



USER GUIDE

FOR

PROCUREMENT CARD PROGRAM

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Appendices:

[Request for P-Card Issuance or Modifications](#)

Mt. SAC Procurement Card Policies and Procedures Contract
(incorporated in the electronic request form linked above)

U.S. Bank P-Card Activation Steps

Lost/Missing Receipt Form

U.S. Bank Cardholder Guidebook

U.S. Bank Access Online Registration

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 lower-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 lower dollar transactions, such as supplies, certain fees and travel expenses. (Cardholders will be approved for purchases types (i.e. supply, travel, etc., 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*

*To ensure appropriate oversight and compliance with the College’s purchasing policies, Procurement Cards (P-Cards) with transaction or monthly limits of \$10,000 will require additional written justification before approval.

Requestors seeking a P-Card limit of \$10,000 must provide:

- A clear explanation of why a higher limit is necessary, including the nature and frequency of the anticipated purchases.
- A description of the types of purchases that will be made on a recurring basis, demonstrating why the standard P-Card limit is insufficient to meet operational needs.
- A rationale for why these purchases cannot be processed using a Purchase Order, including any factors such as vendor payment requirements, timing constraints, or emergency operational needs that make the use of a Purchase Order impractical or inefficient.

This justification will help ensure that higher-limit P-Cards are issued only when truly necessary to support the College’s operational efficiency while maintaining appropriate fiscal controls and accountability.

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
- Fees: such as government mandated fees, regulatory fees, permits

Eligibility

Permanent employees 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 the following travel related expenses in accordance with the College's AP 7400, as follows:

- Conference fees
- Hotels or other lodging are restricted for single occupancies for employee travel. Using Airbnb, VRBO, or other similar third-party booking sites to book conference and travel accommodations for short-term rental properties is not allowed.
- Parking (Standard parking is allowable; Valet, VIP, Preferred Parking, etc. is NOT allowable)
- Transportation such as Airfare, Rental Cars, Ground Transportation, and Rideshare Services. The most economical mode of transportation will be reimbursed. (including gratuities, no more than 20%)
- Fuel for rental cars

The following travel expenditures have the following restrictions:

- Airfare:
 - If travel is purchased on a P-Card, purchases for upgrades, such as food, wi-fi, in-flight entertainment, upgraded baggage, priority boarding, and upgraded seating, i.e., first class, business class, and similar types of upgrades, should not be purchased using your P-Card.
 - Airfare may also be purchased through the DGS/CI AZUMANO Statewide Travel Program. The DGS/CI AZUMANO Statewide Travel Program information is included as Appendix K of this document.
- Meal (Employee Travel):

- Personal meals are not allowed on procurement cards. Reimbursement for meal expenses will be made on a per diem basis.

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. Cardholders who do not comply with the guidelines below may have their card suspended or revoked.

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

- Alcoholic beverages (other than alcohol for instructional purposes)
- Meal and food supplies that do not comply with the food purchasing guidelines are prohibited.
- Pharmaceuticals (other than Pharmaceuticals for instructional purposes)
- Cash advances or deposits.
- Cellular telephones.
- Equipment, including furniture, valued up to \$500 total cost. i.e., shipping, tax, and any other fees.
- 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.
- Software Licenses or IT Services
- Leases or rentals, including, but not limited to facilities and equipment.
- Personal memberships are not allowable.
- Institutional Memberships over \$5,000.
- Capital outlay (construction) projects or special construction repair services.
- Payment of wages.
- Payments to independent contractors, other contracted services, including, but not limited to maintenance, repair, printing services.
- Items for personal use, including, but not limited to grooming, toiletry, and medical supplies.
- Software/On-line Subscriptions
- 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.
- Personal meals
- Any purchase that requires a contract/agreement.
- Travel related upgrades (wi-fi, in-flight entertainment, upgraded baggage, priority boarding, and upgraded seating, i.e., first class, business class, and similar types of upgrades)

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.
- Travel restrictions listed above.

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. Please visit <https://mtsaccentral.etrieve.cloud/#/form/140> to complete the *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 attached *Activation Process*.

Requests to amend or cancel a P-Card, shall be made in writing via the *using the digital form linked above*.

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*.

Cardholders shall not share their P-Card with any other individual.

Obtaining Goods

Purchases may be made by visiting the vendor's place of business or by placing the order over the telephone, 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
- Transaction date
- Vendor name
- 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. All shipments must be shipped directly to the district warehouse. Shipments to locations other than the warehouse are not allowable.

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 verifying sufficient budget is available in the account distribution (FOAP) before the purchasing card transaction is processed. If adequate funding is unavailable, the requestor shall be responsible for submitting a budget transfer immediately.

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 Chrome River 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 must be completed no later than the date listed in the P-Card allocation schedule following the statement close date. (Example: the statement period closes on March 25th, all allocations must be completed in Chrome River by April 6th.) Approvers are required to complete approvals no later than the 10th of each month.

In the event the Cardholder is unavailable at the time the on-line reconciliation is due, their approved delegate will complete the reconciliation process in the Chrome River system. Note, be sure to select your delegate in the Chrome River System. It is the cardholder's (or delegate's) responsibility to reallocate **online** to the correct department account distribution (Fund, Organization, Account, Program). Cardholders who do not allocate and receive approval for their charges in accordance with the established timelines may have their card suspended or revoked.

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

- Sign into the US 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.
 - Sign into Chrome River to
 - Reallocate expenses to the correct department account distribution (FOAP).
- Attach all original, itemized receipts/invoices to the Expense Report in Chrome River

The expense report will automatically route to your approving manager for approval. 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 15th through June 30th of each fiscal year.**

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 or an online/digital version of the itemized cost. If a duplicate cannot be obtained, the Cardholder must complete and attach a *Lost/Missing Receipt Affidavit* form with the monthly reconciliation submittal. 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 US 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.

NON-COMPLIANCE

The following steps apply **if a cardholder makes a purchase that does not comply with the P-Card Guidelines, or if a cardholder or their delegate neglects to properly submit an Expense Report and allocate charges by the date stated in the allocation schedule following the statement close period, including obtaining all necessary approvals.**

1. First Instance of Non-Compliance

- A written warning will be emailed to the cardholder.
- The cardholder must acknowledge the warning by signing a P-Card Non-Compliance Acknowledgement Form.

2. Second Instance of Non-Compliance

- An email notification will be sent to the cardholder **and** the cardholder's manager.
- Both the cardholder and the manager must acknowledge the notification in writing.

3. Third Instance of Non-Compliance

- An email notification will be sent to the cardholder, the cardholder's manager, and the Division Vice President.
- All three parties must acknowledge the notification in writing.
- The card will be **suspended** for a minimum of 30 days (or one full cycle) and the cardholder must complete re-training with a member of the Purchasing team before the card may be reinstated.

4. Fourth Instance of Non-Compliance

- A written notice will be sent to the cardholder, the cardholder's manager, the Division Vice President, **and** the Vice President of Administrative Services.
- The card will be **suspended indefinitely**, and the Vice President of Administrative Services will determine whether the cardholder's P-Card privileges will be permanently revoked.

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 Director of Purchasing.

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.

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.

If Purchasing is requested to make a purchase on behalf of a Department using the Purchasing Department's P-Card, the original requestor will be required to enter a requisition in Banner, and noting that the payment has been made using Purchasing's P-Card in the doctext. This allows the Fiscal Department to properly allocate the charges.