



**& UNIVERSITY FOUNDATION
PROCUREMENT CARD PROGRAM POLICIES AND PROCEDURES**

CONTACTS

CREDIT CARD PROCESSOR

U.S. Bank

24-hour Customer Service: (800) 344-5696

Chico State Enterprises

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Overview of Procurement Card Program

The procurement card (“P-card”) program has been implemented to provide a simplified method to procure low dollar authorized goods or supplies and to reduce out-of-pocket expenditures for purchases related to Chico State Enterprises and UF business. The procurement card allows users to control and monitor small purchases and reduce time and paperwork. **The use of the P-card cannot avoid or circumvent Chico State Enterprises' Procurement Policy and Guidelines.**

Due to the complexities of 1099 IRS reporting and insurance documentation required of most service-providers, the procurement of services of any type (including labor associated with installation of a part or a piece of equipment) is not allowed via the P-card.

Cards are issued in the name of the individual (“Cardholder”) whose purchases are reviewed/approved by a higher authority (“Approving Official”). The Approving Official for purchases that will be charged to a grant or contract is the Project Director or other authorized signer for the project. Cardholders are responsible for the security of the card and must not provide their card, or card information, to others for use.

The current card program is with U.S. Bank and purchases made with the P-card are billed to Chico State Enterprises rather than the individual. **CSU, Chico purchases cannot be made with the Chico State Enterprises P-card.**

Procurement Card Controls

The procurement 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 casinos, liquor stores, etc.)

General Procurement Card Process

The process for procuring items utilizing the P-card is comprised of three basic steps:

- **Purchase**

An authorized Cardholder makes purchases using the P-card at a store, by telephone or through the internet. Original itemized receipts are required for each P-card transaction.

- **Approval**

During or at the conclusion of the billing cycle:

- Cardholder allocates all transactions to appropriate project/account and object codes, matches receipts with the charges on the monthly account activity statement, and verifies that a) the charges are correct and b) that the goods have been received; statement is signed by the Cardholder and forwarded to the Approving Official;
- Approving Official reviews charges on each Cardholder's monthly statement to verify appropriateness of charges, reallocates project/account and object coding as required, and signs certification on account activity statement.

- **Submittal for Payment**

The signed statement and associated original itemized receipts for each Cardholder are submitted by the Approving Official to Chico State Enterprises no later than the last **business** day of each month.

Prohibited Purchases

The following is a representative list of items that may **NOT** be purchased with the procurement card. It is not intended to be all-inclusive. To confirm whether a purchase is allowable, please contact Chico State Enterprises. **The use of a procurement card for any form of personal purchases (regardless of any intent to repay for a purchase) is expressly forbidden. Misuse can lead to employee disciplinary actions.**

Catering services
Chemicals, hazardous materials, or radioactive materials
Contracts with or for:
-Individuals (e.g. consultants, guest speakers)

-Maintenance or repair
-Public Works or Trades work (e.g., Electricians)
-Rental of facilities, space, or equipment
Gas purchases in lieu of mileage reimbursement
Meals for which per diem will be claimed
Items/property to be attached to University/Chico State Enterprises
Technology Equipment that may require an ITPR with unit cost of \$500 and over (e.g., computers, software, web hosting) Please see ITPR Guidelines
Personal use items for employees
Services of Any Kind
First aid kits that contain ointments, creams, salves or medicine for use/storage on the CSU campus.

Additional Requirements & Information

Computing equipment or peripherals that do not require an ITPR can be purchased with the credit card. It is the responsibility of the purchaser to ascertain if the item being purchased is on the University supported list, and if not, will function within the University computing and network environment. If not on the supported list, it will be the department's responsibility to pay any set-up, maintenance, and repair costs.

Unallowable Expenditures on Grants and Contracts

Cardholders are responsible for ensuring that purchases charged to a grant or contract (e.g., sponsored program) are reasonable, allowable, and allocable. See Chico State Enterprises' Policy on PI Duties and Responsibilities for guidance on allowable and allocable costs. Final approval of all charges to grant and contract funds is the responsibility of CSE. Costs determined by CSE to be unallowable under federal or state regulations and/or the terms and conditions of the sponsored award will be charged to the default account identified in the Cardholder's P-Card Request and Update Form.

Responsibilities of Cardholder & Approving Official

Both the Cardholder and Approving Official are responsible for ensuring that the P-card is used in accordance with this policy and that all purchases are in compliance with Chico State Enterprises and University Foundation Procurement Policy and Guidelines.

Cardholder Responsibilities include:

- agreeing to all card program requirements established and as amended by the foundation;
- completing and acknowledging the required P-card cardholder training;
- protecting the card at all times to prevent unauthorized use;
- not sharing or authorizing others (subordinates or otherwise) to use the card;
- only making purchases for official Chico State Enterprises business;
- verifying that adequate funds are available in project account(s) prior to completing purchases;
- making purchases that are reasonable, allowable and allocable to the project-object to be charged;
- making purchases that are cost effective;
- reconciling monthly statements, providing supporting documentation, and certifying that all purchases and charges listed on the monthly statement are correct;
- forwarding the statement with original itemized receipts to the Approving Official for approval;
- immediately resolving damaged goods or wrong item issues with vendor;
- immediately resolving disputed charges with the vendor and/or U.S. Bank, as appropriate;
- immediately reporting a lost or stolen card and actively follow bank rules and instructions in doing so;
- immediately reporting fraudulent or suspected fraudulent charges to the bank and actively follow bank rules and instructions to clear the charges.

Approving Official Responsibilities include:

- completing and acknowledging required P-card Approver training;
- monitoring transactions of assigned Cardholder(s) for appropriateness of purchase;
- ensuring adequate transaction documentation exists as established by the foundation;
- identifying possible violations of assigned Cardholder(s) and taking appropriate action if violations are found;

- specifying per transaction and monthly billing cycle limit for each Cardholder under his/her purview
- notifying the P-card Program Administrator at x6811 if any Cardholders have left employment or are no longer authorized to use the P-card.

Procedures for Making Purchases

Regardless of the method used for obtaining goods (vendor's site, delivery, or internet order), the Cardholder must obtain an original **itemized** receipt. An itemized receipt/invoice consists of the following information:

- Name of vendor
- Quantity and description of each item purchased*
- Price of each item
- Amount of sales tax
- Shipping and other charges, if applicable
- Total amount of purchase
- Date

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 responsible for coordinating resolution directly with the supplier.

Returning Goods:

If an item needs to be returned for any reason, request return or exchange instructions from the supplier.

Procedures for Reconciling Monthly Statements

Billing Cycle:

The billing cycle for the procurement card is approximately the 23rd of each month. Charges and credits made and posted during this period should appear on the current bank statement/transaction summary. Cardholders will receive a notification email from Chico State Enterprises when statements are ready to be reconciled. Approved, reconciled p-card packets including complete supporting documentation and itemized receipts are due to Chico State Enterprises no later than the last business day of the month.

Reconciliation by Cardholder:

Each month, an on-line statement will be available to the Cardholder. The statement will include individual charges and credits that have been processed during the billing period. At the end of the billing cycle, the Cardholder is to:

- review the statement to check for accuracy and compare each transaction on the statement to the receipt or invoice that was obtained at the time of the purchase;
- allocate transactions to the project-object code with which they coincide
- identify any disputed charges on the statement (e.g., transactions billed incorrectly, questionable charges, defective or damaged goods which the vendor is not rectifying);
- contact vendor to resolve any disputed charges, as appropriate;
- immediately notify U.S. Bank by calling the 24-Hour Customer Service line at (800) 344-5696 of any fraudulent activity and the P-card Administrator;
- print the statement and tape original itemized receipts securely to 8 ½ x 11 paper in the order the charges are listed, to the back of the statement;
- sign the statement/transaction summary and forward the packet to the Approving Official for review and signature approval.

Reconciliation by Project Director/Approving Official:

Upon receipt of the Cardholder's statement with accompanying receipts, the Approving Official is to:

- review the monthly charges to confirm that they have been allocated to appropriate project/account codes, that the charges are appropriate, and that prohibited purchases have not been made;
- sign the pre-printed certification on the Cardholder's statement/transaction summary attesting that charges have been verified or disputed;

- forward to second approver (one-up or additional signer required), if applicable;
- submit the Cardholder's statement with all accompanying receipts to Chico State Enterprises **by the last business day of each month.**

Sales/Use Tax

Chico State Enterprises and The University Foundation are NOT exempt from paying California sales/use tax, even on out-of-state purchases. Purchases from out-of-state suppliers that do not charge California State sales tax will be assessed the appropriate amount of sales/use tax which will be charged to the project number indicated on the Cardholder's P-card statement.

Lost Receipts

If a receipt is lost, a duplicate copy is to be requested from the vendor by the Cardholder. If the vendor cannot provide a duplicate copy, a **Lost Receipt Notification Form** is to be submitted by the Cardholder with a detailed explanation of the circumstance surrounding the loss, with signature by the Approving Official. NOTE: Expenditures without adequate documentation may not be charged to a grant or contract. The alternate, default source of funding (as indicated on the Card Request & Update Form) must be indicated on the P-card statement for all expenditures without original receipts. **If there are excessive instances of lost receipts, P-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:

- making personal purchases with the CSE procurement card
- splitting purchase transactions to avoid Cardholder's per transaction or monthly card limit
- making purchases of prohibited items [refer to Section IV – Prohibited Purchases]
- making purchases when adequate funds are not available in the project account
- failure to obtain itemized receipts
- excessive instances of lost receipts
- failure to comply with procurement card program procedures

- failure to turn in monthly account activity statements to Chico State Enterprises by the last business day of each month – **after two occasions of late submittal, card privileges may be suspended.**

Issuance or Replacement of Cards & Cardholder Changes

Issuing a Procurement card

Individuals requesting a P-card complete the **Card Request & Update Form** and submit to Chico State Enterprises.

The **Card Request & Update Form** must be signed by the Approving Official and Dean/Unit Administrator for the default account on grant and contract projects. Project Director P-card Request & Update Forms are to be signed by their supervisor. Completion of the request form acknowledges that the signatories agree to follow this policy and the guidelines outlined within.

All P-card Request & Update Forms must identify a Foundation default account to which unallowable or unsubstantiated costs will be charged unless reimbursed with personal funds by the P-card holder. **Per Chico State Enterprises policy, cost over-runs in Chico State Enterprises accounts are ultimately the responsibility of the account holder's administrative home unit.**

Reporting a Lost/Stolen Procurement Credit Card

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

- The Cardholder must immediately contact U.S. Bank at (800) 344-5696.
- The Cardholder must immediately notify the Procurement Card Administrator 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 Chico State Enterprises. The Procurement Card Administrator 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 Administrator and a new card will be requested. The new card will have the same account number as the original card.

Cardholder Termination of Employment with CSE or The University Foundation

When a Cardholder leaves Chico State Enterprises, the Cardholder and/or Approving Official must immediately cancel the Cardholder's procurement card by calling and/or sending an email to the Procurement Card Administrator. The Cardholder and Authorizing Official 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 account change), complete and submit the **Card Request & Update Form** to Chico State Enterprises zip 246 or email to csepo@csuchico.edu.

Forms

Card Request & Update Form (located on the website at *Procurement, Contract Services and Accounts Payable/Procurement and Purchasing/How do I request a P-card?*)

Lost Receipt Notification Form (located on the website at *Procurement, Contract Services and Accounts Payable/Vendor Payments and Reimbursements/How To Request a Payment/Lost Receipt Notification*)