

CALIFORNIA STATE UNIVERSITY BAKERSFIELD



PROCUREMENT CREDIT CARD (PROCARD) HANDBOOK

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INTRODUCTION

The University offers the Procurement Credit Card (ProCard) as a payment option under the Delegation of Purchasing Authority (Delegation) http://www.csub.edu/BAS/fiscal/procurement/forms/delegation_final.pdf for the purchase of commodities up to the Delegation standard limit of \$2,500 and for low risk services up to \$1,000. The ProCard is available to all Campus Administrators and other campus members upon recommendation of their Approving Administrators. The ProCard should be used as the first payment option to achieve cost savings and improve processing time.

CSUB PROCARD PURCHASING PROGRAM

Application Process

The Procurement Credit Card Application; http://www.csub.edu/BAS/fiscal/procurement/forms/ProCard_Application.pdf will be filled out by the requestor, signed by the Approving Administrators and then forwarded to the Director of Procurement for final review and approval. Special consideration for increased ProCard limits may be requested by Campus Administrators whose department's daily activities may require a higher purchasing limit.

Training

The ProCard requestor is required to complete online training at http://www.csub.edu/BAS/fiscal/training/training_ccp/credit_card_program.html before the ProCard is issued. Once training is complete, the ProCard requestor will be notified when the ProCard is available for pick up from the Office of Procurement. A memorandum acknowledging receipt of the ProCard and acceptance of the responsibility delegated to the ProCard requestor must be signed at the time of pick up.

Small Business and Disabled Veteran Enterprises

The Procurement office at California State University Bakersfield is interested in expanding its supplier base, particularly in the areas of Small Business and Disabled Veteran Business Enterprises (DVBE). CSUB wants to ensure, in accordance with legislative requirements that a fair proportion of its annual procurements are awarded to such firms offering dependable products and quality services at competitive prices. The California State Department of General Services offers an online search engine <https://www.apps.dgs.ca.gov/OSDCSearch/OSDCSearch.aspx> to locate Small Business and Disabled Veteran Business Enterprise vendors.

AREAS OF RESPONSIBILITY

JP Morgan Chase

JP Morgan Chase is the ProCard contractor who will issue the ProCards and monthly statements. A statement will not be issued for monthly periods without activity.

Procurement and Accounts Payable

Procurement and Accounts Payable will administer the program jointly and are responsible for accumulating, reporting, coordinating and evaluating all aspects of the program. Procurement is responsible for administering ProCard online training, distributing ProCards, assisting departments and monitoring proper use of the ProCard program. Accounts Payable is responsible for preparing payment and auditing.

Cardholder

The Cardholder is responsible for:

1. Security of the ProCard
2. Compliance with Procurement Credit Card Handbook
4. Preparation of the Monthly ProCard Purchase Report
5. Returning the ProCard in accordance with the Separation Clearance Form Instructions found at http://www.csub.edu/BAS/fiscal/sepclearance_instr.pdf

Approving Administrator

The Approving Administrator is responsible for:

1. Reviewing all charges
2. Ensuring compliance with CSUB Delegation and Procurement Credit Card Handbook
3. Ensuring all proper documentation is attached to the Monthly ProCard Purchase Report

CARDHOLDER PROCEDURES

General Rules for Purchasing

The Cardholder will place an order for a purchase by phone/fax, mail or pick-up. The receipt must include the following information:

- Name and address of vendor
- Description of purchase
- Quantity purchased
- Unit price per item
- Amount of sales tax and total amount
- Shipping charges, if applicable

Any commodities ordered that will be shipped to the University through the Receiving Department **MUST** include the designation "ProCard" on the shipping label and include an exact location and contact person for delivery. Shipments missing this information could experience delays in delivery or the return of the order back to the vendor.

Specific Rules for Service Acquisitions:

- The ProCard may ONLY be used for "low risk" services costing \$1000 or less as determined by completion of a Risk Identification and Evaluation for Low Dollar Services Orders http://www.csub.edu/BAS/fiscal/procurement/documents/Risk_Assessment.pdf
- The form must be completed and signed by an Approving Administrator prior to ordering the service. The completed form must be attached to the Monthly ProCard Purchase Report when submitting to Accounts Payable department.
- Recommended uses of ProCard for service acquisitions include: repair and maintenance service calls for small office equipment, piano tuning, etc.

Supporting Documentation

- The Cardholder shall collect and maintain all supporting documentation of each ProCard transaction.
- Individual receipts/invoices smaller than 4-1/4" X 5-1/2" must be taped on an 8-1/2" x 11" sheet of paper to ensure they are not lost in transit.
- If the Cardholder has lost receipts/invoices and a duplicate copy cannot be obtained from the vendor, the Cardholder must attach a "Certification of Receipt of Goods" form with an explanation to the Monthly ProCard Purchase Report. http://www.csub.edu/BAS/fiscal/procurement/ccp/certif_rec_goods.pdf

Note: If there are excessive instances of lost receipts/invoices, the ProCard will be revoked.

Monthly ProCard Purchase Report

- At the close of each monthly billing cycle, the **22nd** of each month, the Cardholder will receive a Statement of Account from JP Morgan Chase and a reminder e-mail from CSUB Accounts Payable.
- Cardholder reviews the statement for accuracy and reconciles it to vendor receipts/invoices.
- Within **five (5)** business days from receipt of the bank statement, the Cardholder is to complete the Monthly ProCard reconciliation packet consisting of the following documents:

1. Statement of Account
2. ProCard Monthly Purchase Report

http://www.csub.edu/BAS/fiscal/procurement/ccp/revised_monthly_purchase_re.xls

3. Receipts/Invoices/Packing Slips and other required documentation

- Make a copy of the above packet to be retained by the Cardholder for 1 year for audit purposes.
- Forward the original packet to the Approving Administrator for review and signature.
- Within **ten (10)** business days from receipt of Statement of Account, the original packet must be submitted to Accounts Payable.
- If the Monthly ProCard reconciliation packet is not received in Accounts Payable within **15 (fifteen)** business days, a late notification e-mail will be sent to the cardholder.
- If the Monthly ProCard reconciliation packet is not received in Accounts Payable within **20 (twenty)** business days, an e-mail will be sent to the cardholder, Approving Administrator and the Director of Procurement warning the cardholder of possible revocation of their ProCard.

- ***IMPORTANT:** It is the Cardholders' responsibility to retain all internal department approval documents with their copy of the Monthly ProCard Purchase Report. However, it is *not* necessary to send a copy of these documents to Accounts Payable with your Monthly ProCard Purchase Report.

Dispute Resolution

The most common dispute reasons are described below. These reasons correlate with those found on the JP Morgan Chase Dispute Form.

- **Billed more than once by same Vendor**
This reason should be used when you have been charged for the same transaction more than once.
- **Transaction paid by other means**
This reason is used when a transaction has been paid by means other than the ProCard and a charge for that transaction appears on your statement of account.
- **Incorrect Amount Billed**
This reason is used when the amount on your statement of account differs from the amount on your receipt.
- **Unauthorized Charge**
This reason is used when a charge appears on your statement of account and you did not authorize nor make the transaction.
- **Defective Item**
This reason is used when items purchased are found defective and the merchant refuses to replace the defective item or issue a credit.

If an item is in dispute, the Cardholder must circle the dollar amount and write "In dispute" on the statement of account, in addition to completing a Dispute Form

http://www.csub.edu/BAS/fiscal/procurement/ccp/JPM_Dispute_Form.pdf

- Cardholder is responsible for contacting JP Morgan Chase, 800 270-7760, regarding disputed items which appear on the statement of account within five (5) days after receipt of statement.
- Cardholder will mail/fax Dispute Form as instructed on the form. Cardholder will attach a copy of the Dispute Form to the Monthly ProCard Purchase Report.
- ProCard credit receipts for resolved disputes are to be kept until the credit transaction shows up on the statement of account. ProCard credit receipts will be attached to the statement of account.

APPROVING ADMINISTRATOR PROCEDURES

Statement of Account Reconciliation

Within three (3) working days after receipt of the Cardholder's statement of account and documentation, the Approving Administrator will:

- Review the Cardholder statement of account and the accompanying documentation to ensure that purchases are in compliance with the Delegation.
- Sign and date the Monthly ProCard Purchase Report.
- Forward the original reconciliation packet to Accounts Payable.

REPLACING ProCards

It may be necessary to replace a ProCard. Follow the instructions below that apply:

Reporting Lost ProCards

The following steps must be taken immediately:

- Cardholder contacts JP Morgan Chase at: 800-270-7760.
- Cardholder contacts the Approving Administrator.
- Approving Administrator notifies ProCard Coordinator in the Office of Procurement by e-mail or written notification.
- ProCard Coordinator notifies Cardholder when replacement card is available.

Replacement of Worn Out/Defective Cards

- To replace a ProCard that is worn out or defective, the Approving Administrator must cut the card in half and return it to the ProCard Coordinator in the Office of Procurement, along with a memorandum requesting a replacement card.
- ProCard Coordinator notifies Cardholder when replacement card is available.

Replacement Due To Employee Departmental Reassignment

- When a Cardholder leaves the department for which he or she holds a card, the Approving Administrator must notify the ProCard Coordinator in the Office of Procurement by e-mail or written notification.
- The ProCard Coordinator will immediately freeze the account until a new Procurement Credit Card (ProCard) Application is approved for the Cardholder's new department.

PROHIBITED USES

The ProCard may not be used to purchase any of the following:

Advertising except Faculty recruitment and display advertising under delegated \$ limit with Provost prior approval. Staff recruitment advertising **must** be handled through HR.

Animals except for instructional purposes.

Capitalized Property (Property which has a normal useful life of at least one year, has a unit acquisition cost of at least \$5000 and has use in the course of University business.)

Cash Advances

Cellular or Satellite phones, pagers, portable radios (including services)

Computer Equipment All laptops and any CPU with a total acquisition (including tax, shipping and handling) cost of at least \$2500.

Construction (Alterations to campus structures including painting, remodeling, carpet installation, etc.)

Equipment Non-Capital Equipment defined as tangible, non-consumable property with a total acquisition (including tax, shipping and handling) cost of at least \$2500, subject to restrictions on Sensitive equipment. If equipment requires installation by the vendor, the purchase must be handled as a service using guidelines for services.

Firearms, Ammunition, Explosives

Food except as authorized under University's Hospitality Policy

http://www.csub.edu/BAS/fiscal/policies/food_policy.shtml and under the delegated \$ limit. Exception also applies to campus members granted special approval by the Director of Procurement.

Furniture

Rentals/Leases/Maintenance Agreements/Service or Consulting Agreements or Any Other Contractual Documents

Narcotics and other Hazardous Chemicals

Outside Storage Containers

Personal Purchases (Gifts, Portable Heaters and Fans, Refrigerators, Freezers, Microwaves, Coffee Makers, etc.) Campus members using the University Delegation for personal purchases are subject to prosecution under Penal Code provisions.

Postal Services

Respiratory and Hearing Protection

Security Systems

Sensitive Equipment (Equipment required to be tagged by the Asset Management found at http://www.csub.edu/BAS/facilmgt/asset_mnmgt.shtml)

Services except "low risk < \$1000 services" as defined in paragraph "Specific Rules for Service Acquisitions"

Signage (Please contact the Office of Procurement for our signage policy.)

Software Licenses (Contractual)

Travel except for local conference registration fees where per diem will not be claimed. Exception also applies to campus members granted special approval by the Director of Procurement.

Vehicles

In addition, the following restrictions will apply:

- Receiving personal compensation for order placement – Receiving personal compensation including receiving (directly or indirectly) gratuities, commissions, personal profit or any other kind of personal compensation for placement of a University order with a vendor or contractor is not allowed.
- Splitting of purchases to circumvent the dollar limitation or the competitive bidding requirements - Splitting purchase transactions by preparing two or more purchase transactions to the same vendor to avoid bid process or dollar limitation, or preparing two or more purchase transactions to different vendors for the same items to avoid the bid process or dollar limitation is not allowed.
- On-Campus Operations – The purchase of commodities and services that are normally supplied by on-campus operations, such as Runner Bookstore, Mail Services, and Reprographics (including Print Shop) are restricted. Contact these departments if you have any questions about a particular service. If circumstances merit, they will provide written authorization to obtain these services off campus.

Emergency Purchases of Supplies and Services:

The ProCard may be used when there is an emergency need for supplies or services necessary for the continuance of critical daily operating functions or when a condition exists involving public health, welfare or safety. Failure to allow adequate lead-time **does not** constitute an emergency. Due to state reporting requirements, a written justification and the supporting paperwork for the transaction will be required and forwarded to Procurement stating reason the purchase qualified as an emergency.