



Channel Islands

CALIFORNIA STATE UNIVERSITY

Division of Business and Financial Affairs
Procurement & Logistical Services

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 cost. Purchasing cards ("Procurement Card", "ProCard", "Pcard") essentially a U.S 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 employees ("cardholder") 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.

REFERENCE *CSU Channel Islands Procurement Policy – Revised May 16, 2016*
 California State University –Executive Order No. 760
 CSU Policy Manual for Contracting & Procurement Sect. 205
 CSU Procurement Credit Card Handbook – Revised September 14, 2015

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 (student assistants and graduate student assistants do not qualify to be cardholders).

*ASI Student Leaders¹: PCards may be granted to student leaders on behalf of their registered student organization. Organization must have been registered by CSUCI for at least the past two concurrent years. Student organization must also maintain accounts with a minimum balance of \$10,000 within the ASI allocated account and/or fundraised monies. Additionally there must be a minimum of \$5,000 worth of purchases per year.

Procurement Card Request

An approving official may request a Procurement Card for a staff member by completing the CSUCI Procurement Card Application. This form is signed by the cardholder (employee), their approving official and the Director of Procurement or designee. The completed form is sent to the Procurement Card Coordinator.

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 purchases. Personal Social Security Number is not used for Pcard applications. The cardholder is responsible for ensuring that all purchases are made within the University and State guidelines. In addition, all cardholders must have a designated Approving Official and must attend the required Pcard Reconciliation Training prior to obtaining the card (this includes Auxiliary cardholders). 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 \$2,500 (including tax and shipping charges). Limits may not exceed \$10,000.

Permanent or temporary changes to dollar limits are made only upon written request to the Procurement Card Coordinator. 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 the Procurement Card Administrator.

¹ ASI Student Leaders receive an ASI Pcard

PROCEDURES

Cardholders, Department/Program Heads, Approving Officials, and any other staff involved with preparation of procurement card reconciliation should also be familiar with the CSU Channel Islands (CSUCI) Procurement Policy and Procurement Card Handbook that governs the procedures.

Conflict of Interest:

Procurement Cardholders and/or approvers are considered designated positions and this subject to CSU's conflict of interest code. Each cardholder and/or approver may be required to complete the statement of economic interest form 700. Human Resources will contact new cardholders and or approvers regarding required forms.

Purchases

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**. It is not intended to be all inclusive. If unsure if a purchase is allowed, please contact the Procurement Card Coordinator before initiating the purchase.

- Alcoholic beverages², ammunition, chemical/hazardous materials, controlled substances, firearms, or narcotics
- Cash advances
- Cellular Phone service
- Printers
- Computer Hardware
- Software
- Personal purchases of any kind (the employee will be required to immediately reimburse the university for the purchase)
- Personal services, including consulting services
- Gift Cards
- Furniture
- Appliances for personal benefit (i.e. coffee makers, refrigerators, microwaves)
- Fines, late fees, penalties, interest, and finance charges
- Travel related purchases³ (i.e. air, ground transportation, parking, tolls, lodging or meals)
- Vehicles including trailers, boats, any other equipment which must be registered with the DMV

² Applies to all cardholders except for the campus Executive Chef, Chef De Cuisine, and Catering Manager

³ Applies to all cardholders except UAS staff. ASI staff and ASI student leaders. Please visit the [CSUCI Travel Policy](#) website.

- Equipment over \$5,000
- Equipment that requires the purchase of additional Wi-Fi service (i.e. touchpads, notebooks, tablets etc...)
- Services, Rentals, Maintenance Agreements, Contracts or Agreements requiring authorized signature (i.e. entertainment, DJ's, shuttles)
- Splitting purchase 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 purchases)
- Large volume, routing repetitious purchase from one supplier (an open PO can be established-requester should contact the Procurement office)

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 their credit card.

Restricted Uses of the PCard:

The following transactions require approval from Purchasing and Logistical Services.

An exception is required prior to these types of purchase.

*Exception requests are to be approved prior to the purchase, all requests must be emailed to the Procurement Card Administrator. The email should state the item(s) being requested, purpose of purchase, funding source, and justification of why payment via pcard is desired.

Gifts/Raffle Prizes⁴ will need to comply with the CSUCI policy. If the purchase is approved the required backup information will need to include recipient name(s) and purpose.

Food and Beverages:

Business meals only within the guidelines of the business meals policy and on campus food services including Islands Café, Tortilla's, Deli Mart, Student Union, eateries who have first right of refusal.

Business meals (official business in relevance to the CSUCI campus) require appropriate backup, such as an agenda and list of attendees.

Allowable Computer Peripherals 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:

⁴ See Campus [Policy on Hospitality, Prizes, Awards, and Gifts](#).

- 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.

EXAMPLES OF **ALLOWABLE** PURCHASES ON PROCUREMENT CARDS:

- Office Supplies from [Staples Advantage](#)⁵ (contact the ProCard administrator if you need an account)
- Publications
- Books
- Academic and professional journals
- Magazines or subscriptions
- Membership dues to academic or professional organizations.
- Conference Registration fees (meals while on travel cannot be purchased via pcard)

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. Card limits may not exceed \$10,000 monthly and \$5,000 daily. High dollar purchases will need to be paid via check or Purchase Order (PO). The Director of Procurement and Logistical 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

⁵ In an effort to realize cost savings across the CSU, the Chancellor's Office is initiating mandatory participation in a new auto-substitution program with Staples (contract effective October 1, 2015)

and programs with multiple credit cards should plan accordingly for funds being available monthly for each procurement card issued.

Requests for Procurement Credit Card Increases

In certain situations, requests to temporary or permanently change the daily and/or monthly limit may be submitted. Cardholder should complete the Cardholder Account Maintenance Form and submit with Authorizing Official's signature to the Procurement Card Administrator. An account maintenance form needs to be on file for every limit change request. Increases are effective within 24 hours of being input into the U.S Bank site, cardholders will be notified when the request has been processed.

Online Reconciliation of Monthly Statement

The online Procurement Card Monthly Reconciliation is to be completed within the first five (5) business days from the cycle cut-off date (the 10th of the month). An email is sent out by the Procurement Coordinator to all cardholders and approving officials notifying them the deadlines for the month.

PCard Receipts/Invoices:

Whether the 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 to the receipt. All receipts⁶ should be attached to their Adjustment Report in the order they are listed.

If the cardholder has lost receipt/s 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.

Pcard Adjustment Report

(To obtain report refer to the [PeopleSoft Reconciliation Guide](#))

Once the transactions have been reviewed and the accounting string information is updated (if necessary) by the cardholder, the cardholder will (1) print the ProCard Adjustment Report (2) submit to their Approving Official with all the corresponding receipts (3) The receipts and signed adjustment report should then be uploaded to PeopleSoft (4) All original packets must be kept by the cardholder until their monthly audit is finalized. Afterwards cardholders must keep an electronic version of their entire report including backup information for a period of five years and are subject to review by the Procurement department at any time.

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

⁶ Credit card information on receipts should be removed. Reports should not include credit card numbers, verification codes, or expiration dates.

departments and programs are required to submit supporting documentation in a timely manner. The review shall include the following:

- ✓ Approving official and cardholder signature
- ✓ Follow –ups of disputed 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

How to Handle Disputes/Fraudulent Charges:

- Each monthly statement must be paid in its entirety. Disputed charges⁷ will be credited after the dispute is resolved by U.S. Bank.
- Contact the vendor first to try to dispute the charge; if it is a fraudulent charge contact the bank immediately
- Contact U.S. Bank if there is no resolution with the vendor, ask for assistance in resolving the dispute
- Transactions that require disputing still need to be verified and approved in PeopleSoft
- In addition to submitting the dispute, the cardholder must provide a copy of the sales receipt along with the disputed request

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

Replacing a Procurement Credit Card

There may be instances where it becomes necessary to replace your credit card. It will be the cardholders' responsibility to initiate this process.

Replacing a Lost or Stolen Pcard

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 **U.S 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.

U.S Bank will mail replacement cards with new account numbers to the Program Administrator within (10) working days of notification.

⁷ Cardholders should carefully review their new statement and immediately report any incorrect billings or suspicious transactions to US Bank

The cardholder will be notified when the replacement card is available.

Procurement Credit cards will not be sent through intercampus 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 Coordinator (or designee) along with a written request for a replacement card.

DO NOT return a procurement card through intercampus mail.

U.S. 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.

Replacing a Cardholder/Authorizing Official:

Cardholder:

When a cardholder leaves the department, the Pcard Cancellation form must be submitted along with the cardholder's credit card cut in half. The cardholder's final reconciliation must also be submitted preferably before the cardholder leaves the department. All documents must be submitted to the Procurement Coordinator.

Authorizing Official:

If an authorizing official changes, the cardholder must submit an account maintenance form signed by the new authorizing official. Send the completed form to the Procurement Coordinator or designee.

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 Procedures as well as with the CSU Procurement Policies. The cardholder has the responsibility to:

Security of the PCard:

- Ensure proper security of the procurement credit card
- Notify Program Administrator, if you will be on temporary leave so that your card is temporarily suspended until the your return
- No sharing or authorizing others (subordinates or otherwise) to use pcard
- Keep the card with you or in a locked desk drawer
- New Cardholder will receive training prior to receiving their card. Cardholders may receive reconciliation assistance if needed. To request training, contact the Procurement Card Administrator
- Immediately reporting fraudulent or suspected fraudulent charges to the bank and actively follow banks rules and instructions to clear the charges

- Immediately reporting lost or stolen card to the bank and actively follow banks rules and instructions in doing so

Appropriate Use of the Pcard:

- Reporting any taxable purchases that were not taxed by the vendor in your reconciliation report
- Make purchases using the procurement credit card in accordance with CSUCI's Procurement policy and CSUCI'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 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
- In the event that an original receipt cannot be submitted a Lost/Missing Receipt form must be attached in place of such receipt.
- Disputes: Resolve any questionable items or disputes online that appear on the statement directly with the vendor, if vendor is not able to/willing to resolve issue contact the bank and inform the Program Administrator.
- In the event of separation from employment cardholder must return the procurement credit card to the Procurement Coordinator or designee and notify approving official of any pending transactions.

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/chair, dean, director, or other administrator. In absence of the approving official a person must be designated to sign on their behalf.

Approving officials may not sign their own procurement card report.

Approving officials are also responsible for reading and signing the program agreement form.

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 splitting of transactions
- Ensure all proper documentation is attached to the Procard Transaction Report
- Approve cardholder's monthly purchases. Subordinates should not approve a supervisor's charges
- Sign cardholders lost/missing receipt forms if necessary for Procard Report

- Ensure observance of good business practice to avoid card abuse
- Provide counsel and discipline for non-compliance with CSUCI's Procurement Card Policy including suspension and /or revocation of the card.

Support Services/Procurement and Logistical Services

Procurement and Logistical Services is responsible for administering cardholders and authorizing approval training, distributing pcards, assisting departments in monitoring the proper use of the pcard program and issuing notifications.

Procurement Card Administrator

- Act as the university liaison with credit card issuing bank for changes to the procurement card program.
- Provide training to cardholders. ProCard Reconciliation training is required for every new cardholder
- Provide refresher courses:
 - After Audit #3 has been issued to a cardholder (required to continue participating in the ProCard program).
 - Every 3 years for all Cardholders and Approving Officials
 - As requested by cardholder or approving official
- Process new Procurement Card Program Applications
- Order replacement credit card when necessary
- Maintain list of cardholders, monthly and daily limits, and a file for all Account Maintenance Forms processed
- 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 Official of any monthly audit findings
- Ensure cardholders separating from the University have returned their credit card and have submitted their final Procurement Adjustment Report

GUIDELINES FOR CARDHOLDER:

How to Get Started:

1. Activate card⁸
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 for
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)

⁸ To activate pcard enter the last four digits assigned to you by Pcard Administrator, do not use personal SSN.

MCC Codes:

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.
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)

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 will be revoked if you receive four (4) audit findings from the Program Administrator or designee within a 24-month period.*

The Procurement Coordinator 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
- Not obtaining Approving Official signature of each monthly statement
- Using a delivery address different than the campus
All items should be delivered to One University Dr. Camarillo, CA 93012⁹
- Charging item(s) to the wrong accounting string(s)

⁹ with the exception of our extended campuses –The Boating Center, Goleta and Thousand Oaks

Your card account may be suspended or canceled immediately in the following situations:


- Purchasing an item that is on the Prohibited Purchases list
- Using the card for personal purchases
- Splitting a transaction to avoid the limit
- 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

UPLOADING RECEIPTS FOR RECONCILIATION REPORT:

1. Obtain Approving Official signature on the adjustment report.
2. Select Add Attachment

Invoice: PC02170128 Invoice Date: 02/13/2017 Total: 73.08  Process Monitor

Attachments	
Add Attachment	Attachment 1
	Attachment 2
	Attachment 3
	Attachment 4

3. Click →Choose File →Upload File →click Upload (there are 4 links to attach files, but you can attach multiple pages per link)

File Attachment

Help

Choose File

No file chosen

Choose File

No file chosen

Choose File

No file chosen

Choose File

No file chosen

Upload

Cancel

4. Upload receipts, back up information, and signed Pcard reconciliation report/adjustment report

5. Cardholders must keep any hard copies until their monthly audit is finalized. Afterwards cardholders must keep electronic copies of their complete Procard Reconciliation Packet for five (5) years

U.S Bank Access Online

Creating an [Access Online](#) account will allow cardholders to view transactions, limits, and run reports. To join Access Online, you will need to have your account number available.

- To register visit www.access.usbank.com
- Click Register Online
- Organization Short Name =CSUCA
- Account Number = credit card number
- Account Expiration Date= credit card expiration date

Required Forms:

CSUCI Procurement Card Application

Procurement Card Program Agreement

Account Maintenance

Information Resources

U.S BANK

24-Hour Customer Service

1-800-344-5696

Fraud Department

1-800-823-9078

Procurement & Logistical Services

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