholder.
- O. LaCarte Renewal Agreement Form – A form signed by the cardholder that acknowledges the cardholder has received required renewal certification training, understands the LaCarte Card Program policy and accepts responsibility for compliance with all policies and procedures.
- P. Merchant – a business or other organization that may provide goods or services to a customer. Synonymous with “supplier” or “vendor”.
- Q. Merchant Category Code (MCC Code) – a standard code the credit card industry uses to categorize merchants based on the type of goods or services provided by the merchant. A merchant is assigned a MCC code by the acquiring bank.
- R. Merchant Category Code Group (MCCG) – a defined group of merchant category codes. MCCG’s are used to control whether or not cardholders can make purchases from particular types of merchants.
- S. PM-13 (Policy Memorandum 13, University Travel Regulations) – the set of regulations used to assist in making travel arrangements and to seek reimbursement of travel expenses.
- T. Purchasing Agent – departmental employee authorized to purchase products, goods and services at the lowest possible price while maintaining a high level of quality.
- U. Purchasing Authority- spending profile designated for procurement expenses to be paid with the LaCarte card.

- V. Single Purchase Limit (SPL) – the maximum spending (dollar) limit a LaCarte card is authorized to charge in a single transaction. The SPL limit is subject to the approved Purchasing/Travel Authority/Delegation.
- W. Split Purchase – purchases that are split with the intent of and for the purpose of evading the LaCarte card single purchase limit set for the cardholder. Purchases determined to be split purchases will require reimbursement from private funds.
- X. Transaction Documentation – all documents pertaining to a transaction, whether paper or electronic. The documentation is also used for reconciliation at the end of the billing cycle and is to be retained with the monthly reconciliation documentation for review and audit purposes. Examples of transaction documentation include, but are not limited to: itemized purchase, receipts/invoices (with complete item descriptions, not generic such as “general merchandise”), receiving documents, credits, disputes, and written approvals. Travel documentation would include the travel authorization, airline exceptions, justifications, approvals, travel expenses, etc.
- Y. Travel Authority – spending profile designated for travel expenses to be paid with the LaCarte card.
- Z. WORKS – Bank of America’s online system used for program maintenance, card/CBA issuing/suspension/cancellation and reporting.

II. Policy Guidelines

A. Purchasing Authority

The single purchase limit (SPL) can vary for each purchasing agent based on their campus purchasing authority. The standard SPL for an authorized employee is \$5,000. Department Heads may elect to authorize a SPL of \$1,000 for purchasing agents within their departments. The “procurement need” as a whole must be evaluated to ensure the LaCarte card is the appropriate payment method for goods and services. When the “procurement need” exceeds the \$5,000, competitive pricing is required, the “requisition to purchase order” process must be followed.

B. Small Dollar Purchases

For LSU entities subject to the Higher Education Procurement Code (LAC 34:XII.525.A), Exception No. 36 refers to the exception to the competitive solicitation process for small dollar purchases in which LaCarte may be used. The small dollar purchases should never be artificially divided to circumvent the LaCarte Card Policy limits. Splitting invoices to stay under the cardholder’s single purchase limit violates the Higher Education Procurement Code and will require reimbursement from private funds if deemed a split purchase.

C. Sales Tax Exemption

LSU is a tax exempt entity. However, some online purchase and/or out-of-state purchases may be subject to sales tax. The LaCarte card is embossed with the State's tax exemption number on the front of the card. All local purchases are not subject to state sales tax (4%) and city-parish sales tax (5%). Cardholders should always make sure sales tax is not charged when using the LaCarte card. A tax exempt certificate is available for cardholders to provide to merchants for proof of sales tax exemption. Please contact the Accounts Payable Office for a copy of the sales tax exemption certificate.

LSU is also exempt from state sales tax on hotel rooms, vehicle rentals, and at parking facilities. *Form R-1392-State of Louisiana Employee Travel Expense Sales Tax Exemption Certificate* should be provided to hotels in order to be exempt from paying sales tax. This form should be completed by the requesting department and sent to the Accounts Payable Office for approval. For LSUHSC-NO, Form R-1392 is approved by the Department Head.

In the event state sales tax is charged and a credit is warranted, it will be the cardholder's responsibility to have the vendor/merchant issue a credit to the cardholder.

D. University Purchases providing Cash or Cash-Like Incentives

When a University purchase results in a cash or cash-like incentives, the cash and/or incentives are the property of the University and may not be used for personal gain. Examples may include, but not limited to, rebates, gift cards, two-for-one purchases and spend rewards. The University recommends that cardholders do not participate in these promotional offers. It is the responsibility of the cardholder's department to be assured that any monetary or cash incentive rewards received as a result of a University purchase become property of the University.

E. Card Distribution and Maintenance

All contact with Bank of America for LaCarte card set up, maintenance, and closure (except for reporting lost/stolen or fraudulent charges) will be handled by the LaCarte Administrator. When changes to information regarding your card arise, such as name or spending limit changes, the information may be revised by submitting a LaCarte Maintenance Form to the Accounts Payable Office. For name changes, a replacement card will be issued to the cardholder.

F. Card Renewal

LaCarte cards are issued for a period of three years, except those cards issued during the last year of Bank of America's contract with the State. Upon expiration, the cards are automatically renewed. Renewal cards are updated with the new expiration date only; no

changes are made to the cardholder's account number. Cardholders will be required to complete a Renewal Certification Training before they can obtain their renewal card.

G. Declared Emergency Use

In the event the Governor declares a state of emergency, the LaCarte card may be changed to allow for higher limits and open restricted MCC codes for essential employees that would be on active duty during an emergency situation. Higher limits do not eliminate the need to follow emergency procurement rules, policies, procedures, and/or executive orders. All cards will be returned to their original profile once the emergency declaration has expired and/or when higher emergency limits are no longer necessary.

H. University Business Travel Expenses

For LSU entities that allow reimbursable business travel expenses on LaCarte, *PM-13, "University Travel Regulations"* must be followed when LaCarte is used as a means of payment. The SPL for travel authority is \$5,000 (monthly limit of \$40,000). LaCarte cardholders with Travel Authority must secure the appropriate travel approvals, set forth by your campus, prior to using LaCarte to pay for any travel reservations and/or expenses.

Personal incidentals and meals (i.e., approved dine-in special meals and/or per diem meals while in travel status) are not allowed on LaCarte. Travelers are encouraged to provide a personal credit card upon hotel check-in for personal incidental expenses. Meals should be paid with personal funds and a Travel Expense Reimbursement Request form should be submitted for reimbursement following the completion of travel.

Benefits of using the LaCarte card for University business travel expenses include the following:

- Travel and Emergency Assistance Services
- Auto Rental Collision Damage Waiver
- \$500,000 Worldwide Automatic Travel Accident Insurance
- Roadside Assistance
- Collision Loss Damage insurance
- Lost luggage insurance, up to \$3,000
- Clients have 0% liability for external fraud
- Visa Liability Waiver-Misuse Insurance- up to \$100,000 per cardholder

I. Centrally Billed Account (CBA)

For LSU entities with Centrally Billed Accounts, all CBA transactions must be in accordance with *PM-13, "University Travel Regulations"*. The purpose of the CBA is to provide a means of payment for airfare and conference registrations only. There is no plastic card issued; the account is referred to as a "ghost account". If it is determined that personal or other

unauthorized charges are occurring on the CBA account, disciplinary action shall be taken to resolve the misuse/abuse of the account. CBA account numbers should be protected and secured in the same manner as the LaCarte card.

III. Card Restrictions

The LaCarte Card has restrictions in place where the card will be blocked at the point of sale if a purchase is attempted at a restricted vendor and/or commodity. Examples might include, but are not limited to, tuition payments, personal purchases, alcohol, cash advances, gifts, gift cards, personal travel and entertainment expenses. Please refer to the list below for types of vendors and commodities where LaCarte may not be used.

A. Restricted Vendors

- Drug Stores (pharmacies), except for pharmacy type purchases for Animal Studies and Public Health
- Liquor stores
- Services (with the exception of government documents)
- ATM
- Legal services
- Transportation and travel services
- Engineering, accounting, auditing and booking keeping services
- Pawn shops
- Furniture stores

B. Restricted Commodities

- Alcoholic beverages
- Court costs
- Alimony
- Child support
- Fines
- Bail bond payments
- Tax payments
- Cash advances, wire transfers and money orders
- Consulting and related services
- Gift cards and gift certificates
- General contractors
- Insurance
- Temporary help services
- Construction/Improvements to facilities (new construction, alterations, modifications, remodeling, inclusive of carpet, draperies, mini-blinds, locks, etc).
- Professional Services

IV. Usage of LaCarte Card

A. Placing Orders using LaCarte

Purchasing goods and services on behalf of the University can be made in-store, through phone orders, or procured online.

To place an order online the vendor will require the following information:

- Cardholder Name;
- LaCarte Account number;
- Expiration Date
- Campus Delivery Address (the campus address should be the department of the cardholder);
- Billing address (the billing address is assigned to the Accounting Office that distributes the cards);

Shipments to the cardholder's home address are not allowed. Shipments to other LSU locations are permissible provided there are arrangements with the employee receiving the items to send the itemized receipt, packing list, and any other documentation included with the shipment to their Departmental LaCarte Contact.

Cardholders should not allow the vendor to make a partial shipment or back order the balance of a purchase and charge the total quantity of the purchase.

B. Card Declines

If the LaCarte card is declined by the vendor, it may be due to the spending limit being exceeded, the vendor's industry has been blocked from the card, or the card was reported lost or stolen. If uncertain of about the reason of the decline, please contact Bank of America at 1-888-449-2273 for an explanation. If the decline was in error, the cardholder should contact the LaCarte Administrator for assistance.

A written request (i.e., an e-mail) by the cardholder is required in order to grant an override for a declined purchase that is an allowable University expense. If the purchase is being made outside normal business hours, the employee must find an alternate payment method or terminate the purchase and contact the LaCarte Administrator during normal business hours.

C. Sales Tax Exemption Vendors

Cardholders are required to inform the vendor that the purchase is exemption from Louisiana state sales tax and all parish sales taxes. The University has already registered with some merchants to allow tax exempt purchases.

Please see below list for merchants and their Vendor Customer ID Numbers:

- Home Depot – 5511616

- Lowes – 105400005
- Office Depot –18201070
- Wal-Mart - 192118

V. LaCarte Card Responsibilities

Responsibilities of participating in the LaCarte Card Program rely not just on the cardholder, but also any approvers/reviewers and Deans, Directors, and Department Heads.

A. Cardholder Responsibilities

Cardholders are expected to make sound business decisions in the best interest of LSU, to comply with the policies and procedures as set forth in this policy, and to comply with the University Procurement Policies & Procedures. Adherence to all policies allows for continued processing savings, ensures accountability, and provides a clear audit trail of purchases. The LaCarte card should be safeguarded with the same level of care that is given to personal credit cards.

Cardholder's must maintain the following responsibilities:

Security:

- Sign the card immediately upon receipt;
- Keep the LaCarte card in an accessible but secure location;
- Guard the card number carefully and do not write the number down where it is could be accessible to others;
- Do not allow a credit card merchant to keep the card on file;
- Never e-mail the full account number or send a copy of the credit card to anyone under any circumstances. If designation of an account is necessary, only use the last four digits of the account.
- Do not loan or allow another employee to use your card. The cardholder is responsible for all charges. Violating this policy may result in the loss of your LaCarte card privileges.

Card Usage:

- Never attempt to access cash, under any circumstances, as cash withdrawals are restricted from the LaCarte Card Program;
- Never accept cash in lieu of credit;
- Never make a payment directly to the bank;
- Never, under any circumstances, use the LaCarte card for personal, non-business expenses;
- Do not participate in promotional offer programs;
- Do not allow a merchant to continue to swipe a card if the card declines.

Policy Requirements

- Review each transaction to confirm all purchases are valid University purchases;

- Retain all receipts for purchases and make sure the receipts are official itemized invoices with a detail description of the purchase;
- Provide justification when the purchase does not have a clear business purpose;
- Respond timely and promptly to questions/concerns regarding LaCarte card purchases;
- Stay abreast of the University Policies in regard to the LaCarte Card Program.

B. Departmental LaCarte Contact Responsibilities

Department Heads must designate a departmental liaison referred to as the “Departmental LaCarte Contact” (and an alternate) to be responsible for reviewing transactions of individual cardholders to ensure all transactions are legitimate University business expenses and are reconciled in a timely manner.

The Departmental LaCarte Contact must maintain the following responsibilities:

- Stay abreast of University Policies with the LaCarte Card Program;
- Review and reconcile LaCarte purchases to ensure all cost documentation is completed;
- Review all receipts to ensure descriptions and/or justification is provided when the purpose of the purchase is unclear;
- Ensure all transactions are assigned appropriately;
- Ensure appropriate approvals and/or forms are attached to the LaCarte purchases;
- Contact the LaCarte Administrator on any disputed charges with a vendor within 60 days of the transaction date;
- Notify the LaCarte Administrator of lost/stolen cards along with any fraudulent purchases or card misuse, immediately;
- Ensure the department has exit procedures in place to address when a cardholder leaves the University. The Department LaCarte Contact and the cardholder’s supervisor must coordinate to account for and destroy cards (immediately) as well as obtain receipts and any other supporting documentation from the cardholder. The exit procedures should include contacting the LaCarte Administrator upon notification of the employee’s termination to ensure the cardholder’s purchases are audited prior to the employee’s last work day. If LaCarte entries or account statements are not completed prior to leaving the University, the cardholder’s paycheck will be held until all information is completed.
- Contact the LaCarte Administrator to cancel a cardholder’s card (i.e. terminated employees, cardholder transferring departments, or loss of LaCarte privileges);
- Provide ongoing training and support in the use of LaCarte to approved department cardholders (i.e. communicate on the cardholder’s behalf for any erroneous card declines, emergency purchases, etc.);
- Respond timely and promptly to questions/concerns promptly to expedite LaCarte entries or account statements.

C. The Reviewer/Approver Responsibilities

A Reviewer/Approver must ensure all LaCarte purchases have the necessary documentation and the purchase was made in accordance with University Policy.

The Reviewer/Approver must maintain the following responsibilities:

- Ensure each transaction has acceptable documentation to support the purchase;
- Ensure the appropriate business purpose is justified for each purchase;
- Verify all required approvals are secured;
- Confirm the purchase is not a duplication of a personal request and/or reimbursement for travel related expenses;
- Stay abreast of the University Policies in regard to the LaCarte Card Program.

VI. Ethics

Cardholders must comply with the regulations relative to ethical conduct under the Code of Governmental Ethics Chapter 15, Title 42, of the Louisiana Revised Statutes. Any involvement (direct or indirect) with outside purchases, the cardholder's only legitimate interest must be that of LSU. A cardholder must not give, or appear to give, a preference to anyone at the expense of the University.

A. Card Misuse

1. A Fraudulent purchase is defined as any use of the LaCarte/CBA which is determined to be an intentional attempt to defraud the University for personal gain or for the personal gain of others. An employee suspected of having misused the LaCarte/CBA with the intent to defraud the University will be subject to an investigation. If the investigation results in findings which show that the actions of the employee have caused impairment to the University, the employee will be subject to disciplinary action. The nature of the disciplinary action will be at the discretion of the appointing authority and will be based on the investigation findings and the record of the employee. Any such investigation and ensuing action shall be reported to the Legislative Auditor, Internal Audit and the designated LaCarte Program Administrator.
2. A non-approved purchase is defined as a purchase made by a LaCarte cardholder for which payment by the University is not approved. A non-approved purchase differs from a fraudulent purchase in that it is an unintentional misuse of the LaCarte/CBA with no intent to deceive the University for a personal gain or for a personal gain of others. A non-approved purchase is generally the result of miscommunication between a supervisor and the cardholder. If a non-approved purchase is made mistakenly by a cardholder, the purchase plus the associated sales tax will be payroll deducted. If a cardholder makes a purchase that cannot be paid with University funds, the purchase is considered disallowed and the University must be reimbursed with private funds (i.e. Foundation funds).

B. Fraudulent Vendor Charges

Cardholders are required to review their LaCarte entries or account statements on a weekly basis to ensure all purchases are valid. Cardholders are required to contact Bank of America Fraud Security Department immediately at 1-877-451-4602 whenever an unauthorized charge is discovered. Cardholders should also contact the LaCarte Administrator to report any unauthorized charges. The compromised LaCarte card will be cancelled and the LaCarte Administrator will initiate the request for a new card.

C. Lost or Stolen Card

Cardholders are required to report a stolen, lost, or misplaced LaCarte card immediately by calling Bank of America at 1-888-449-2273 (24 hours a day & 365 days a year). The affected card will be automatically closed by Bank of America, and a new card with a new account number will be issued.

Immediately reporting a lost, misplaced, or stolen LaCarte card limits the University's liability for potential charges that may occur from unauthorized use. Failure to promptly report a lost, misplaced, or stolen LaCarte card may result in the University seeking reimbursement from the cardholder for unauthorized charges.

D. Disciplinary Action

A cardholder may be subject to disciplinary action, up to and including termination, for any of the following reasons:

- The LaCarte card is used for personal or unauthorized purposes;
- The LaCarte card is used to purchase alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the State of Louisiana or LSU;
- The cardholder artificially divides a purchase to circumvent procurement regulations and the limitations of the LaCarte card
- The cardholders fails to provide the required itemized receipts
- The cardholder fails to provide, when requested, information about any specific purchase; or
- The cardholder does not adhere to University policies and procedures.

VII. Cost Documentation and Disallowed Purchases

A. Cost Documentation

All LaCarte purchases, including credits, must have the appropriate cost documentation attached to support the purchase. Cost documentation for recording purchases must contain the following information:

- Vendor name;
- Detailed listing of what was purchased, including the item description and quantity;

- Total dollar amount of the purchase;
- Transaction date;
- Shipping address, if applicable

Supporting information may include, but not limited to:

- Packing slip
- Cash register receipt;
- Copy of order form or application
- Email notification confirming ordered which displays the item(s) ordered and the amount of the purchase.

B. Receipt of Order

Upon receiving the order, the cardholder must ensure the vendor correctly filled the order by verifying all of the items in the quantities received are itemized on the LaCarte receipt or packing list. Cardholders should verify that sales tax was not charged to the invoice. If sales tax was charged, it is the cardholder's responsibility to contact the vendor immediately to obtain a credit. Cardholders should follow-up as necessary for tracing lost shipments and filing claims for damaged shipments. Requests can be made for guidance in these areas by contacting the LaCarte Administrator. However, the responsibility for ensuring receipt of merchandise purchased remains with the cardholder.

C. Returns, Credits and Disputed Items/Billing Errors

1. Returns: If items are returned for any reason, request a "Return Goods Authorization Number" from the vendor, record that number on the supplier's merchandise return form and send it directly to the vendor. Keep a copy of the return form with the purchase receipts in case further follow-up is required.
2. Credits: The vendor should issue a credit for any item that has been approved for return. Under no circumstances should the cardholder accept cash in lieu of a credit to the LaCarte account. Cardholders need to request a copy of the credit slip from the vendor, keep it with the other LaCarte receipts, and note the return information on the LaCarte entry or account statement.

For reconciliation purposes, be aware that the charge for the merchandise and the credit for the returned item may not be within the same cycle. When the credit appears, the credit receipt and/or a copy of the original receipt should be submitted as documentation for the credit. In addition, the credit must be referenced to the original charge.

3. Disputed items and billing errors: The cardholder should always attempt to resolve any disputes or billing errors directly with the vendor. If an agreement cannot be reached with the vendor, the cardholder should contact the LaCarte Administrator.

Bank of America operates its dispute process in accordance with bank card industry rules and customer service standards. Disputed charges will be processed in accordance with the applicable Visa rules. Disputed charges must be processed within sixty days of the transaction date. Failure to notify the bank during the sixty-day window will result in the University having to absorb the cost of the transaction.

The following describes the bank's process for handling merchant charge-backs according to the Visa rules as supported by Bank of America on behalf of its clients:

- The cardholder should complete the "LaCarte Dispute Item" form and notify the Departmental LaCarte Contact or Accountant responsible for all LaCarte transactions.
- The Departmental LaCarte Contact or Accountant should contact the LaCarte Administrator once notified of the dispute.
- The LaCarte Administrator will notify Bank of America to initiate the dispute, follow the status of the claim, and inform the department of the outcome.
- Once Bank of America receives the dispute documentation, the charge will be placed in a dispute status. Bank of America collects the information necessary to support the charge-back, according to association rules, with the cooperation of the cardholder.
- Bank of America initiates the charge-back and the cardholder's account is credited. The item is removed from dispute status. The merchant's bank receives the charge-back and a resolution period begins. If accepted, the merchant's bank will debit its merchant and the matter is closed. If not, the merchant's bank will return the charge-back with accompanying support documentation.
- After reviewing the disputed charge documentation, Bank of America will inform the LaCarte Administrator of the resolution, which will result in either a credit to the cardholder's account or an indication that no recourse will be taken, causing LSU to be responsible for the charge.

D. Personal/Disallowed Purchases

Purchases requiring reimbursement to the University are handled using the following processes:

1. Personal Purchases

Personal purchases are not allowed on the LaCarte card. Personal purchases made on the LaCarte card will result in a payroll deduction. If a receipt for a purchase is lost and a duplicate cannot be obtained, the purchase will be considered personal. For LSUHSC-NO, reimbursements should be made by submitting a personal check to the Accounts Payable Office.

Personal purchases will result with the associated sales tax included in the payroll deduction. The "LaCarte Agreement" form, signed by the cardholder when receiving the

card, provides the authorization for payroll deduction. The LaCarte Administrator will monitor for repeat offenders which may result in LaCarte privileges being revoked.

2. Disallowed Purchases

A disallowed purchase is a purchase made by the cardholder in good faith, but the purchase is not allowed using University funds. Disallowed purchases paid with the LaCarte card will result in an accounts receivable being established on the cardholder's Bursar account. The cardholder will be required to seek a reimbursement from private and/or Foundation funds to clear the receivable. For LSUHSC-NO, reimbursements should be made by submitting a personal check to the Accounts Payable Office. A list of disallowed purchases can be found in Appendix A, not all inclusive.

3. Disallowed Travel Expenses

Any personal incidentals and/or disallowed travel expenses paid with LaCarte that are not in accordance with *PM-13, "University Travel Regulations"* will result in a payroll deduction which may or may not have the associated sales tax included. The expense will determine whether sales tax should be included in the reimbursement. Authorization for a payroll deduction is made by the cardholder at the time the "LaCarte Agreement" form was signed.

VIII. Reconciliation

The responsibility of the reconciliation and reporting of LaCarte purchases rely not only on the cardholder but also the Department and the LaCarte Administrator.

A. Cardholder Responsibilities

Cardholders have thirty days from the date of the transaction to reconcile their purchases. Departmental policies will determine who will reconcile the LaCarte purchases. In some departments, the cardholder will be responsible for tracking, logging, and reconciling all purchases. In other departments, a designated individual (i.e., Departmental LaCarte Contact) may be responsible for these duties, but it remains the cardholder's responsibility to provide all receipts and documentation to the person who will manage the reconciliation of the LaCarte entries or account statements. Cross-training within the department is required for LaCarte reconciliation for when the Departmental LaCarte Contact is not available. All LaCarte entries or account statements must have the appropriate approvals, set forth by your campus, secured in order for a purchase to be approved.

LaCarte cardholders with outstanding entries or account statements that are not completed within the thirty day deadline, will result in the suspension of the cardholder's LaCarte card. The LaCarte card will not be reinstated until all outstanding items are cleared on the cardholder's account.

LaCarte card privileges will also be suspended if:

- LaCarte purchases are greater than forty-five days and not submitted to the Accounts Payable Office;
- LaCarte purchases are reconciled with incomplete cost documentation;
- Repeat offenders who violate this policy or the University's Procurement Policies and Procedures.

Once the cardholder's card is suspended three times, the card will be revoked/cancelled. The cardholder will no longer be eligible for a LaCarte card.

In order to meet fiscal yearend close-out processing, the thirty day deadline requirement may be reduced dependent on your designated campus procedures. At the end of the fiscal year, there is a final due date declared for all LaCarte entries or account statements. LaCarte entries or account statements not released to the Accounts Payable Office will result in the cardholder to be suspended. Suspended cardholders must have all entries current and approved before privileges will be reinstated. In addition, any suspended cardholders who do not resolve all delinquent entries within thirty days of having their card suspended, the cardholder's privileges will be revoked. Cardholders with revoked privileges will not have their card privileges reinstated.

B. Departmental Responsibilities

Departments using the LaCarte card must do so in accordance with the internal controls and audit standards set forth by the University. Approval of an application for the use of the LaCarte card by the appropriate Dean, Director, Department Head, or Administrative Officer signifies agreement that all departments/units/individuals using the approved cards will comply with the following guidelines and internal controls:

- All departments/units will ensure a segregation of duties for processing LaCarte transactions. All LaCarte entries or account statements will be audited for propriety of purchase, proper documentation (receipts, invoices, packing slips, etc.), assigning purchases to correct budget, and ensuring that all corrections and adjustments are made in a timely manner. The appropriate approvals, designated by your campus, must be obtained prior to releasing purchases to the Accounts Payable Office.
- Reporting of any financial irregularities may be made anonymously by telephone (855-561-4099) or via on-line at www.lsu.ethicspoint.com to the LSU Ethics and Integrity Hotline.
- After auditing all cardholder purchases, all purchases and supporting documentation are retained for each LaCarte purchase in an auditable state for a period of seven fiscal years. Supporting documentation for restricted and grant accounts must comply with University and granting agency requirements. Disposal of the records will be in accordance with University policy on record retention.
- Annually, the Accounts Payable Office will provide all departments with a list of their cardholders and spending profiles. Department Heads will be required to review the

cardholders, cardholder limits, and ensure appropriate utilization. A central file will be maintained in the Accounts Payable Office to document compliance with this requirement.

C. Program Management Responsibilities

The Accounting Office is responsible for the overall management of the LaCarte Card Program Policy as well as the audit of the disbursement of University funds for settlement of valid claims for goods and services.

The LaCarte Administrator responsibilities include:

- Keeping abreast of program updates as they become available along with the dissemination of this information to management, cardholders and other personnel deemed appropriate.
- Processing a weekly (or monthly at LSUHSC-NO by the Assistant Controller) electronic funds transfer to the issuing bank to pay for all LaCarte purchases submitted to the bank by the merchants, and reflected on the bank's statement billing file.
- Generating and monitoring various WORKS reports at least on a monthly basis to assist in determining which cardholders may need additional training, counseling, cancellation of card, as well as, determining possible changes to cardholders, profiles, and MCC groups. A weekly report of terminated employees is also monitored to ensure prompt cancellation of cards. For LSUHSC-NO, the Accounts Payable Office receives an immediate e-mail notification as employees are terminated.

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