

Empire Bank

**MasterCard BusinessCard® Program
Offered through BankCard**

**Best Practices Guide
As of April 2005**

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This Best Practices Guide provides general information that businesses need to be aware of when implementing a BusinessCard program. This guide is intended to summarize common business concerns but is not meant to be all inclusive. The BankCard Center recommends all businesses develop their own policies to meet their unique internal needs. The BankCard Center is not liable for any misinterpretation or omission of information and reserves the right to update this guide from time to time.

Program Features and Purpose

The *MasterCard BusinessCard* is designed to help businesses manage finances more conveniently and efficiently. It is intended to simplify the process of business purchasing and employee reimbursement. Employees receive the advantage of making business transactions without the hassles of using personal funds, filling out paperwork or awaiting reimbursement. The *MasterCard BusinessCard* helps reduce internal costs associated with supply and/or purchase ordering. The business can also regulate individual spending and expense through preset limits and other controls.

Issuance of Card

Each Company determines the employees who are eligible to obtain a *MasterCard BusinessCard*. It is recommended that each Company designate a Program Administrator. The Program Administrator should be a person authorized to act on behalf of the Company and to be a contact for the BankCard Center. The Company will need to submit a Resolution and two years of audited financials. The Resolution provides the BankCard Center with the names and signatures of staff authorized to approve *MasterCard BusinessCard* applications. The Resolution will need to be updated anytime the Company designates new authorized individuals. Application forms may be obtained from the BankCard Center. The application will include Company information, employee information, requested credit limit and signature authorizing account set up. The cards will be issued by Central Bank and will be embossed with both the employee and Company name. Upon receipt of the card, the employee must immediately sign the back. Only one card may be issued per employee. Cards are not transferable between employees and departments.

BusinessCard Usage

Although the *MasterCard BusinessCard* is similar to a personal credit card in the way it is used, it is important for all employees to be informed of the significant differences.

1. The Company is responsible and liable for all charges made on employee cards.
2. The Company employee is not liable for charges on the card unless there has been a violation of the Central Bank Cardholder Agreement.
3. Cards should not be used for personal purchases. Each employee will receive a statement for informational and reconciliation purposes.

4. Each employee is responsible for the security of the card in their possession. Employees should protect the *MasterCard BusinessCard* account number and keep the card in a safe place. The only person entitled to use the card is the person whose name appears on the face of the card.
5. It is recommended that the Company develop a process to educate its employees on approved card usage and inform employees on their respective restrictions.

Controls – Limits, Restrictions

The Program Administrator can receive a monthly consolidated statement itemizing out all Company activity by employee. It is recommended that a procedure be set to notify employees of their credit limit, preset restrictions and transaction validation to the Program Administrator. A clear and consistent receipt submission process will exemplify the efficiency of the *MasterCard BusinessCard* program.

The Company will assign each employee a credit limit during the application process. The credit limit increase can be request via written notice by the Program Administrator.

The Company may utilize account usage restrictions to control individual employee access. At the time of authorization, the *MasterCard BusinessCard* system validates the transaction against these preset limits established by the Program Administrator. Restrictions may include but are not limited to: cash advance limits, daily spending limits, by number and dollar amount, and merchant category codes. The Program Administrator may submit an Account Restriction form to BankCard Center to request these preset limits. If no form is completed, the employee will have the ability to use the card at any vendor location within their given credit limit.

Purchase Violations

The *MasterCard BusinessCard* is to be used for approved Company purchases. Allowable purchases will be determined by the Program Administrator based on each employee's job function and Company need. It is recommended the Company develop a violation policy. The policy should explain what transactions are considered violations and the consequences resulting from these violations. Examples of violations include but are not limited to:

1. Personal purchases – Defined as anything that is not purchased for use and ownership by the Company. All personal purchases are a violation whether or not the employee intends to pay the Company back for the purchase.
2. Cash or cash type transactions – Defined as cash and/or cash in lieu of credit for return or exchange of a purchase.
3. “Split” purchases – Defined as any transaction costing more than the preset per transaction or daily limit is “split” into multiple transactions to circumvent the restriction.

4. Any merchandise, product or service normally considered to be inappropriate use of Company funds or in violation of Central Bank Cardholder Agreement.

Disputed Activity

If an employee feels there is an error on the *MasterCard BusinessCard* monthly statement, the employee must first try to resolve it with the merchant. If a charge has posted but the item has not been received, the employee should contact the merchant for a ship date. If the item has been shipped or will be shortly, it is recommended that the charge be paid. Payment does not accept liability for a charge. If the item has not been received by the next statement cycle, contact the Program Administrator to dispute the charge with the BankCard Center.

Program Administrator must notify BankCard Center within 60 days after the date of the statement the charge posted. All disputed items must be submitted in writing. The BankCard Center may contact the Program Administrator for additional information regarding the dispute.

Lost/Stolen Cards

If a card is suspected to be lost or stolen, Program Administrator or Company is to contact BankCard Center at 1-800-556-5678 immediately. A new card, with a replacement account number, will be set up and shipped to the Company within 3 days of notification. Company should receive the new card within 7-10 days. The Program Administrator should contact BankCard Center if there are any disputed charges on the account. (Refer to Disputed Activity process). The Company will be held liable for all charges incurred should they be determined to be negligent in reporting the card lost or stolen.

Cancellation of Cards

The employee will surrender and cease use of the *MasterCard BusinessCard* on termination of employment or upon request of the Company or Program Administrator. BankCard Center should be notified immediately to cancel the *MasterCard BusinessCard*. The Company will be held liable for all charges incurred up to the date of cancellation.

Sample Employee Acceptance Form

Employee Name: _____

MasterCard BusinessCard Number: _____

Credit Limit: _____

Spending Limits Transaction Type	Daily Limit
Daily Maximum Number of Retail Transactions	_____
Daily Maximum Dollar Amount of Retail Transactions	_____
Daily Maximum Number of Cash Advance Transactions	_____
Daily Maximum Dollar Amount of Cash Advance Transactions	_____

Merchant Category	Per Transaction Limit
Cash Advance	\$ _____
Airlines	\$ _____
Car Rental	\$ _____
Hotel	\$ _____
Restaurant	\$ _____
Fuel	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____
Other: _____	\$ _____

I, _____, acknowledge receipt of my *MasterCard BusinessCard* and agree to comply with the BankCard Center Cardholder agreement and Company policies and guidelines.

Employee Signature: _____ Date: _____

Program Administrator: _____ Date: _____