

Business Operations Forum ProCards, Hospitality & a little bit of Travel

February 13, 2019



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Upcoming Business Operations Forum

- March 20, 2019 Year End Close
- April 17, 2019 Year End Close Training 101
- May 8, 2019 University Corporation



Presenters & Agenda:

Art Evjen

ProCards

Brenna Dresser

Hospitality and Travel



HOSPITALITY



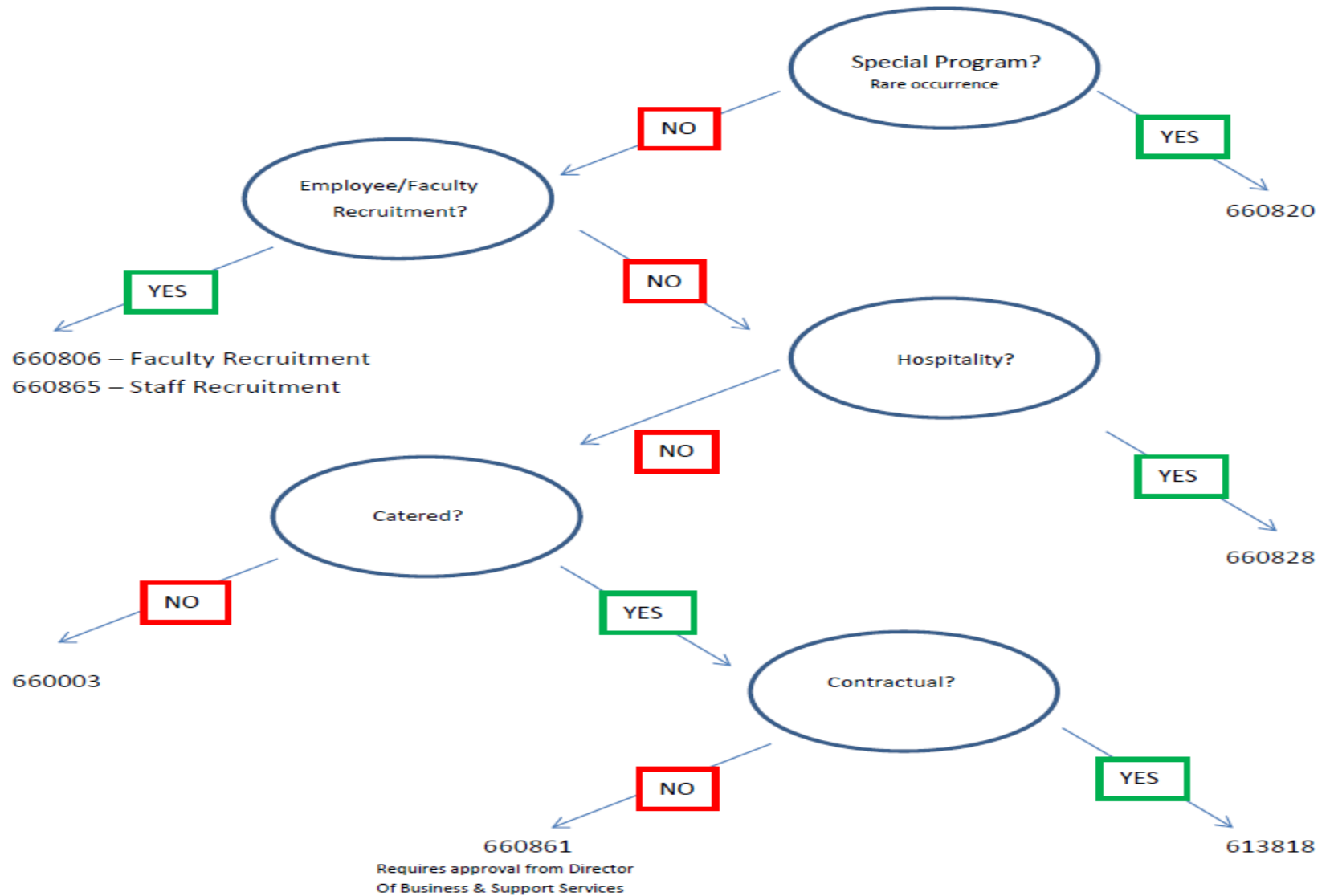
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CSU Monterey Bay fully adopts the CSU posted policy which may be viewed by clicking the following link:

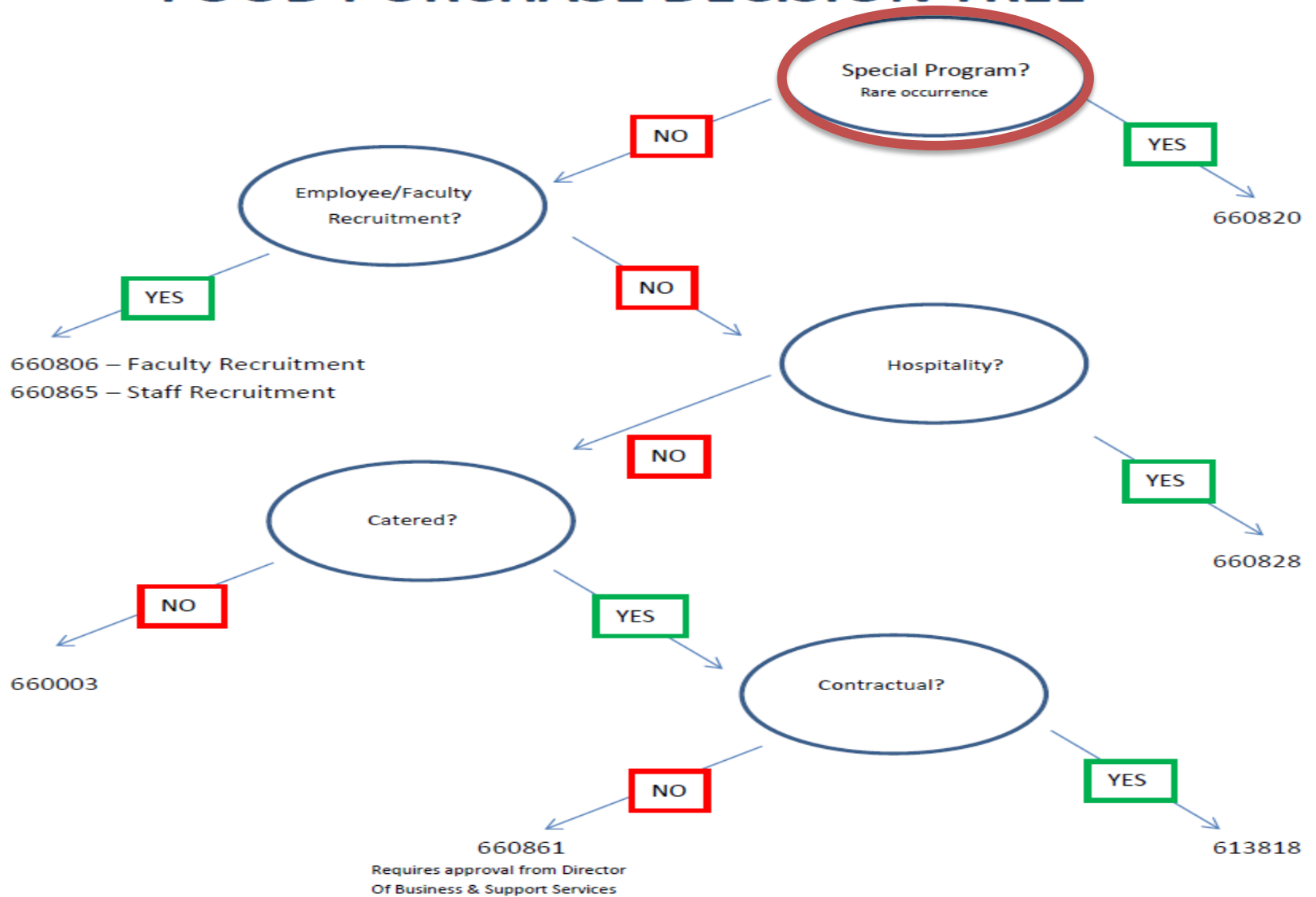
<https://csyou.calstate.edu/Policies/icsuam/Pages/1301-00.aspx>



FOOD PURCHASE DECISION TREE



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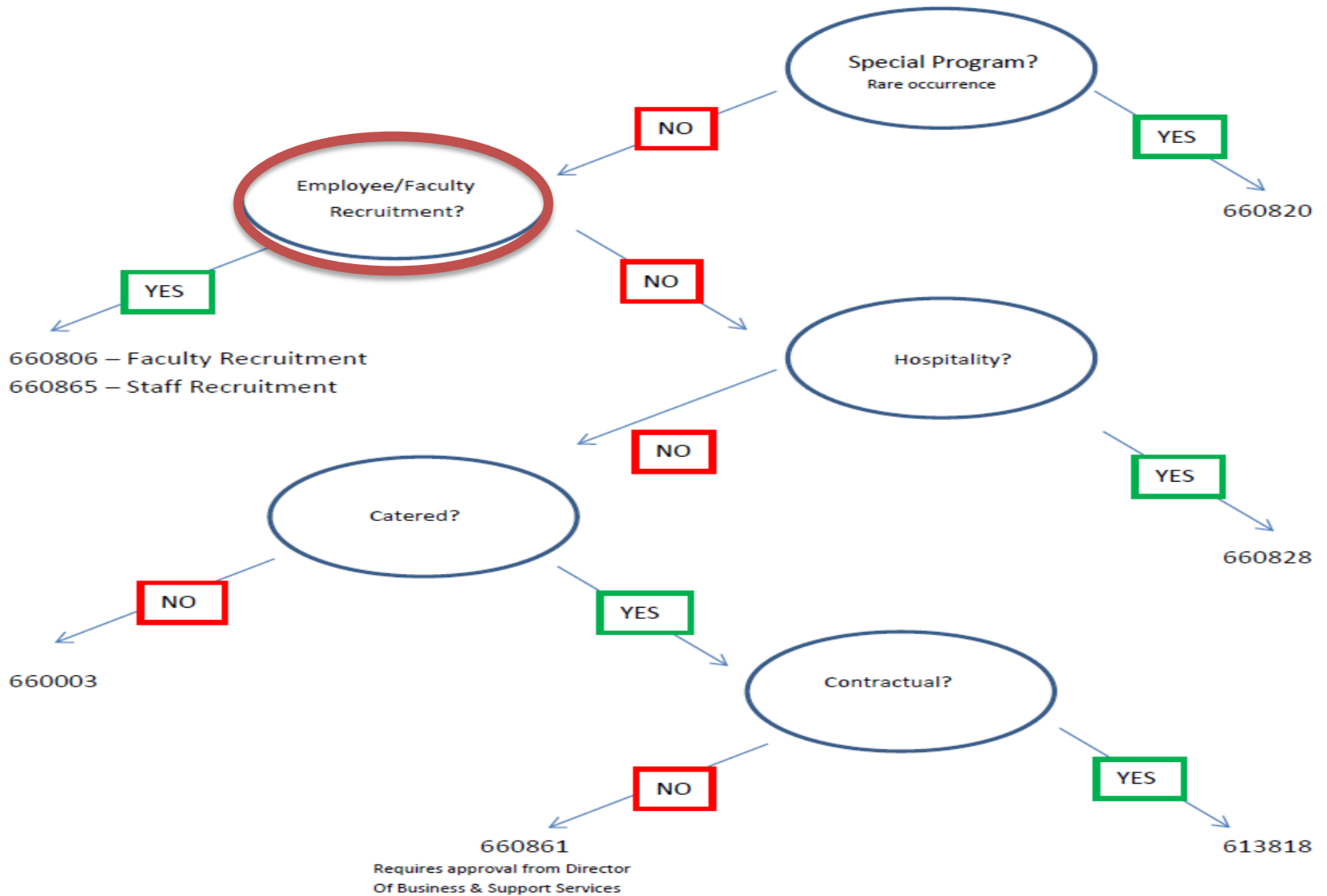


Special Program (660820)

- Special student activities costs
 - e.g., movie night, bowling, and open house.



FOOD PURCHASE DECISION TREE

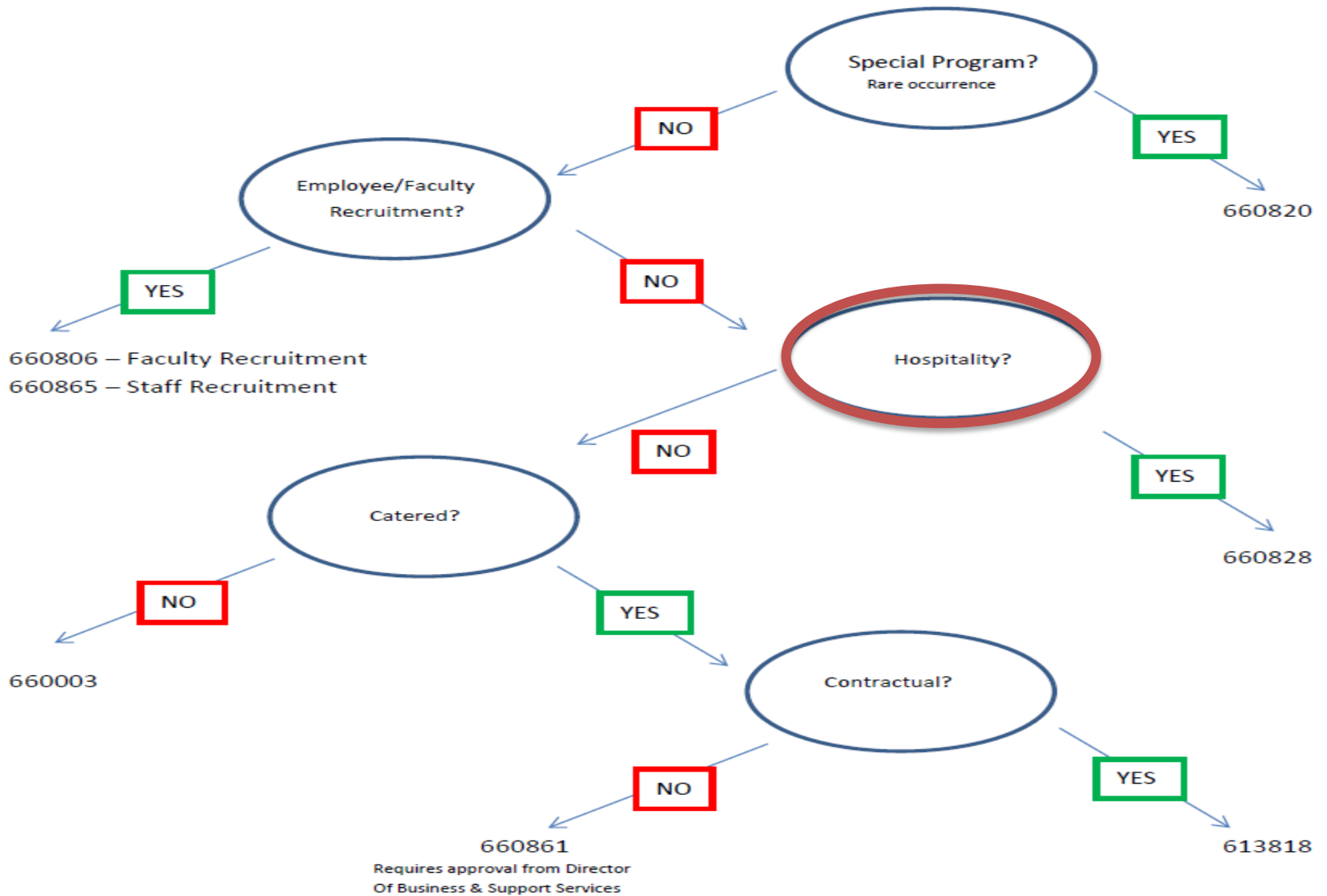


Employee / Faculty Recruitment

- All recruiting expenses for employees should go to expense accounts 660806 for faculty recruitment and 660865 for staff recruitment.



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Hospitality – is defined to include the following elements:

- Entertainment Services – includes, but is not limited to, equipment and venue rental, décor, music, and performers.
- Food and Beverage - Reasonable provision of a meal or light refreshments
- Awards and Prizes- something of value given or bestowed upon an individual, group, or entity in recognition of service to the university or achievement benefiting the university
- Promotional Items – items that display the name, logo or other icon identifying the university such as a keychain, coffee mug, calendar, or clothing.



It is the policy of the California State University (CSU) that hospitality expenses may be paid to the extent that such expenses are **necessary, appropriate** to the occasion, **reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the CSU.**

Hospitality expenses must be directly related to, or associated with, the active conduct of official CSU business.



Approving Hospitality Expenses

- Approvals for Hospitality must follow the established delegation of authority
- should be submitted within **30 days of event.**
- Is it appropriate?



Employee Meetings

- **Meals or light refreshments provided to employees may be permitted if the expenses occur infrequently, are reasonable and appropriate to the business purpose.** E.g., when a meeting takes place over an extended period and the agenda includes a working meal, there may be justification that the meal is integral to the business function.

Must serve a CSU business purpose!!

(And we need to document this!!)



Requests for vendor payment, expense reimbursement, p-card, etc. must include:

- Descriptions of the business need and use of purchases
- Agenda of event to show business purpose
- Number of, Names and roles of participants
(Required for CSUMB employees; For non-CSUMB employees, to the extent a listing is reasonable/possible).



The allowable maximum per person rate(s)

- Breakfast - \$30
- Lunch - \$45
- Dinner - \$75
- Light refreshment - \$20

(Only for Hospitality! **Does not apply to travel**)



Fund Restrictions

State Funds may not be used:

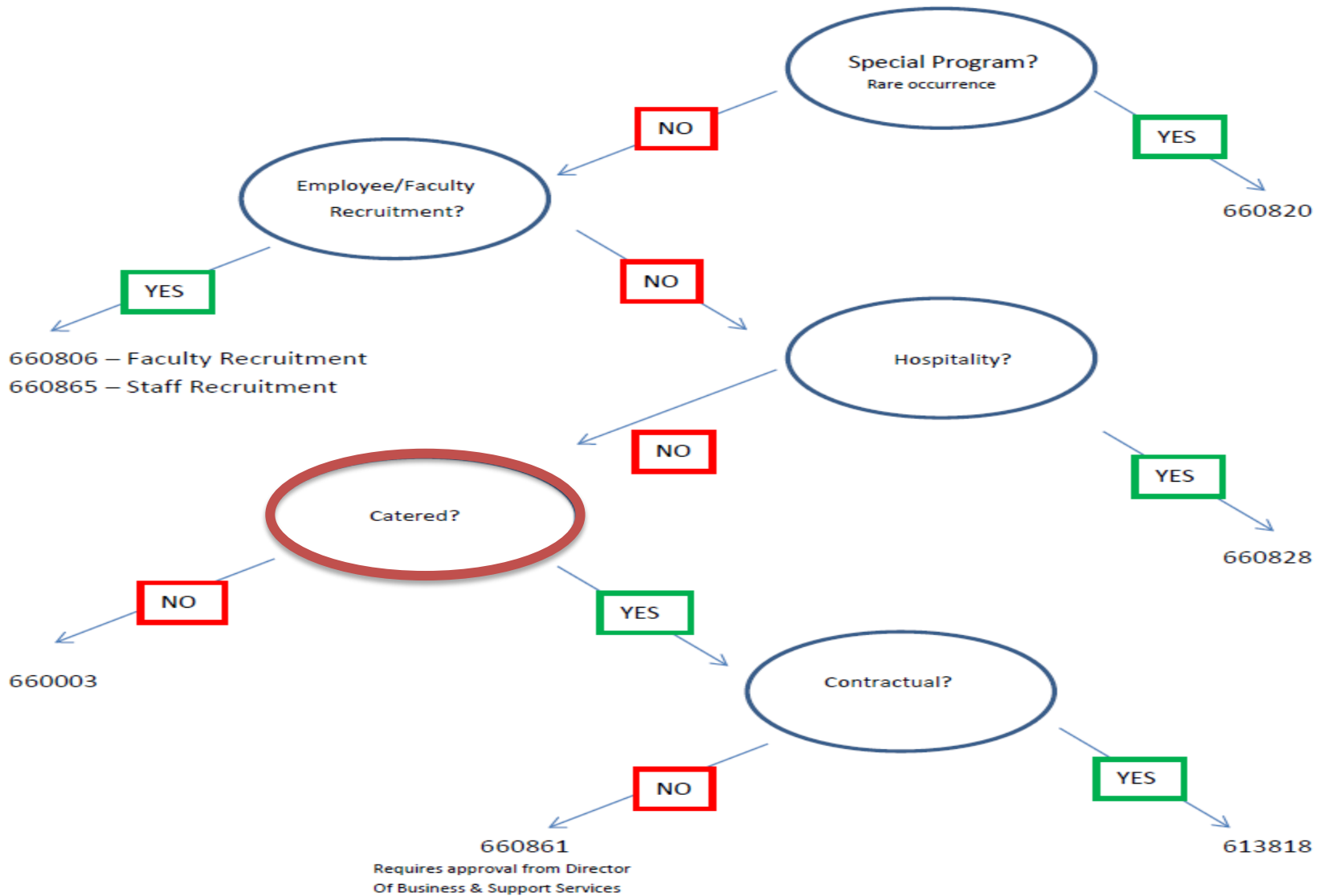
- To pay for any expenditure prohibited by applicable laws
- To pay for transactions that do not serve a business purpose.
- To pay for alcoholic beverages, memberships in social organizations, or tobacco products.

State Funds may be used:

- To pay for awards and prizes to employees for exceptional contributions, to students for excellence, and individuals to participate in a research funded survey or study.
- For employee recognition, and official presentations for length of service awards or exceptional contributions, with at least 5 years of service.
- To pay for official employee morale-building and appreciation activities that serve a business purpose



FOOD PURCHASE DECISION TREE



Non-Hospitality Food/Catering Services

- Examples of food/catering services that do not fall under hospitality
 - Catering for summer camps
 - Catering for conferences and events held for third parties (birthday parties, summer conferences)
- Please visit Food Safety and Service at:
<https://csumb.edu/police/food-safety-and-service>
for more information on food and catering events

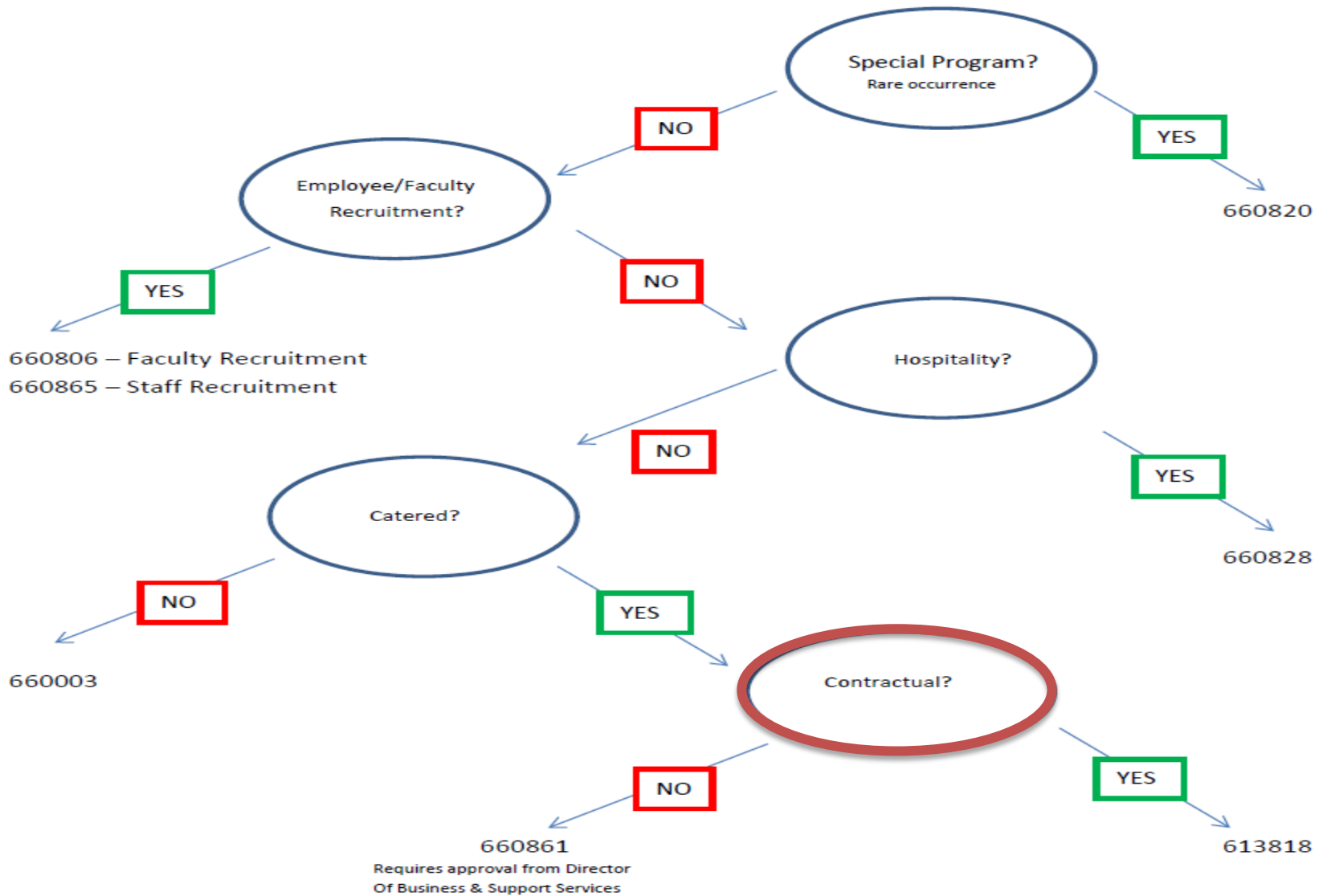


Non – Catered

- Purchasing food for meeting or event
- Goes to 660003 - Supplies



FOOD PURCHASE DECISION TREE



PROCARDS



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ProCard Agenda

- Getting a ProCard
- “Transaction Declined”
- Conflict of Interest Requirements
- 2018 Procurement Card Handbook
- Using Your ProCard
- Pitfalls to Avoid



Getting a ProCard

- Application Form (Purchasing Website)
 - <https://csumb.edu/finance/procurement>
- Spending Limits
- Approving Official / Backup Approving Official
- Schedules and Deadlines
- Reconciliation Buddy
- Conflict of Interest Requirements



Spending Limits

- Default is \$1,000 per transaction; \$5,000 per cycle
 - Cycle is usually 16th through the following 15th
- Temporary Changes: email from Approving Official
 - To Eva Salas 1^o, Art Evjen 2^o, or Michael Phillips 3^o
- Permanent Changes: Signed Form from Approving Official



“Transaction Declined”

- Exceeding Current Spending Limits. **DON'T SPLIT!**
 - Send email from Approving Official to Eva, Art, Michael
- Suspected Fraud Activity
 - Call the U.S. Bank number on the back of the card
 - Last 4 digits of your Otter ID
- Merchant Category Code (MCC)
 - Contact Eva, Art, or Michael by phone or email
 - Live update and can rerun the transaction



Schedules and Deadlines

- Schedule from Eva Salas
- Email Alerts from Procurement
- Approvals Process and Time Lags
- Procurement Needs:
 - Reconciliation Reports w/ Descriptions AND **only 2** signatures (Holder and Approver) AND original detailed receipts
- Strongly Consider:
 - Backup for Reconciliation Report (“Recon Buddy”)
 - Backup for Approving Official



Recon Buddy



- Reconciles/Submits Reports when You're Away
- Access to CFS ProCard Module is Required
- Access to Receipts
- Access to Approving Official



Conflict of Interest Requirements

- EO 760
- Required of Every ProCard User
- Form 700
 - Sent by Melanie Chavez, as needed
 - Due immediately, if first time
 - Due Every April, reporting on the past calendar year
- Ethics/Conflict of Interest Training
 - On-line through University Personnel
 - Due at initiation and every two years



Conflict of Interest Requirements

What this Means for New ProCard Users:

- ProCard Application Form sent to Procurement
- Procurement sends email to:
 - University Personnel
 - Coordinates Form 700
 - Initiates Conflict of Interest Training
 - Administrative Systems Management
 - Provides access to CFS ProCard module



Conflict of Interest Requirements

What this Means for New ProCard Users:

- Form 700 AND the Conflict of Interest Training must be completed before the new ProCard is provided to the ProCard User
- Form 700 must be delivered to University Personnel
- University Personnel sends confirmation to Procurement



Conflict of Interest Requirements

What this Means for *Current* ProCard Users:

- Must complete and submit the Form 700 ***each year*** (April) while you have a ProCard
- Must complete the On-line Training ***every two years*** as prompted by HR

Non-compliance may result in ProCard suspension or revocation



Conflict of Interest Requirements

Also, for All ProCard Users:

Upon terminated use of a ProCard, Procurement will notify University Personnel and a Form 700 must be completed for the partial calendar year.



2018 Procurement Card Handbook

Please keep a copy handy (virtual, or otherwise)

Link: <https://csumb.edu/finance/procurement>

- Recommended:
 - Electronic Copy on your desktop
 - Saved among your “Favorites”
- Please update when we send out revisions
- Cardholders and Approving Officials
are responsible for compliance with the Guidelines



What's Unchanged

Corrective Actions for Non-Compliance

- ProCard privileges suspended for late and/or incomplete reconciliation reports
- Warning issued with email alert re: download available
- Duration of suspension may reflect duration of lateness
ex: 5 days late; ProCard will be reinstated 5 days after report received
- Suspension for other non-compliance actions
- Possible Revocation for repeated non-compliance
- Prior Audit Findings



What's Unchanged

ProCard Users AND Approving Officials Need to Verify:

- Usage is in compliance with ProCard Guidelines
- No Splitting of Orders (You should NEVER need to split)
- No Prohibited Items
- Conditional Items must have Prior Written Authorization(s)
- Reconciliation Docs are signed and delivered on time
- Reconciliation Docs are Complete
 - Special Category Items have been marked using the codes
 - All Itemized/Detailed Receipts are original and included
 - No missing or unaccounted receipts



What's Unchanged

Taxes

We are NOT Tax-Exempt!

- California Sales Tax
 - Based on point of receipt/delivery (Seaside = 9.25%)
 - If delivered and charged less than 9.25%, we still pay the difference (happens “behind the scenes”)
- Use Tax (happens “behind the scenes”)
 - Purchases made outside CA that would be taxed if in CA
 - Must still pay tax; full amount to appear on your financial reports
 - Based on Seaside rate (currently 9.25%)



Reconciliation Reminders

- Receipts **need to be detailed** and match the amount posted and noted on the reconciliation report.
- Do not send report to Procurement if a receipt is missing or does not match the amount posted. **Reports will not be accepted unless all receipts are attached.**
- Before sending reports to Procurement, make sure the reports are signed by the Cardholder and Approving Official.
- A Catering Form is always required for all food expenses, e.g., A'viands, Target, Safeway, etc. prior to the event.



Reconciliation Reminders

- When reconciling your ProCard report, always enter a description for each transaction posted
- Use correct account number for expenses when reconciling statement
- When reconciling report ***PLEASE*** put receipts in the same order as shown on the recon report
- Submit documentation to evidence the prior written authorizations and other conditional requirements



Pitfalls and Reminders

- Computer hardware and software - Must obtain PRIOR written approval from IT on any items that will reside on the campus network
- When a Cardholder's Approving Official changes, the department needs to submit an "Approving Official Change" form. NOTE: The new Approving Official must have fiscal authority for Cardholder's department
- Fraudulent activity - be aware of where you are using your card – especially off-beat online websites that may lack adequate security



Pitfalls to Avoid

- Postage Stamps
- Contracts/Agreements not signed by a University Agent *in advance*
- Missing insurance or indemnifications regarding services obtained
- Sales/Use Tax not budgeted (or accrued)
- Returns and Credits documented



What's Still Evolving

- Expanding Uses of ProCard
- Must maintain compliance and cooperation
 - Vendor constraints
 - Department constraints
- With Prior Written Approval (from Procurement, IT, UA, et al.):
 - Service Agreements and Contracts – Univ. Agents
 - Fixed Assets (Equipment items at \$5,000 or more)
 - Computer Equipment and Sensitive Items
 - IT Service Acquisitions, including Software as a Service



What's Still Evolving

- Expanding Uses of ProCard
- Gift Cards *for Research and Event Participants*
- eGift Cards are strongly encouraged, rather than plastic
- With advance approval from the Director of Accounting
- Gift Card Procedure at:
<https://csumb.edu/finance/university-accounts-payable>
- Attach Accounting approval to ProCard Reconciliation
- No need for prior written approval from Procurement



What's Still Evolving

- Expanding Uses of ProCard
- Hazardous Materials
 - See Hazardous Materials Procurement Program
 - <https://csumb.edu/finance/procurement>
 - Also ProCard Guidelines and Appendix A
 - Check with your Authorized Individual within your Department/College
 - Communications with Health and Safety and/or Academic Environmental Health and Safety



Some ProCard Contacts

University Procurement (ProCard)

- Eva Salas x3751
- Art Evjen x3394
- Michael Phillips x4252

University Personnel (Conflict of Interest)

- Melanie Chavez x5404

University Corporation (ProCard)

- Allison Bagchee x3100



TRAVEL (LITE)



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CSU Guidelines

[ICSUAM 3601.01 Travel Policy](#)

[CSU Travel Procedures](#)

CSUMB FAQ

<https://csumb.edu/finance/travel-faq>



Updates to Travel

- Assembly Bill 1887

 - State Government: Discrimination: Travel

- IRS standard mileage rate



AB 1887 Banned States

- Alabama
- Kansas
- Kentucky
- Mississippi
- North Carolina
- Oklahoma
- South Dakota
- Tennessee
- Texas

Please visit <https://oag.ca.gov/ab1887> to get a current list of states before planning travel.



Who does AB 1887 apply to?

AB 1887 applies to all CSU employees, officers, or members, as well as non-employee travelers, including students.



Can I invite prospective employee, speakers, or consultants from states on the Attorney General's list?

Yes. AB 1887 applies to the states that one is traveling to, not the states that one is traveling from.



Exceptions to AB 1887 travel prohibitions?

There are some exceptions to these prohibitions, but they rarely are applicable.

If you feel you meet one of the exceptions please contact the Accounting Department **before** you make travel arrangements.



2019 Mileage Reimbursement Rate

- For travel dated on or after January 1, 2019:

\$.58 per mile for business miles.

\$.20 per mile for relocation reimbursement.



International Travel Requirements

Please see <https://csumb.edu/risk/guidelines-procedures>

> Travel

- For International Travel Requirements
- Workflow Chart
- Foreign Travel Insurance Program (FTIP)
- Traveler and Department Task Summary Sheet

Check ASAP if High Hazard Country





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