



Procurement Card Manual

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A. GENERAL INFORMATION

The University Corporation uses a variety of methods for the purchase of goods and services, including purchase orders, direct pay, petty cash, personal reimbursement, and the procurement credit card (“Procard”) issued by US Bank Corporate (US Bank). The Procard program has been implemented to provide an easy and expeditious method for University Corporation business. University Corporation issues the Procard pursuant to its agreement with US Bank, and is tacking onto a system-wide master agreement between the California State University (“CSU”) and US Bank.

Procards are issued to the name of the individual cardholder whose purchases are reviewed and authorized by his/her approving official. The cardholder is the only person authorized to make a purchase with the Procard issued in his/her name. Purchases made with the Procard are billed to the University Corporation.

The Procard is the preferred method of payment for appropriate low dollar purchases in order to achieve cost savings and improve processing time.

Cardholders are generally assigned a spending limit of \$1,000 per purchase and \$5,000 per month. These limits can be temporarily increased with an email requesting such from the Approving Official to University Corporation Purchasing. If increasing the per month limit and sponsored project funds will be used, an email from Post Award Accounting authorizing the temporary per month increase is also needed. To permanently raise the per purchase limit or the per month limit, please utilize the University Corporation Procurement Card Alteration Request form that can be found at **<https://csumb.edu/corporation/corporation-forms>**. Temporary increases will automatically return to the original limits two weeks from the date of increase unless other arrangements are made with University Corporation Purchasing. If a temporary increase has been or is anticipated to be requested more than three times in the fiscal year, please consider requesting a permanent increase for administrative efficiency. Permanent and/or temporary per purchase increase requests over \$14,999 will not be granted. Please note that for foreign transactions, US Bank will charge a 1% fee for each transaction made in a foreign country other than the United States, whether or not the transaction was in foreign currency.

Procards will be renewed automatically to existing cardholders unless the cardholder’s privileges have been terminated. New Procard users shall complete a Procurement Card Application form, and upon notification from University Corporation's Procurement and Risk Management Analyst that the card is available for pick-up, the user shall pick-up the card within thirty (30) days and sit with University Corporation's Procurement and Risk Management Analyst for training on policies and procedures respecting purchasing and appropriate use of the card. Cardholders are also subject to the US Bank Cardholder Agreement that accompanies the card. At such time the user shall sign the Procurement Card Acknowledgement of Responsibility form. Procard users are encouraged to sign up for CFS training online at https://csumb.edu/employees/cms-finance-cfs?_search=cfs (under Topic(s) you would like help with, please specify Procard Adjustments).

Sponsored project purchases are governed by stipulations of each individual grant or contract under the authority of the Director of Sponsored Programs. Also, please note that the University Corporation Policy “Repayment of Unallowed/Disallowed Costs” applies to Procard purchases.

B. APPROPRIATE USES

- Memberships and registration fees (membership fees only, if not approved by Corporation's Executive Director or Associate Executive Director to use Procard for travel)
- Subscriptions
- Small printing and copying jobs
- Replacement parts

C. CONDITIONAL USES

- A'viands Catering Services. Only catering provided by California State University, Monterey Bay's ("CSUMB") current food service provider, A'viands, may be charged for. The University Corporation Catering Services Information Form for University Corporation Purchases is located at <https://csumb.edu/corporation/corporation-forms> and must be filled out and attached to the cardholder's monthly Procard statement for all catering purchases.
- Gift Cards. Gift cards may be purchased if a Justification Statement is attached indicating that the gift card is for legitimate University Corporation business, not for a personal gift. The Justification Statement form is located at <https://csumb.edu/corporation/corporation-forms>
- Furniture. Furniture up to \$5,000 may be purchased via Procard if approval is obtained in writing **prior** to the purchase from University Corporation's Procurement and Risk Management Analyst (and Grants & Contracts Accounting, if sponsored project funds are involved) or without prior approval only in exigent, unforeseeable circumstances with the completion and submission an adequate Justification Statement for Procurement.
- Sensitive Equipment. Video cameras, camcorders, iPods, iPads, digital cameras, stereos, televisions, DVD/VCR/Blu-Ray players, cell phones, scientific equipment, and accessories may be purchased on the Procard. Those costing \$500 or more, inclusive of tax and shipping (hereafter referred to as "Sensitive Equipment") **shall not** be purchased on the Procard, unless cardholder notifies CSUMB's Property Department of such Sensitive Equipment purchase via email and attaches the email to cardholder's monthly Procard reconciliation report so that University Corporation can ensure tracking of all Sensitive Equipment.
- Computer Equipment. Computer hardware, software, or licenses, including, but not limited to, anything that will be connected to the campus computer network (hereafter referred to as "Computer Equipment"), **shall not** be purchased on the Procard unless:
 - (1) Approval is obtained in writing **prior** to purchase (email is acceptable) by CSUMB's Technical Support Services via the input of a Service Ticket at <http://it.csumb.edu/support/requests/> stating your request. The IT Help Desk will route your request to the correct person in Technical Support Services who will respond to your request. Note that some software products are available at reduced cost or no charge through site licenses. An email from the Technical Support Services is acceptable but must be attached to cardholder's monthly Procard statement. In exigent, unforeseeable circumstances a non-network related Computer Equipment purchase may be made without prior approval with the submission of a completed Justification Statement for Procurement; and
 - (2) Cardholder notifies CSUMB's Property Department of such Computer Equipment purchase via email and attaches the email to cardholder's monthly Procard reconciliation report so that University Corporation can ensure tracking of all Computer Equipment. This subsection (2) does not apply to software or licenses as CSUMB's Property Department does not track software or licenses.

D. PROHIBITED USES

- Splitting of purchases to circumvent the dollar limitation (also known as pyramiding or fragmenting, which is considered fraudulent and illegal)
- Travel expenses are not allowed on the University Corporation Procurement Card, if cardholder has not been approved (must fill out Travel Needs Statement).
- Service Agreements, including, but not limited to
 - (1) on-going maintenance or service contracting
 - (2) personal services such as consulting, sign language interpreters, guest speakers, band performances, etc.
- Cash advances
- Gift certificates, gift cards, or purchases intended to be personal gifts including birthdays, student graduation, holidays, co-worker's illness, funeral, wedding, etc.
- Leases
- Donations to charities, including tickets to charity events
- Equipment rental
- Minor capital outlay projects for special repairs
- Any and all other equipment or furniture totaling \$5,000 or more. Such equipment is appropriate for purchase via a purchase order and these assets shall be tagged by CSUMB's property department (extension 4619). Note that when goods are received by CSUMB's Receiving Department via a purchase order, the CSUMB Property Department will automatically tag items as needed. If goods are received anywhere other than the Receiving Department, the CSUMB Property Department must be notified.

E. RESPONSIBILITY

1. University Corporation Purchasing/Accounting

University Corporation Purchasing and Accounting jointly administer the Procard program and are responsible for reporting, coordinating, conducting post audits, and evaluating all aspects of the program.

2. Cardholder

All cardholders will receive their Procards and a US Bank Cardholder Agreement from the University Corporation Purchasing Department. The cardholders must sign an Acknowledgement of Responsibility for University Corporation Procurement Cards.

The cardholder is responsible for:

- Security of the physical Procard; as well as the credit card number.
- Reporting any lost or stolen Procard to the University Corporation Purchasing Department and US Bank within 24 hours.
- Appropriate use of the Procard, ensuring that no prohibited purchases are conducted using the Procard, and that conditional purchases comply with the procedures herein.
- Compliance with the University Corporation Procurement Policy and Procedures, the Acknowledgement & Responsibility agreement, the US Bank Cardholder agreement, and this University Corporation Procurement Card Manual.
- Obtaining itemized receipts and typing a description into the CFS description

field during the monthly reconciliation process (note this field is also used for justification for purchases utilizing sponsored project funds).

- Timely reconciling monthly statements with original receipts, delivering to Approving Official (see Bank Statement Reconciliation in this manual) for signature, and sending monthly Procard report to University Corporation Accounts Payable. Post upload corrections shall be minimized and repeat offenses subject the cardholder to revocation of Procard privileges.
- Returning Procard to University Corporation Purchasing Department if leaving University Corporation, no longer needing/desiring to utilize Procard, or having Procard privileges revoked (see section entitled “Return of Cards” in this manual).
- Resolving any charge disputes with US Bank and following up on any applicable credits with future statements. A University Corporation Procurement Card Dispute Form is located at www.csumb.edu/corporation/corporation-forms
- Contacting US Bank for questionable items and disputes within five (5) days of receiving the statement.
- Informing University Corporation Purchasing Department of any changes in statement address, department, or Approving Official (see Changes to Existing Cards section in this manual).

3. Approving Official

The Approving Official is responsible for:

- Establishing an internal tracking method for Procard purchases to be aware of the outstanding charges on the account.
- Following up with the cardholder when the Procard has been used incorrectly to ensure that the cardholder is aware of the policies and procedures concerning its use.
- Notifying University Corporation Procurement and Risk Management Analyst whenever a cardholder leaves the University Corporation.
- Ensuring that all receipts are submitted taped to an 8 ½” x 11” sheet of paper (to ensure that they are not lost in transit and for filing purposes).
- An approving official may be anyone designated as an authorized signer pursuant to the University Corporation Account Request/Update Form on file in Accounts Payable.
- Finally, note that (a) approving officials shall not approve their own purchases and (b) signature stamps cannot be accepted as valid signatures.

F. FAILURE TO COMPLY

Cardholders failing to comply with this manual or the Procurement Policy and Procedures are subject to immediate permanent or temporary revocation of the privilege of use of the card, criminal prosecution for fraud, and personal liability, as well as the following procedures:

- First offense – Cardholder and approving official may receive a written notice from the University Corporation identifying the specific purchase and/or area requiring attention. This will be an opportunity for the cardholder and University Corporation Purchasing Department to review the policies and procedures again and to clarify any outstanding questions the cardholder may have.

- Second offense – Cardholder and approving official may receive a written notice from the University Corporation. This notice will specify the purchase and/or area requiring attention. Retraining may be required and if the issue is unresolved, the credit limit may be reduced to one dollar (\$1).

- Third offense – Cardholder will be notified and cardholder’s account may be suspended or revoked. University Corporation will review each case on an individual basis to determine the best course of action. The cardholder, the approving official, and the appropriate area administrator, will be notified, in writing (email will be considered “in writing”), of the card suspension or termination. Once a cardholder’s authority has been terminated, the cardholder is still responsible for clearing up any and all outstanding balances, invoices, disputes, and monthly summary reports.

- Further note that cardholder’s failing to turn in their Procard monthly reconciliation reports or receipts for two (2) months or more will have their Procard credit limits reduced to one dollar (\$1).

G. USE OF PROCUREMENT CARD

Each time a charge is made on the Procard, the cardholder shall require the vendor to itemize the receipt/invoice. If an itemized receipt is unavailable, the following required information must be written on the receipt. An itemized receipt/invoice consists of:

- Date of purchase
- Description of what was purchased
- Quantity purchased
- Price per item
- Sales tax and total
- Shipping, if applicable

Please retain all receipts to be submitted with your monthly credit card report. If you do not have a receipt, or the receipt/invoice amount does not match the statement from the bank, please call the vendor listed on the statement and ask for a copy to be faxed to you. Individual receipts/invoices, if smaller than 8.5” x 11,” must be taped on a sheet of paper. If a receipt needs to be requested from US Bank, there is a \$5 charge that US Bank bills to the University Corporation’s central account; that charge will then be passed to the cardholder’s department. Note that for lost receipts under \$10 the cardholder may, at his/her option, elect to forgo requesting and paying for a duplicate receipt from US Bank by submitting a completed Missing Receipt Declaration form. In the absence of a satisfactory justification, the amount involved will not be allowed. If there are excessive instances of lost receipts, the Procard may be revoked.

Please note that US Bank charges a 1% transaction fee on any transaction made in a country other than the United States, whether or not the transaction was in foreign currency.

Email the CSUMB Receiving Department when an item is being shipped to you so the CSUMB Receiving Department will be expecting your shipment, know where to deliver it, and be aware that the product was not ordered on a purchase order.

H. BANK STATEMENT RECONCILIATION

1. Billing Cycle

The billing cycle for the Procard is from the 21st of the first month to the 20th of the next month. Charges and credits made during this period should appear on the hard copy bank statement, which is mailed directly to University Corporation Account Payable. The cardholder shall review and reconcile his/her charges any time after the 22nd of the month in CFS at the end of each billing cycle. Reconciled and approved end of month reports are to be submitted to University Corporation Accounts Payable ***no later than the 10th of each month***. If no purchases were made during the current billing cycle, no report will need to be completed.

In the event a cardholder will be away from the office at the time the online reconciliation is due, he/she should make arrangements for someone in his/her department (or with his/her Approving Official) to complete that reconciliation process in CFS (If no one is available to do the reconciliation, all charges will be posted against the default chartfield string listed in CFS and an expense transfer may be needed to change the chartfield string). University Corporation Accounts Payable should be notified in writing in advance if the completed documents will be submitted late and justification documented.

2. Cardholder

- Approximately 72 business hours after the end of each monthly billing cycle, the online electronic statement will be available in CFS.
- Cardholder or Cardholder's designee shall review all transactions for accuracy and reconcile via CFS to merchant's receipts/invoices. Although the designee can reconcile the transactions for accuracy, the cardholder must sign the Reconciliation Report to confirm that the purchases made are valid.
- If an item is billed incorrectly or is questionable (e.g., purchases which the cardholder does not believe he/she made), the cardholder must fill out a University Corporation Dispute Form which can be found on the University Corporation website under Purchasing Forms. Fax the Dispute Form to US Bank at (866) 741-3092, then send the form and a copy of the fax confirmation to University Corporation Accounts Payable with the end of month report (note that the disputed charge will need to be coded to a chartstring for payment and then credited when the reversal shows on the next billing cycle).
- Cardholder statements will be paid in full, including disputed items, to avoid late fees and penalties. It is the cardholder's responsibility to secure a reversal of the late charges (credit) from the bank.
- Cardholder is responsible for attaching to the monthly procurement card report the corresponding original receipts/invoices listed in the same order as they are listed on the bank statement/report, signing the report and forwarding to Cardholder's Approving Official by the date the Approving Official establishes.

3. Approving Official

- Establish a date by which all cardholders under his/her purview must submit statements and receipts to Approving Official in order for the approved end of month report to be forwarded to University Corporation Accounts Payable, ***no later than the 10th of each month***.

- Review monthly charges made by the cardholders to make sure charges were appropriate, that prohibited items were not purchased, and the appropriate account numbers were assigned to each charge.
- Sign the cardholder's end of month report when reconciled with cardholder's monthly bank statements/receipts and forward to University Corporation Accounts Payable no later than the 10th of each month.

4. Card Activation

To activate your card, call the customer service number on the label of your card. You will either be directed through an automated system or a customer service representative will assist you. You will need to provide the following information:

- Your credit card number
- 4-digit security code obtained from the University Corporation Procurement and Risk Management Analyst during your Procard training

I. RETURN OF CARDS

University Corporation Human Resources employee exit/clearing procedures include a final Procard reconciliation and return of the Procard to the University Corporation Purchasing Department. Cut the Procard in half and send it to University Corporation Purchasing Department, via inter-campus mail or in person, to the University Corporation Building.

J. CHANGES TO EXISTING CARDS

Changes to your existing Procard, including name or address changes, can be made by completing the Procurement Card Alteration Request, which can be found on the University Corporation website in Purchasing Forms, specifically at www.csumb.edu/corporation/corporation-forms. Simply complete the form with the changes, obtain authorizing signatures and forward to the University Corporation Procurement and Risk Management Analyst at the University Corporation Building, for processing.

K. INFORMATION RESOURCES

Procurement Card Bank

- US Bank Corporate
Customer Service Phone: (877) 887-9260
Fraud Service Phone: (800) 523-9078

University Corporation Purchasing

- Allison Bagchee, Procurement & Risk Management Analyst
Phone: (831) 582-3100

University Corporation Accounts Payable Department

- Heather Wilks, Accounts Payable Technician
Phone: (831) 582-4017
- Therese Chambers, Accounts Payable Technician
Phone: (831) 582-3125
- Patty Madrigal, Accounts Payable Technician
Phone: (831) 582-4162