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Exhibit A	SuperCard Internal Controls Checklist
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XIV. SuperCard Purchase/Travel Program

A) PROGRAM SUMMARY

The State of Delaware through the Division of Accounting has contracted with JPMorgan Chase (JPMC) Bank to provide State organizations with a VISA card program for procurement and/or travel purchases with a total State spending limit of \$25 Million per cycle. This program is called the SuperCard Program: one card operating with both purchasing and/or travel options. JPMC's online card administration software (PaymentNet) allows the management of the SuperCard program via the Internet at the State and organization level.

The State of Delaware is liable for the use of the SuperCard. Only State employees are eligible for participation in the SuperCard program. State employees are defined as individuals who receive a paycheck through the PHRST system, and who are paid directly by State organizations.

State employees, with appropriate approvals from their organization, can obtain a card without a personal credit history check. Employees can enroll by completing one form, and transactions can be made with one card number, allowing for better control.

1) Advantages of the SuperCard Program

- a) For General purposes, the card provides:
 1. A reduction in the number of payment vouchers and checks issued, resulting in significant time and cost efficiencies.
 2. Card management via the Internet in real time.
 - Employees, Coordinators, and Managers can view updated employee card information and transactions the day a transaction is made.
 - Coordinators and Managers have access to numerous reports.
 3. Simplification of the reconciliation process.
 4. Faster payment to merchants.
 5. Consolidated merchant payments for card purchases.
 6. Zero liability for lost and stolen cards (with timely bank notification).
 7. The Visa Liability Waiver Program protects against eligible losses that might be incurred through card misuse - charges may be:
 - billed up to 75 days before notification of termination,
 - incurred but unbilled as of notification of termination, and
 - incurred up to 14 days after notification of termination.
 8. Single Use payment options for merchants.
- b) For Travel, the card provides:
 1. Secure trip registrations, lodging, and avoidance of possible late charges.
 2. Pre-trip assistance with information such as ATM locations, weather reports, and health precautions.
 3. Ease and convenience of use during travel.
 4. A reduction in the need for travel advances.
 5. Traveler benefits include:
 - Primary coverage auto rental insurance.
 - Travel and Emergency Assistance Services.

- Travel accident insurance - The cardholder is automatically insured against accidental loss of life, limb, sight, speech, or hearing while riding as a passenger in, entering or exiting any licensed common carrier.
 - Baggage insurance.
6. A process for streamlining employee reconciliation and reimbursement (one card, one billing statement).
- c) For Purchasing, the card provides:
1. Timely payment at point of sale of goods and services.
 2. Reduction of internal paper flow (less invoices received, and less payment vouchers issued).
 3. Enhanced efficiencies including billing, payment and ex-post procurement audit activities.
 4. Rebate eligibility for timely payment.
 5. Improved cash management practices.

2) General Usage

- a) General - Regardless of the reason or type of purchase, all SuperCard receipts must be kept for reconciliation purposes.
- b) Travel - See Chapter XIII. Statewide Travel Policy
 1. The SuperCard should be used for all common carriers (airlines, rail or bus), car rental, lodging, lodging tax and for any authorized miscellaneous expenses.
 2. For meals (food, beverage, tax and tips) and incidental expenses:
 - If using the Actual Expense Method of Reimbursement - Use the SuperCard for meals.
 - If using the Per Diem Method of Reimbursement (fixed reimbursement amount per day), employees may use the card, however, **any SuperCard charges will need to be subtracted from the Per Diem rate.**
 3. The SuperCard may ONLY be used for **out-of-state** gasoline purchases, if the traveler is in a location where the Fleet Services fuel access card cannot be used. **NOTE: All in-state purchases of gasoline must be made using the Fleet Services fuel access card ONLY.**
 4. The SuperCard may be used for obtaining cash from Automatic Teller Machines (ATMs) using a Personal Identification Number (PIN), with organization approval. **Cash withdrawals from within a Financial Institution are prohibited.**
 5. The SuperCard may be used to pay for meals for several employees while traveling within the same organization.
 6. The SuperCard has no Single Transaction Limit (STL) for travel related expenses. The STL is the maximum dollar limit for a single transaction.

c) Purchases

The SuperCard enhances payment options, reduces administrative costs, and assists the State in negotiating better prices for goods and services. All SuperCard transactions must comply with accounting procedures and State laws governing purchases.

1. Purchase of \$2,500 or less
 - The SuperCard can be used as Direct Payment for all fund types.
 - The SuperCard generally has a Single Transaction Limit of \$2,500 for purchases, but an “Open” Profile with no STL is available when requested and authorized by the organization.
2. Purchases over \$2,500
 - The SuperCard must be set to an “Open” Profile for these purchases (no STL).
 - All current procurement and accounting procedures remain in effect for purchases over \$2,500. **Funds must be encumbered, and purchase orders are required** for all general fund purchases.
 - Purchases utilizing federal and local school funds over \$2,500 can be made with the SuperCard, without encumbering funds on a purchase order.
 - Once a purchase order has been processed with all required approvals, purchases can be made against the purchase order by utilizing the SuperCard as the method of payment, regardless of the source of funding.

3) Who Should Have a SuperCard?

SuperCards may only be issued to State employees. Organizations can request cards for those individuals who have a reasonable need (i.e. individuals who travel on official State business, and/or individuals who make official State purchases).

The number of individuals who make official purchases should be kept to a minimum as dictated by organization requirements and in accordance with each organization’s internal control policy. Segregation of duties standards for SuperCard usage must be strictly enforced.

B) SUPERCARD ADMINISTRATION

The SuperCard is administered by the use of PaymentNet, a web-based application that provides on-line, real-time card administration and post-purchase reconciliation.

PaymentNet provides control over SuperCard spending. With PaymentNet, an organization can control the funds available on a card, the amount that can be spent in a single transaction, or in a single day, and the types of merchants where individual employees can purchase goods and/or services. These controls enable the organization to greatly reduce liability, while providing employees the spending power they require.

Because transaction information is posted to PaymentNet daily, employees can quickly reconcile transactions as they are processed, rather than waiting until the end of the billing cycle. Additionally, PaymentNet’s Commercial Card Statements and pre-defined reports enable those individuals with proper security to access up-to-date information about the organization’s spending activity.

1) Steps for Enrollment:

- a) Organizations may enroll in the SuperCard Program by contacting the State SuperCard Administrator in the Division of Accounting at 302-672-5507.
- b) To designate the organization SuperCard Coordinator and Back-up Coordinator, the State of Delaware SuperCard Enrollment Request form (see Exhibit C), provided by the Division of Accounting, must be completed for each individual and signed by the organization's Business Manager, or other designated approving official.
- c) The organization SuperCard Coordinator develops and submits a written copy of the organization's SuperCard Internal Controls procedures to the State Program Administrator, along with the completed State of Delaware SuperCard Enrollment Request form from Section b), above (designating the SuperCard Coordinator and Back-up Coordinator). Exhibit A provides the guidelines/checklist for the development of Internal Controls, and Exhibit B provides a template for assistance in the development of Internal Controls.
- d) The Division of Accounting will review the Internal Controls procedures and, when approved, sign and date the approved document. A copy will be returned to the organization. The SuperCard Coordinator and Back-up Coordinator will then be given access and training in the use of PaymentNet software.
- e) After Division of Accounting's approval and completion of software training, SuperCard Coordinators may then process cards for the organization's employees via PaymentNet. SuperCards will be delivered to the Division of Accounting within 3 to 5 business days for pick up by the organization.

2) SuperCard Program Management

- a) The State of Delaware SuperCard Enrollment Request form (Exhibit C) is administered by the Division of Accounting to promote accountability and to ensure adherence to policies and procedures. Organizations will use the form to define roles and to establish appropriate hierarchies for use with PaymentNet. The signed SuperCard Request forms are subject to review and must be kept on file for 25 months after completion and entry into PaymentNet. Organizations may hold these forms on site or contact Delaware Public Archives for long-term storage requirements.
- b) Cardholders are assigned to profiles in PaymentNet. Depending upon the circumstances, the profile of the cardholder may be set to a lower dollar value than reflected on the Request, or the cardholder's profile may be set to the "Null" Status Profile. Both of these types of profiles may be assigned at the discretion of the organization's SuperCard Coordinator.
- c) Organizations should review quarterly (at a minimum) Cardholder profiles using the "Card Status" report in PaymentNet to insure that the card limits selected are the minimum needed and that cards are placed in the "Null" Status Profile if not being used. The review should be documented and signed by the SuperCard Coordinator or the Back-up Coordinator.

- d) Whenever an employee terminates employment, assumes duties that no longer require the use of SuperCard, or transfers to a new organization, the organization SuperCard Coordinator or Back-up Coordinator must immediately close the SuperCard account, deactivate the employee's log-on, and collect and destroy the card. The gaining organization will determine if the employee's new duties require the use of a SuperCard.
- e) SuperCard Coordinators must notify JPMC, via PaymentNet, within two (2) business days of a closed account.

3) Reports

- a) The PaymentNet Internet site (www6.paymentnet.com) offers secure reporting to cardholders and their managers. The use of the site is highly recommended and is a valuable Internal Controls tool.
- b) A printed Commercial Card Statement reflecting all cardholder transactions will be furnished on a monthly basis to the cardholder's organization. (See Exhibit E for a sample statement.) Cardholders may view and download their personal Commercial Card Statement (with system access granted by the organization).
- c) Managers/Administrators may view and download a variety of merchant, cardholder, transaction, and administration reports to monitor and analyze program participation. The following are examples of how the standard reports can assist the user:
 1. Transaction Reporting:
 - **Transaction Detail with Account Codes and Notes** lists all transactions by cardholder, including merchant name, transaction and post dates, transaction amount, and transaction notes.
 - **Transaction Detail** reporting provides detailed transaction information delineated by each cardholder. It is used to reconcile accounts at the end of an accounting period.
 2. Cardholder/Account Information Reports:
 - **Cardholder Listing by Hierarchy** is used to monitor the number and status of accounts in each cost center.
 - **Available Limit by Low Available Balance** is used to monitor cardholders nearing available credit limits and to determine if credit lines are sufficient.
 - **Cardholder Status Report** can be used to identify account limits and account status (i.e., Closed, Not Activated, Active, etc.)
 3. Administration Reports:
 - **Unusual Activity Analysis** enables SuperCard Coordinators to monitor unusual transaction activity and to determine if the transactions are business-related.
 4. Merchant Reports:
 - **Summary Quarterly Vendor Analysis** summarizes the total number of transactions and dollar amounts spent per Quarter with each merchant, and subtotals are provided for each Merchant category.

- **Merchant Ranking** identifies the merchants where the accounts are being used and the dollar amounts spent per merchant, and can be used for negotiations.
- **Transaction Detail by Merchant** lists transactions and amounts spent per merchant.

Ad hoc reporting is available for all users, with virtually no lead time. These on-line demand reports may be saved within the user's own separate login and may be run at any time. SuperCard Coordinators may limit access to reports based on cardholders' security privileges

C) AUTHORIZED CREDIT CARD USE

1) Cardholder Responsibilities

- a) The SuperCard is embossed with the cardholder's name and must ONLY be used by the cardholder. The cardholder is responsible for all charges to the card. No other person is authorized to use the card, except in an emergency situation. For example, if a cardholder is traveling and his\her card is lost or declined; charges for the traveler may be made to another individual's card within the organization, with the approval of the organization SuperCard Coordinator or Back-up Coordinator. (See Chapter XIII - Statewide Travel Policy for more information regarding combining expenses on a SuperCard.)
 1. All items purchased "in person, over the counter" must be immediately available at time of credit card use. The SuperCard shall not be charged for merchandise that must be back ordered for later delivery.
 2. Organizations must monitor the dollar value, the number of transactions, and all other card activity on a regular basis.
 3. Spending limits established for an individual SuperCard must be adhered to by the Cardholder.
- b) The SuperCard may be used only by authorized State employees and must not be used for personal or unauthorized purposes, including:
 1. Personal identification.
 2. To purchase alcoholic beverages or any substance, material, or service in violation of policy, law, or regulation per the Delaware Code or Accounting Procedures.
 3. Meals, travel, entertainment within the State of Delaware, or any expense not authorized for State business.

NOTE: The SuperCard may not be used to charge expenses for family members or others who may be accompanying the employee on official State business, even if the intention is to reimburse the State. Failure to adhere to this policy may result in disciplinary action and/or dismissal.
 4. Cash advances not for State business.
 5. Personal telephone calls/monthly service.
 6. Use of card or card number by someone other than the cardholder, except in emergencies as described above, or in Chapter XIII – Statewide Travel Policy.

7. Splitting of a purchase into multiple charges under \$2,500 to circumvent the limitations of the State Procurement Code.
8. Combining charges from several cards to circumvent the purchase limit assigned to either cardholders or limitations of the Delaware Code, State Accounting Policy, or an organization's requirements.
- c) A cardholder who intentionally makes unauthorized purchases or accidentally (carelessly) uses the SuperCard will be liable for the total dollar amount of such unauthorized purchases, plus any administrative fees charged by JPMC Bank in connection with the misuse. The cardholder will also be subject to disciplinary (including dismissal) and possible criminal action for intentionally making unauthorized purchases.

2) Organizational Responsibilities

- a) Organizations may place more stringent restrictions on card use.
- b) Organizations must monitor all transactions on a regular basis to ensure Cardholder compliance with all SuperCard requirements.

D) RECORD KEEPING AND BILLING

1) Cardholder Responsibilities

- a) Whenever a credit card transaction is made, either over the counter or by telephone, documentation must be retained as proof of purchase (e.g., receipts or packing slips) and provided within seven (7) days to the person designated by the organization's Internal Controls procedures.
- b) For travel, Budget and Accounting Policy requires a State of Delaware Personal Expense Reimbursement Form to **“be submitted to the appropriate organization authority within seven (7) work days after the completion of travel”** along with any required receipts. This is required in order to document the expenses of the trip even if there is no money owed to the employee.
- c) NOTE: Federal Tax Regulations specify that if an individual does not provide receipts within 120 days of an expense, the expense must be treated as income for the employee and taxed.
- d) At the end of each billing cycle, a monthly Commercial Card Statement of Account will be sent to organizations by JPMC Bank. The statement will list all cardholder transactions for the cycle and is also available via PaymentNet.

2) Organization Coordinator Responsibilities

- a) Each month, the Coordinator must:
- b) Validate the cardholder's monthly statement and confirm the following with the cardholder (at a minimum):
 1. Receipts and shipping documents are provided for each purchase.
 2. Goods were received or the services were performed in advance of payment.
 3. Purchases were made in compliance with all procedures defined by the organization.
 4. Purchase Orders were properly prepared for transactions over \$2,500.

- c) Carefully match supporting documentation to the Commercial Card Statement and validate that expenses are legitimate. This is vital to the success of the card program. If organization-defined Internal Controls and processes are not adhered to, the organization or the Division of Accounting may revoke the employee's SuperCard.
- d) Ensure the SuperCard Intergovernmental Voucher (IV) billing is reconciled and processed within thirty (30) days of the billing date.

3) Billing

- a) JPMC Bank submits a monthly billing invoice the day after the close of the billing cycle (the Statement Date) to the Division of Accounting for payment of all charges made against the SuperCards. The Division of Accounting pays the JPMC Bank statement within five (5) calendar days from the Statement Date and prepares an Intergovernmental Voucher (IV) from the transaction data in PaymentNet to charge each State organization their share of the JPMC Bank bill.
- b) State organizations process the IV in the State's accounting system to reimburse the Division of Accounting for funds used to pay JPMC Bank. The detailed IV billing information used for each organization resides within the State's accounting system in the "SuperCard Billing Table" (SCBT). Organizations that wish to recode the IV must delete the "Buying Organization" original line of coding, prepared by the Division of Accounting, and create new line(s) of coding to reflect the individual charges.
- c) If an organization has an operational need to change coding on an IV or to create a replacement IV, it must ensure the billing cycle total equals the amount on the State's generated IV(s) for the cycle. Organizations shall not delete the State's generated IV(s) and must notify the Division of Accounting SuperCard Administrator in writing to delete an original IV. The Division of Accounting will verify the total and then delete the original IV.
- d) Organizations are required to reconcile the IVs with the Commercial Card Statements and the Cardholder receipts and process the IVs within 30 days of each billing date, including payments for disputed items.
- e) Organizations may need/choose to set aside funds through the use purchase orders to encumber the charges reflected in PaymentNet. Purchase orders for purchases reflected in PaymentNet may be referenced on IVs.
- f) Organizations must provide the Division of Accounting with the information necessary to complete the SCBT entry (See Exhibit F) for each of their internal organizations. This annual form will be distributed by Division of Accounting as part of organizations' year-end procedures.
- g) The Division of Accounting will monitor the billing process to ensure timely compliance, using an escalation process. However, if organizations do not comply with timely payment and reconciliation of SuperCard IVs, then card usage may be revoked.

E) DISPUTED TRANSACTIONS

If items purchased by the SuperCard are found to be faulty or in error, the cardholder is responsible for attempting to resolve the issue with the merchant as soon as possible. If the

merchant has not replaced or corrected the item by the date the cardholder receives the monthly billing statement, the purchase of that item will be in dispute. Contact the organization SuperCard Coordinator for assistance in resolving disputed items with JPMC.

Payment to the Division of Accounting must be made in full, including all disputed items, as billed on the IV. Credits will be provided when the disputed transaction is settled and reflected on the JPMC Bank monthly billing statement.

1) Cardholder Responsibilities

- a) Cardholders can dispute any charges in question. In most cases, merchants are responsible for fraudulent purchases and should be the first point of contact for resolution.
- b) If a particular transaction is disputed, the employee has sixty (60) days from the end of the billing cycle to notify JPMC, and they will assist the employee in attempting to obtain reimbursement from the merchant.
- c) **NOTE:** Notification through PaymentNet is required for all billing errors and disputed items. A phone call alone will not preserve a cardholder's rights.
- d) Vendors are required to comply with Visa regulations and may be subject to charge-backs for noncompliance.

2) SuperCard Coordinator Responsibilities

- a) If a particular transaction is not resolved with the merchant, the disputed item must be reported in PaymentNet, using the online dispute form. After populating the necessary information regarding the dispute and submitting it in PaymentNet, the dispute notification will automatically be emailed to the JPMC dispute resolution department.
NOTE: Notification through PaymentNet is required for all billing errors and disputed items. A phone call alone will not preserve a cardholder's rights.
- b) Ensure the bill is paid in full; the account will be credited based on the outcome of the dispute. Coordinators will be notified via email regarding the dispute's status.
- c) PaymentNet reporting for transactions will indicate a credit for any disputed item.
- d) Upon dispute resolution, if an account credit is due, it will be posted on the subsequent billing statement.

3) JPMC Dispute Processing Procedures

- a) Receiving the online dispute form.
- b) Assisting the cardholder to obtain reimbursement from the merchant..
- c) Resolving formal disputes typically within sixty (60) days.

4) Division of Accounting Responsibilities

- a) Ensuring the IV is paid in full as billed, including disputed items.
- b) Monitoring the progress of the disputed item(s) until resolved.
- c) Reporting and escalating any disputed items greater than 100 days old for a formal dispute process via JPMC.

F) CARD SECURITY**1) Cardholder Responsibilities**

- a) Safeguard the SuperCard and account number.
- b) Ensure the card is used ONLY for legitimate business purposes.
- c) Maintain the card in a secure location at all times.
- d) Adhere to the purchase limits and restrictions of the card.
- e) Obtain all sales slips, register receipts, purchasing card slips, and/or packing slips and provide the same to the organization SuperCard Coordinator **within seven (7) business days of the transaction or completion of travel.**
- f) Do not accept payment by cash or check for returned items in lieu of a credit transaction to the SuperCard account.
- g) Do not allow anyone other than the Cardholder to use the SuperCard, the account number, and/or the PIN, except as noted under “Authorized Credit Card Use” in Section C, above.

NOTE: Unauthorized use of the card may result in the withdrawal of the card, disciplinary action, and/or dismissal.

2) Organization Responsibilities

- a) Appoint and monitor activities of SuperCard Coordinators and Back-up Coordinators.
- b) Actively develop and follow Internal Controls procedures.
- c) Keep cards secure. Any cards not used on a frequent basis should be categorized with a “Null” Profile in PaymentNet, until needed.
- d) Monitor activity, reconcile, approve, and allocate transactions for the organization’s individual cardholders.
- e) Reconcile card activity on a regular basis and in a timely manner.

NOTE: The PaymentNet Spend Report “Merchant Category Code (MCC) Audit” provides a report filtered by the MCCs most likely to be associated with fraud.

3) Lost or Stolen Cards

In the event of a lost or stolen card:

- a) The Cardholder must immediately notify JPMC Bank at 1-800-270-7760, and advise the representative that the call pertains to a State of Delaware Visa Purchasing Card. JPMC Bank will immediately deactivate the card. Bank representatives are available 24 hours a day, 7 days a week.
- b) The cardholder must notify the organization SuperCard Coordinator, Back-up Coordinator, or other approving official immediately during business hours, or as soon as practical during non-business hours.
- c) The Organization Coordinator must report the card as lost or stolen through PaymentNet. JPMC will automatically issue a replacement card, which will be delivered for pick-up within 3 to 5 business days.
- d) A previously reported lost card that is subsequently found must be returned to the organization SuperCard Coordinator, who will document and destroy the card.

4) Cardholder Separation/Transfer

- a) Employees separating from State employment must surrender the SuperCard and all receipts to the organization SuperCard Coordinator, Back-up Coordinator, or other approving official prior to separation from State employment. Upon notification of employee separation, the organization SuperCard Coordinator will immediately close the card account, deactivate the employee's log-on in PaymentNet, and collect and destroy the card.
- b) Employees transferring to another State organization, including transfers to a different section (Internal Program Unit) within an organization, must have their account closed, their log-on deactivated, and the card collected and destroyed. The gaining organization will request a new card, if needed. This process allows cards to be uniquely identifiable to the employee and the organization, and allows billing statement to properly reflect the purchasing activities of each organization.

G) CASH WITHDRAWALS**1) Organization Policy Requirements**

Organization policy must address the use of Automated Teller Machines (ATMs). The State accounting policy is that the SuperCard should be used for travel-related purchases whenever possible. The use of ATMs for cash is optional for Organizations, and employees should verify the organization allows this option before attempting a withdrawal.

SuperCard ATM Usage should be restricted to individuals who need cash for:

- Emergencies; or
- Travel purposes.

2) ATM Cash Advances

If organization policy permits and approval has been granted, the organization SuperCard Coordinator may request a Personal Identification Number (PIN) on behalf of a cardholder by contacting JPMC at 1-800-270-7760. Employees should contact the organization's SuperCard Coordinator or the Back-up Coordinator for detailed instructions for obtaining a PIN. The PIN will allow the cardholder to use ATMs to access cash.

Banks have different policies pertaining to ATM withdrawals and withdrawal restrictions may vary by ATM, within a particular bank, as well as among various banks. All travelers utilizing ATMs should be advised of these restrictions.

3) Bank Teller Cash Advances

Cash withdrawal from within financial institutions **is not allowed**. The SuperCard may not be used for this purpose.

4) Cash Advance Fees

Cash withdrawals will incur a service fee of two and a half percent (2.5%) of the withdrawal amount (Minimum fee is \$2.50.) This fee will appear on the monthly billing statement and is payable from organization funds.

SuperCard Internal Controls (Checklist)

Please read Chapter II of the Budget and Accounting Policy Manual which provides general guidance on Internal Controls.

The role of management is to provide the leadership needed to implement effective internal controls and to monitor the effectiveness of control-related policies and procedures. Some of the basic objectives implicit to control procedures are as follows:

- Transactions are properly authorized.
- Duties are sufficiently segregated.
- Access to assets is limited in accordance with management's authorization.

State organizations must, at a minimum, comply with the State's Internal Controls policy. Organizations must address the topics on the following checklist in their written **SuperCard Internal Control Procedures**.

A) Usage Procedures:

- 1) Travel – When use of the SuperCard is mandatory, optional or forbidden
- 2) Purchases – When purchase orders are required
- 3) Receipt requirements
- 4) Standards for issuance of SuperCards
- 5) Cardholder Responsibilities
- 6) Organization Responsibilities

B) SuperCard Administration Procedures:

- 1) General
 - a) Assignment of SuperCard Coordinator and Back-up Coordinator
 - b) Responsibility for developing and maintaining Internal Controls
 - c) Management Responsibilities and actions to monitor the program
- 2) SuperCard Enrollment Request Form Procedures
 - a) Steps for employee Request and approval for a SuperCard
 - b) Guidelines for assigning Spend Profiles
 - c) Guidelines for establishing the distribution of Commercial Card Statements
 - d) Guidelines for review of Spend Profiles
 - e) Guidelines for assigning Cardholders who infrequently use the card to the "Null" Profile
 - f) Processes to investigate and resolve suspected SuperCard misuse by an employee
 - g) Responsibility and frequency for the review of PaymentNet Reports
- 3) Segregation of Duties - Duties of administering the program must be separate from the ability to use a card.

- 4) Control of Cards
 - a) Holding all cards centrally and distributing the cards as needed, or
 - b) Having authorized staff carry cards independently with suitable controls (Null Profile)

C) Procedures on Records Keeping and Billing:

- 1) Cardholder Responsibilities
 - a) Requirements for Receipts
 - b) Use of Purchase Logs (Optional)
 - c) Time limit for Submission of Travel Personal Expense Reimbursement Form and Purchase Receipts
 - d) Billing Statement Reconciliation responsibilities
- 2) Approving Official/Coordinator Responsibilities
 - a) Procedures to validate the cardholder's monthly statement and confirm the following with the cardholder (at a minimum):
 - Receipts and shipping documents were provided for each purchase.
 - Goods were received or the services were performed.
 - Purchases were made in compliance with the procedures defined by the Organization.
 - Purchase orders were prepared for transactions over \$2,500 as required.
 - b) Billing statement reconciliations, including procedures to match supporting documentation to the Commercial Card Statement and validate that the expenses are legitimate.
 - c) Procedures to ensure the SuperCard Intergovernmental Voucher (IV) are reconciled.
- 3) Billing
 - a) Procedures to process the IV(s) in the State's accounting system **within thirty (30) days of each billing date** to reimburse the Division of Accounting for funds used to pay JPMC Bank.
 - b) Procedures to encumber funds in the State's finance and accounting system for purchases above \$2,500.

D) Procedures on Disputed Accounts:

- 1) Cardholder Responsibilities
- 2) Coordinator Responsibilities

E) Card Security

- 1) Cardholder Responsibilities
- 2) Organization Responsibilities
- 3) Procedures for Lost or Stolen Cards
- 4) Procedures for a Cardholder's Separation/Any Transfer

F) Procedures on Cash Withdrawals:

- 1) Organization policy
- 2) Organization process

Internal Controls Template

INSERT NAME OF AGENCY

Financial Policy: SuperCard Purchase/Travel Program

The State of Delaware has contracted with JPMorgan Chase to provide state organizations with a credit card program for procurement and/or travel purchases. This program is called the SuperCard Program: one credit card operating with both purchasing and travel options.

The State of Delaware is liable, [29 Delaware Code Section 6505 (c)(1)] for the use of the SuperCard, therefore allowing any State employee with appropriate approvals, to obtain a credit card without a credit check. It is important to note that the use of the credit card is for State approved purchases only and not for personal expenses. Any employee who uses the credit card for personal or unauthorized purchases will be disciplined up to and including termination of employment in accordance with the State of Delaware Merit Rules and 29 Delaware Code, Section 6505 (c)(1). Furthermore, the employee is personally liable to reimburse the State for the full amount including any interest or penalty for any personal or unauthorized purchases.

The [Insert Name/ Job Title of Agency Coordinator] will serve as the Agency Coordinator and [Insert Name/ Job Title of Back-up Coordinator] will serve as the Back-up Coordinator. The Agency Coordinator will be responsible for handling the administration of the SuperCard Program, including employee authorization and deactivation, the maintenance of the enrollment forms, signed affidavits, related policies and procedures and disputed bank transactions. The Organization Coordinator will also perform a periodic review (at least monthly) of the appropriate expenditure reports produced from the State's accounting system and the credit card statement to ensure proper documentation of all expenses related to the SuperCard. The Organization Coordinator will also perform a quarterly review of cardholder spend limits and make adjustments as necessary. The Back-up Coordinator will have the responsibility for ensuring that all receipts are received by the staff for travel or small purchase expenditures in order to attach to the related invoice. In addition, the Back-up Coordinator will perform the monthly credit card reconciliation. **The Organization Coordinator will perform these functions in the absence of the Back-up Coordinator.**

Each cardholder will be required to review the SuperCard Program Policy and Procedure and sign an Employee Agreement (Exhibit A) acknowledging they understand all requirements pertaining to the use of the credit card. It is the responsibility of the cardholder to ensure the safety of the credit card as they would with their own personal credit information. Employees must never allow anyone to use their account number. In the event the credit card is lost or stolen, the employee must report it as soon as possible by contacting JPMorgan Chase at **1-800-270-7760**. Upon termination of employment, the employee will surrender the credit card to the Organization Coordinator and forward to the Back-up Coordinator a listing of purchases made, along with receipts for any expenditure incurred to date that have not been previously reconciled.

Purchases or travel authorizations and expenditures submitted will be governed by the approved annual budget. Prior to any purchases, pre-approval must be obtained. Documentation of the purchase (receipts/packing slips) must be retained by the cardholder and submitted to the Agency Coordinator within 7 days of the transaction. Travel expenses must conform to the State of Delaware Travel Policy, which sets forth dollar limits on meals, tolls, personal telephone calls, tips, etc. Employees must reimburse the State of Delaware for any expenditure above the allowable amounts.

INSERT NAME OF AGENCY

Financial Policy: SuperCard Purchase/Travel Program (Continued)

Any single purchase exceeding \$2,500 must be accompanied by a Purchase Order and requires pre-approval from the Organization Coordinator. Funds for these expenditures must be encumbered. After verification with the merchant, the SuperCard will be the preferred method of payment. For record keeping purposes the appropriate documentation, including but not limited to invoices and receipts, must accompany all requests for payment and or reimbursement.

Any disputed purchases will be resolved with the merchant by the cardholder as soon as detected. If the dispute is not resolved by the merchant, the disputed items must be entered immediately into the PaymentNet and within sixty (60) days from the end of the billing cycle on which the dispute appeared. The cardholder will also notify the Organization Coordinator of any discrepancy.

The Organization Coordinator will perform monthly SuperCard reconciliations, including validation of cardholder purchases by obtaining the supporting documentation (receipts), confirming goods and services were received, and purchases were made in compliance with the State of Delaware's Budget and Accounting manual. The SuperCard IV billing will also be reconciled and processed within 30 days of the billing date.

All financial transactions must be maintained in an easily accessible manner and are subject to audit. Upon request, the Organization Coordinator will make its SuperCard Policy and Procedure and supporting financial records available to the Division of Accounting and the Office of the Auditor of Accounts.

All financial records will be maintained according to the standard State of Delaware Records Retention Requirements.

State of Delaware SuperCard Enrollment Request Form Instructions

The State of Delaware SuperCard Enrollment Request Form is designed to handle all required information for both the organization's needs and the individual cardholder requests.

The request is a multi-purpose form and is comprised of four sections and Cardholder Agreement. It is used for various functions of the program, including initial set up and subsequent modifications. It enables the organization to:

1. Designate the SuperCard Coordinator.
2. Designate Back-up Coordinator.
3. Enroll/Remove cardholders.
4. Designate type of card for Travel only or Purchase (includes travel).
5. Set spend limits.

The instructions for completing the form are presented below.

Section I. Type of Request

One of the blocks on the Request must be checked every time there is either a new request or a modification to an existing account or cardholder.

New Cardholder:

This block is checked for the initial Request of a Cardholder.

Billing (Commercial Card) Statement to Cardholder Address:

There are two options for the Billing (Commercial Card) Statement:

- 1) If the billing statement is to be sent to the organization, this box **IS NOT** checked.
- 2) If the billing statement is to be sent to the applicant's residence, this box **IS** checked and the applicants address is entered in Section IV of the Request.

Change to Cardholder:

This box is checked if any modifications are to be made to the cardholder's profile. In Section III, enter the name, last four digits of the Employee ID, and the organization number. The box on the line where the information is to be changed is checked, and the new information is entered.

Close Account:

Whenever a person leaves State employment, for any reason, moves to a new organization, or an organization no longer wishes an employee to have a card, this block is checked. In Section III, the name, last four digits of the Employee ID and organization number must be completed.

Replace Current Card:

Whenever a card has become damaged or if the cardholder has a name change, this block is checked. In Section III, the box is checked on the Cardholder Name line; the new information, the last four digits of the Employee ID, and organization number are entered. For a name change, enter on the line below Section III the cardholder name as it currently appears on the card and the Last Four Digits of the card number.

No Card:

This block is checked if users are to be entered into PaymentNet in order for them to view/manage the organization cards but do not want a card ordered.

Organization SuperCard Coordinator:

Check this block if the Request is to establish the organization SuperCard Coordinator. This person will handle the administration of the card within the organization. This person may or may not have a card, which is left to the discretion of the organization. The Chief Fiscal Officer must sign the Request.

Back-up Organization SuperCard Coordinator:

Check this block if the Request is to establish the Back-up organization SuperCard Coordinator. This person will assist in the administration of the card within the organization. This person may or may not have a card, which is left to the discretion of the organization.

Section II. Type of Profile

This section allows the organization to select the **Profile of the SuperCard** with travel and purchase options, the card spend limits and the option of ATM access. All Profiles are blocked from purchasing items prohibited by law such as alcohol. Available Profiles can be viewed in PaymentNet.

Travel:

This block is checked if the Request is to allow only travel purchases with the card and the card limit is entered "AMT: \$". Travel is restricted to those Merchant Category Codes (MCC) most commonly associated with travel such as transportation, hotels, restaurants, etc.

SuperCards with a travel only profile do not have a Single Transaction Limit.

Purchase:

This block is checked if the Request is to allow all purchases and the card limit is entered "AMT: \$". **A purchase card may be used for both purchases and travel and has a Single Transaction Limit of \$2,500.**

Open:

This block is checked if the Request is for an Open Profile and the card limit is entered "AMT: \$". **An Open Profile may be used for anything not restricted by law and does not have a Single Transaction Limit.** This is generally used for large purchases by an organization. Remember, single non-travel purchases above \$2,500 may require an approved purchase order to be completed prior to using the card. See paragraph "A.2)c) Purchases" in the main document.

Null:

A "Null" Profile is selected if a card is to be active in the system but is temporarily restricted from being used. SuperCards should be placed in this Profile if not used on a frequent basis. When the Cardholder must travel or make a purchase, the card can be moved to the appropriate Profile and then moved back upon return or completion of purchases. The maximum Travel, Purchase or Open Profile should also be noted as this reflects the profile that the card may be moved to for use.

ATM Access:

This block is checked if the cardholder is to receive a Personal Identification Number (PIN) in order to withdraw cash from an ATM machine. The amount available is based upon a percentage of the outstanding balance. The maximum amount available with no outstanding balance is \$1,000.

Police Travel:

This block is checked if the State Police Travel Card is required (State Police Only).

Section III. Cardholder and Organization Information**New Cardholder:**

Complete the information as described in the blocks. The last four digits of the Employee IDs are used solely for identification when activating the card.

Change to Cardholder:

Check the "Change" block on the row in which any information is to be changed and complete the information. The name, the Employee ID, the last four digits of the Employee ID and Organization number must be completed at all times. For a **name change**, choose "Replace Current Card" in Section I., then enter cardholder name and last four digits of the card number as it appears on the card on the line below Section III. Enter the new name as it will appear on the new card in Section III.

Section IV. For Billing Statements sent to the Cardholder's Address

Complete the following if the monthly billing statement is to be mailed by JPMC Bank to the Cardholder's Address rather than to the organization. Check the block "Commercial Card Statement to Cardholder Address" in Section I and complete the information as described in the blocks. The organization will have access to the Statement information via PaymentNet.

Organization Authorization

The State of Delaware SuperCard Enrollment Request Form must be signed by the organization's Chief Fiscal Officer, Business Manager or other designated approving official. The organization Coordinator and Back-up Coordinator must sign as the employee for this transaction. All other Requests are signed by the organization Coordinator or Back-up Coordinator. The bottom of the form reflects the "Cardholder Agreement" and must be signed by the individual cardholder and the organization Coordinator or Back-up Coordinator. Organizations may choose to require an employee supervisor's signature.

Form Retention

Signed copies of the State of Delaware SuperCard Enrollment Request Form must be on file in the organization for seven (7) years or until a successful audit. It is subject to review by the Department of Finance and Office of the Auditor of Accounts. It may also be required for dispute resolutions and to resolve unauthorized card use by employees. It is the responsibility of the designated organization personnel to enter the enrollment data into PaymentNet.

State of Delaware SuperCard Enrollment Request Form

State of Delaware SuperCard Enrollment Request Form Version 3

I. Type of Request

- New Cardholder
- Commercial Card Statement to Cardholder Address (Complete Section IV. below)
- Change to Cardholder
- Close Account
- Replace Current Card
- No Card
- Assign Organization Coordinator (Requires Chief Fiscal Officer's Signature)
- Assign BACK UP Organization Coordinator

II. Type of Profile

- Travel AMT:
- Purchase (Includes Travel) AMT:
- OPEN AMT:
- Request AMT: \$0
- ATM Access
- State Police Travel Card

III. Cardholder and Organization Information

Change

<input type="checkbox"/> * Cardholder Name (As it appears on the card: 25 chars max)	Employee ID (Required)	Last Four Digits of Employee ID	
<input type="checkbox"/> E-Mail Address		ORG NUMBER (six digits i.e. 250501)	
<input type="checkbox"/> Organization Address Line 1 (Maximum 36 char)		Organization Address Line 2 (Maximum 36 characters)	
<input type="checkbox"/> Organization City (Maximum 27 characters)	State	ZIP CODE	Telephone Number () Fax Number: ()

* Cardholder Name on Card Card Number :Last Four Digits

IV. For COMMERCIAL CARD STATEMENTS sent to Cardholders Address

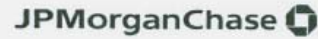
<input type="checkbox"/> Cardholder Name for Statement to be Sent to Home Address (25 chars max)			
<input type="checkbox"/> Address Line 1 (Maximum 36 characters)		Address Line 2 (Maximum 36 characters)	
<input type="checkbox"/> City (Maximum 27 characters)	State	ZIP CODE	Telephone Number () Fax Number: ()

Cardholder Agreement

1. The undersigned parties hereby certify that the applicant is an employee of the referenced Organization within the State of Delaware and request that a State of Delaware VISA CARD account be established in the name of the employee.
2. **The cardholder agrees to use this card ONLY for State of Delaware approved purchases and travel and agrees NOT TO CHARGE PERSONAL PURCHASES.**
3. The cardholder understands that the Division of Accounting and/or the Auditor of Accounts will audit the use of this card and take appropriate action on any discrepancies or misuse. The use of this card to make personal or unauthorized purchases is grounds for discipline up to and including termination of employment in accordance with the State of Delaware Merit Rules and the Delaware Code. The cardholder is personally liable to reimburse the State in full, including any interest or penalty, for any personal or unauthorized purchases in addition to any discipline which may be imposed.
4. If the Visa Card is lost or stolen, the Cardholder must immediately notify JPMC Bank at their Customer Service number 1-800-270-7760 and must also notify the Organization Coordinator or Back-up Coordinator.

<u>Employee</u>	<u>Supervisor</u>	<u>Coordinator/Back-up Coordinator</u>
Signature	Signature	Signature
Print Name:	Print Name:	Print Name:
Date Ph. # ()	Date Ph. # ()	Date: Ph. # ()

Commercial Card Statement



ACCOUNT NUMBER	BILLING DATE	DUE DATE	NEW BALANCE	ENTER PAYMENT AMT
	11/28/08	12/12/08	0.00	DO NOT PAY

STATE OF DELAWARE
 FIN - DIV OF ACCOUNTING
 820 SILVER LAKE BLVD #200
 DOVER DE 19904-2464

Please make check payable to:

COMMERCIAL CARD SOLUTIONS
 P.O. BOX 4471
 CAROL STREAM IL 60197-4471

Please detach here and send top portion with payment in enclosed envelope.

ACCOUNT NO. BILLING DATE: 11/28/08 DUE DATE: 12/12/08 CREDIT LIMIT: 15,000.00

- ACCOUNT SUMMARY -						
Previous Balance	(-) Payments, Credits	(+) Charges, Cash Debits	(+) Finance Charges	(+) Fees	(=) New Balance	Payment Due
0.00	0.00	139.95	0.00	0.00	0.00	DO NOT PAY
CURRENT TRANSACTIONS (- OUTSTANDING DISPUTES) 0.00 + PAST DUE AMOUNT 0.00 = TOTAL 0.00						

POST	TRAN	TRANSACTION DETAIL	CHARGES	CREDITS	NOTES
11/08	11/04	THE OLIVE GARD00013613 DOVER DE REF NO: 24399008310140000128109 AUTH NO: 082875	77.70		
11/12	11/11	CAPRIOTTIS DOVER DE REF NO: 24224438317020008383737 AUTH NO: 022776	62.25		
		TOTAL ACTIVITY	139.95	0.00	

THE ABOVE LISTED TRANSACTIONS HAVE TRANSFERRED TO THIS ACCOUNT'S ASSOCIATED CENTRAL BILL ACCOUNT. THE NET BALANCE WAS 139.95

PLEASE NOTE THAT ANY FOREIGN PURCHASES AND/OR FOREIGN CASH DISBURSEMENT TRANSACTIONS MAY INCLUDE A 1% INTERNATIONAL TRANSACTION FEE.

This is NOT a bill.
 Your company will submit payment for your account.

Payments or credits received after billing date above will appear on next month's statement.

FOR INQUIRIES ABOUT YOUR ACCOUNT, PLEASE CALL 1-800-270-7760 OR WRITE US: COMMERCIAL CARD SOLUTIONS, PO BOX 57510, SALT LAKE CITY, UTAH 84157-0510.

Do not deduct any amount that is showing in dispute on your statement, this amount has already been deducted from the amount due. Please see reverse side for important information regarding certain types of charges or disputed charges.

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State of Delaware
Department of Finance
Division of Accounting

Designation of Appropriation for Payment of Super Card Charges
Super Card Billing Table (SCBT)

Account Code Organization to be charged _____ IBU / MBU _____

FY	Fund	Dept	Org	Appr	Objt	Sub-objt	Prog	Job Proj	Rept Cat

Organization Description:

Address 1:

Address 2:

Attention: