

Sonoma State  
University

PROCUREMENT CARD (PROCARD)  
HANDBOOK  
for  
CARDHOLDERS  
and  
APPROVING OFFICIALS

Revised April 15, 2009

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## **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 the CSU Policy Manual for Contracting and Procurement, Section 205.

## **PROHIBITED USE OF PROCARD**

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

- Advertisements\*
- Animals (Except for Instruction Related Purposes)
- Cash Advances
- Construction/modifications or special repairs
- Explosives, Firearms
- Food (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
- Personal purchases
- Postage – All US Postal Service (USPS) services
- Purchases for other departments
- 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 Customer Services)\*\*\*

\* The following departments are authorized to place advertisements via Procard: Human Services, Center for Performing Arts, 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.

\*\* 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.

\*\*\* 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.

## **CONDITIONAL PURCHASES**

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

- **IT Hardware and Software:** To insure 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 Monthly Procard Purchase Report 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/>.

For questions regarding conditional purchases, please contact Program Administrator at X43901.

## **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 Transaction Summary 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 Monthly Procard Purchase Report.
5. In case of absence, be responsible to train designated backup in the preparation of the Monthly Procard Report to ensure that it will be submitted to Approving Official for review and approval prior to the email-announced monthly due date.

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 non-contractual 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 on the Monthly Procard Purchase Report 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 on the Monthly Procard Purchase Report in the "SSU Tag" box.

### **TAXES**

The CSU is required to pay California sales tax on all goods received. This includes goods shipped from vendors outside California even if they do not charge sales tax on their invoices. If a Cardholder receives goods from a vendor outside of California who does not include sales tax on their receipt, Accounts Payable will pay the tax as a "use" tax to the state when they file our annual return.

If Cardholder receives goods from a California vendor and they do not include sales tax on their invoice, Cardholder should contact the vendor and advise them that the CSU is subject to sales tax and ask if they want to provide an invoice for the difference. Cardholder should also ask that they correct their records so that sales tax is properly applied for any future orders with the CSU.

The following charges are not subject to sales or use tax: labor, subscriptions, electronic-delivered media, and services. Use tax will be applied to all commodity purchases from vendors that are not CA vendors and who did not add sales tax to the invoice. 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 may 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.

### **MONTHLY PROCARD PURCHASE REPORTS AND RECONCILIATION**

*The Monthly Procard Purchase Report and supporting documents are due to Accounts Payable (AP-Procard).* The Monthly Procard Purchase Report may be accessed online via: <http://www.sonoma.edu/finance/forms/>.

The monthly billing cycle typically ends on the 2<sup>nd</sup> of each month. On or about the 3<sup>rd</sup> of each month, active Cardholders and their Approving Officials will receive an email notification from the AP Program Administrator announcing that their current monthly Transaction Summary of charges is complete and ready to access online at the NetService website. The AP Program Administrator will email all Cardholders of the appropriate Transaction Summary report date to select and print in order to reconcile their procard accounts. The email will also identify the procard documentation submittal due date to Accounts Payable.

#### **Reconciliation Process**

To begin the procard monthly reconciliation, Cardholder must access procard account information (Transaction Summary) via <https://www.netserviceaccess.com/netservice/Login.do>.

1. Enter account number and follow the online instructions. Cardholders will be able to view their account information and select the Transaction Summary accurate billing cycle end date.
2. Print out the Transaction Summary.

3. Fill out the Monthly Procard Purchase Report. Note: a completed report sample form is provided in the Cardholder/Approving Official training materials.
4. Number receipts/invoices or credits in the order they appear on the Transaction Summary. Attach any Conditional purchase documentation or other pertinent details to corresponding receipt/invoice.
5. Arrange Monthly Procard Purchase Report documentation in the following order:
  - Monthly Procard Purchase Report
  - Transactions Summary
  - Itemized Receipts/Invoices
6. Sign and date Monthly Procard Purchase Report.
7. Forward original documents to Approving Official for review, approval
8. Submit approved monthly documentation to Accounts Payable by the announced deadline date.
9. Make a complete copy of the monthly report and support documentation and keep with Department records for one (1) year.

The paper bank statement will not be received until approximately the 10th of each month, so the printed online Transaction Summary should be submitted as part of the required monthly Procard documentation to Accounts Payable. The paper bank statement should be retained in Department Procard records.

In the event a Cardholder will be away from the office at the time the Monthly Procard Purchase Report is due, arrangements must be made with their designated backup to prepare and submit their report 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 Purchase Report 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 online and the Bank will not send a statement.

### **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 Purchase Report. *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 Transactions Summary 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 by selecting the item on the Transaction Summary, click on the "Dispute Transaction" hyperlink and follow the prompts. It is the Cardholder's responsibility to attach a copy of the filed dispute as an attachment to the Monthly Procard Purchase Report. The Bank will confirm the dispute via a letter to the Cardholder within two weeks of dispute filing date. If Cardholder does not receive a

letter within this timeframe, Cardholder must call Customer Service at (800) 359-9227 to follow-up. This written notification for the credit should be attached as part of the Monthly Procard Purchase Report documentation when it appears on a later statement.

### **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.

Credit receipts or back-up documentation must be kept until the credit transaction appears on the online Transactions Summary. Credits shall be entered on the Monthly Procard Purchase Report with credit documentation attached.

### **AUDITS**

Accounts Payable will retain the Monthly Procard Purchase Reports 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 Purchase Report(s) to ensure that the Transactions Summary and 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.
- Approve, sign and date the Monthly Procard Purchase Report(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 Purchase Report(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** – The following steps must be taken immediately:
  - a. Cardholder contacts the Bank's Customer Service at (800) 359-9227 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.
3. **Replacement of Worn Out/Defective Procards**
  - a. To replace a Procard which is worn out or defective, the Cardholder must cut the card in half and return to Program Administrator, along with a memorandum signed by the Cardholder and Approving Official requesting a replacement card. The card and memorandum must be submitted to:

**Financial Services, Procard Program  
Salazar Hall, 2<sup>nd</sup> Floor, Room 2051  
Attn: Program Administrator**

- b. Program Administrator will notify Cardholder when replacement card is available.

**4. 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.

**5. 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 Approving Official information.

## **INFORMATION SOURCES**

### **AMERICAN EXPRESS PROCARD:**

Customer Service  
Phone: (800) 359-9227  
Fax: (866) 741-3092

### **SSU PROCARD PROGRAM ADMINISTRATORS:**

#### **Account Set-up, Changes, and Training**

**Primary:** Jan Volk, Contract Specialist, Contracts and Procurement  
Ext. 43901

**Backup:** Ruth McDonnell, Deputy Controller Ext. 42139

#### **Billing Office, Reconciliation Contact, Reports and Training**

**Primary:** Tania Crane, Accountant II, Accounts Payable  
Ext. 42451

**Backup:** Michelle Van Fossen, Accounts Payable Operations Manager  
Ext. 43833

### **PROCARD PROGRAM CO-COORDINATORS:**

Ruth McDonnell, Deputy Controller, Contracts & Procurement, Payables  
Ext. 42139

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