



Overview

The Procurement Credit Card (“Procurement Card”, “ProCard” or “P-Card”) program has been implemented to provide a simplified method for campus departments to procure low dollar authorized goods or supplies and provide access to Campus Marketplace. The Procurement Card allows departments to control and monitor small purchases and reduce time and paperwork. Cards are issued in the name of the individual (“Cardholder”) whose purchases are reviewed/approved by a higher authority within the department (“Approving Official”).

The Procurement Credit Card program has the ability to control purchases in the following ways:

- Maximum dollar amount per transaction for each Cardholder
- Maximum dollar amount per monthly billing cycle for each Cardholder
- Type of merchant from whom purchases can be made (e.g., card setup eliminating restaurants, liquor stores, etc.)

The current Procurement Credit Card program is with U. S. Bank and purchases made with the Procurement Card are billed to the University rather than the individual. The card can only be used for State funded (including housing, parking, RCE, etc.) transactions; therefore, Foundation purchases cannot be made with the University Procurement Credit Card.

Process

DEFINITIONS

- Approving Official - person of higher authority than the Cardholder. Generally a manager or administrator who is responsible for review and submittal of credit card statements
- Cardholder – CSU, Chico employee who holds a Procurement Card in their name

TRAINING

- Procurement Cardholders and Approving Officials are considered designated positions and are subject to CSU’s conflict of interest policy. Cardholders and Approving Officials will be required to complete the “Statement of Economic Interests” (Form 700) annually by April 1, and also complete on-line ethics training. Human Resources will contact new Cardholders regarding the required forms and training.
- Each Cardholder and Approving Official is required to complete training on Procurement Card procedures involving responsibilities and appropriate use of the Procurement Card. Training can be completed in person in the Procurement and Contract Services Office or online, prior to the card being issued.

GENERAL PROCUREMENT CARD PROCESS

The process for procuring items utilizing the Procurement Card is comprised of three basic steps:

- **Purchase**
The authorized Cardholder uses his/her ProCard to make purchases at a store, by telephone or through the internet and obtains receipts for each transaction.
- **Approval**
At the conclusion of the billing cycle:
 - Cardholder matches receipts to charges on the monthly statement and verifies that the charges are correct and that the goods have been received. The statement is signed by Cardholder and forwarded to Approving Official.
 - Approving Official reviews charges on each Cardholder’s statement to verify appropriateness of charges, adds chartfield(s) and corresponding charges, and signs certification on statement
- **Submittal for Payment**
 - Approving Official submits signed Cardholder statement(s) and receipts to Accounts Payable, Kendall Hall 208 (zip 243) by the **10th of each month**



RESPONSIBILITIES OF CARDHOLDERS & APPROVING OFFICIALS

Both the Cardholder and Approving Official are responsible for ensuring the Procurement Card is used in accordance with the policies outlined in this manual, and that all purchases are in compliance with CSU Procurement and Contracting Policies and Procedures. Both Cardholder and Approving Official are required to complete ProCard training.

Cardholder Responsibilities

- maintaining the security of the card and card number to prevent unauthorized use (including not allowing others to use the card)
- reconciling monthly statements and certifying that all purchases and charges listed are correct
- resolving damaged goods or wrong item issues with vendor
- resolving disputed charges with the vendor and/or U.S. Bank, as appropriate
- forwarding statement to approving official for approval by assigned due date

Approving Official Responsibilities

- specifying per transaction and monthly billing cycle limit for each Cardholder under his/her purview
- reviewing and approving the monthly Cardholder statements, verifying that charges were appropriate and reasonable
- forwarding the approved statements to Accounts Payable, Kendall Hall 208 (zip 243) no later than the 10th of each month
- advising the Procurement Card Program Coordinator if any Cardholders have left department or otherwise are no longer authorized to use the Procurement Card

GENERAL PURCHASING GUIDELINES

- Purchases must be for official University business
- Purchases should be reasonable, appropriate and cost effective
- Whenever possible, purchase “green” to contribute to the University’s sustainability goals
- Whenever possible make purchases from certified small businesses (SB) and/or certified disabled veteran businesses enterprises (DVBE) to support University goals for participation.

Reference: <http://www.csuchico.edu/purc/vendor/enterprise.shtml> for a list of DVBE and Small Business vendors or search <http://www.bidsync.com/DPXBisCASB> using a keyword for the supply/item you are purchasing. Contact Duane McCune at ext. 5629 for additional information or assistance.

WHAT MAY BE PURCHASED WITH THE CAMPUS PROCARD?

- Books and publications
- Memberships in the name of the University
- DVDS (Purchase DVDs with the captioned option)
- Computer accessories under \$500 such as mice, flash drives, keyboards, glare screens, etc.
- Classroom/lab supplies such as microscopes, art supplies, etc.
- Furniture such as office chairs, task lighting, monitor stands, etc. Items must be delivered to Shipping and Receiving and cannot require assembly or installation services.
- Other parts, supplies and accessories not otherwise restricted or prohibited

CAMPUS MARKETPLACE E-PROCUREMENT

Cardholders automatically have access to the CSU Campus Marketplace e-catalog shopping system. Campus Marketplace is a Procurement Card based purchasing system where listed supplier catalogs offer the lowest, contracted prices available to the CSU. This site contains catalogs offering everything from office and educational supplies to furniture and equipment and, as a good business practice, should be the first place to shop. <http://www.csuchico.edu/purc/CampusMarketplace.shtml>



PROHIBITED PURCHASES

The following is a representative list of prohibited uses of the Procurement Credit Card. It is not intended to be all inclusive. If unsure whether a purchase is allowed, please contact the Procurement Card Coordinator before initiating purchase of the item. **Exceptions may be made on a case-by-case basis if requested by email in advance of the purchase.** Exception approval must be attached to the Cardholder statement along with the receipt.

- Appliances for employees or department (e.g., coffee makers, refrigerators, microwaves, etc.)
- Cash advances
- Communication/Computer devices (cell/telephone/pagers/phone cards, etc. or any device needing network access such as computers, printers, wireless routers, hubs, etc.)
- Contracts of any kind (e.g. consultants, guest speakers, maintenance or repair, public or trades work)
- Custom items using University name, logo or symbol or other promotional items
- Decorations - office (e.g. wall décor, rugs, etc.) or party (e.g. balloons, flowers, etc.)
- Drugs – prescription or other controlled substances
- Foundation purchases using funding from Research or University Foundation
- Gifts (awards, plaques, gift cards, flowers)
- Hospitality Expenses such as food items/meals or gifts (awards, plaques, gift cards, flowers, promotional items)
- Gasoline or other fuels
- Items requiring on-campus delivery other than through Shipping & Receiving Department
- Postage
- Rentals/leases of any kind (space, vehicles, etc.)
- Services of any kind including catering, entertainment, printing
- Software of any kind
- Travel expenses (registration fees, airfare, lodging, meals, etc.)

ALLOWABLE PURCHASES WITH RESTRICTIONS

The following types of items may be purchased with the Procurement Credit Card but require some sort of special handling or special approvals. It is the responsibility of the Cardholder to comply with the noted processes and to obtain any required written approvals in advance of the purchase and to attach such approval to the Procurement Card receipt.

- **Chemicals and Other Hazardous Materials**
It is the responsibility of the Cardholder to obtain and maintain a SDS (Safety Data Sheet - formerly MSDS) on-site and make the SDS easily and readily available to all users of the product. Certain regulated chemicals require notification to federal agencies. For a list of these chemicals please see the Chemical Hygiene Plan available at <http://www.csuchico.edu/ehs/pdf/Chemical%20Hygiene%20Plan%20-%20June%202014.pdf>
- **Items Requiring Property Inventory Identification Barcodes**
Equipment valued \$1,000 or greater must be tagged with property barcode labels and recorded in the inventory system. Cardholders are responsible for contacting Property Management, (ext. 5176), to have such items tagged and inventoried **immediately** upon receipt. If unsure whether an item needs to be tagged or not, contact Property Management. Please note on the receipt that Property Management Office has been contacted/notified of the purchase.
- **Radioactive Materials**
It is the responsibility of the Cardholder to obtain **prior written approval** from Environmental Health & Safety (EHS) Department (Ext. 5126) to purchase radioactive materials. The written approval is to be attached to the receipt and submitted with the Cardholder's monthly statement.



PROCEDURES FOR MAKING PURCHASES

Procurement Card purchases can be made by purchasing goods from a vendor’s store location, or calling, faxing, or placing an order through the internet.

• **Shipping Instructions**

If the item(s) are to be shipped to the University, the Cardholder is responsible for instructing the merchant to ship the goods to the following address:

PCC RECEIVING DEPT. – CSU, CHICO
ATTN: **(insert Cardholder’s name AND department name)**
940 West 1st Street
CHICO, CA 95929-XXXX **(insert own dept’s zip as last four digits)**

[Note: “PCC” in the address designates “Procurement Credit Card” purchase. If this appears on the vendor’s shipping label it will speed delivery of the item to your department as the Shipping & Receiving Department personnel will immediately know it is a Credit Card purchase and will not look for a purchase order for the transaction, etc.]

• **Itemized Receipts**

Regardless of the method used for obtaining goods, the Cardholder must obtain an **itemized** receipt. An itemized receipt/invoice consists of the following information:

- Name of vendor
- Date of purchase
- Quantity and description of each item purchased. If the item is not clearly described (e.g., part #159G), Cardholder must note complete description (e.g., part #159G wrench)
- Price of each item
- Amount of sales tax
- Shipping and other charges, if applicable
- Total amount of purchase

• **Inspecting Goods**

When a shipment is received, it is the responsibility of the Cardholder to promptly inspect the goods. In case of damaged items or receipt of incorrect items, the Cardholder is to coordinate timely resolution directly with the supplier.

• **Returning Goods**

If an item needs to be returned for any reason, request a “Return Authorization Number” from the supplier. Maintain the number for further follow-up as necessary. Ask the supplier whether they will pick up the item, issue a “Call Tag” for its return, or if the University is responsible for the cost of returning the item. Work with the supplier to determine whether a replacement item will be sent or a credit issued. Include all vendor supplied documentation with your statement.

PROCEDURES FOR RECONCILING MONTHLY STATEMENTS

• **Billing Cycle:**

The billing cycle for the Procurement Card is from the 23rd to the 22nd of each month. At the end of each month each Cardholder will receive a card statement listing all charges and credits made during this period. The reconciled statements, with all approving signatures, receipts and chartfield(s) attached, are to be submitted to the University Accounts Payable Office **no later than the 10th of each month.**



Billing Cycle	Approx. Date Statements will be Received	Deadline for Cardholders to submit reconciled statement and receipts to Approving Official	Deadline for Approving Official to submit statements with accompanying receipts to Accounts Payable (zip 243)
23 rd to 22 nd of each month	by end of each month	each department to establish this date	10th of each month

• **Reconciliation by Cardholder:**

At the end of each month the Cardholder will receive a credit card statement containing all charges and credits that had been processed during the billing period. When the statement is received, the Cardholder is to:

- review the statement to check for accuracy and verify each transaction on the statement with the itemized receipt or invoice
- identify any disputed charges on the statement (e.g., transactions billed incorrectly, questionable charges, defective or damaged goods which the vendor is not rectifying). If there are disputed items:
 - contact vendor to resolve issue, if appropriate
 - if unable to resolve, circle the charge and note *"in dispute"* in the right margin next to the transaction amount, and contact U.S. Bank immediately by calling the 24-Hour Customer Service line at (800)344-5696.
- staple exception approval emails to the back of the receipt, as applicable for purchases that fall under the Prohibited Purchases and/or Allowable Purchases with Restrictions sections.
- staple itemized receipts to the back of the statement **in the order charges are listed**. Review each receipt for required information. See Itemized Receipts.
- forward the statement (with the receipts) to the Approving Official by the due date established by the department
- notify US Bank immediately of any fraudulent activity by calling the 24-Hour Customer Service line at (800)344-5696.

• **Reconciliation by Approving Official:**

Once the Cardholder's statement is received, the Approving Official is to:

- review the monthly charges made by the Cardholders within department to make sure they are appropriate and that prohibited purchases have not been made
- sign the pre-printed certification on each Cardholder's statement
- if only one chartfield string is used, note the chartfield string on the statement
- if more than one chartfield string is necessary:
 - ✓ use the *"Department Expenditure Summary"* located at <http://www.csuchico.edu/fin/forms.shtml#forms--pcs>
 - ✓ total amount of charges for all chartfield strings. (Should be the same as total of all Cardholder statements less disputed items.)
 - ✓ sign and date summary sheet
- submit summary sheet and all Cardholder statements (with receipts) to Accounts Payable (zip 243) by **the 10th of each month**

• **Sales/Use Tax**

The University is **NOT** exempt from paying California sales tax, even on out-of-state purchases. For purchases made from out-of-state suppliers that do not charge California sales tax, the University will remit the tax (called "use tax") directly to the State Board of Equalization. These taxes will be charged against department chartfields and will be identified as "PCC Use Tax" in campus financial reports (Insight, CFS, etc.).



- **Use of Trust Chartfields**

If a trust chartfield (fund Txxx and Yxxx) is used to cover expenses, the appropriateness of the purchase will be verified by Financial Accounting & Reporting before payment is allowed. If the purchase is deemed inappropriate, the default chartfield for the department will be charged.

- **Lost Receipts:**

If a receipt is lost, a duplicate copy must be requested from the vendor. If the vendor cannot provide a duplicate copy, a "Lost Receipt Notification form" must be provided by the Cardholder with a detailed explanation of the circumstance surrounding the loss, with signature by the Approving Official. This form is located at <http://www.csuchico.edu/fin/forms.shtml#forms--pcs> NOTE: If there are excessive instances of lost receipts, Procurement Card privileges will be suspended and possibly revoked.

SUSPENSION OR REVOCATION OF CARD

Individual and/or departmental card privileges may be suspended or revoked for the following violations:

- purchasing personal items
- splitting purchase transactions to avoid Cardholder's per transaction or monthly card limit, including splitting of purchases between Cardholders in same department to avoid these limits
- purchasing prohibited items
- failure to obtain itemized receipts
- excessive instances of lost receipts
- failure to comply with Procurement Card program procedures
- failure of department to turn in monthly statements & Department Expenditure Summary to Accounts Payable **by the 10th of each month**. Departmental card privileges may be suspended after two occasions of late submittal of monthly statements.

REPLACEMENT OF CARDS AND CARDHOLDER CHANGES

There may be instances where it becomes necessary to replace a credit card. It is the Cardholder's responsibility to initiate this process by following the instructions below:

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

- The Cardholder must immediately contact U.S. Bank 24-hour customer service at (800) 344-5696.
- The Cardholder must immediately notify the Procurement Card Program Coordinator, Cindy Reiswig, creiswig@csuchico.edu, by email.

When a card is reported lost or stolen, a new card will be issued once the Cardholder has made the proper notifications. Replacement cards will be mailed to Procurement & Contract Services. The Procurement Card Coordinator will notify the Cardholder when the replacement card is available for pickup.

- **Replacement of Worn or Defective Cards**

If a Procurement Credit Card needs to be replaced because it is worn or defective, please email the Procurement Card Program Coordinator at creiswig@csuchico.edu, and a new card will be requested. The new card will have the same account number as the original card.

- **Cardholder Transfer to Another University Department**

If a Cardholder transfers to another campus department, the Cardholder and/or Approving Official must notify the Procurement Card Program Coordinator. A "Procurement Card – Request and Update" form <http://www.csuchico.edu/fin/forms.shtml#forms--pcs> from the Cardholder's new department must be completed and submitted to Procurement & Contract Services.



- **Cardholder Termination of Employment with University**

When a Cardholder leaves the University, the Cardholder and/or Approving Official must immediately cancel the Cardholder's Procurement Card by calling the Procurement Card Program Coordinator at ext. 5137 and/or sending an email to creiswig@csuchico.edu. The Cardholder and the department will be held responsible for all charges made on the card until it has been canceled.

- **Cardholder Set-Up Changes**

If Cardholder setup changes are necessary (e.g., name change, limit change, default chartfield change), complete and submit the "Procurement Card – Request and Update" form to Procurement & Contract Services, zip 244. This form is located at <http://www.csuchico.edu/fin/forms.shtml#forms--pcs>

References

- CSU Executive Order 760 – Establishes minimum standards for use of Procurement Cards to ensure appropriate safeguards are in place.
- ICSUAM 5205.00 - Articulates the CSU's requirements related to low-value purchase transactions to ensure procurement and contracting activities are in compliance with applicable regulations.
- ICSUAM 5250.00 – Establishes the use of Procurement Cards in the CSU to improve the efficiency, flexibility and convenience related to purchasing, and paying for goods and certain approved services and the campuses' responsibility to prepare written policies, limits and procedures that implement this policy.

Forms

- Procurement Card – Request & Update form <http://www.csuchico.edu/fin/forms.shtml#forms--pcs>
- Procurement Card – Lost Receipt Notification <http://www.csuchico.edu/fin/forms.shtml#forms--pcs>
- Procurement Card – Department Expenditure Summary <http://www.csuchico.edu/fin/forms.shtml#forms--pcs>

Contacts

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- **Sara Rumiano**
Director, Procurement & Contract Services
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Procurement and Contract Services
Kendall Hall Room 206, zip 244
- **Credit Card Processor**
US Bank
24-Hour Customer Service
(800) 344-5696