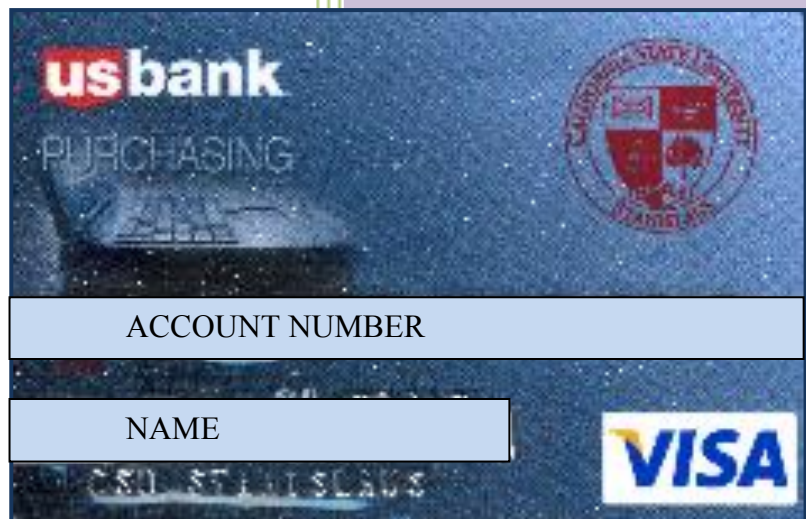


2012

Procurement Card (PCard)



**Policy & Procedure
Handbook**



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QUICK REFERENCE RESOURCES:

PCard Program Personnel:

PCard Program Coordinator~ Clyta Polhemus

The Director of Procurement Services serves as the Agency Program Coordinator and is responsible for the PCard Program. Clyta can be reached at 209-664-6507 or by email at cpolhemus@csustan.edu

PCard Program Administrator ~Julie Anderson

Responsible for day-to-day operations of the PCard Program, including tasks such as card set-up, maintenance, reporting, declines, PCard training, etc. Julie can be reached at 209-664-6592 or by email at jmanderson@csustan.edu

PCard Accounting Administrator~Lenna Bonilla

Responsible for auditing statements for policy compliance, calculating use tax and performing the charge-out process in PeopleSoft Finance. All Cardholder Transaction Reports are due the 1st business day of each month and need to be sent or delivered directly to the PCard Accounting Administrator. You can reach Lenna at 209- 667-3140 or by email at lbonilla@csustan.edu

Card Issuer

U.S. Bank is our credit card issuer. You will need to contact them immediately if your credit card is lost or stolen. You will also need to notify the PCard Program Administrator. Their customer service support team can be reached at 1-800-344-5696 and can help answer questions regarding declines, available credit, etc. You can also find this number on the back of your credit card. For help with password resets and general navigation for access online you can reach customer service at 1-877-887-9260.

Access Online

This website is the U.S. Bank web-based electronic program management tool that provides cardholders with quick access to their account information, enabling the cardholder to view their account activity, billing statements and change account distributions if needed online. <https://access.usbank.com> . For help with password resets and general navigation for access online you can reach customer service at 1-877-887-9260.

PCard Website:

All forms and documents related to the PCard can be found here.

<http://www.csustan.edu/financialservices/Purchasing/PCard/index.html>

GENERAL INFORMATION

Introduction

The CSU Stanislaus U.S. Bank® PCard program is a simple and easy-to-use payment method that increases efficiency and reduces costs at our university. Specifically, it helps reduce the number of purchase requisitions, purchase orders, petty cash transactions and other time-consuming purchasing activities.

Cardholders are required to read this cardholder Policy and Procedure Handbook. It provides helpful information regarding the PCard process, approved purchases, supplier acceptance, record retention and monthly reconciliation.

If you have questions about the program or need additional information, contact the Program Administrator, Julie Anderson at 209-664-6592 or JMAAnderson@csustan.edu.

Purpose of the U.S. Bank® PCard program

Our PCard program offers a timely and reliable way to make purchases and pay low dollar transactions. It eliminates many expensive payment processes associated with petty cash, check requests and purchase order transactions. In fact, it benefits everyone involved in the purchasing process:

Cardholders...

- **Save time** because it is faster to place orders and receive goods
- **Have less paperwork** because there are fewer purchase orders and requisitions

CSU Stanislaus...

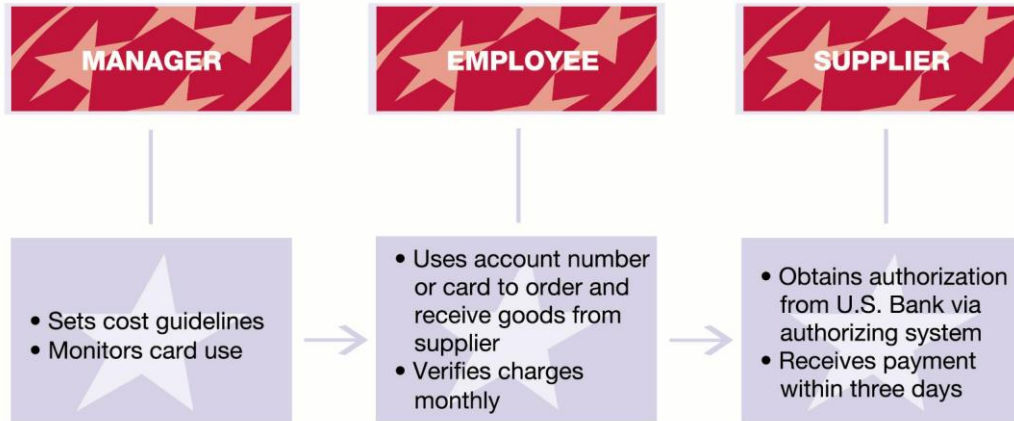
- **Empowers cardholders** to make purchases while still ensuring compliance with University guidelines
- **Adapts to changing needs quickly** with easy-to-adjust spend controls
- **Increases efficiency** in accounts payable because there are fewer checks to cut and therefore less paperwork and processing costs
- **Rebate Dollars** are generated for CSU Stanislaus when the PCard is used

Suppliers...

- **Receive payment within three days**
- **Increase efficiency** because of invoice processing, tracking, accounts receivable (A/R) and collections is eliminated

The PCard eliminates many time-consuming processes. However, it is not intended to avoid or bypass appropriate purchasing guidelines. The requirements and approval limits detailed in this manual must be adhered to at all times. Failing to abide by the guidelines set forth here violates California State University Contracting and Purchasing Policy and CSU Stanislaus Purchasing policy.

PCard process overview



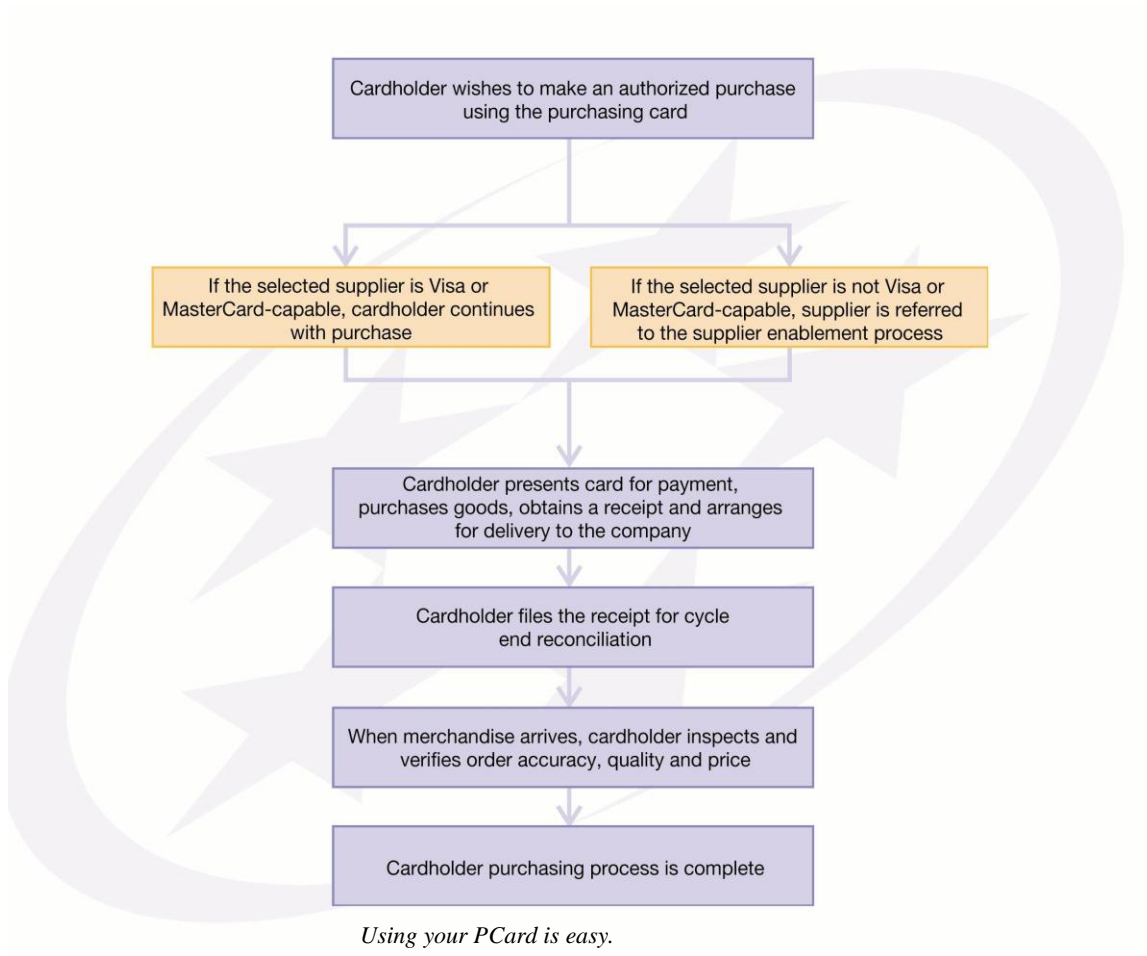
Our PCard payment process is simpler and more efficient than a paper-based system.

Paper-based payment processes are time-consuming. The paperwork, staff time, and reconciliations involved cost CSU Stanislaus as much as \$80 per transaction. Our PCard program is more efficient. It streamlines the payment process, saving CSU Stanislaus money and personnel resources.

The PCard program allows managers to set cost guidelines and monitor card use. Cardholders simply use their account number or card to make qualified purchases and then verify the monthly charges. If there are discrepancies, it is the cardholder's responsibility to report them. Once vendors have obtained authorization from U.S. Bank via the authorizing system, they receive payment within three days.

The PCard program handles invoices and payments electronically, reduces the number of accounts-payable invoices, and automatically posts transactions to the general ledger (G/L). It also supplies consolidated management reports for tracking purposes and spending trends.

Typical purchase process



How to obtain a PCard

PCards are issued to employees who need to buy goods on behalf of the university. To request a PCard, you must complete the PCard Cardholder Agreement. This document is located on the PCard Website: <http://www.CSUStanislaustan.edu/FinancialServices/Purchasing/PCard/index.html>.

After the completed Cardholder Agreement is received, the PCard Program Administrator will order the PCard and email the applicant a meeting request for the next scheduled PCard Training. The Cardholder must attend the mandatory PCard Training prior to the PCard being issued.

Management approval process

Your manager will assign two limits to the account. The **single transaction limit** sets a maximum dollar amount for any single purchase made. It may apply to one item or a mix of multiple items purchased in a single transaction from one supplier. Please note that any purchase over \$500 requires the cardholder to complete a PCard Pre-Purchase Authorization from prior to the purchase even if the cardholder's single purchase limit is greater than \$500.

A **monthly spend limit** will also be set. It determines the amount you can spend within a 30-day billing period. The amount is automatically replenished the day after the cycle-end date.

As an added benefit, you will be assigned a user-specific **Default Accounting Code/Speedchart**. This code identifies your Department, Fund, Account Code and possibly Program Code or Project Number. Unless you change this code manually, all transactions will charge your default account.

Cardholder's acknowledgement of responsibilities form

The CSU Stanislaus PCard Cardholder Agreement outlines the responsibilities of the cardholder. Please read it closely. If you agree to adhere to the guidelines in the document, sign and return. If you have questions, contact the PCard Program Administrator or see Roles and Responsibilities in your CSU Stanislaus/U.S. Bank Cardholder Agreement guidelines. The PCard Program Administrator will review your Cardholder Agreement to determine that the application is complete and has the proper signatures prior to requesting a new account set-up from U.S. Bank. The employee will receive an emailed invitation inviting them to next scheduled PCard Training.

Receipt of your PCard

Once the employee has completed the required PCard training, the PCard will be issued to the cardholder. The PCard is usually issued at the completion of the PCard training session.

Activating your PCard

You must activate your new PCard before it can be used. To do so follow these instructions:

- Immediately sign the back of your new card
- Activate your new card by calling the number on the activation sticker affixed to the card
- The U.S. Bank automated activation line will prompt you to enter the following:
 - Your card's 16-digit card number
 - The zip code for your card's mailing address (95382)
 - Your social security number (we don't provide your SS#. Get the code from the Program Administrator)
 - Your office phone number

Note: the mailing address for your card is One University Circle, Turlock, CA. 95382.
You will need this address for online and phone purchase

USING YOUR PCARD

There are a number of ways to make purchases. You can place orders in person, over the phone, via fax, e-mail, the Internet or the organization's eProcurement system. Just have the supplier charge the purchase to your PCard account number and provide an itemized invoice. For phone or fax orders, instruct the supplier to put your name and mailing address on the shipping label.

Your PCard offers many of the same conveniences as a personal credit card. However, please observe the following guidelines to help ensure a smooth accounting and overview process.

Procurement Card Policy – Executive Order 760

Executive Order 760 establishes procurement card policy for the CSU system. The policy includes the following conditions:

1. All Cardholders must sign and accept the terms and conditions of the CSU Stanislaus PCard Cardholder Agreement.
2. All purchase transactions processed against a PCard must be made by the individual to whom the card is issued.
3. The Card cannot be used for those restricted goods, equipment, and services listed; nor can the PCard be used for purchase transactions exceeding the designated transaction dollar limit.
4. Purchases are only for the use and benefit of the University.
5. Use of the PCard will be governed by the most current version of the CSU Stanislaus PCard Cardholder Policy & Procedure Handbook and the PCard Cardholder Agreement.
6. Purchase must not be split into two or more transactions to avoid the single purchase limit.
7. Monthly audit and review of Cardholder purchases will be conducted. Appropriate action will be taken for any misuse of the credit card (see Audit Procedures).
8. Use of the PCard is subject to review by the University, California State University, or the State of California auditors at any time.

ACCEPTABLE PCARD USES

Your CSU Stanislaus PCard is for business use only. The following types of purchases are acceptable:

1. **Subscriptions** - Subscriptions must be sent only to the University address, not the subscriber's home address
2. **Dues & Memberships**- For professional organizations only. Recreational clubs such as travel, sports and entertainment, memberships for personal use and donations are *not* authorized.
3. **Advertising** – Display advertisement, recruitments posted online through services such as the Chronicle of Higher Education. *Note: All recruitment for staff positions must go through Human Resources.*
4. **Conference Registration & Training** – For faculty, staff and student employees only.
5. **Goods** - Goods or merchandise that do not qualify as a restricted item and are within your spending limits. These might be items you would have used petty cash, or a direct pay reimbursement for prior to obtaining a PCard. Examples would be building maintenance supplies, safety supplies, electrical supplies, etc.
6. **Chartwell's** (Catering) requires all charges to be paid using PCard. A Hospitality Form must be completed and signed for all Chartwells purchases. Please contact the PCard Program Administrator if the charge is over the Cardholder's monthly or single purchase limit. A one-time increase can be arranged with approval from the appropriate Vice President.
7. **Service and Repairs** -Off Campus low risk services such as dry cleaning.
8. **Equipment costing less than \$500** – Tax and shipping must be included as part of the purchase price. If you wish to have equipment tagged and placed on inventory for security reasons, please notify Property Control at extension 3986.
9. **Purchases Over \$500 (non-equipment)** - require a signed PCard Pre-Purchase Authorization before the purchase is made or it will be considered an unauthorized purchase. The signed Pre-Purchase Authorization is attached to the receipt at the time the statement is reconciled.

UNACCEPTABLE PCARD USES

The following types of purchases are unacceptable:

1. **Personal uses**
2. **Services and repairs.** Some exceptions can be made by special permission.
 - Service or Repairs involving risk are not allowed unless special permission has been granted in advance by the PCard Coordinator or the PCard Program Administrator.
 - Any vendor that comes on campus must have a current certificate of insurance on file **PRIOR** to **any** work being performed. The cardholder is responsible for obtaining the certificate and attaching it to the receipt at the time their statement is reconciled. Insurance requirements are located at <http://www.csustan.edu/RiskManagement/CertificateOfInsurance/index.html>. You may contact the CSU Stanislaus Risk Manager if you need assistance or clarification on any insurance requirements.
 - Services and repairs not involving risk and in circumstances where the vendor **does not come on campus** such as dry cleaning or sending an item to a manufacturer for repair, are allowed without a certificate of insurance.
3. **Capital purchases** (Items over \$5,000 that need to be depreciated)
4. **Travel and entertainment (T&E).** Travel related expenses such as airfare, rental car, hotel for travel, fuel purchases related to travel, alcoholic beverages, restaurants, theatres, clubs are not permitted. Travel Cards can be obtained by a department for CSU Stanislaus travel. Contact the PCard Program Administrator for more information.
5. **Firearms, explosives, radioactive materials, controlled substances**
6. **Food** (*unless it's in accordance with the University Hospitality Policy*)
7. **Gifts, gift cards, flowers, parties, etc,** (*unless it's in accordance with the University Hospitality Policy*)
8. **Transactions that circumvent established controls**
9. **Purchases for other departments**
10. **Splitting of purchase to circumvent transaction limits**
11. **Cash advances/Travelers checks**
12. **Purchases of construction and construction related services** (require approval from General Counsel)
13. **Minor and Major capital outlay**
14. **Architect & engineer services**
15. **Purchase of equipment items that are over \$500 and a useful life of one year** or more (see below for more information). For questions on what constitutes equipment, please call Property Control at extension 3986. Note: Exceptions can be made with special permission. Please contact the PCard Program Administrator with questions.

Use Tax Calculation

Some out-of-state suppliers do not charge California State sales tax. The Accounts Payable Department will add use tax to any PCard invoices where sales tax is not charged. It's the University's responsibility to file a return and remit any use tax on out-of-state purchases directly to the California State Board of Equalization. Please keep in mind that this will cause a discrepancy between the Cardholder Transaction Report (statement) submitted and what is actually expensed from the department's account. **Note: If a PCard Reconciliation is late, use tax will be assessed on all out of state vendors regardless if the vendor already charged tax on the receipt. This may cause an additional charge to be assessed to the department's account.**

PCard Website

All Forms and Documents can be found on the PCard Website. Examples of the most commonly used forms are listed below. <http://www.CSUStanislaustan.edu/financialservices/Purchasing/PCard/index.html>.

Hospitality Policy and Form:

The Hospitality Form is required for food purchases and items such as flowers, gift cards, gifts, parties, etc. Please review the Hospitality policy and include a Hospitality Form with your receipt when required. Both the policy and form are located on the PCard website.

Pre-Purchase Authorization Form:

Any purchase over \$500 requires a Purchase Authorization Form to be completed and signed ***PRIOR*** to the purchase. This form must be submitted with the PCard reconciliation.

Missing Receipt Affidavit:

When a itemized receipt cannot be obtained from supplier, the cardholder is required to complete this form and submit it with their reconciliation.

PCard Returned Merchandise Report:

This form must be completed for all returned items.

Returns, Damaged, Defective, or Incorrect Items

Be sure to inspect all orders upon receipt and contact the vendor if items purchased are damaged, defective, or incorrect. You are responsible for conducting all negotiations for replacement or return of damaged or incorrect orders. If you receive damaged, defective, or incorrect items you should:

- Contact the vendor promptly – delays in reporting damaged goods could result in an invalid claim. Be sure to document all discussions or communications with the vendor (i.e. date, contact name, details, etc.).
- Find out if the vendor requires a “Return Materials Authorization Number” (RMA). If so, follow the vendor’s procedures for requesting one. Note: vendors often charge a restocking fee if a return is not their fault.
- Fill out a Returned Merchandise Report, located on the PCard website under Forms and Documents, and distribute copies as noted on the form.
- Follow the vendor’s instructions for packaging and returning the order (i.e. truck, UPS, vendor pickup, etc). Call the Receiving Department if you need assistance or if the order is to be sent by truck, or picked up by the vendor. UPS shipments can be processed by the Mail Services Department. If the vendor is not paying for the cost of the return it will be charged to your department account.
- Be sure to keep the credit receipt until the credit transaction shows up on your Cardholder Transaction Review Report. When the credit shows up, attach the credit receipt to your monthly report.
- If the vendor refuses to replace the defective item or fails to issue a credit, the purchase will go into dispute. Follow directions for Disputing a Transaction located on PCard website under training-quick reference guides.

Misuse or abuse of your PCard

In addition to excluding personal purchases, the PCard program may exclude certain suppliers based on their vendor classifications. Purchase of restricted commodities or from restricted suppliers is unacceptable. It is also forbidden to split purchases or service costs over multiple transactions in order to bypass the authorized transaction limit.

Misuse of your PCard is a serious offense. You could have your card permanently revoked, be subject to an internal audit, or face legal action.

AUDIT PROCEDURES

The PCard Program Administrative Team performs a monthly post-audit review of all Cardholder documentation. The Cardholder is notified via email if non-compliance occurs. The Approving Official is copied on the email sent to the cardholder.

Each of the following is an example of what constitutes a policy violation (audit finding):

- Failure to obtain an itemized receipt/invoice.
- Purchase of equipment costing \$500 or more.
- Purchase of items identified as restricted.
- Failure to submit your reconciled and approved Cardholder Transaction Report to Account Payable, or submitting it after the indicated deadline.
- Failure to obtain correct Approving Official signatures on the monthly Cardholder Transaction Report.
- Additional documentation, when required, missing or deemed otherwise non-compliant with University policy (Missing Receipt Affidavit, Hospitality Form, Pre-Purchase Authorization).
- Failure to attach a current Certificate of Insurance when required.

If you cannot obtain a receipt from a supplier, you are required to complete a Missing Receipt Affidavit (MRA). Each MRA turned in is given a ½ point penalty. Audit findings are not issued on each MRA, but they are tracked. If you receive a total of four (4) points in audit findings within 12 months, your PCard may be revoked or you may be required to attend additional training.

Your PCard account may be cancelled immediately in the following situations:

- Using the card for personal purchases.
- Splitting a transaction to avoid set purchasing limits.
- Using your card to purchase an item identified in “Restricted Uses”.
- Allowing someone else to use your card.
- Not attaching a current Certificate of Insurance to the receipt for any vendor providing a on campus service or repair
- Not reporting a lost or stolen card.

Your PCard account may be cancelled, inactivated, or you may be required to attend additional training if you receive four (4) audit findings within a 12-month period.

Fraudulent use of your PCard

If someone makes fraudulent purchases with your PCard it is your responsibility to report the activity. Call U.S. Bank Customer Service at (800) 344-5696 immediately. You are liable for all unauthorized card use until the card issuer is notified. Next, notify your manager and Program Administrator to report the activity, and follow up with a written, detailed explanation. The Program Administrator will contact U.S. Bank to get a replacement card for you.

One increasingly common form of credit card fraud is “**phishing**”. This is when criminals send e-mails or host websites posing as legitimate financial institutions asking for your personal information and account numbers. To protect yourself and our organization:

Never give out your account number or other personal data to someone who contacts you via phone or e-mail. U.S. Bank and the credit card association already have the information they need to maintain your account. They never contact you to ask for verification.

Do not reply to a fraudulent e-mail under any circumstance. Also, do not click on the link in the e-mail.

Send a copy of suspicious e-mail to fraud_help@usbank.com. In your e-mail, please tell U.S. Bank that you have an account relationship with them, what Internet Service Provider (ISP) you use, the type of connection you use to access the Internet, and whether you have a firewall installed on your computer.

Lost or stolen cards

The CSU Stanislaus U.S. Bank PCard is company property. Please keep it safe. If your card is lost or stolen, contact U.S. Bank Customer Service immediately at (800) 344-5696 and notify the Program Administrator.

After your call, the account will be blocked. By acting promptly, you can reduce our organization's liability for fraudulent charges. You may also want to make this call if your statement is lost or stolen.

MANAGING YOUR TRANSACTIONS

You must submit a statement each month detailing transactions made against your PCard. If there were no transactions on the PCard, no action is required. Cardholders will print a copy of their statement using Access Online <https://access.usbank.com>.

Reconciling your statement

Our PCard program carries corporate, not individual, liability. As a result, accounts payable processes a central invoice and you are not required to pay the amount shown on your monthly reconciliation statement using your own funds. The program does not affect your personal credit rating in any way.

You are required to retain receipts for all purchases. So, if you make a purchase by phone or mail, be sure to ask the supplier to include a receipt with the shipment. This is important because your receipt is the only original document stating whether or not a sales tax has been paid.

You will use U.S. Bank Access Online to reconcile your statement. Its functionality streamlines the reconciliation process and reduces posting errors. For more information on performing tasks in Access Online, refer to the quick reference guides under the training section of the PCard Website: <http://www.CSUStanislaustan.edu/financialservices/Purchasing/PCard/index.html>.

Reviewing transactions

You will print your statement each month using U.S. Bank Access Online identifying each transaction made with the PCard during the last billing cycle.

When you print your statement:

1. Review it for accuracy.
2. Attach all receipts you retained during the billing cycle to the back of the statement in the order that they appear on the statement.
3. Include any additional documentation that may be required such as a Hospitality Form, Missing Receipt Affidavit, Pre-Purchase Authorization, Certificate of Insurance, etc.
4. Provide reconciled statement with attached receipts to your manager (Approving Official) for review and approval
5. Your manager reviews, approves and forwards the statement to the PCard Program Accounting Administrator on or before the due date.
6. Statement will be audited by the PCard Administrative Team.

Payment of a central invoice is made immediately by accounts payable but your purchase activity may be audited at any time.

Reallocate transactions

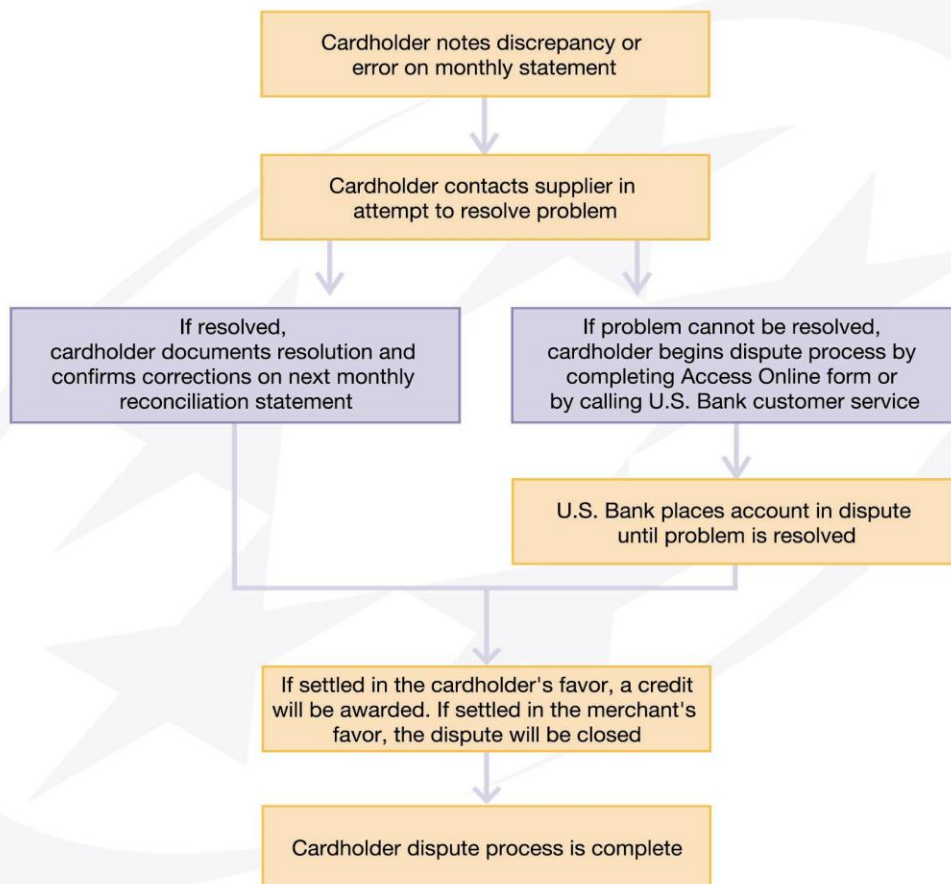
Before the cycle closes, cardholders also have the ability to re-allocate transactions to one or multiple accounting codes – including the option of splitting individual transactions by specific dollar or percent of transaction amounts. The re-allocation deadline is the same as the statement deadline, 4 PM, of the first working day of the month. Training materials for re-allocation are available on the PCard website: <http://www.csustan.edu/financialservices/Purchasing/PCard/index.html>. Please note: Cardholders can allocate charges throughout the month as long as they are completed by 4PM, the first business day of the month.

What to do if your records and statement do not match

You may occasionally find items on your statement that do not match your receipts. The amount may be incorrect, you may have service issues, or perhaps you did not make the purchase at all. The first step is to contact the supplier and try to resolve the error. If the supplier agrees an error has been made, they can simply credit your account.

If a supplier does not agree an error has been made, contact U.S. Bank Customer Service at (800) 344-5696 and tell them you want to dispute a charge on your card. You can also file disputes online using Access Online. U.S. Bank must be notified of disputed charges **within 60 days** of the statement issuing date.

Dispute process



Follow these steps to help settle disputed transactions quickly and efficiently.

Account Maintenance

When changes, updates, or cancellations of PCards are required, the Program Administrator is authorized by U.S. Bank to make the changes. Changes to a PCard account include:

- Change to monthly and/or transaction limit(s)
- Name changes due to divorce, marriage, etc.
- New address or telephone number
- Department change
- Change in Approving Official

For any of the changes listed above, use the PCard Application form located on the PCard website and select “change” at the top of the form. You will only complete the information on the application that is changing. On occasion, it may be necessary to temporarily raise or lower a Cardholder’s monthly or transaction limit. All exception authorizations and temporary changes to limits must be approved in writing by the appropriate Vice President or assigned designee.

CARDHOLDER RESPONSIBILITIES SUMMARY

1. Complete PCard Training.
2. Observe CSU Stanislaus procurement procedures and policies for the purchase of commodities.
3. Obtain itemized receipts/invoices for all purchases.
4. Verify that department funds are available to cover purchases.
5. Obtain approval and provide a current Certificate of Insurance for all on-campus service and repairs.
6. Be responsible for the location, control, security, and records for your PCard.
7. Inspect all orders upon receipt, verifying that the contents are exactly what was ordered.
8. Change Speed Charts in Access Online if required. Note: The statement deadline and the allocation of Speed Charts deadline are the same; 1st business day of the month.
9. Timely and accurate preparation of the Transaction Report (Reconciliation Statement).
10. Include all additional documentation, if needed, with monthly Transaction Report.
11. Submit detailed itemized receipts/invoices with monthly statements to your Approving Official in sufficient time for the Approving Official to review and forward them to Accounts Payable before the deadline. Statements are due by 4 pm of the 1st working day of each month.
12. Make advance preparations for reconciling your statements in the event you will be out of the office.
13. Return your PCard to the University’s Program Administrator upon leaving the department or terminating services with the University.

Note: The Cardholder and the Approving Official are jointly responsible for assuring that the Transaction Report is received by Accounts Payable by the date and time due each month. All Speed Chart changes for transactions listed in the monthly statement must be completed by the report deadline also. If the Cardholder Transaction Report is not received by the deadline, the PCard may be inactivated. Repeated instances may result in the PCard being revoked.



APPROVING OFFICIAL RESPONSIBILITIES SUMMARY

1. Review all charges on Cardholder's statement and ensure they are correct and were made for official University purposes.
2. Ensure the PCard Policy is followed and no restricted items are purchased.
3. Sign the Cardholder Transaction Report and be sure the Cardholder Transaction Report is submitted to the Accounts Payable by 4 pm on the 1st working day of the month.
4. Ensure all proper documentation is attached to monthly Cardholder Transaction Report, including itemized receipts/invoices and additional documentation when necessary
5. Make advance preparations for approval of Cardholder's statements in the event you will be out of the office; approval must be elevated to a higher level.

If, due to travel or extended leave, a Cardholder or Approving Official is not available for verification when the monthly Cardholder Transaction Report is due, arrangements must be made for this activity to be performed in a timely manner by another individual. Each cardholder has an alternate signer in the event their primary Approving Official is not available. Please contact the Program Administrator at 664-6592 for more information.