Cardholder Applicant	**Note:** The Individual Liability Card program was established for Treasury employees whose position descriptions require travel. These cards are for travel-related expenses only. JPMorgan Chase is the vendor for these cards.
	WHEN: As Needed
	1. Requests an Individual Liability Card with a written **memo** to supervisor describing cardholder applicant's need for the card, including: A. Position description B. Estimate C. Frequency of use D. Other information that demonstrates a need for the card.
Supervisor	2. Contacts Finance and Accounting Division (FAD) and requests an Individual Liability Card application.
Departmental Analyst, FAD	3. Sends the Individual Liability Card application to requesting cardholder applicant.
Cardholder Applicant	4. Completes the Individual Liability Card application and submits to supervisor.
Supervisor and Cardholder Applicant	5. Reviews the **(Appendix B) - Policy Summary** and signs the Policy Summary. (Sees example A.)
Supervisor	6. Submits the Individual Liability Card application, memo and approved Policy Summary to FAD's Departmental Analyst.
Departmental Analyst, FAD	7. Copies the Individual Liability Card application, memo and Policy Summary for FAD files.
	8. Submits the original Individual Liability Card application and memo to the State Individual Liability Card Administrator, Financial Services Division, Department of Management and Budget (DMB).
Card Administrator, DMB	9. Forwards the Individual Liability Card application to JPMorgan Chase for processing.

Card Administrator, DMB (cont.)

10. Receives the Individual Liability Card from JPMorgan Chase.

11. Sends the Individual Liability Card to the cardholder applicant's home address, along with a Cardholder Manual and **(Appendix A) - Cardholder Agreement.** (Sees example B.)

Cardholder Applicant

12. Reviews the Cardholder Manual and (Appendix A) - Cardholder Agreement and signs the agreement, indicating the card was received and that cardholder applicant will abide by the policies of the card.

13. Returns signed Cardholder Agreement to Card Administrator at address indicated in the Cardholder Manual.

JPMorgan Chase

14. Sends monthly credit card statement to the individual cardholder applicant's home address for payment.

Cardholder Applicant

15. **(Required)** Pays entire bill amount every month.

WHEN: Monthly

Departmental Analyst, FAD

16. Runs the Cardholder Status Report, indicating any cardholders whose accounts are 30 days delinquent, which includes:

    A. Cardholder's name
    B. Last four digits of card number
    C. Open date of card
    D. Credit limit
    E. Amount available
    F. Amount 30 days delinquent
    G. Card status.

17. Distributes the Cardholder Status Report to cardholder's supervisor for appropriate action.

Supervisor

18. If account is 30 days delinquent, notifies cardholder of the delinquency. (It may be possible individual is traveling on business and was unable to make payment.)

19. If account is 60 days delinquent, notifies cardholder in writing if a garnishment is to be processed.

    Note: Treasury will garnish the individual's wages and/or travel expense vouchers and remit to JPMorgan Chase until the account is paid off.

    A. Requests DMB, Financial Services, close the account.

Supervisor (cont.)

WHEN: Upon Transfer or Termination of Employment

20. Requests cardholder return the Individual Liability Card to the supervisor.

    A. Cuts the Individual Liability Card into pieces and discards.

21. Notifies the Card Administrator in writing (memo or e-mail) to close the account.

23. If the Individual Liability Card is not returned, notifies the Card Administrator and requests the account be closed immediately.

Sample A

Appendix B

DEPARTMENT OF TREASURY
INDIVIDUAL LIABILITY CARDS
POLICY SUMMARY

Qualified Card Usages

1) Lodging
2) Car Rental
3) Train
4) Taxi
5) Food
6) Gas for rental car
7) Parking
8) Other reimbursable State of Michigan expenses

Prohibited Purchases

1) Health, legal and medical services
2) Cash advances
3) Airfare, which should be charged to the State of Michigan Airfare Procurement Card
4) Department stores
5) Charitable contributions
6) Automobile repairs
7) Movie tickets
8) Sporting event tickets
9) Personal gifts
10) **Other non-reimbursable purchases**

NOTE: FAD will monitor for prohibited purchases

Payment

Payment of the JPM Chase individual liability Master Card account pursuant to State of Michigan contract is the sole responsibility of the cardholder. The cardholder is responsible for the following:

1) Payoff in full the amount due for each month's transactions as shown on the bill
2) Payoff any interest accumulated on the account
3) Payoff any fees associated with the card
4) Payoff any additional costs, interest or fees charged by the service provider for use of the liability Master Card

Sample A (cont.)

Note 1: Any account 30 days delinquent, Supervisor notifies the Cardholder of the delinquency. ***(It may be possible that the individual is traveling on business and was unable to make payment.)***

Note 2: Any account 60 days delinquent, Treasury will garnish the individual's wages and/or travel expense vouchers and remit to JPM Chase until the account is paid off. Supervisor notifies the Cardholder in writing if such a garnishment is to be processed. ***(At that time, the Supervisor will request DMB, Financial Services to close the account.)***

Termination of Employment or Department Transfer

Upon termination of employment with Treasury, Supervisor will initiate a written request to close account by contacting the State's Individual Liability Card Administrator. Cardholder shall return card to Supervisor who will cut card into pieces and discard the pieces. Accounts should be closed by the State's Individual Liability Card Administrator if cardholder: (a) Leaves State service; (b) Moves to a new job in which they no longer require the Individual Liability Card; or (c) Account needs to be closed for any other reason.

By signing below, the individual acknowledges that he/she has read and agrees to the above usage requirements of the Individual Liability Master Card.

_____ _____

Individual Cardholder's Signature Date

Supervisors, by signing this form you are indicating that you have discussed with the applicant the usage requirements of the Individual Liability Master Card. It shall be up to the Bureau's discretion as to how lenient they want to be with the exceptions.

_____ _____

Supervisor's Signature Date

Sample B

Appendix A

CARDHOLDER AGREEMENT

REQUIREMENTS FOR USE OF INDIVIDUAL LIABILITY CARD:

1. The Individual Liability Card must be used in accordance with the provisions of the Individual Liability Card Program Cardholder Manual and in accordance with procedures and guidelines established by your Agency for the Card's use.

2. I understand that my JPM Chase Liability account Master Card is to be used only for business expenses incurred while on official State of Michigan business.

I understand that payment of my JPM Chase individual liability account Master Card pursuant to State of Michigan Contract is my sole responsibility. If any amount in my account is past due by sixty (60) days or more, I authorize the State of Michigan to deduct the past due amount from my paycheck and remit it to JPM Chase. I understand that all transactions, late fees and interest charges are my responsibility and will not be paid by the State of Michigan. The State of Michigan will notify me in writing if such a deduction is made.

Violations of these requirements may result in revocation of use privileges and/or disciplinary action, up to and including termination of employment. Employees who are found to have inappropriately used the Card will be required to reimburse the State of Michigan for any costs the State of Michigan incurred associated with such improper use.

Individual Liability Card Account Number: _____

Received by: _____

Name (Please Print)

Signature: _____

Date: _____

JPMorganChase

End