



Channel Islands

CALIFORNIA STATE UNIVERSITY

Division of Finance and Administration

Procurement & Contract Services

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 a US Bank Visa charge card, enable agencies to significantly reduce both paper and the procurement process for small dollar purchases.

With the ease of a widely accepted Visa card, CSU Channel Islands 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

CSU Channel Islands 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 both long-term and temporary university staff members with a position appointment of at least six months.

- **Procurement Card Request**

An Approving Official may request a Procurement Card for a staff member by completing the US Bank New Card Request form. This form is signed by the Cardholder, their Approving 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 Approving Official. Approving Officials may not be a subordinate or peer of the Cardholder.

- **Purchase Limits**

The Procurement Card is issued with variable amounts of approximately \$1,000 per single 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 Cardholder's Approving Official. Submit forms to: pcard@csuci.edu

PROCEDURES

CARDHOLDERS, DEPARTMENT / PROGRAM HEADS, APPROVING OFFICIALS AND ANY OTHER STAFF INVOLVED WITH THE PREPARATION OF PROCUREMENT CARD RECONCILIATIONS SHOULD ALSO BE FAMILIAR WITH THE CSU CHANNEL ISLANDS (CI) 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 CSU Channel Islands 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 CSU Channel Islands Procurement Policy):

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

- Alcoholic Beverages
- 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
- Narcotics and other controlled substances
- Personal purchases of any kind
- Personnel services, including consulting services
- Gift Cards/Gifts
- 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
- 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
- Vehicles, including trailers, boats and any other equipment which must be registered with the DMV

FOLLOWING ITEMS REQUIRE APPROVAL:

- **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 & on campus food services including Islands, Tortilla's, Subway, and Student Union Eateries who have first right of refusal.**

*Business Meals require appropriate backup, which includes an agenda (Must be conducting official business in relevance to the CI campus) and a list of attendees.

- Travel-related conference registration FEES only
- CSU Channel Islands auxiliary organizations such as the Associated Students, Inc., the CI Foundation or the University Glen Corporation
 - For Foundation purchases: A request for Foundation Funds form approved by the department head and the VP of Advancement are required prior to be purchased. In the event that a purchase is made without prior approval and the funds within Foundation are not available, the purchasing department will be responsible for the expense. PCard charges using Foundation funds should be charged to Account- Dept- ZZ010- Project- Class- 00086.

- 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
 - Scanners
- 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

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 **From OfficeMax** (*OM auto sub 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)

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 Director of Procurement and Contract Services 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 ProCard Transaction Report

Once transactions have been reviewed and the accounting information updated (if necessary) by the Cardholder, the Cardholder will print a **ProCard Transaction Report** and submit to the Approving Official with all the corresponding receipts/invoices. (Refer to the ProCard Peoplesoft User Guide). 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 (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. Approving official 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 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 weekends or holidays, when this date changes you will be contacted by your Program Administrator). The Authorizing Official then has 5 business days to review and approve all transactions.

RESPONSIBILITIES

Cardholder

It is the responsibility of each cardholder to make appropriate purchases in accordance with the CSU Channel Islands procurement card program policy and procedure as well as with CSU procurement policies. The cardholder has the responsibility to:

- 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 reconciliation assistance if needed. 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 CI's Procurement policy and CI's 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 Approving Official and return the procurement card to the Procurement Card Administrator or designee in the event of separation of employment.

Approving Official

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

The Approving 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 *ProCard Transaction Report*.
- Approve 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 CI's 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 Approving Officials of results of monthly audit findings.
- Ensure cardholders separating from the University have returned the credit card and have submitted their final CI Procurement Card Monthly Transaction Report via their Approving 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 pcard@csuci.edu. Increases are effective within 24-48 hours of being input into the US Bank site, cardholders will be notified when the request has been processed.

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 US Bank, your Approving 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 to the fraudulent charges. The US Bank telephone number is:

1-877-887-9260.

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.**

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

Replacement of Worn Out/Defective Cards

To replace a worn out or defective card, the **Approving** 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.

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 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 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 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. 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 Board of Equalization.
 3. Cardholder will need to include use tax for items ordered from INTERNET vendors who do not charge sales tax.
To assess use tax, AP will calculate 7.50% of taxable items and remit the amount to FTB.

- ONLINE RECONCILE STATEMENT

1. After receiving notification that transactions are available for reconciliation, login to PeopleSoft and compare your receipts/invoices to your recorded transactions.
2. Verify transaction date, description of items, and total amount.
3. Verify and update as necessary, each field with the proper account, fund, department, program, class and project.
4. Print the ProCard Transaction Report and attach all original receipts and other documents such as business meal backup to the Cardholder Transaction Report.
5. Submit your ProCard Transaction Report with receipts/invoices and supporting documentation to your approving official for signature and then on to Procurement Office for storage and auditing.

- 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 US Bank.
- Contact the vendor first to try to resolve the disputed charge.
- If there is not a resolution with the vendor, contact US 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.

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 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 findings 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 are examples 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:
 - $\frac{3}{4}$ Using the card for personal purchases.
 - $\frac{3}{4}$ Splitting a transaction to avoid the limit.
 - $\frac{3}{4}$ Purchasing an item that is on the “Prohibited Purchases” list.
 - $\frac{3}{4}$ Allowing someone else to use your card.
 - $\frac{3}{4}$ 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

INFORMATION RESOURCES

US Bank
24-hour Customer Service:
1-877-887-9260.

Procurement & Contract Services
 Karina Cruz, Procurement Card Administrator
 Procurement Coordinator, Procurement & Contract Services
 Lindero Hall 1804
 Ext. 8581
pcard@csuci.edu

REQUIRED FORMS:

- CSU Credit Card Participant Notification
- Procurement Card Program Agreement
- Account Maintenance
- PeopleSoft Access Request Form:



**PROCUREMENT
& CONTRACT
SERVICES**

C H A N N E L
I S L A N D S

**CSU CREDIT CARD PROGRAM
PARTICIPATION NOTIFICATION**

RETURN FORM TO:
Karina Cruz, Procurement Coordinator
Lindero Hall 1804

Please complete the following information for each card requested. The cardholder's name will appear on the credit card *exactly* the way it reads on this form.

Cardholder will be responsible for making direct contact with vendors and ordering commodities using the procurement credit card. Cardholders will prepare monthly reconciliation of credit card purchases in PeopleSoft and submit their backup monthly to the procurement office with the printed and signed ProCard Adjustment Report.

Monthly \$ Limit: \$ _____
(NOTE: increments of \$100 only)

Single Transaction Limit: \$ _____
(NOTE: increments of \$100 only)

Default Chartfield:

Account Fund Department Program Project

Cardholder's Name: _____

Cardholder's Employee ID#: _____

Cardholder's Signature: _____

Telephone Number: _____

Approving Official's Name: _____

Approving Official's Signature: _____

DEPARTMENT PARTICIPATION APPROVAL:

SIGNATURE: Valerie Patscheck DATE: _____
SIGNATURE: President or designee

FOR PROCUREMENT OFFICE USE ONLY:	
Card Ordered by: _____	Date: _____
<input type="checkbox"/> HR notified of new cardholder	Date: _____

**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 CSU Channel Islands 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 US Bank, 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 ProcCard Program Administrator 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 submitted to the Procurement office. 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 for transaction of 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



Channel Islands

CALIFORNIA STATE UNIVERSITY

CARDHOLDER ACCOUNT MAINTENANCE

Cardholder Name: _____

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#

Extension

Approving Official Name – (To Change Approving 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

For Procurement Office Use:

Updates made by: _____ Date: _____

- PeopleSoft Updated
- US Bank Updated
- Cardholder Notified