

CSU East Bay P-Card Policy eff. 02/01/2019

It is the policy of the California State University East Bay (CSUEB) that procurement card (P-Card) purchases are for the purpose of payment for expenses that are **necessary, appropriate** to the occasion, **reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of CSUEB and/or its auxiliaries**. Procurement cards provide an alternative procurement method of effecting purchases without the direct involvement of the procurement offices. A procurement card is a university liability credit card that may be used for certain business related purchases. This P-Card policy is designed to supplement the CSU posted policy, which may be viewed by clicking the following link:

<https://csyou.calstate.edu/Policies/icsuam/Pages/5250-00.aspx>

Definitions –

Bank - means the organization that will maintain all accounts as required by the CSUEB contract. As of the issuance of this policy, US Bank is the bank utilized by the campus for transactions related to P-Card activity.

Cardholder - means the individual to whom a card is issued. The card bears this cardholder's name and may only be used by this individual to pay for authorized CSUEB purchases.

Department Approval or Approver - means the person who reviews and approves the cardholder's monthly P-Card transactions. This individual must follow the delegation of authority process.

P-Card or card - is the CSU system credit card; this University credit card is made available by CSUEB by means of a cooperative contract for statewide commercial credit card services with US Bank.

Purchase - means any transaction wherein an order is placed or a purchase is made in person, by telephone or electronically by providing the card for imprint by the merchant or the card number to the merchant or any other means to secure goods or services.

Single Purchase Limit - is a small purchase not to exceed \$5,000 for a single item purchase of a good or services.

Monthly Cardholder Limit - is a monthly dollar limit assigned to the individual cardholder.

Statement of account - is a monthly listing of all payments for purchases and credits made by the cardholder and billed by the merchant.

Obtaining a P-Card –

A credit card application must be prepared by the department and submitted to the Procurement Department for review.

- The request includes intended cardholder name, types of purchases desired and chartfield account codes.
- The request must be approved according to the Delegation of Authority.
- The applicant and department approver will sign completed form serving as confirmation that campus training was provided on applicable policies, procedures and acceptable use, agreeing to all card program requirements established by the CSUEB P-Card policy.

Credit Card application review:

- The Procurement Department will review the credit card application to ensure it is accurately completed, is supported by a business need and ensures that not too many P-Cards are requested for any one department.
- Define/document Monthly Cardholder Limit.
- Upon approval, the Procurement Department will notify Accounts Payable.
- Accounts Payable will contact the cardholder and his/her approver to arrange for the required P-Card training which must be completed prior to issuance of the card.

P-Card Issuance:

- Upon completion of required training, Accounts Payable will issue the P-Card to named CSUEB individual.
- A copy of the P-Card Policy will be distributed to the cardholder at the time the card is issued.
- It is the cardholder's responsibility to safeguard the P-Card and account number, protecting the card at all times to prevent unauthorized use.
- **The cardholder must not allow anyone to use his/her card or account number**, not sharing or authorizing others (subordinates or otherwise) to use the card. A violation of this trust may result with the card being withdrawn from the cardholder with the possibility of subsequent disciplinary action.

Using your P-Card –

The P-Card may be used by the cardholder to pay for low dollar or small purchases of supplies or services as long as the purchaser determines that the price is fair and reasonable.

The P-Card can also be used to pay for supplies or services that are either governed by an agreement/contract between the provider and CSUEB as long as the contract specifically allows such payment method or is below the competitive dollar threshold. The Procurement Department may be contacted for contract related inquiries.

The P-Card shall not be used for any federally funded purchases without the specific approval of the Procurement Director.

CSUEB Campus is committed to sustainability. Below are a few sustainability pointers to take into consideration when evaluating cost/benefits of your P-card purchase. For more information, visit CSUEB's Sustainability website at <http://www.csueastbay.edu/sustainability/>

- Purchasing from suppliers and/or vendors who reduce waste, re-purpose recycled material, or support other environmentally friendly practices.
- Using products that minimize the volume of trash.
- Grouping orders whenever possible so that fewer deliveries by vendors are needed which results in fewer shipments.
- Ordering from vendors that are of closer proximity to the CSUEB campus.
- Ordering energy efficient products, as applicable (e.g. Energy Star).
- Purchasing products with recycled materials (see CalRecycle Buy-Recycled program or other recycle programs for more information).

In addition, this policy articulates CSU's requirements related to single-use plastics to ensure procurement and contracting activities complies with CSU's sustainability goals and applicable regulations.

- Eliminate plastic straws no later than January 1, 2019.
- Eliminate single-use plastic carryout bags no later than January 1, 2019.
- Replace single-use plastic items with materials that are reusable, locally compostable and/or recyclable.
- Eliminate single-use polystyrene (e.g. STYROFOAM™) food service items no later than January 1, 2021.
- Eliminate single-use plastic water bottles by January 1, 2023 or upon contract renewal if existing contract terms prohibit. A 25% reduction in single-use plastic water bottles purchased and supplied will be achieved annually.

The cardholder must follow dollar threshold limits as follows:

- "Single Purchase Limit" is limit applicable to all P-Card holders in which purchases may not exceed \$5,000 for a single item purchase of a good or service. Purchases may not be split into multiple transactions to circumvent card controls. This limit applies to transactions recorded on the same day or over multiple days when the passage of time is not reasonably justifiable.
- "Monthly Cardholder Limit" is a monthly limit assigned to the individual cardholder as indicated on the approved P-Card Application.
- In the event of a larger scale campus-wide emergency, the Business Continuity Plan should be referenced.

- The use of procurement cards cannot avoid or circumvent any CSU or campus policies or limits. Procurement cards are to be used within the same statutes, rules, limits, policies, and procedures as purchases using any other means of payment.

The P-Card is specially designed showing the CSUEB logo imprinted upon it to avoid it being mistaken for a personal credit card. Procurement cards may only be used for approved CSU expenditures. The use of a procurement card for any form of personal purchase (regardless of any intent to repay the CSU for a purchase) is expressly forbidden, with misuse leading to employee disciplinary actions. Additionally, any personal use of the card is subject to temporary or permanent revocation of the P-Card.

The assigned cardholder is responsible for ensuring that all charges associated with the assigned P-Card are in accordance with the P-Card policy.

Goods commonly purchased with a P-Card are listed below:

- CSUEB logoed business cards/stationary; Use of Bay Central Printing is required
- Conference and registration fees
- Hospitality expenses; Refer to the Hospitality Policy for guidelines
- Logoed items such as T-shirts; Use of CSUEB approved and licensed vendor is required
- Office supplies (e.g. pens, paper, etc.); for corporate pricing use Staples Office Supplies
- Small classroom items (e.g. lab supplies)

Some limited services are allowed for purchase with a P-Card such as:

- Advertising
- Membership fees
- Publishing submission fee
- Subscription fees
- Transcription/translation services

Note: Must be a low-risk service due to liability considerations.

Below is a listing of items **not authorized** for purchase with P-Cards:

- Alcoholic beverages, unless approved in advance by Risk Management and department approver, and as allowable per fund regulations
- Any logoed item (e.g. stationary, business cards, t-shirts, advertising, etc.) purchased by a non-CSU approved vendor, contact the Procurement Department for details.
- Ammunition, weapons and firearms
- Capitalizable Assets (i.e., large furniture/cubicle purchases)
- Cash advances
- Chemicals/hazardous materials
- Computers
- Controlled substances/narcotics

- Construction/modification/special repairs
- Decorative items (i.e., plants, artwork, etc.)
- Desktop printers and/or printer cartridges
- On-campus services
- Personal Use/ Personal purchases
- **Plastic straws
- Rental or lease of motor vehicles, refer to Travel Policy
- Scanners
- **Single-use plastic carryout bags
- Software/Subscription Software
- Tagged Assets (i.e., sensitive equipment, computers, iPad, microscopes, etc.)
- *Travel-related expenses, with the exception of conference and registration fees

*Inquiries regarding Department Travel Cards should be directed to the Procurement Department. A Department Travel Card allows for purchases of limited travel-related expenses that are larger in nature (e.g. Hotel prepayments). Similar to the P-Card, the Department Travel P-Card may be used to pay for conference and registration fees. All travel use will be governed by this policy, the CSU system wide Travel Policy and all campus specific travel policies and procedures.

**Not an authorized purchase due to sustainability initiatives.

Acquisition Procedures –

When making purchases that will be paid for using the P-Card, the cardholder must:

- Be able to attest to the fair and reasonable price for goods and services being purchased.
- All items purchased over the counter must be immediately available. No back ordering is allowed, nor are deposits allowed for special orders.
- All items purchased via a phone order or electronically should generally be delivered by the merchant within the 30-day billing cycle, but receipt of good or services within 5-10 business days of order is best practice.
- Ordered goods set for delivery must be shipped to a CSUEB business address or its affiliate. Shipments may not be received directly to an employee’s personal address.
- Not pay any type of a “surcharge” to a merchant, offsetting the bank discount. Likewise, users shall not agree to a merchant’s request to revise the price above what the general public pays for an item in order to make up for the bank’s discount or fees.
- Ensure that funds are available to pay for the items being purchased within the department’s budget
- Solicit competition for purchases or rotate purchases among vendors as practicable. Purchases may be accomplished without securing competition if the cardholder (functioning as the contracting officer) considers the prices fair and reasonable.

- Be aware of CSUEB's 3% commitment to Disabled Veteran Business Enterprise (DVBE) firms, purchasing from these businesses when appropriate. See <https://caleprocure.ca.gov/pages/PublicSearch/supplier-search.aspx> for DVBE supplier search engine.

CSUEB's pricing objective is to obtain the same price or lower than the public would pay if they were buying such an item in similar circumstances and quantities. Alternatively, if the item is not a broadly distributed commercial product, then CSUEB's pricing objective is to achieve the same terms as that of the merchant's most favored customer, if possible.

To ensure optimal pricing benefits, an annual review of campus-wide transactions will be conducted by the Procurement Department to identify heavily used merchants and/or product purchases. Based on this review, the Procurement Department will consider whether pursuit of a merchant agreement might be advantageous.

Purchases should be distributed equitably among qualified merchants by means of merchant rotation. If practical, other than the previous merchant should be solicited when placing repeat orders.

Use of written solicitations are recommended to be used when obtaining a verbal quotation is not considered practical or when special specifications or warranties are required because items or services cannot be easily explained.

The use of existing contractual relationships within the CSU system, State of California contracts and other cooperatives are encouraged. The use of companies that compete with existing contract holders within CSUEB, the CSU system, or other available cooperatives should be avoided as pricing should be more advantageous with contracted firms than with non-contracted firms.

Informal procedures may be used to acquire supplies or services that can be described in sufficient detail so that the parties to the agreement have a clear understanding of what is being acquired. When placing a telephone order to be paid using the P-Card, the cardholder will:

- Confirm receipt of merchandise/supplies when reconciling the monthly credit card statement
- Instruct the merchant to include the cardholder name and department and the term "P-Card" or "credit card" with the shipping documents or packing slip

Documentation, Reconciliation and Payment Procedures –

Any time a purchase is made that will be paid using a P-Card, whether it is done in person or by telephone, itemized documentation must be retained as proof of purchase such as an original charge slip, receipt, invoice, etc. These documents will later be used to verify the purchases shown on the cardholder monthly statement.

The cardholder will access the online statement showing all purchases, credits and other data on transactions the cardholder has made in the 30-day billing cycle.

- It is important that the cardholder check each purchase on his/her monthly statement to verify accuracy. At the end of each monthly billing cycle, the cardholder must reconcile the information on his/her statement in the financial system. The cardholder must:
- Fill in a detailed purpose/description for the purchase along with the correct chartfield string.
- Print and obtain signed manager approval (according to the delegation of authority).
- Forward approved Account Activity Summary with complete documentation and attachments to the Accounts Payable Department for review and processing.
- If an item has been returned and a credit voucher received, the cardholder will verify that the credit is accurately reflected on the statement. If purchased items and credits are not on the next monthly statement, the cardholder will retain the transaction documentation until the purchase or credit appears on the statement.

If for some reason the cardholder does not have documentation of the transaction to send with the statement, he/she must complete a Certification of Receipt of Goods form with an explanation that includes a description of the item, date of purchase, merchant's name and why there is no supporting documentation. Excessive instances of using the Certification form, as determined by the Procurement Department, may result in suspension of the card.

The cardholder must sign the printed Account Activity Summary along with receipts and bank statement and forward complete package to the Accounts Payable Department by the 10th of each month. If the cardholder cannot review the statement at the time that is received, the department approver is responsible for reviewing and certifying the cardholder's statement. The department approver will go over the cardholder's statement with the cardholder upon his/her return.

The department approver is responsible for the following:

- Ensure compliance with procurement card policies and with CSU, campus, state fiscal and procurement rules by reviewing the transactions on no less than a monthly basis.
- Monitor transactions of assigned cardholder(s) for appropriateness of purchase.
- Certify and approve his/her departments' cardholder's monthly credit card transactions in the financial system.
- Ensure proper steps have been completed for any purchased item that has not been received or accepted by the time the statement is received. See following section "Billing Errors and Disputes" for details.

- Ensure reconciled P-Card package submission to the Accounts Payable Department by the monthly due date, on the 10th of each month.
- Identifying possible violations of assigned cardholder(s) and taking appropriate action if violations are found.

The department approver review is a critical control feature of our P-Card process. The department approver must ensure that he/she has a clear understanding of the scope of transactions and business need for each of the purchases transacted. Overall, the department approver confirms that the expenses are **necessary, appropriate** to the occasion, **reasonable in amount and serve a purpose consistent with the mission and fiduciary responsibilities of the CSUEB or its auxiliaries.**

The Accounts Payable Department is ultimately responsible to ensure that P-Card approvers are appropriate and follow current delegation of authorities. Additionally, he/she ensures that the listing of P-Card cardholders and approvers are periodically reviewed to ensure its accuracy.

P-Card renewals –

Upon issuance, the P-Cards are subject to review by the Accounts Payable Department prior to renewal.

Mandatory refresher training renewal is required every 2 years for both cardholders and department approvers.

- Training is conducted by the Accounts Payable Department and is offered several times per year
- It is the responsibility of the cardholder to arrange with the Accounts Payable Department prior to the two-year anniversary to ensure that the refresher training is completed as he/she approaches the anniversary date, but not after.
- Failure to attend the mandatory training will result in revocation or cancellation of the P-Card.
- Upon satisfactory completion of the mandatory training, the P-Card will be renewed.

P-Card usage will be reviewed at least annually by Accounts Payable to determine if a true need still exists based in part, but not limited to total transactions over a period of time.

Lost or Stolen Cards/Billing Errors and Disputes –

The bank should be contacted to report a lost or stolen card or for fraudulent/unauthorized charges using the telephone numbers given below. Questions related to the application process or the status of an application submission, card restatement status, and vendor

contract pricing or vendor agreements should be directed to the Procurement Department. All other questions should be directed to the Accounts Payable Department.

If a cardholder receives a statement that lists a transaction for **MERCHANDISE THAT HAS NOT BEEN RECEIVED**, the cardholder must first attempt to resolve the issue with the merchant or US Bank for erroneous charges or fraud. This will mean that the bill is paid in full. The disputed charge and the merchant credit will clear in the following billing cycle. In those instances, wherein more assistance is needed for transaction posting corrections, file the disputed charge claim on the US Bank website and notify the Accounts Payable Department. In addition, a copy of the form must be attached to the cardholder's monthly statement and sent to the Accounts Payable Department. If items purchased with the card are found to be defective, the cardholder has the responsibility to obtain replacement of the item as soon as possible using the same procedures.

If the card is **LOST or STOLEN**, or to report **FRAUDULENT/UNAUTHORIZED CHARGES** it is important that the cardholder immediately notify US Bank at the following numbers:

24 hours a day, 7 days a week
1-800-344-5696 Customer Service

The cardholder must also notify the department approver of the lost or stolen card within one workday after discovering the card missing.

The department approver shall submit a written report to Accounts Payable within five workdays. The report will include:

- The card number
- The cardholder's complete name
- The date and location of the loss
- Date and time the bank was notified
- Any purchase(s) made on the day the card was lost/stolen
- Any other pertinent information

A card that is subsequently found by the cardholder after being reported lost or stolen will be cut in half and disposed.

Separation or Transfer of Cardholders to new Department/Division –

Upon separation of a cardholder from employment from CSUEB, the cardholder must surrender the card to his/her department approver as part of the clearance process. The department approver must notify Accounts Payable of changes in departmental program participants. Additionally, the department approver must deliver the card to Accounts Payable for termination of the account and destruction of the card.

If a cardholder is transferred to another department or division, his/her card must be returned to the department approver. The newly assigned department's approving manager must determine if the employee will require a credit card and will need to submit a new request for a P-Card issuance under the new assignment.

Unauthorized Purchases or Failure to adhere to P-Card Policy –

All purchases paid for utilizing the P-Card must comply with all policy requirements. However, on the rare occasion wherein an exception is deemed necessary, advanced approval must be obtained by the Director of Procurement (the Procurement Card Administrator of the P-Card program) prior to using card for intended purchase. Written evidence of his/her approval must accompany documentation of purchase.

Repeated non-adherence to the P-Card Policy can result in progressive card restrictions as indicated below. However, depending of the severity of the non-policy violation any one of the below actions could be applied, even if it is the first documented offense; this includes even the most restrictive consequence: revocation of P-Card with the possibility of subsequent disciplinary action.

Level 1: email reminder(s)

Level 2: temporary reduction of authorized spending to \$1.00

Level 3: 30-day card suspension

Level 4: mandatory retraining of both cardholder and department approver

Level 5: 90-day card suspension, mandatory retraining of both cardholder and approver

Level 6: revocation of P-Card privileges

It is a violation of this P-Card Policy for a department approver to permit or encourage any violation of the P-Card program. It is a violation of the P-Card Policy for a department approver to fail to report Cardholder violations or to correct cardholder violations or deviations.

Additional Auxiliary Information –

Auxiliary Organizations that participate in the system wide procurement card program are subject to this policy. Each auxiliary is responsible for their P-Card use and must pay the University for all its credit card charges.