

Sonoma State
University

PROCUREMENT CARD (PROCARD)
HANDBOOK
for
CARDHOLDERS
and
APPROVING OFFICIALS

Revised April 10, 2012

TABLE OF CONTENTS

<i>GENERAL INFORMATION.....</i>	<i>3</i>
<i>PROHIBITED PURCHASES.....</i>	<i>4</i>
<i>CONDITIONAL PURCHASES.....</i>	<i>5</i>
<i>PROCEDURES - CARDHOLDER.....</i>	<i>6</i>
<i>PROCEDURES - APPROVING OFFICIAL.....</i>	<i>10</i>
<i>CHANGES TO PROCARD ACCOUNTS.....</i>	<i>9</i>
<i>INFORMATION SOURCES</i>	<i>12</i>

MISSION STATEMENT

Provide a method to easily procure small dollar purchases of authorized commodities and limited services by utilizing a specialized credit card. This method will distribute procurement authority throughout the University while protecting its assets.

GENERAL INFORMATION

In today's environment of streamlining government, state and local agencies are looking for ways to cut administrative time, effort, and costs. Procurement cards, (ProCards) essentially a specialized credit card, enables agencies to significantly trim the traditional paper and labor intensive procurement process for small dollar purchases.

With the ease of a widely accepted credit card, designated employees may make purchases at a merchant's place of business, by telephone and via the Internet. Common uses for the ProCard include the purchase of approved goods and limited services. The ProCard allows departments to effectively control and monitor small purchases and reduce time and paperwork.

Sonoma State University uses a variety of methods for the purchase of goods and services, including purchase orders, petty cash, and direct payments. Processing purchase orders is not cost effective for low dollar value goods and occasionally suppliers refuse to accept a purchase order.

The ProCard should be used as the first option before other existing methods to obtain items which are not prohibited. Cardholders are encouraged to use the ProCard in order to achieve cost savings and improve processing time.

LEGAL REFERENCE AND AUTHORITY

Authority to utilize procurement cards is granted in Executive Order 760 and Integrated CSU Administrative Manual Policy Number 3103.03

PROHIBITED USE OF PROCARD

The use of the ProCard is strictly unauthorized for the following items:

- Advertisements*
- Alcoholic Beverages
- Animals (Except for Instruction Related Purposes)
- Cash Advances
- Construction/modifications or special repairs
- Explosives, Firearms
- Food- All University Operating Funds (Except for Instruction Related Purposes. Must reference a course name and number)**
- Hazardous Materials: Ethyl alcohol, dangerous drugs, precious metals and other hazardous materials
- Leases
- Maintenance Agreements
- Network Equipment***
- Past Due Invoices – Past Due is defined as an Invoice Date over 30 Days
- Personal purchases
- Postage – All US Postal Service (USPS) services
- Purchases for other Business Units
- Services (Personal, Consulting or Contractual Services) – no annual maintenance or ongoing service contracts
- Software Licenses (Contractual)
- Splitting of purchases to circumvent the dollar limitation
- Travel (Including registration fees where a travel claim will be submitted to Seawolf Services)****

* The following departments are authorized to place advertisements via ProCard: Human Services, Center for Performing Arts, Marketing, Extended Education; and Faculty Affairs. Faculty Affairs' recruitments ads may be placed by originating academic department's ProCard with prior written approval by Vice Provost, Faculty Affairs.

** See also Conditional Purchases on Page 5

*** Purchases of these types of equipment are PROHIBITED by cardholders other than Network & Telecommunications Services: Routers, switches, hubs, wireless networking devices (i.e., wireless hubs, Apple Airport hubs, wireless access point, wireless routers); and firewalls.

**** 1. Athletics and University Support and Preparation Services (USPS) are authorized to use the ProCard as the payment method for selected bus transportation service blanket orders.
2. Registration fee, within a 25 mile radius of the University, no travel claim resulting.
3. Enterprise Rental Car, Pick-up and Drop-off at SSU, no travel claim resulting.

CONDITIONAL PURCHASES

The ProCard may be utilized for the following conditional purchase if established approvals and criteria are met.

- **IT Hardware and Software:** To ensure compatibility with existing equipment, Cardholder must obtain written approval or specifications from IT via IT Certification form, PRIOR to making any computer hardware or software purchase. A copy of approved IT Certification must be attached to Cardholder's reconciliation statement along with the receipt. A complete listing of IT related items requiring IT Certification is posted online via <http://www.sonoma.edu/it/helpdesk/support/>. Please contact IT directly for IT certification related questions or clarification at X42107, Scott Lance.
- **Hospitality:** Receipts for purchases that are hospitality in nature must be accompanied by a complete and accurate Hospitality Expense Pre-Approval form, signed by a Dean, Senior Director or above prior to the purchase. Cardholder is expected to be familiar with and to refer to the SSU Hospitality Expenses policy (<http://www.sonoma.edu/UAffairs/policies/hospitalitypolicy.htm>) for details as well as limitations of specific funds use.
- **Food** - Food purchases may occur as long as the expense is appropriate for the funds being utilized. The SSU Hospitality Policy applies unless food is an instruction related purpose. (Must reference a course name and number.)

For questions regarding conditional purchases, please contact Program Administrator at X43102 or X42451.

PROCEDURES - CARDHOLDER

RESPONSIBILITY AND SECURITY

The Cardholder is responsible for:

1. Ensuring the ProCard is used appropriately and in accordance with the University ProCard Program Policy and that all purchases comply with University's procurement and contracting procedures and policies.
2. Security of the ProCard and not divulging ProCard account information to any third party inquiries.
3. Review each purchase receipt and bank statement closely for accuracy to ensure the Cardholder's per transaction limit is not exceeded and report any discrepancy to the Bank immediately.
4. Preparation of the (PeopleSoft generated) Monthly ProCard Statement.
5. In case of absence, be responsible to train designated backup in the preparation of the Monthly ProCard Statement to ensure that it will be submitted to Approving Official for review and approval prior to the email-announced monthly due date.
6. Ensuring procard use is limited to cardholder and is not utilized by another individual.

Each Cardholder must sign a ProCard Cardholder Agreement acknowledging receipt of the ProCard, completion of training, and acceptance of the responsibility and authority being delegated to the Cardholder for its use.

Special Note: Do not respond to emails from the Bank requesting ANY personal information.

OBTAINING GOODS AND LIMITED SERVICES

The Cardholder may obtain goods up to their transaction limit and services up to \$1,000.00 by either going to a merchant's place of business to purchase goods, call and place the order over the telephone or place an order via the Internet or fax. In all cases, the Cardholder is required to obtain an itemized receipt/invoice which must include the following information:

- Vendor Name
- Invoice/receipt date
- Description of item or service
- Quantity
- Price per item and extension
- Amount of sales tax
- Shipping charges, if applicable
- Total amount

If a receipt/invoice is not itemized, the Cardholder is responsible to write in the itemization of the purchase on the receipt/invoice.

Commodity orders to be shipped require the following SHIP TO ADDRESS format:

**SSU RECEIVING - PCARD
Attn: (Name, Building, Room Number)
1801 E. Cotati Avenue
Rohnert Park, CA 94928-3609**

Any missing ship to address information will result in the item being returned to the vendor and payment disputed. Always confirm the ship to address is complete and accurate with the vendor.

EQUIPMENT Purchases of authorized equipment valued between \$500.00 and \$5,000.00 (total cost, including tax and shipping) must be identified in CFS ProCard Adjustment with the following chartfield account code: 619801. Upon purchase, the Cardholder is responsible to advise their Department Property Custodian to ensure the item is properly tagged. Cardholder then enters the SSU property tag number in the description for that transaction line in CFS ProCard Adjustment.

TAXES The CSU is required to pay California sales tax on all goods received. This includes goods shipped from vendors inside and outside California even if they do not charge sales tax on their invoices. If a Cardholder receives goods from any vendor who does not include sales tax on their receipt, Accounts Payable will pay the tax as a “use” tax to the state when quarterly returns are filed.

The following charges are not subject to sales or use tax: labor, subscriptions, electronic-delivered media, and services. Shipping is not taxable; handling charges are. If shipping and handling are combined in one amount, we must add use tax to the amount of the combined shipping and handling. If it is a significant dollar amount Cardholder should choose to contact the vendor and ask them to separate the two.

If you have any questions about sales or use tax, contact Accounts Payable, X42451.

LOST RECEIPT/INVOICE

If the Cardholder has lost receipts/invoices, the Cardholder must make the effort to obtain a duplicate copy from the merchant. If unable to obtain a copy, a completed “Certification of Receipt of Goods” form must be filled out, signed by Cardholder and Approving Official, and attached to the Monthly ProCard Statement. *If there are excessive instances of lost receipts/invoices, the ProCard will be revoked.*

DISPUTED CHARGES

The Cardholder is responsible for resolving questionable items which appear on the online bank statement with the merchant and/or bank, *NOT Contracts and Procurement or Accounts Payable.*

If an item is billed incorrectly, it will still be paid to the Bank in the current month. The Cardholder should first contact the merchant, if possible, and make every attempt to resolve the problem. If resolution is not reached, the Cardholder must dispute the item following the instructions on the US Bank Access Online website. It is the Cardholder’s responsibility to attach a copy of the filed dispute as an attachment to the Monthly ProCard Statement.

FRAUDULENT CHARGES

The Bank or the Procard Program Administrator will notify the Cardholder if a fraudulent use of the procard occurs along with instructions. A replacement procard will be issued by the Bank to the program administrator for distribution to the Cardholder.

RETURNED ITEMS

If items purchased with the ProCard need to be returned, the Cardholder is responsible for returning the item(s) to the merchant for replacement or to receive a credit. If the merchant refuses to replace the defective item or apply a credit, then the purchase will be handled as a disputed item.

AUDITS

Accounts Payable will retain the Monthly ProCard Statements and documentation for five (5) years for audit purposes. Department records should be retained for one (1) fiscal year.

PROCEDURES - APPROVING OFFICIAL

RESPONSIBILITIES

The Approving Official shall be responsible for the following:

- Review Cardholder(s) Monthly ProCard Statement(s) to ensure that all invoices/receipts are attached.
- Review charges to ensure that purchases are appropriate and do not exceed the Cardholder transaction limits and any purchase of conditional items is appropriately documented.
- Review and verify the chartfield string being utilized to fund each transaction.
- Approve, sign and date the Monthly ProCard Statement(s) and submit the complete documentation to Accounts Payable by the announced due date.
- In case of absence, be responsible to ensure the review and approval of Cardholder(s) Monthly Statement(s) and timely submittal to Accounts Payable by the announced due date.

CHANGES TO PROCUREMENT CREDIT CARD ACCOUNTS

Occasionally, it may be necessary to replace ProCards, obtain additional ProCards, or change a Cardholder's single or monthly transaction limits. It will be the Approving Official's responsibility to initiate this process. Follow those instructions below, which apply:

1. **Reporting Lost/Stolen ProCards – Replacement of Worn Out/Defective ProCards** – The following steps must be taken immediately:
 - a. Cardholder contacts the Banks' Customer Service at (800)344-5696 to report the lost or stolen card.
 - b. Cardholder notifies Approving Official and Program Administrator via email.
 - c. The Bank will mail replacement card to the Program Administrator within two (2) working days of notification.
 - d. Program Administrator notifies Cardholder when replacement card is available.
2. Request a change to Cardholder's single transaction or monthly purchase limit, in writing, with justification to the Program Administrator. The request must be made by the Approving Official.
3. **Replacement Due To Employee Turnover**
 - a. When a Cardholder leaves the department for which they hold a card, the Approving Official must email the Program Administrator the name of the employee who is leaving the department.
 - b. To set up a new or replacement Cardholder ProCard account, the Approving Official must complete and forward to Program Administrator, a ProCard Program Participation Request Form giving the new Cardholder's information. Program Administrator will set up a new ProCard account for the

Cardholder, schedule a ProCard training session, and issue ProCard to new Cardholder at the scheduled training session.

- c. If a Cardholder terminates employment with the University, the ProCard will be included in the campus clearance process. The card must be cut in half and sent to the Program Administrator at the above address.

4. **Cardholder Department Transfers**

When a Cardholder transfers positions to another school or department on campus, the new Approving Official must submit a new ProCard Program Participation Request Form to the Program Administrator to update the Cardholder's and new Approving Official information.

MONTHLY PROCARD PURCHASE REPORTS AND RECONCILIATION

The Monthly ProCard Statement and supporting documents are due to Accounts Payable (AP-ProCard).

The monthly billing cycle typically ends on the 6th of each month. On or about the 7th of each month, active Cardholders and their Approving Officials will receive an email notification from the AP Program Administrator announcing that their current account charges are ready to access online in CFS. The email will also identify the ProCard documentation submittal due date to Accounts Payable.

Reconciliation Process – Please See Sample in Your Training Packet.

To begin the ProCard monthly reconciliation, Cardholder must access ProCard account information in CFS.

1. Access CSU ProCard in CFS. Go to ProCard Adjustment. Enter Business Unit 'SOCMP' and Cardholder Last Name. Cardholders will be able to view their account information and select the current account charges.
2. Update the description on each transaction line. Update the chartfield as needed. Choose the appropriate category, if applicable.
3. Print out the Monthly ProCard Statement from CFS. Note: a completed report sample form is provided in the Cardholder/Approving Official training materials.
4. Number the receipts/invoices or credits in the order they appear on the CFS ProCard Statement. Attach any Conditional purchase documentation or other pertinent details to corresponding receipt/invoice.
5. Transfer receipt numbers to the right hand margin on each of the corresponding lines on the ProCard Statement.
6. Arrange Monthly ProCard Statement documentation in the following order:
 - Monthly ProCard Statement from CFS
 - Itemized Receipts/Invoices
 - Staple in the top left corner of ProCard Statement
7. Sign and date Monthly ProCard Statement.
8. Forward original documents to Approving Official for review, approval
9. ProCard Adjustment by cardholder will close seven business days after the billing cycle closes and will be announced in the monthly email from Accounts Payable ProCard Administrator.
10. Submit approved monthly documentation to Accounts Payable by the announced deadline date.
11. Make a complete copy of the monthly statement and support documentation and keep with Department records for one (1) year.

In the event a Cardholder will be away from the office at the time the Monthly ProCard Statement is due, arrangements must be made with their designated backup to prepare and submit their statement by the deadline date to Accounts Payable. If their Approving Official will be away from the office, the designated back-up for the Approving Official will be responsible to review and approve the Cardholder's Monthly ProCard statement and submit to Accounts Payable by the deadline date.

If a receipt/invoice is not itemized, the Cardholder must write an itemization of the purchase on the receipt/invoice. Small receipts/invoices should be stapled to an 8-1/2" x 11" sheet of paper to ensure they are not lost in transit.

If the ProCard has not been used during a billing cycle, no transactions will appear in CFS.

INFORMATION SOURCES

US BANK PROCARD:

Customer Service
Phone: (800) 344-5696

SSU PROCARD PROGRAM ADMINISTRATORS:

PO ProCard Administrator - Account Set-up, Changes, and Training

Primary: Jenifer Crist, Purchasing Manager, Contracts and Procurement
Ext. 43102; jenifer.crist@sonoma.edu

AP ProCard Administrator - Billing Office, Reconciliation Contact, Reports and Training

Primary: Tania Crane, Accountant II, Accounts Payable
Ext. 42451; tania.crane@sonoma.edu

Backup: Michelle Van Fossen, Accounts Payable Operations Manager
Ext. 43833; michelle.vanfossen@sonoma.edu

PROCARD PROGRAM GENERAL ASSISTANCE: Tami Connor, Purchasing Technician, Ext. 42191;
tami.connor@sonoma.edu

PROCARD PROGRAM CO-COORDINATORS:

Letitia Coate, Associate Vice President for Administration and Finance
Ext. 42836