



USER GUIDE

FOR

PROCUREMENT CARD PROGRAM

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Appendices:

- A - Request for Issuance of Mt. SAC Procurement Card
- B - Mt. SAC Procurement Card Policies and Procedures Contract
- C - U.S. Bank P-Card Activation
- D - Lost/Missing Receipt Form
- E - Procurement Card Log
- F - P-Card Acceptance Form
- G - Request to Amend/Cancel P-Card
- H - U.S. Bank Cardholder Guidebook
- I - U.S. Bank Access Online Registration
- J - Procurement Card - Deficiency of Internal Controls

OVERVIEW

In today's environment of streamlining, government agencies like the Mt. San Antonio Community College District ("District") are looking for ways to cut administrative time, effort, and costs. A Procurement Card Program ("P-Card") is a credit card program that enables the District to significantly trim the traditional paper and labor-intensive procurement process for small dollar purchases and/or to pay for travel related expenses, such as hotels and restaurants.

On January 14, 2015, the District's Board of Trustees approved the Procurement Card Program to allow District employees to use a personalized Visa Card through the U.S. Bank Cal Card Program (Bank) to buy small-dollar items and/or pay for travel-related expenses on behalf of the District.

PURPOSE

The District's Procurement Card Program allows a more efficient, cost-effective method of purchasing and paying for small-dollar supply transactions and travel expenses. (Some Cardholders will be approved for supply purchases only, some for travel only, and others for supply and travel, based on individual department needs). The Program will:

- Streamline the process for low-dollar purchases.
- Expedite time-sensitive and emergency purchases.
- Eliminate low-volume, low-dollar standing purchase orders (SPOs).
- Purchase from vendors who do not accept purchase orders, including via the Internet.
- Facilitate conference attendance and related travel.
- Expedite vendor payments.
- Allow the reallocation of staff time for the timely processing of high-impact, high-value purchases.

This User Guide provides the guidelines and rules for obtaining and using the Mt. SAC P-Card. Please read the guide in its entirety before completing the *Request for Issuance of a Mt. SAC Procurement Card* and the *Procurement Card Policies and Procedures Contract*.

P-CARD USES

Features

A major difference between the P-Card and a personal credit card is that the P-Card program allows the District to assign individual card usage limits and to establish Cardholder profiles based on the following parameters:

Dollar limit per transaction

There may be a maximum amount which can be charged to the card on any single purchase. Purchases in excess of this maximum amount will be rejected by the Bank.

Number of transactions per day

Some cards may have a maximum number of purchases that can be charged to a card in a single day. Attempts to make additional purchases after the maximum amount, within a 24-hour period beginning at midnight, will be rejected by the Bank.

Dollar limit per month

The maximum amount of purchases, which can be charged to any card during a single month will be approved by the Vice President, Administrative Services. A “month” is defined as the 26th of the current month through the 25th of the next month. If the 25th of the month falls on a weekend, the closing day is the next business day after the 25th. Once the maximum limit has been reached during a single month, attempts to make additional purchases will be rejected by the Bank until the billing cycle is completed on the 25th.

Monthly Dollar Limits:

\$ 1,000
\$ 2,500
\$ 5,000
\$10,000

Standard Industry Code (SIC) or Merchant Category Code (MCC) groups

Every vendor that accepts Visa is assigned a Standard Industry Code (“SIC”) or Merchant Category Code (“MCC”) by its bank. This is a means for the banking industry to classify and identify different types of businesses. The District has incorporated the use of MCCs in its P-Card Program to restrict purchases from certain types of vendors. For example, jewelers, liquor stores, financial institutions, medical providers, building contractors, insurance providers, and legal services are all restricted businesses for which attempted P-Card purchases will be rejected by the Bank.

Based on the MCC groups, the District has created the following profiles:

- Supply
- Travel

Eligibility

Permanent employees who have passed the probationary period are eligible to receive a P-Card upon approval of the President/Vice President of the area and the Vice President, Administrative Services.

Uses

The P-Card is a Visa credit card issued to an eligible District employee by the Bank upon submission of an application by the District. The P-Card bears the name of the employee and the District’s name. The card functions virtually the same as a personal credit card and can be used within the P-Card Program’s guidelines to make purchases from vendors accepting Visa. Employees may make purchases at a vendor’s place of business, by telephone, facsimile, or via the internet.

The Cardholder is personally responsible for guaranteeing that:

- All charges are for appropriate District expenses,
- All purchases are within budget limits, and
- All purchases are not in violation of any other law, regulation, or policy of the Board of Trustees.

Cardholders are encouraged to use their P-Card in order to achieve cost savings and improve processing time. The P-Card should be used as the first option before using other existing methods to obtain allowable supplies. This means that the Cardholder should use his/her P-Card instead of a purchase order, standing purchase order, or personal reimbursement request for low-dollar supply purchases.

P-Cards can only be used for travel related expenses in accordance with the College's AP 7400, as follows:

- Conference fees
- Hotels or other lodging
- Transportation/Rental Cars (including gratuities)
- Meals (including gratuities)
- Fuel for rental cars

P-CARD RESTRICTIONS

Neither the District nor the Bank assumes responsibility for non-District or otherwise inappropriate purchases. The Cardholder shall be liable to the District and to the Bank for any non-District or otherwise inappropriate purchase.

The use of P-Cards is strictly prohibited for the following:

- Personal purchases.
- Alcoholic beverages.
- Catering/food services (other than Sodexo).
- Cash advances or deposits.
- Cellular telephones and accessories.
- Equipment, including Furniture, valued at \$500 or more (see Guide to Equipment Purchases).
- IT related equipment and accessories (costing \$200 or more), including, but not limited to printers, scanners, computers, laptops, tablets, e-readers, cameras, projectors and other audiovisual items. Campus IT must be consulted on these items. Therefore, these items will be submitted through the normal Banner Requisition process. Note, IT related accessories with a unit price less than \$200, such as cables, thumb drives, mice, keyboards, etc., may be purchased with a P-Card.
- Leases or rentals, including, but not limited to facilities and equipment.
- Memberships.
- Capital outlay (construction) projects or special construction repair services.
- Payment of wages.
- Payments to independent contractors, other contracted or non-contracted services, including, but not limited to maintenance, repair, printing, or customization services.
- Items for personal use, including, but not limited to grooming, toiletry, and medical supplies.
- Subscriptions that are automatically renewed by the vendor.
- Splitting of purchases to circumvent bidding requirements or purchase limits.
- Weapons, firearms, or ammunitions.
- Gifts, gratuities (other than those listed for travel-related expenses), donations, contributions to individuals, or organizations.
- Fuel for personal vehicles.

In addition to the above restrictions, the following expenses are also prohibited for travel-related expenses:

- Entertainment.
- Non-college employees, such as family, friends, and other guests not associated with the business of the College.

The following expenditures cannot be purchased with the P-Card at this time:

- Airline tickets
 - o Airline tickets may be purchased through the DGS Statewide Travel Program where the P-Card is not required for the purchase. The DGS Statewide Travel Program information is included as Appendix K of this document.

Any charges resulting from misuse or abuse of the P-Card by the Cardholder will be deducted from the responsible employee's paycheck unless the employee has consulted with and resolved such charges through the Vice President, Administrative Services. The P-Card will be revoked upon determination that the employee has violated these P-Card policies.

OBTAINING A P-CARD

Eligible employees must complete a *Request for Issuance of Mt SAC P-Card* and forward it to their respective Dean/Director for signature. The request must also receive approval from the President/Vice President of the area and the Vice President, Administrative Services. Once approved by the Vice President, Administrative Services, the request form will be forwarded to the Purchasing Department for Cardholder set-up and to schedule training. See Appendix A for *Request for Issuance of Mt. SAC P-Card* form.

Upon conclusion of the training session, employees will review the P-Card User Guide and contract. Upon the conclusion of training and signing of the contract, employees will receive their Mt SAC P-Card. P-Cards will need to be activated prior to use. See Appendix C for *Activation Process*.

Requests to amend or cancel a P-Card, shall be made in writing via the *Request to Amend or Cancel P-Card* form. (See Appendix G for *Request to Amend or Cancel P-Card* form.)

USING A P-CARD

Responsibility and Security

The Cardholder is responsible for the security of the P-Card and ensuring the P-Card is used in accordance with the College's *Procurement Card Program User Guide* and that all purchases are in compliance with the College's *AP 6330 Purchasing*.

Obtaining Goods

Purchases may be made by visiting the vendor's place of business or by placing the order over the telephone, facsimile, or via the Internet. In all cases, the Cardholder is required to obtain an original, itemized receipt/invoice, which must include the following information:

- Description
- Quantity
- Price per item
- Sales tax and total amounts
- Shipping and/or handling charges, if applicable

In accordance with the College's *AP6330 Purchasing*, the Warehouse shall receive and distribute purchased materials to the requesting departments.

Taxes

The College is NOT tax-exempt. Mt SAC is required to pay California sales and use 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 you receive goods from a vendor who does not include sales tax on its receipt, please indicate this by adding the tax information in the comment section when reconciling your charges in the Bank system. This will alert Accounts Payable to pay the tax to the State when we file our mandatory tax reports.

Budget

Departments are responsible for having sufficient budget available in the account distribution (FOAP) before the purchasing card transaction is processed.

RECONCILING P-CARD CHARGES

Monthly Statements

Cardholders may view their monthly statements in the U.S. Bank Access Online system. Statements will include the transaction date, posting date, amount of the purchase, and the name of the vendor. Cardholders must review and reallocate their transactions against the Statement through the Bank's system for each billing cycle. Billing cycles run from the 26th of the current month through the 25th of the following month. If the 25th falls on a weekend or holiday, then the closing date will be the next business day and the new billing cycle will begin on the following day. **All** Purchases and/or travel related expenses are to be reconciled each month by the Cardholder. Reconciliation and approvals must be completed no later than 8 calendar days after closing of the monthly cycle.

In the event the Cardholder is unavailable at the time the on-line reconciliation is due, their approved designee will complete the reconciliation process in the Bank system. It is the cardholder's (or designee's) responsibility to reallocate online to the correct department account distribution (Fund, Organization, Account, Program).

At the close of the monthly cycle, the Cardholder will do the following:

- Sign into the Bank system
 - Use *Account Information* menu, then select *Cardholder Account Statement* to review the Bank's statement of expenses against the original, itemized receipts to ensure a match.
 - Use the *Transaction Management* menu, then select *Transaction List* to
 - o Reallocate expenses from the default account to the correct department account distribution (FOAP) and save allocations.
 - o In the comment tab add applicable sales/use tax not included by the vendor
 - o In the comment tab add the college business purpose for the purchase, such as event (include name, reason, and date of the event, and participant names, if applicable), promotional items, travel and conference number ("T" Number), etc.
 - o Print the *Account Activity* for a detailed cardholder transaction list.
 - Review *Account (Cardholder) Activity* report to ensure it matches the monthly *Cardholder Account Statement*.
 - Attach all original, itemized receipts/invoices to the *Account (Cardholder) Activity* report. Note, the *Procurement Card Log* (Appendix E) is optional, but is a helpful tool to assist with

organization of receipts. If travel related receipts, also attach copies of the receipts to the Conference and Travel form.

- Small receipts/invoices should be taped to an 8-1/2" x 11" sheet of paper to ensure they are not lost in transit and can easily be reviewed.
- Have the Approving Official review the hardcopy *Account (Cardholder) Activity* report and receipts and sign the hardcopy *Account (Cardholder) Activity* report.
- Submit the entire package to Accounts Payable within the 8 day period, as stated above.

If the procurement card has not been used during a billing cycle, no action will be required.

Note: In order to meet year-end deadlines and the closing of the College's fiscal books, P-Cards cannot be used during the period June 19th through June 30th of each fiscal year.

Deficiencies in submitting required documents or information will be noted and reviewed by the respective President/Vice President of the area and the Vice President, Administrative Services. (See *Appendix J for Deficiency of Internal Controls.*)

Original, Itemized Receipt/Invoice

Original, itemized receipts/invoices are required.

Lost or Missing Receipt/Invoice

If the Cardholder has lost the original receipt/invoice, it is their responsibility to obtain a duplicate receipt from the vendor. If a duplicate cannot be obtained, the Cardholder must complete and attach a *Lost/Missing Receipt Affidavit* form with the monthly reconciliation submittal. The *Lost/Missing Receipt Affidavit* will be forwarded to President's Cabinet for review and action. See Appendix D for *Lost/Missing Receipt Affidavit* form. If Cardholder repeatedly loses receipts/invoices, their card will be revoked.

Returned Items

If items purchased with the P-Card are found to be defective, the Cardholder is responsible for returning the items to the vendor for replacement or to receive a credit. If the vendor refuses to replace the defective item or provide a credit, the purchase will be considered to be in dispute and must be handled as a disputed item.

Original, itemized credit receipts/invoices are to be attached to the hard copy Bank statement, along with other receipts/invoices, in the month credited. It is the Cardholder's responsibility to look for any applicable credit on future statements.

Gift cards or cash refunds may not be accepted in lieu of a credit.

Disputed Charges

The Cardholder is responsible for resolving questionable items which appear on the Bank statement with the vendor and/or the Bank within 60 days from the date of the first statement on which the purchase was billed. If an item is billed incorrectly, the Cardholder should first contact the vendor, if possible, to resolve the issue. If a resolution is not reached, the Cardholder must dispute the purchase.

Updated Expiration Dates

All cards, new or expired, will be mailed by the Bank to the Purchasing Department. Purchasing will notify Cardholders to coordinate P-Card pick-up.

REPORTING A LOST OR STOLEN P-CARD

Cardholder must immediately contact U.S. Bank Customer Service at (800) 344-5696, outside U.S. call collect (701) 461-2010, to report a lost or stolen P-Card. U.S. Bank will automatically re-issue a new card. The Cardholder is also to notify the Purchasing Department of a lost or stolen P-Card by calling (909) 274-4245 on the next business day. Replacement cards will be sent to the Purchasing Department, who will notify the Cardholder that it is available for pickup.

BANNER INTERFACE AND PAYMENT OF CHARGES

After the reconciliation and approval process is complete, an automated process will import the transactions into Banner as a journal entry.

Note: There may be up to a 39-day lag before charges appear in the Banner system. Therefore, in order to know your total P-Card expenditures for the fiscal year, you will need to combine your P-Card expenditures already uploaded in Banner with the pending transactions in the Bank system.

Each month, Accounts Payable will pay that month's Bank statement of expenses. Cardholders are not responsible for remitting the payment; therefore, are not required to enter a requisition in Banner.

REVOCATION OF P-CARD

See also P-Card Restrictions (Page 5-6). Any charges resulting from misuse or abuse of the P-Card by the Cardholder will be deducted from the responsible employee's paycheck unless the employee has consulted with and resolved such charges through Vice President, Administrative Services. The P-Card will be revoked upon determination that the employee has violated these P-Card policies.