



PROCUREMENT CARD USER'S GUIDE AND REQUIREMENTS

PURPOSE

Per District Rules and Regulations 8.15.4, The Board of Trustees of the San Mateo County Community College District (SMCCCD) holds a procurement card agreement with US Bank for employees who purchase goods on behalf of the District. Neither US Bank nor the District assumes responsibility for non-District purchases.

US Bank issues a Visa Card that bears the name of the employee and the location where the employee works. The card functions just like a personal credit card and, with a few exceptions, can be used to make purchases from any vendors accepting Visa.

The purpose of the procurement card program is to establish a more cost-effective method of purchasing by:

- Allowing time-sensitive and emergency purchases
- Reducing purchasing processes, related paperwork and staff time
- Automating and distributing accounting tasks
- Facilitating conference attendance and related travel
- Accommodating prepayment purchases
- Expediting vendor payments

ELIGIBILITY

The only employees who are eligible for a District procurement card are:

- Employees who are required to make purchases on behalf of the District, **and**
- who are permanent employees (permanent employees are employees who have passed their probationary period), **and**
- whose assignments are at least 50% of full-time.

HOW TO APPLY FOR A CARD

- Read the procurement card user's guide and requirements policy before completing the procurement card application and agreement. You must agree to the usage policy before a card will be issued.
- Complete and sign the [Procurement Card Application and Agreement](#) located on the Purchasing & General Services downloads page.

- College employees are to submit the completed application electronically with all authorized signatures to the College Business Office. Employees of Facilities, Public Safety, ITS and the District Office will submit an application to General Services.
- The completed application is the Procard user's agreement with the District stating that the user has read, understands and agrees to the procurement card user's guide and requirement policy. All procurement card agreements will be saved in the Purchasing Appserv1 folder.
- College employee's procurement cards will be sent to the College Business Office. Cardholders must go to the College Business Office, present identification, and sign for receipt of the card. Facilities, Public Safety, Auxiliary Services, ITS and District Office employee's procurement cards will be sent to the District Office and retained by General Services.

Procurement Card Annual Acknowledgement and Agreement Form

The Procurement Cardholder Annual Agreement & Acknowledgement form is intended to ensure all cardholders review the procurement card procedures and acknowledge the cardholder procurement card agreement in order to maintain their procard privileges.

The Procard Program is designed to provide an efficient way to procure business related goods. The Procard Program is not intended to circumvent any established departmental policies or procedures. Purchasing done on the procard must be within the limits as described in this Procurement Card User's Guide and Requirements document.

Complete and sign the [Procurement Cardholder Annual Agreement & Acknowledgement](#).

Expenditure Limits

Depending upon the employee's needs, the District will set expenditure limits and establish cardholder profiles based on the following:

- Profile #1: \$2,500 Monthly Limit
- Profile #2: \$3,500 Monthly Limit
- Profile #3: \$5,000 Monthly Limit
- **Other: Must Complete Justification**

The cardholder must adhere to expenditure limits on the card unless a [Procurement Card Override form](#) has been completed and submitted to the College Business Office.

A cardholder may NOT split a purchase to circumvent the assigned purchase limits.

PROTECTING YOUR CREDIT CARD

Safeguarding Your Card

After receiving the card, the cardholder should immediately sign it to prevent unauthorized use. Safeguarding the procurement card is the responsibility of the cardholder. It should be secured as if it were a personal credit card with reasonable precautions for fraud and theft. This card is your responsibility and should not be loaned to anyone for any purpose.

Lost or Stolen Cards

Cardholder must ***immediately*** report any lost or stolen cards to US Bank at **1-800-344-5696**. This number is manned seven days per week, 24 hours per day. The Bank will provide cardholder with a form to be completed and returned to the bank. This step must be followed in order to assure that the cardholder does not incur personal liability for unauthorized charges.

All Cardholders must send an email to their Division Dean/Manager and CBO, describing the circumstances and date of the lost or stolen card along with their full account number. Cardholder should notify any merchant with whom they have automatic charge arrangements in place to prevent transactions from being processed against the lost/stolen card.

Cardholder should validate all charges on the final statement of the lost or stolen card before the bank completes their rollover of purchases to a replacement card.

Replacement card(s) will be mailed directly to the Purchasing Department who will send the cards to the college business office.

Changes to Cardholder Information

Any change to the cardholder's (1) contact person, (2) default account number, or (3) campus location should be emailed to their Business Officer for processing.

USING YOUR CARD

The card functions just like a personal credit card and, with a few exceptions, can be used to make purchases from any vendors accepting Visa.

The cardholder is personally responsible for guaranteeing that (1) all charges are for appropriate District expenses, (2) purchases are within budget limits, and (3) the purchase does not violate any other law, regulation, or policy of the Board of Trustees.

Prepaid Debit Cards

A college program (EOPS for example) may issue a prepaid debit card to a student to cover **program provided and funded** expenses such as food coupons, transportation, or other items that are allowed under grant funding. Please note that these cards are **NOT** intended to be used for incidentals that would typically be purchased with petty cash. A college may also choose to issue a card to a volunteer, student or employee as a small token of appreciation. The procurement card may be used to purchase prepaid cards for these purposes only under the following circumstances:

The purchase **must be pre-approved** and the following procedure must be followed:

- Employee must submit a request for **pre-approval** via email to the department dean and College Business Office with explanation of need, event or program information, budget (value of each gift card & quantity), recipient names and, if students, student ID numbers.
- Once request is approved, purchase of prepaid card may be charged on the procard.
- The Card may not exceed \$25.00 in value. No one card recipient may receive more than \$25.00 per year in the form of prepaid debit or credit cards.
- The following information must be maintained as backup to the purchase and submitted with the procard backup: receipts, pre-approval email, name of all recipient(s) and, if recipients are students, student ID number. The department must maintain an inventory of all gift cards purchased and distributed. o All documents are subject to random audit by the CIAG.

PayPal Purchases

Purchases made using the Paypal payment service should be used only if there is no other option. In no case should District credit cards be linked to personal Paypal Accounts. All Paypal transactions will be subject to monthly audit.

Amazon Purchases

- Purchases made using Amazon should be used only if the item cannot be found or available on Office Depot.
- No purchases of IT supplies or equipment allowed unless approved.

- The District does not allow for use of the procard for payment of an Amazon Prime Membership as we cannot differentiate between personal vs. business purchases.
- Amazon Prime Membership Fee is not an appropriate charge.

Prohibited Uses

An employee is **NOT** authorized to use the procurement card for:

- Personal purchases.
- IT related electronic equipment including cell phones, high-volume scanners (costing more than \$200), tablet computers, i-pads, e-readers, laptops, desktop computers, printers (any type of printer regardless of cost), cameras (except “point and shoot” cameras costing less than \$200), projectors. Campus IT staff must be consulted before the purchase of any of these items and requisition of these items will be initiated by IT staff. (See [Purchasing Procedures](#) on the Purchasing & General Services downloads page).
- IT related accessories with a unit price of \$200.00 or more each. IT related Accessories costing \$200 or less (cables, thumb drives, mice, keyboards etc.) may be purchased with the procurement card.
- Software. Campus IT staff must be consulted before the purchase of any software and requisition of software purchases will be initiated by IT staff. (See [Purchasing Procedures](#) on the Purchasing & General Services downloads page).
- Purchase of inventoried equipment (items costing \$5,000 or more).
- Initial membership in employment related organizations. For example, American Association of Community Colleges, California Association of Public Purchasing Officials and the like.
- Payment of wages.
- Payments to independent contractors or other contractors providing services to the District. Note that catering services provided by the District’s Food Service Provider are an **exception** and may be charged to a procurement card.
- Non-IT equipment or supplies purchases with a unit cost between \$1000 and \$4999 inclusive of tax, shipping and handling charges. Examples of this type of equipment include but are not limited to:
 - o Laboratory equipment like microscopes, meters, centrifuges;
 - o Automotive equipment such as test equipment, specialty tools;
 - o Repair parts.
- Alcohol – purchase of alcohol is only allowed as specified in the District’s [Conference and Travel Procedure AP 8.55.1](#).
- Firearms
- Cash
- Jewelry
- Furniture
- Although not a prohibited use, where possible supply and equipment purchases that are ongoing throughout the fiscal year should be managed through a standing purchase order rather than procurement card purchases.

Accidental Personal Charge

If an **accidental personal charge** is made, contact your supervisor *immediately* via email. Email should also be sent to the campus Budget Officer. Within three (3) business days, send a check to the Accounts Receivable Department c/o the

District Office for the value of the accidental charge. Any unresolved charges resulting from misuse or abuse of the card by the cardholder will be deducted from the employee's paycheck.

Merchant Category Code (MCC) Groups

Every vendor that accepts Visa Card is assigned a Merchant Category Code (MCC) by its bank to classify and identify different types of businesses. The District uses MCC codes in its procurement card program to restrict purchases from certain types of vendors. For example, liquor stores, contracted services, insurance providers, and legal services are restricted businesses and charges to these vendors will be rejected by the bank. The [complete list of MCC](#) can be viewed on the District portal site under *Downloads, Purchasing/General Services, Procurement Card*.

Declined/Rejected Charges

If your purchase is declined, contact US Bank 1-800-344-5696 to report the decline and determine the reason.

If your card is rejected because of one following reasons, contact the Campus Budget Officer with the card number, merchant's name, brief description of merchandise, and dollar amount:

- The procard program restricts the vendor's MCC code.
- You have exceeded your monthly credit limit.

Use Tax

SMCCCD is NOT exempt from payment of California Sales/Use Tax and the card is not to be used to avoid paying sales tax. Although some vendors do not charge sales/use tax, the District is expected to report the tax.

It is the cardholder's responsibility to ensure that use tax is included on every *applicable* procurement card transaction. Any procard purchase that is not charged the appropriate tax rate (this situation typically occurs when a purchase is made over the internet and the internet vendor does not charge use tax) must be reported to your Business Officer who will report tax liability to the District Office Accounting department so that it can be paid directly to the State Board of Equalization.

CREDIT CARD MISUSE

Revocation of a Card

Cardholders are responsible to ensure that the card is used within the District's program requirements and purchasing policies and procedures. Purposeful or habitual misuse of the card will subject the employee to discipline or dismissal or prosecution.

The procurement card may be revoked for any of the following reasons:

- The card is used for personal or unauthorized purposes.
- The cardholder fails to provide upon request of the District receipts, statements, or related documentation upon an audit.
- The card is used to purchase alcoholic beverages or any substance, material or service, which violates policy, law or regulation pertaining to the District.
- The cardholder allows the card to be used by another individual.
- The cardholder splits a purchase to circumvent a purchase limit assigned to the card.
- The cardholder uses another cardholder's card to circumvent a purchase limit assigned.
- The cardholder uses the card to purchase gratuities and gifts.
- The cardholder does not adhere to the procurement card policies and procedures.

- The procurement card is the property of the Bank, and it may at any time revoke card privileges under the provisions of its policies and procedures.

CREDIT CARD ACCOUNTING

Review and management of charges

Charges are posted to the US Bank website (<https://access.usbank.com/>) frequently during the month.

Users should use the US Bank website to review, reclassify, approve and forward charges to the final approver. All of this activity must be completed within 5 working days after the 25th of the month.

[Detailed instructions for cardholders and approvers](#) on how to approve, reallocate, and forward charges for approval using the US Bank website can be found on the district downloads page. Again, under normal circumstances, all of these transactions should be completed on the US Bank website. However, if necessary, a journal transfer in Banner or WebSMART can be processed but should be done in a timely manner.

Statement of Charges and Procard Receipt Management

US Bank mails a monthly statement of charges to the work address of every cardholder for each card issued to the cardholder. These statements include the transaction date, posting date, amount of the purchase, a transaction reference number and the name of the vendor. Since the District pays the account, the balance due will be zero.

The cardholder or designee is responsible for keeping all receipts for credit card transactions and reconciling the receipts to the statement.

A Procard Receipt Packet must be prepared, approved, and uploaded monthly to the appropriate CIAG Appserv1 folder. The purpose of each charge must be noted on the receipt and additional information is required for the following purchases:

- Restaurant receipts should indicate the reason for the get-together and the names of the guests.
- When purchased for a meeting, food receipts should include the purpose of the meeting and a list of the attendees.
- Conference expense receipts should include the event's title, location, and date(s) of attendance. A "Statement of Conference Expense" form must be submitted for all reimbursable conference expenditures (even if there is a zero balance due) and should include procurement card purchases. See [District Rules and Regulations 8.55 and AP 8.55.1](#) for the District's conference and travel policy and procedure.

To review the full requirements for managing your Procard Receipt Packet please refer to the [Procard Document Management Procedures](#) on the Purchasing & General Services downloads page.

Errors and Dispute Resolution

If you find an error on your monthly bank statement e.g. a charge for an item that you did not purchase, contact US bank at 1-800-344-5696 to report the error. Customer Service will handle clearing the mischarge. The cardholder should also send an email to their college Business Officer as notification of the mischarge.

Internal Audit and Archive

All credit card charges are subject to audit. The district has developed procedures for archiving credit card documentation for audit purposes. Detailed procedures related to archiving receipts and statements for audit purposes are available through your campus business office.

Original card statements and original detailed receipts with a description of the purchase must be retained by the cardholder, and upon request, must be provided for audit purposes. Routine audits will be conducted at random on a monthly basis. If irregularities are found in the audit, the cardholder is subject to revocation of the procurement card and prosecution for any illegal or unauthorized purchases.

The cardholder must keep the receipts and statements for a period of three years. Note that this requirement may vary for purchases involving Federal or State grants. Please refer to the grant requirements for applicable document retention requirements.

CARDHOLDER RELOCATION, LONG TERM LEAVE, RETIREMENT OR TERMINATION

When a cardholder changes location or leaves the employment of SMCCCD, they must:

- Contact the Campus Business Office to update default account and mailing address for relocation
- Relinquish their file of receipts and card statements to their immediate supervisor, and
- Surrender their procurement card to their Campus Budget Officer prior to their exit interview with Human Resources; or if they are a District Office employee, surrender their procurement card to Human Resources during their exit interview.
- Human Resources will send email notification about the termination to the Campus Budget Officers and appropriate departments for all terminated employees.

When a cardholder takes a long term leave from the district (sabbatical, maternity, illness, etc.) the Campus Business Office should be notified and the Budget Office will deactivate the card for the duration of the leave.

