



# **Procurement Credit Card Handbook**

# California State University Channel Islands

## PROCUREMENT CREDIT CARD HANDBOOK

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## General Information

In today's environment of streamlining government, state and local agencies are looking for ways to cut administrative time, effort, and costs. Purchasing cards, essentially an American Express charge card, enable agencies to significantly reduce both paper and the procurement process for small dollar purchases.

With the ease of a widely accepted American Express card, CSUCI employees may make in-store transactions, place telephone or internet orders, receive and confirm purchases of variable amounts of approximately \$1,000 per purchase and \$5,000 per month. The card allows departments to effectively monitor and control small purchases and reduce time and paperwork.

### **REFERENCE**

*CSUCI Procurement Policy – Revised January 2005*  
*California State University – Executive Order No. 760*  
*CSU Policy Manual for Contracting & Procurement, Sect. 205*  
*CSU Procurement Credit Card Handbook – Revised June 1998*

## ***PROGRAM PARTICIPATION REQUIREMENTS***

- **Cardholder Qualification**

Cards are granted to full-time employed university staff members and long-term, temporary university staff members with a position appointment of at least six months.

- **Procurement Card Request**

An Authorizing Official may request a Procurement Card for a staff member by completing the CSU Credit Card Program Participant Notification form. This form is signed by the Cardholder, their Authorizing Official and the University President or designee. The completed form is sent to the Procurement Card Program Administrator.

- **Procurement Card Issuance**

The credit card is issued to the University in an individual's name; however, the University is responsible for all payments. There is *no personal liability* on the card unless the Cardholder violates the terms of the Procurement Card program by making a personal purchase. The Cardholder is responsible for ensuring that all purchases are made within University and State guidelines. In addition, all Cardholders must have a designated Authorizing Official. Authorizing Officials may not be a subordinate or peer of the Cardholder.

- **Purchase Limits**

The Procurement Card is issued with of variable amounts of approximately \$1,000 per purchase limit and an overall monthly limit of approximately \$5,000.00 (including tax and shipping charges). *Increases to dollar limits are made only upon written request to the Procurement Card Program Administrator.* Such requests may be submitted using the Cardholder Account Maintenance form and should state the need for higher purchase limits. Requests are to be approved by the Cardholders Authorizing Official.

## **PROCEDURES**

*CARDHOLDERS, DEPARTMENT / PROGRAM HEADS, AUTHORIZING OFFICIALS AND ANY OTHER STAFF INVOLVED WITH THE PREPARATION OF PROCUREMENT CARD RECONCILIATIONS SHOULD ALSO BE FAMILIAR WITH THE CSUCI PROCUREMENT POLICY THAT GOVERNS THE PROCEDURES.*

The procurement card may be used for low dollar value commodity purchases whenever possible and allowable in order to achieve cost savings and improve processing and delivery times. Low dollar value purchases are defined by CSUCI Procurement Card policy to be less than \$1,000 per transaction. Use of the procurement card must be in compliance with CSU purchasing policies and procedures.

### **Prohibited Items (per CSUCI Procurement Policy):**

**Use of procurement cards for the following types of goods and services is PROHIBITED:**

- Alcohol
- Cash advances
- Cellular phone service
- Printers
- Computer Hardware
- Software
- Firearms & ammunition
- Large volume, routine repetitious purchases from one supplier (may coordinate with Procurement to establish an open purchase order instead).
- Space, equipment or other types of leases, building or equipment rentals
- Minor capital outlay projects or budgeted special repairs (i.e., construction, modifications, or alterations to a State owned or leased facility)
- Narcotics and other controlled substances
- Personal purchases of any kind
- Personnel services, including consulting services
- Gift Cards
- Raffle Prizes
- Furniture
- Fines, late fees, penalties, interest and finance charges
- Paying invoices on items that were previously purchased but not invoiced until a later date
- Service or maintenance agreements, including printing services
- Contracts or agreements requiring authorized signatures (Contracts and agreements need approval by individuals with formally granted University purchasing approval, i.e., Procurement staff, the VP for Finance & Administration and the President, only).
- Splitting purchases into multiple card transactions to circumvent the maximum dollar limit. Splitting is defined as one item or a set of items sold as a set that has been split by the merchant to look like two (2) separate purchases.
- Travel-related air or ground transportation, lodging or meals, including off-campus hospitality

### **Restricted Items**

- Chemicals and/or other hazardous materials: Certain chemicals and/or other hazardous materials may be allowed on procurement cards only by approved science laboratory technicians (technical staff) and operations, planning & construction (OPC) staff only; such technical and OPC staff must have only been trained by the director of risk management and authorized to make such purchases in writing by their respective division vice president
- Food & beverages: \*\*Business meals only within the guidelines of the business meals policy & Sodexo (Islands Café) has first right of refusal
- Travel-related conference registration fees only

**NOTE: Non-adherence to the above may result in suspension or revocation of individual cardholder privileges. Cardholder may be held personally liable for fraudulent use of this credit card.**

### **Examples of Allowable Purchases on Procurement Cards**

- Office supplies
- Publications, books, academic and professional journals, magazines or subscriptions
- Membership dues to academic or professional organizations
- In computer hardware, a peripheral device is any device attached to a computer in order to expand its functionality. More specifically, the term describes those devices that are optional in nature, as opposed to hardware that is either demanded or always required in principle. Allowable computer peripheral device purchases include:
  - External storage devices
    - CD
    - CD-ROM
    - CD-RW
    - CD-R
    - DVD
    - DVD-ROM
    - DVD-RW
    - DVD-R
    - External Hard disk drives
    - USB flash drive
  - Input devices
    - Keyboard
    - Pointing devices
    - Mouse
    - Touch screen
  - Wireless Devices
    - Wireless Adapter Card
    - Wireless Music Bridge
  - Power cord
  - Microphone
  - Computer speech recognition device
  - Webcam
  - Digitizing tablet
  - Output devices
    - Speakers
    - Digital camera
    - Graphics card
    - Monitor
    - Expansion devices
    - Docking station
    - Ethernet cables

### **Card Limits**

Based on department budget needs, department heads/program chairs will request each cardholder's transaction limit and monthly limit via the authorizing official and the division vice president or designee.

The vice president for the division of Finance and Administration approves procurement card requests as the President's designee for participation.

Budgetary control should be established at the department or program level by planning for the expense of funds up to the maximum of one month's card limit each month. Departments and programs with multiple credit cards should plan accordingly for funds being available monthly for each procurement card issued.

## ***ONLINE RECONCILIATION OF MONTHLY STATEMENTS***

### **Procurement Card Receipt/Invoice**

Whether the purchasing transaction is made by telephone, in person or via the web, the cardholder will need an itemized receipt or invoice. If the receipt or invoice is not itemized, the cardholder must itemize items on a separate sheet of paper and attach the receipt.

If the cardholder has lost receipts/invoices, and a duplicate copy cannot be obtained from the vendor, then complete the Lost/Missing Receipt Form.

### **Print Cardholder Transaction Report**

Once transactions have been reviewed and approved by the Cardholder print a Transaction Report and submitted to the Authorizing Official with all the corresponding receipts/invoices. (Refer to the P-Card SAM System User Guide For PC Users – Printing Cardholder Transaction Report). Retain the Cardholder Transaction Report with the original receipts/invoices and kept in your department. Support Services will contact you to conduct an audit.

The processing of credit card payments must include a complete review and analysis of the monthly credit card charges at every level of responsibility (see below). In support of this review, campus departments and programs are required to submit supporting documentation in a timely manner. The review shall include the following:

- a. Supervisor and authorizing official approval signature
- b. Follow-up of disputed charges from the prior month(s)
- c. A review of the completeness of the documentation supporting the monthly credit card invoice
- d. Clearance of outstanding delinquent invoices.

**The Online Procurement Card Monthly Reconciliation Report is due three (3) from the cycle cut-off on the 15th of the month. (The cycle cut off may fall on another date due to weekends or holidays, when this date changes you will be contacted by your Program Administrator). The Authorizing Official then has 3 days to review all transactions and authorized them.**

## **RESPONSIBILITIES**

### **Cardholder**

It is the responsibility of each cardholder to make appropriate purchases in accord with the CSUCI procurement card program policy and procedure as well as with CSU procurement policies.

The cardholder has the responsibility to:

(Revised 8/11/09)

- Ensure proper security of the procurement credit card. Do not allow others to use their card. (Keep their card on their person, or in a locked desk drawer or file cabinet, etc.)
- New Cardholders will receive training prior to receiving their card. Cardholders may receive refresher training on an as needed basis. To request training, contact the Procurement Card Administrator.
- Reporting any taxable purchases that were not taxed by the vendor to Support Services.
- Make purchases using the procurement credit card in accordance with the CSUCI Procurement policy and the CSUCI Procurement Card Handbook. Do not purchase prohibited items or attempt to split transactions to avoid card limits.
- Direct any questions regarding use of the Procurement Card, clarification of questionable purchases, etc., to the Procurement Card Program Administrator.
- Notify the Receiving Department via fax or email if delivery is expected for a procurement card purchase.
- Reconcile transactions in a timely and accurate fashion, verifying the date of the credit card charge, description of purchase, shipping/handling, vendor's name, account number to be charged, dollar amounts including tax, and enter the correct account, fund, department, program and project codes.
- Resolve any questionable items or disputes online that appear on the statement.
- Contact the credit card company immediately and report to the Procurement Card Program Administrator if the card is lost or stolen.
- Complete your online reconciliation, notify your Authoring Official and return the procurement card to the Procurement Card Administrator or designee in the event of separation of employment.

### **Department Heads/Program Chairs**

Department heads/program chairs may request the issuance of procurement cards and recommend card limits for individual cardholder based on the area's budget needs.

The department head/program chair has the responsibility to:

- Review all charges and ensure all purchases are appropriate.
- Ensure no prohibited items have been purchased and that splitting of transactions did not occur.
- Ensure all proper documentation is attached to the CSUCI Procurement Card Monthly Transaction Report.
- Approve cardholder's monthly purchases. Subordinates should not approve a supervisor's charges.
- Ensure the CSUCI Procurement Card Monthly Reconciliation Report and attached documentation is submitted to the authorizing official and/or Vice President as soon as possible but not later than two (2) business days following receipt from cardholder.



- Notify the Procurement Card Administrator when a cardholder leaves the program/office or separates from the University.

### **Authorizing Official**

The Vice President of each respective division, or their designee, is typically the Authorizing Official for departments and programs within their division, although in some cases, the authorizing official may be the department head/program chair, dean, director or other administrator.

The Authorizing Official has responsibility to:

- Approve requests for procurement cards and procurement card limits.
- Review all charges and ensure all purchases are appropriate.
- Ensure no prohibited items have been purchased including that splitting of transactions has not occurred.
- Ensure all proper documentation is attached to the CSUCI Cardholder Transaction Report.
- Authorize cardholder's monthly purchases. Subordinates should not approve a supervisor's charges.
- Ensure subordinates do not approve supervisor's charges.
- Ensure observance of good business practice to avoid card abuse.
- Provide counsel and discipline for non-compliance with CSUCI Procurement Card policy including suspension and/or revocation of the card.

### **Support Services**

The procurement card administrator will:

- Act as university liaison with credit card vendor for changes to program.
- Provide training.
- Order new and replacement cards and maintain listing of card numbers, employee names and monthly and per transaction limits and increases.
- Perform monthly audit to ensure compliance with CSU procurement policies and procedures, detect patterns of card abuse, purchase of prohibited items, or splitting of transactions to avoid transaction limits.
- Notify Cardholder and Authorizing Officials of results of monthly audit findings.
- Ensure cardholders separating from the University have returned the credit card and have submitted their final CSUCI Procurement Card Monthly Transaction Report via their Authoring Official to the Procurement Card Administrator.

## **REQUESTS FOR PROCUREMENT CREDIT CARD INCREASES**

In certain situations, temporary or permanent increases to the daily and/or monthly purchase limit may be increased. Cardholder should complete the Cardholder Account Maintenance form and submit with Authorizing Official's signature to Procurement. Increases are effective immediately after they are entered into the SAM System. An e-mail will be sent confirming the increase is effective.

## **REPLACING PROCUREMENT CREDIT CARDS**

There may be instances where it becomes necessary to replace your credit card. It will be the Cardholder's responsibility to initiate this process. Follow the instructions below:

### **Reporting a Lost/Stolen Procurement Credit Card**

The Procurement Credit Card is a valuable asset and should be maintained with reasonable security and protection. If you cannot find your card, immediately notify American Express, your Authorizing Official and the Program Administrator. If it is stolen, you must also notify Campus Public Safety (8444). Prompt action can reduce the University's liability for fraudulent charges. The American Express telephone number is:

**1-800-247-7378 (24 hours a day – 7 days a week)**

American Express will mail replacement cards with new account numbers to the Program Administrator within five (10) working days of notification. The Cardholder will be notified when the replacement card is available. **Procurement Credit Cards will not be sent through campus mail.**

Cardholders should carefully review their new statement and immediately report any incorrect billings or suspicious transactions to American Express Capital Corporate Payment Services.

### **Replacement of Worn Out/Defective Cards**

To replace a worn out or defective card, the Authorizing Official must cut the card in half and return it to Procurement Card Administrator (or designee), along with a written request for a replacement card. **Do not return a Procurement Card through campus mail.**

American Express will mail replacement cards with new account numbers to the Program Administrator within ten (10) working days of notification. The Cardholder will be notified when the replacement card is available. **Procurement Credit Cards will not be sent through campus mail.**

## **REPLACING A CARDHOLDER/AUTHORIZING OFFICIAL**

### **Cardholder**

When a Cardholder leaves the department, a written request from the Authorizing Official must be submitted along with the Cardholder's credit card cut in half to the Procurement Card Administrator (or designee). The Cardholder's final reconciliation must also be submitted to Accounting, preferably before the Cardholder leaves the department.

### **Authorizing Official**

If an Authorizing Official changes, the Cardholder Account Maintenance form must be completed by the new Authorizing Official and their Supervisor. Send the completed form to the Program Administrator or designee.

## **GUIDELINES FOR CARDHOLDER**

- HOW TO GET STARTED

1. Activate card
2. Prepare a folder for receipts

- HOW TO PLACE AN ORDER

1. Note name of individual with whom order is placed
2. Instruct vendor to send Attn: Receiving on shipping label
3. Request an itemized copy of receipt showing balance paid
4. For out-of-state vendors, ask about California sales tax. Either vendor charges sales tax or you assess use tax.\* (See What is Use Tax.)

- WHAT IS USE TAX?

1. CSUCI must pay 7.25% tax on all items shipped to the campus which are taxable based on California tax laws. (Call Procurement for clarification about specific items.)
2. For tax not collected by the vendor, CSUCI must remit use tax directly to the Franchise Tax Board.
3. Cardholder will need to include use tax for items ordered from INTERNET vendors who do not charge sales tax.
4. To assess use tax, calculate 7.25% of taxable items and note amount on Procurement Card Reconciliation.

- ONLINE RECONCILE STATEMENT

1. Login into SAM and compare your receipts/invoices to your recorded transactions.
2. In SAM verify transaction date, description of items, amount of item, amount of tax, and total amount.
3. Fill in each field with the proper account, fund, department, program, class and project. Be sure to check view and approved.
4. Attach all original receipts and other documents such as business meal approval forms to the Cardholder Transaction Report.
5. Retain your Cardholder Transaction Report with receipts/invoices and supporting documentation in your department readily available for auditing by Support Services.

- TEMPORARY LEAVE

1. If you are going to be on temporary leave, please notify the Program Administrator so that your card may be temporarily suspended until your return.

## **HOW TO HANDLE DISPUTES**

- Each monthly statement must be paid in its entirety. Disputed charges will be credited after the dispute is resolved by American Express.
- Contact the vendor first to try to resolve the disputed charge.
- If there is not a resolution with the vendor, contact the bank to ask for their assistance in resolving the dispute.

- Transactions that require disputing still need to be verified and approved in the system. (Follow the **Disputing Transactions** located in the User Guide).
- In addition to submitting the dispute, the Cardholder must provide a copy of the sales receipt along with this dispute request.
- Please fax to American Express Corporate Payment Services at 1-866-741-3092, Attention Disputes. Please include the Cardholder Name, Account Number and Dispute Confirmation Number.

## **Audit Procedures**

The Procurement Policy, Procurement Card Handbook (and subsequent updates) combined with the Procurement Card Acknowledgement and Responsibility Agreement must be followed by all Cardholders. Violations may result in a written notice to the Authorizing Official and the department head, mandatory training sessions, suspension, or revocation of Cardholder privileges. ***Your Procurement card may be revoked if you receive four audit findings from the Program Administrator or designee within a 12-month period.***

The Procurement Card Program Administrator or designee performs a monthly post audit review of all Cardholder documentation. The Cardholder will be notified by e-mail if non-compliance issues are found via the Audit Finding form. A copy of the form is sent to the Cardholder and their Authorizing Official.

- Each of the following situations are examples of what constitutes a policy violation:
- Failure to obtain a receipt.
- Missing the deadline for submitting your reconciled and approved statements to Accounting.
- Not obtaining Authorizing Official signature of each monthly statement.
- Your card account may be suspended or canceled immediately in the following situations:
- Using the card for personal purchases.
- Splitting a transaction to avoid the limit.
- Purchasing an item that is on the “Prohibited Purchases” list.
- Allowing someone else to use your card.
- Not reporting a lost or stolen card.

The following steps may be taken if there are violations found in the post audit:

- 1<sup>st</sup> violation – Written warning
- 2<sup>nd</sup> violation - One month card suspension
- 3<sup>rd</sup> violation – Six month card suspension
- 4<sup>th</sup> violation – Procurement Card will be revoked

At the beginning of each fiscal year cardholders will start with a clean audit record unless their card was revoked.

## **INFORMATION RESOURCES**

American Express  
24-hour Customer Service:  
800-274-7378

Corporate Payment Services  
P.O. Box 520310  
Salt Lake City, UT 84123-0310  
Fax: 1-801-590-1316

Budget, Financial Analysis & Support Services  
Marysia Wancewicz, Procurement Card Administrator  
Financial Analyst, Budget, Financial Analysis & Support Services  
Bell Tower East Room 1762  
Ext. 3169

***SAMPLE FORMS:***

CSU Credit Card Participant Notification  
Procurement Card Acknowledgement and Responsibility  
Account Maintenance  
Cardholder's Dispute Notification

**California State University Channel Islands  
Procurement Card (P-Card) Program Agreement**

Name of Cardholder \_\_\_\_\_  
Department \_\_\_\_\_ Phone Extension No. \_\_\_\_\_

The Cardholder agrees to accept the responsibility for use of the P-Card for authorized purchases for official University business only. The Cardholder has received training for the P-Card and is responsible for ensuring the purchases made via the P-Card are in accordance with the CSUCI P-Card Manual.

Specifically, the Cardholder is responsible for security of the card, appropriate use of the card, timely and accurate on-line approval and reconciliation of transactions, ensuring original receipts are obtained for all transactions, making advance preparation for monthly statements when planning to be out of the office, immediate reporting of fraud, lost or stolen card to American Express, and follow up an resolution of all disputed charges.

The Cardholder must complete the monthly on-line approval and reconciliation of transactions for each billing cycle within three working days of notice by Budget, Financial Analysis & Support Services of the close of the billing cycle. The Cardholder must also forward to their Authorizer a printed statement and attach original, itemized receipts/invoices, and backup documentation within that three day period. The Authorizer will have three working days to complete on-line authorization of transactions. The printed statement and original receipts/invoices shall be filed in each department and be readily available for auditing at anytime. This is a mandatory requirement.

Should the Cardholder want to terminate the P-Card or if the Cardholder transfers to another University department, the Cardholder must obtain all receipts for transactions for the current billing cycle (if any), provide these receipts to the Authorizer and return the P-Card, in person, to the P-Card System Administrator. Should the Cardholder terminate employment from the University, the Cardholder must obtain all receipts fro transaction for the current billing cycle (if any), provide these receipts to their Authorizer, and return the P-Card to their department as part of the separation/clearance process, as outlined by Human Resources, prior to separation from the University.

The Cardholder understands this program is a privilege and failure to follow the procedures contained in the P-Card manual can result in audit findings, which can result in a temporary revocation of use and even revocation of this privilege.

The Cardholder must not allow any other individual, including co-workers, to use the P-Card or sign P-Card drafts under any circumstances. The Cardholder can instruct co-workers to sign packing slips if a co-worker will be picking up items the Cardholder has already ordered.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorizer Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
P-Card System Administrator

\_\_\_\_\_  
Date



**CARDHOLDER ACCOUNT MAINTENANCE**

Cardholder Name: \_\_\_\_\_

Cardholder Account Number \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

Check One:  Change Information  Change limits

**CARDHOLDER INFORMATION ~ Fill in only the information below that is to be changed.**

\_\_\_\_\_  
First Name Middle Initial Last Name

\_\_\_\_\_  
Bldg./Room# (\_\_\_\_\_) Telephone number

\_\_\_\_\_  
Authorizing Official Name – (To Change Authorizing Official)

Monthly Credit Limit: \$\_\_\_\_\_ Single Transaction/Daily Limit: \$\_\_\_\_\_

Check One: Permanent Increase/Decrease\_\_\_\_\_

Temporary Increase/Decrease\_\_\_\_\_ Revert to original limits:\_\_\_\_\_

Date

\_\_\_\_\_  
Signature of Applicant Date

\_\_\_\_\_  
Signature of Authorizing Official Date



## AUDIT FINDING

To Cardholder: \_\_\_\_\_

Dept: \_\_\_\_\_

From: \_\_\_\_\_  
Procurement Card Administrator or Designee

Date: \_\_\_\_\_

The Procurement Card Program Administrator or designee has conducted a post audit of your procurement card online reconciliation for the month of \_\_\_\_\_.

The following violation(s) was found:

Procurement card used to purchase prohibited items:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Procurement card online reconciliation by the cycle end cutoff date.

Missing original, itemized receipt  
Vendor: \_\_\_\_\_ Amount: \_\_\_\_\_

Transaction split (single item costs more than the transaction limit or a group of items cost more than the transaction limit).

Missing correct cardholder/authorizing official signature on reconciliation.

Hospitality documentation  
 Missing  
 Non-compliant

Person other than Cardholder made the purchase.

**Please review the Procurement Policy and Procurement Card Handbook. The above audit findings are kept on file. If you have any questions or concerns, please call the Procurement Card Administrator or designee.**

Action to be taken:

- Written Warning – 1<sup>st</sup> finding
- One month card suspension – 2<sup>nd</sup> finding
- Six month card suspension – 3<sup>rd</sup> finding
- Card revoked – 4<sup>th</sup> finding

Cc: Authorizing Official: