



Channel Islands

CALIFORNIA STATE UNIVERSITY

Division of Business and Financial Affairs

Procurement & Logistical Services

Auxiliary ProCard 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 cost. Purchasing cards essentially a US Bank Visa charge card, enable agencies to significantly reduce both paper and procurement process for small dollar purchases.

With the ease of a widely accepted Visa card, CSU Channel Islands –Auxiliary employees may make in-store transactions, place telephone or internet orders. As well as receive and confirm purchases of variable amounts of approximately \$1,000 per purchase and \$5,000 per month. The cards allow departments to effectively monitor and control small purchases and reduce time and paperwork.

Auxiliary ProCard Handbook:

Prohibited Items:

- Software
- Alcoholic Beverages
- Ammunitions
- Chemical/hazardous materials
- Controlled substances
- Firearms and narcotics
- Cash advances
- Cellular phone service
- Printers
- Computer hardware
- Large volume, routine repetitious purchases from one supplier (should coordinate with Procurement to establish an open purchase order instead)
- Space, equipment or other types of leases, building or equipment rentals
- Personal Purchases of any kind (or request for reimbursement for travel meals) the employee will be directed to immediately reimburse the university for the purchase.
- Personal use items for yourself or the department such as coffee, coffee makers, water..etc
- Personnel services, including consulting services
- Gift Cards/Gifts, office decorations, party favors, flowers
- Raffle Prizes
- Furniture (needs to go through Procurement and Logistical Services)
- Fines, late fees, penalties, interests, or finance charges.
- Paying invoices on items that were previously purchased but not invoiced until a later date
- Service or maintenance agreements
- Contracts or agreements requiring authorized signature (contracts and agreements need approval by individuals with formally granted University purchasing approval, i.e., Procurement staff, the VP for Business and Financial Affairs and the University President, only).
- Splitting Purchases into multiple 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 purchase.)
- Vehicle, including trailers, boats, and any other equipment which must be registered with the DMV
- Equipment over \$5,000 (needs to go through Procurement and Logistical Services)
- Equipment that requires the purchase of additional Wi-Fi service (i.e. touchpads, notebooks etc...)

Allowable Items:

- Office supplies From OFFICEMAX
*OfficeMax auto substitution policy effective October 1, 2012
- Publications, books, academic and professional journals, magazines or subscriptions
- Membership dues to academic or professional organizations.

(*In an effort to realize cost savings across the CSU, the Chancellor's Office is initiating mandatory participation in a new OfficeMax auto-substitution program)

ALLOWABLE COMPUTER PERIPHERAL DEVICE PURCHASES INCLUDE:

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.

- 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
 - Laser pointers
 - Mouse
 - Touch screen
 - Scanners
- Wireless Devices:
 - Wireless Adapter Card
 - Wireless Music Bridge
- Power Cord
- Microphone
- Computer speech recognition device
- Webcam
- Output devices
 - Speakers
 - Digital cameras
 - Graphics Card
 - Monitor
 - Expansion Devices
 - Docking station
 - Ethernet Cable.

*Travel Exception for CI's Auxiliary Organizations such as Associated Students Inc (ASI) and University Glen Corporation (UGC):

Lodging transactions and conference registration fees are allowed. ASI and UGC employees are not state employees and are not eligible for the American Express Travel Card Program. All airfare should follow the same policies as the campus and be purchased through the Travel Store. Lodging over \$195/night should have an approved exception (per CSU Policy)

REQUESTS FOR PROCUREMENT CREDIT CARD INCREASES:

In certain situations, temporary or permanent increases to the daily and/or monthly limit may be increased. Cardholder should complete the Cardholder Account Maintenance Form and submit with Authorizing Official's signature to pcard@csuci.edu. An account maintenance form needs to be on file for every limit change request. Increases are effective within 21-48 hours of being input into the US Bank site, cardholders will be notified when the request has been processed.

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. All receipts should be attached to their Adjustment Report in the order they are listed.

If the cardholder has lost receipts and a duplicate copy cannot be obtained from the vendor, then a Lost/Missing Receipt Form must be submitted in place of original receipt. The form must have a detail explanation of the purchase and has to be signed by the cardholder and approving official.

Printing ProCard Transaction Report:

(Refer to the PeopleSoft Reconciliation Guide is for step by step on how to reconciled online)

Once the transactions have been reviewed and the accounting string information have been updated (if necessary) by the cardholder the cardholder will print the ProCard Transaction Report and submit to the

Approving Official with all the corresponding receipts. Report with original receipts should be forwarded to Pro Card Program Administrator.

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

- ✓ Approving official signature and cardholder signature
- ✓ Follow –up of dispute charges from the prior month(s)
- ✓ Verification of proper documentation supporting each credit card transaction
- ✓ Verification of supporting documents for transaction if required
- ✓ Clearance of outstanding delinquent invoices

The online Procurement Card Monthly Reconciliation is due five (5) business days from the cycle cut-off on the 10th of the month. The cycle cut off may fall on another date due to the weekend or holidays. The Approving official then has 5 business days to review and approve all transactions. An email will be sent out by the Program Administrator to all cardholders and Approving Officials notifying them the deadlines for the month.

GUIDELINES FOR CARDHOLDER:

HOW TO GET STARTED:

1. Activate card
2. Prepare a folder for receipts and backup to be stored for reconciliation

HOW TO PLACE AN ORDER:

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

MCC CODES:

MCC code: A merchant category code (MCC) is a four-digit number assigned to a business by credit card companies (for instance American Express, MasterCard, and Visa). The MCC is used to classify the

business by the type of goods or services it provides. In some cases the MCC code can be used by Administrators of a card program to limit the retail categories a corporate card may be used.

If the procurement credit card is declined please contact the Program Administrator to review the MCC code for the vendor

WHAT IS USE TAX?

1. CSU Channel Islands must pay 7.50% 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, CSU Channel Islands must remit use tax directly to the State of Board Of Equalization
3. Cardholders will need to include use tax for items ordered from Internet vendors who not charge sales tax
4. To assess use tax, AP will calculate 7.50% of taxable items and remit the amount to Franchise Tax Board (FTB)

HOW TO HANDLE DISPUTES/ FRAUDULENT CHARGES:

- Each monthly statement must be paid in its entirety. Dispute charges will be credited after the dispute is resolved by US Bank.
- Contact the vendor first to try to resolve the disputed charge; if it is a fraudulent charge contact the bank immediately
- Contact US Bank if there is no resolution with the vendor, ask for assistance in resolving the dispute
- Transactions that require deputing still need to be verified and approved in the system
- In addition to submitting the dispute, the cardholder must provide a copy of the sales receipt along with the disputed request

*Cardholders should carefully review their new statement and immediately report any incorrect billings or suspicious transactions to US Bank

Note: when contacting US Bank have the card number ready. Do NOT use personal information (home address, mother's maiden name, or personal social security number)

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 OR STOLEN P-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 **US Bank (800) 344-5696**

Notify your approving official and Procurement Coordinator

If the card is stolen, you must also notify **Campus Public Safety (805) 437-8444**

Prompt action can reduce the University's liability for the fraudulent charges.

US Bank will mail replacement cards with new account numbers to the Program Administrator within (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.

REPLACEMENT OF WORN OUT/DEFECTIVE CARD:

To replace a worn out or defective card, the Approving official must cut the card in half and return it to the Procurement Card Administrator (or designee) along with a written request for a replacement card.

DO NOT return a procurement card through campus mail.

US Bank 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 card is available.

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 (4) audit findings from the Program Administrator or designee within a 24-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. For 1st audit finding the cardholder's approving official is notified. For 2nd through 4th audit findings, the cardholder's vice president is also notified.

Each of the following situations is an example of what constitutes a policy violation:

- Failure to obtain an itemized receipt
- Missing the deadline for submitting your reconciled and approved statements to Procurement Office
- Not obtaining Approving 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:

- 1st violation-Written warning
- 2nd violation-One month card suspension
- 3rd violation-six month card suspension
- 4th violation-Procurement Card will be revoked

ASSEMBLY OF RECONCILIATION REPORT:

1. Cardholder account statement adjustment report (PeopleSoft)
2. Original itemized invoices/receipts and credits including totals in the order they appear on the cardholder's account statement.
 - a. Invoices/receipts smaller than 8-1/2" x 11 must be taped to an 8-1/2" x 11 sheet of paper.
3. All approved e-mail waivers must be attached to the invoice/receipt, if applicable.
4. Completed packets documentation shall be forwarded to the cardholder's final approver in accordance with the US Bank Reconciliation Schedule.

REQUIRED FORMS:

CSU Credit Card Participation Notification
Procurement Card Program Agreement
Account Maintenance
PeopleSoft Access Request Form

INFORMATION RESOURCES:

US BANK
24-Hour Customer Service
1800-344-5696

Procurement & Logistical Services
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