

PROCEDURE NO. 511.1

Area: Administration and Finance

Adopted: April 6, 2004

Certified by _____

*Original signature on file in
Office of General Counsel*

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SUBJECT: UNIVERSITY BUSINESS PROCUREMENT CARD ("PRO CARD")

1. AUTHORIZATION

- a. The University Procurement Card (ProCard) was established by the Office of the Vice President and CFO. All cards issued shall have the prior approval of the VP/CFO.
- b. Central State University is the designated primary user of the ProCard account, with subordinate cards issued to departments and individual cardholders.
- c. All transactions using the ProCard shall be in accordance and compliance with all applicable University purchasing and procurement guidelines, policies, and procedures.
- d. The University Procurement Card Program shall be administered by the University Pro Card Administrator in the Controller's Office.
- e. Central State University is tax exempt organization and does not pay state sales tax on purchases. The vendor must be informed of this at the time of purchase. To avoid state sales tax on the purchase and from becoming a personal liability, the Tax Exempt Form has to be provided to vendor. Tax Exempt Forms are available in Controller's Office. Cardholders should contact the vendor for credit should state tax be charged.

2. ELIGIBILITY

To be eligible for a ProCard:

- a. You must be a full-time employee,
- b. Satisfactorily completed 6 months' employment with the University,
- c. And have the approval from their Division Vice-President and Director.

3. DEPARTMENT CARDS

- a. Purchase ProCards can be issued to the division, but the responsibility is assigned to a primary user, usually the department Administrative Assistant or a designee, who assumes responsibility for authenticating the charges. The business card provides a mechanism to pay for a small-dollar amount goods and services on behalf of the division and its employees. on

- b. The card will bear the name of Central State University and the name of the primary user; it should be stored in the business office and not be given to individuals to take business trips.

4. PROCARD ISSUANCE

- a. All requests for a ProCard shall be submitted to the ProCard Administrator in the Controller's Office on a completed "Request for University Procurement Card" Form. The Requestor must designate purchase or travel usage of the ProCard.
- b. The Controller shall review the Request Form and establish transaction parameters and limits for each card requested. Transaction limits are established to meet normal purchase and travel needs of departments and individual cardholders and shall not exceed the limits of the associated Purchase Order and established limits. Controller will not authorize transactions beyond the limits of properly executed Requisition and Purchase Order.
- c. The Controller shall forward the reviewed and signed "Request for University Procurement Card" Form to the VP/ CFO for concurrence and approval.
- d. The Pro Card Administrator shall set-up a "New Account Profile" for each ProCard and forward the completed and approved "New Account Profile" to the sponsoring bank to request a ProCard.
- e. The sponsoring bank shall process the request and forward the requested card to the ProCard Administrator.
- f. The ProCard Administrator shall prepare a "Receipt of Procurement Card" Form for cardholder signature and acknowledgement of receipt of card.

5. PROCARD SPENDING AND TRANSACTION LIMIT

The default spending and transaction limit on Department **Purchasing ProCards**:

- \$2,500 monthly credit limit

Annually, Cardholders should obtain a blanket purchase order to prevent a delay in the Controller's Office processing reimbursements or authorizing use of the ProCard.

6. ALLOWABLE USES OF UNIVERSITY CREDIT CARD

- a. The Purchasing ProCard facilitates the purchase of goods or services to support a University division, center, program, work group, or organization. This card should be used for low dollar cost goods and services (typically less than \$2,500) that cannot be efficiently purchased through the regular purchasing process.
- b. Based on the business need, this card may also be used for payment of group and event expenses, such as board and business meetings.

7. UNALLOWABLE USES OF UNIVERSITY CREDIT CARD

University ProCards may not be used to purchase these goods and services:

- hazardous materials
- chemicals
- capital equipment/furniture
- computers/electronic equipment
- independent contractors
- entertainers
- temporary employment
- personal purchases
- purchases from suppliers participating in the Marketplace or from contract suppliers
- gifts, prizes, alcohol and/or flowers;
- cash advances
- clothing apparel
- software
- memberships/subscriptions
- tuition

8. PROCARD TRANSACTION PROCESSING

- a. The Cardholder shall establish an open Purchase Order for the sponsoring bank to encumber funds to facilitate automatic payment of transactions incurred via ProCard. The Purchase Order shall be issued to cover a fiscal year period and shall be closed at the end of the fiscal year. A new Purchase Order shall be issued for each fiscal year of use. The Pro Card Administrator shall update card records to reflect current Purchase Order number, fund code, organization code, and accounting line for the fiscal year.
- b. ProCard transactions shall be considered declining balance activities against the Purchase Order. The annual transaction balance shall not exceed the amount of the associated Purchase Order.
- c. The Cardholder shall prepare and submit a University Requisition per existing policy and procedure, prior to purchase transaction, to authorize transaction.
- d. The Cardholder shall adhere to all applicable University travel and policies and procedures.
- e. The Cardholder shall use the ProCard to procure University business related services.
- f. The Cardholder shall authorize each transaction via signature.
- g. The Cardholder shall retain receipts for each transaction to facilitate monthly reconciliation and to comply with CSU and restricted grants regulations.
- h. The Cardholder shall maintain a monthly log of all transactions on the "ProCard Transaction Log," including transaction date, cardholder name, cardholder department, merchant, amount of transaction, description of transaction, and Purchase Order number.

9. RETURNS OF GOODS AND SERVICES

Cardholders are responsible for all returns of goods and all returns should be credited to the cardholder's account. Cash refunds are strictly prohibited.

10. LOST OR STOLEN CARDS

If a University credit card is lost or stolen, the cardholder has to take following actions:

- a. Immediately call the Customer Service number to report the lost or stolen card and to begin the deactivation process for the credit card. **NOTE:** *Please make a copy of the back of your credit card in the event you need to report a lost or stolen card.*
- b. Notify the Controller's Office after contacting Customer Service to begin the process of ordering a new card.
- c. Cardholders will not be responsible for any charges after the card is reported lost or stolen.

11. CARDHOLDER RESPONSIBILITY

The Corporate Credit Card is valuable property which requires proper treatment by the cardholder to protect it from misuse by unauthorized parties.

- a. The Cardholder is responsible for registering the card on the provider website. This will allow the cardholder to setup their user profile, print monthly statements, review account balances and transactions.
- b. The Cardholder is responsible for monthly reconciliation and shall return required documentation no later than 10th of the following month after receipt of the monthly statement.
- c. Failure to submit reconciliation and receipts in a timely manner will result in deactivation of a ProCard until documentation has been received by the Controller's Office.
- d. The Cardholder shall be personally responsible for payment to the University for any transactions that are unapproved or determined to be in non-compliance with policies and procedures.
- e. Failure to comply with applicable policies and procedures shall result in immediate revocation of the cardholder's ProCard privileges.
- f. Misuse or unauthorized use of the ProCard shall result in immediate disciplinary action, up to and including termination of employment.
- g. The Cardholder shall protect the ProCard at all times and shall not permit card to be used by others.

APPENDIX PROCARD RECONCILIATION PROCESSING

- a. The cardholder shall acquire monthly statements of all ProCard activity from the sponsoring bank.
- b. The cardholder shall verify all transactions.
- c. The cardholder shall attach copies of all receipts to the monthly statement to verify transactions on the card.
- d. Via signature, the cardholder shall certify that all transactions were for University business or travel, and are accurate and in compliance with University policies.
- e. The cardholder shall forward a copy of the monthly statement, the monthly transaction log, the associated requisitions, and the receipts, with each reconciliation detailing the monthly activity to the ProCard Administrator.

- f. The ProCard Administrator shall verify reconciliation of transactions and monthly tracking and shall report any exceptions to the Controller for further action.
- g. The ProCard Administrator shall forward monthly statement to the Controller by the end of the month in which charges are incurred.
- h. The ProCard Administrator shall file and maintain copies as permanent audit records in accordance with applicable records retention rules and requirements.

APPENDIX FORMS DEFINITION

- a. Request for University Procurement Card Form: used to request issuance of ProCard.
- b. User Profile: used to establish cardholder authorizations and transaction parameters and limits.
- c. Receipt of Procurement Card Form: used to document cardholder receipt of ProCard and cardholder acknowledgement of policies and procedures.
- d. University Travel Requisition: used to request travel on a per-trip basis, prior to travel.
- e. ProCard Monthly Statement: used to provide detail of monthly transaction incurred via ProCard.
- f. ProCard Transaction Log: used to document cardholder monthly transactions to execute monthly reconciliation and tracking.
- g. Purchase Requisition: used to request goods and services.
- h. CSU Purchase Order: used to encumber funds to facilitate payment and to authorize transaction.