

Questions from P-Card Holders

1. QUESTION: If a cardholder has a freeze on credit report; who pays the cost to unfreeze the report?

RESPONSE: If the person is an applicant for a position with MCG, then the applicant pays. If the person is an existing MCG employee who will be a first time cardholder, the employee pays.

2. QUESTION: Does a credit inquiry affect my credit score/rating.

RESPONSE: Credit inquiries for employment purposes do not impact your credit score. The following web site provides *one* source for your review:

<http://credit.about.com/od/creditreportscoring/a/creditinquiry.htm>

The Fair Credit Reporting Act (FCRA) requires businesses to have an acceptable reason for accessing your credit report. Acceptable reasons include:

- To grant credit
- Collect a debt
- Underwrite insurance
- **Employment**
- License issuing by some government agencies
- Legitimate business transactions
- Companies who obtain your credit report under false pretenses or those who use it improperly violate federal law.

Not all inquiries that appear on your credit report affect your credit score. Inquiries that are made because of an application you made for credit are the ones that affect your score. These voluntary inquiries are the only credit inquiries that count towards your credit score.

When you review your credit report, you might notice that several inquiries appear from businesses to which you didn't apply for credit. Other businesses might check your credit report because they want to offer goods and services to you. For example, creditors who send "pre-approved" credit card offers have often checked your credit report first.

Credit inquiries are also made by potential employers, businesses that you already have credit with, and yourself. None of these counts towards your credit score.

Your version of your credit report includes all inquiries. When lenders and creditors look at your credit report, only the voluntary inquiries appear.

3. QUESTION: Does P-Card credit limits show as revolving debt on my credit report?

RESPONSE: No information from the P-Card or reference to the P-Card should be a part of your credit report. If this happens, please contact the P-Card Coordinator immediately.

4. QUESTION: What happens to compromised credit cards?

RESPONSE: They are deactivated, destroyed and a new card is issued. There could be an audit/review to determine that this activity was not the fault of the employee.

5. QUESTION: What is the rationale for credit checks?

RESPONSE: There were some noncompliance and misuse issues in the State's P-Card Program and as a result, the credit check is a requirement mandated by law as a result of the passage of House Bill 1113.

6. QUESTION: What procedures are taken for negative credit history?

RESPONSE: First, an applicant/employee must give written consent to allow MCG to conduct the credit check, if there is information in the report that negatively impacts the applicant/employee, he/she will be notified in writing and given the opportunity to address it. It is solely the applicant/employee's responsibility to address any negative information in the credit report. From there, this information is taken into consideration to determine if the P-Card will be issued. Also, it will be determined by the department and Human Resources if this particular position is able to function without P-Card responsibilities.

7. QUESTION: What happens if an employee does not want a P-Card?

RESPONSE: (a) If having the card is a condition of employment for that particular position, then the employee is not eligible for employment and would therefore not be offered the position, and/or (b) If having the card is not a condition of employment, then Human Resources will coordinate with the department involved to address the situation.

8. QUESTION: Is accepting vendor give a-ways or promotional items prohibited?

RESPONSE: Vendor give-a-ways or promotional items are considered gifts. Generally gifts, including meals, are acceptable under the following conditions; (a) the fair market cannot exceed \$100, (b) receiving a gift of any value will not influence your decision making, and (c) receiving a gift of any value will not result in a change to your normal purchasing practices.

9. QUESTION: Who will be subject to a credit check?

RESPONSE: As it relates to the P-Card Program; applicants who are extended an offer of employment or their card is applied for on or after July 1, 2008, and existing employees who have never had a card, but are extended an offer of employment that moves them into a position that requires a card.

10. QUESTION: When the p-card is held in a central location not under the control of the cardholder and there is misuse, how will this misuse be addressed?

RESPONSE: The cardholder is responsible for safeguarding his/her card, unless the cardholder has been directed by management to maintain the card in a central location which the cardholder does not control. In this case if misuse occurs, an investigation would be conducted to determine the facts and appropriate actions taken in accordance with those facts. For example, if a card was accessed and misused resulted from burglary or deception, the situation

would be referred to law enforcement and treated similar to other campus incidents such as burglary or theft.

11. QUESTION: What is actually being evaluated in the credit report?

RESPONSE: The University System has provided "Credit Reporting Guidelines" as follows. Each institution is expected to establish guidance that is in the range of the guidelines below:

(a) Student loans currently in default and bankruptcies should be considered bad credit, however a bankruptcy followed by good credit established after filing, indicates an attempt to rectify past credit problems and may be considered acceptable if the bankruptcy occurred over three years ago, (b) Credit reports indicating installments in excess of 40% of gross monthly income, (c) One or more unpaid collections and judgments are considered to be bad credit. Collections and judgments appear under "Public Records." Collections and judgments can be paid, marked paid or satisfied but will not be removed from the credit report for 7 years. If collections and judgments have been paid and all other credit is satisfactory, the institution may approve, at their discretion, (d) Mitigating factors regarding an applicant's credit report, such as hardships and disputes with creditors, will be considered by the institution upon submission of objective written evidence, as long as the evidence presented, in the sole opinion of the institution, represents reliable evidence beyond the applicant's control, and (e) It is not the responsibility of the institution to discover, research or verify that there are possible mitigating factors. The burden of proof to present mitigating factors rests entirely with the applicant

12. QUESTION: What credit reporting agency will be used to obtain the credit report?

RESPONSE: The credit report will be requested through a third party who also conducts background checks for MCG. Choice Point is the firm currently being used and they obtain the credit report from Equifax.

13. QUESTION: How long will the credit report be kept on file?

RESPONSE: Although this is not physically located in the employee file, it is held within the Division of Human Records Section, the retention period is the same as the employee file information.

14. QUESTION: What specific items on a credit check would exclude an applicant/employee from being approved for a p-card? Should applicants know these criteria up-front to avoid wasting everyone's time in the interview/selection process?

RESPONSE: Some items likely to exclude applicants from having a state issued P-Card are student loans currently in default, resolved or unresolved financial problems within the last 2–3 years, or unresolved financial problems greater than 3 years old. Financial problems include bankruptcies, liens, judgments, unpaid bills, late payment, etc. Please also refer to Question # 1. These criteria can be shared with employees and applicants.

15. QUESTION: Is it absolutely necessary for Choice Point to provide the details of a credit check or can they simply be contracted to provide a yes or no to the institution based on the exclusion criteria identified in the response to question #14?

RESPONSE: Choice Point or any similar agency will not provide a yes or no response. They will only provide a credit report. It is then up to the institution to make the determination whether this applicant/employee can have a state issued P-Card or is placed in a position of trust. The determination will be based on information in the credit report, any mitigating circumstances provided by the applicant/employee and the amount of risk the institution is willing to take.

16. QUESTION: Who is impacted by the criminal background check requirement?

RESPONSE: Effective July 1, 2008, House Bill 1113 requires the completion of criminal background checks for, 1) all new hires who will be issued a p-card, 2) existing cardholders who do not have a criminal background check on file in Human Resources; 3) or the criminal background check on file for an existing employee is greater than seven years old .

To ensure that the Medical College of Georgia is compliant with the law, prior to card renewal Materials Management, will coordinate with Human Resources to determine if a background check is on file. If a criminal background check is not on file in Human Resources the cardholder will be notified with instructions on how to proceed. Once the criminal background check is acceptable, the renewal card will be ready for pick-up.