Procurement Card Program

APPROVING OFFICIAL HANDBOOK

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Welcome to the
Western State Colorado University
Procurement Card Program

The goal of the Western State Colorado University Procurement Card Program (WSCU PCard Program) is to enable users to acquire goods and services for Western State Colorado University more easily, to manage small purchases more effectively, to provide more timely payment to vendors, and to reduce the number of purchase orders, check payments, and petty cash transactions. The WSCU PCard will help make small-dollar purchases for your Department fast and efficient. Please do not hesitate to contact us regarding your questions or any aspect of the Program. We welcome your comments and suggestions to improve the WSCU PCard Program.

KEY CONTACTS

Bank Customer Service

Lost or Stolen: (800) 248-4553
Telephone: (800) 248-4553

Western State Colorado University
Procurement Card Program Administration
Procurement & Contracts

Program Administrator

Sue Oberly / Patty Love

Phone: ***943-7022 / 2026***
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ON THE WEB GO TO:

http://www.western.edu/administration/finadmn/purchasing/WSCU-PCard

FOR

Program Policies and Procedures Manual
Cardholder Handbook
Approving Official Handbook
Forms & Related Documents

USING THIS HANDBOOK

This handbook provides a concise guide to the responsibilities, essential steps and procedures for Approving Officials for the WSCU PCard Program. Program information, step-by-step processes, usage compliance, and related details are covered in this Handbook.

Complete Program information, policies, procedures, and forms for the WSCU PCard can be found in the **Procurement Card Program POLICIES AND PROCEDURES MANUAL** on the webpage above. Contact the Program Administrator for further assistance or clarifications.

INTRODUCTION

Welcome to the WSCU PCard Program as an Approving Official. An Approving Official is a department employee responsible for reviewing and approving purchases by designated Cardholders. This includes verifying that purchases are reasonable, in compliance with Program policies and procedures, and within budget spending authority. Designating Approving Officials represents the University's trust in its employees to monitor and protect PCard use in the University's departments.

The role of the Approving Official is to ensure the integrity of the PCard Program. The Approving Official is the control point for the use of the Card and for the protection of the department's budget(s) through the review and approval process of the Cardholder's PCard transactions. A process and tools are provided to enable the Approving Official to accomplish this role. An efficient and effective approval process requires coordination and communication among the department head, Approving Official, and the Cardholder.

An Approving Official may delegate administrative tasks involved in the approval process, however final approval authority and responsibility remains the Approving Official's. A supervisor may delegate the Approving Official designation with the approval of the Program Administrator. Cardholders shall not be their own approving authority.

RESPONSIBILITIES

Following are the responsibilities of a Procurement Card Approving Official. Approving Officials must sign an **Approving Official Agreement** to ensure understanding and acceptance of the role and responsibilities of an Approving Official. The tasks involved in the Approving Official's responsibilities are presented below:

- Ensure compliance with PCard Program policies and procedures.
- Ensure that all statement reconciliation documentation is received and retained in the department for three full fiscal years plus the current. Statements must be available for audit at any time. Audits are conducted, on average, once per year.
- Ensure that all expenditures are assigned to the correct accounting.
- Ensure that all transactions are in accordance with department authorization and the terms of any applicable grant or project.
- Review and sign-off on your Cardholder's monthly statement.
- Monitor Cardholder activity for unusual transactions or unusual patterns of use.
- Document and report Cardholder violations in accordance with policies and procedures and take appropriate action.
- Notify Program Administrator of Cardholder's transfer or termination.
- Ensure Cardholder **is not** sharing Card with others.
- Keep a Violations file on the Cardholder

GENERAL INFORMATION

Liability Information

- The department is liable for all charges made on PCards within the department, including all transactions charged on a lost, stolen or compromised Card prior to Bank notification.
- The department is liable for all charges to a grant or special project account, including any charges that are unallowable according to the terms of the project or grant award.

Approving Official (AO) Roles:

- **State Guidelines**
  - A Cardholder ***shall not*** be his or her own AO.
  - A Cardholder ***may*** be the approving authority for an AO.
  - A Cardholder's supervisor ***may*** be the AO.
- **WSCU PCard Program Guidelines**
  - Department Head is usually the AO for the Department Assistant.
  - Department Assistant is usually the AO for Department faculty, staff, and Department Head.
  - Department Head or supervisor may delegate AO authority with approval of the Program Administrator.

Transaction and Statement Information

- Approving Officials can review transactions on their Cardholder's account online through CitiDirect in conjunction with hardcopy review if they so choose.

- After the close of each billing cycle (**25th** of the month) the Cardholder prints a **Statement of Account**.
- Purchases posted by the Bank within the billing cycle will appear on this statement.
- Statements must be reconciled, with documentation for each transaction, and signed by the Cardholder and Approving Official within **10 working days**.
- Disputed transactions must be reported to the Bank within 60 days of the statement cycle date.
- Transaction data is downloaded from the Bank to Banner on approximately the **5th** day of the month and the defaulted or reallocated departmental accounts are charged.

E-mail Communications

Auto e-mail notifications are sent to Cardholder's monthly on the 26th and the 3rd to remind them to reallocate, reconcile, run, print and approve their Statement of Account before the monthly transaction data download from the Bank occurs.

STATEMENT REVIEW AND APPROVAL

Approving Officials must review and approve by signature their Cardholder's Card statement each month, ensuring that:

- Statement is for transactions posted between the 26th and 25th of the month.
- Statement has been signed by the Cardholder.
- Documentation is attached for every transaction. Documentation includes invoices, credits, **Official Function** forms, **HSR approvals**, **Documentation of Lost/Unavailable Transaction** forms, etc.
- Any transaction without documentation from the merchant is a Card violation. You must determine: 1) If there was **No willful or negligent default**, the **Documentation of Lost/Unavailable Transaction** form must be filled out and attached to the Cardholder's statement. Or 2) Cardholder was negligent and failed to provide documentation from the merchant; hence, a **Procurement Card Violation Warning** form must be filled out, sent to the Program Administrator and a copy attached to Cardholder's statement. Approving Official may also request the Program Administrator to suspend the Card until documentation is provided.
- Violation Warning forms must be filled out, sent to the Program Administrator and copy attached to the statement.
- Document must show that the purchase is appropriate and applicable to official University business.
  - Must be generated by the merchant at the time of the transaction or after the transaction occurs.
  - Merchant's receipt can be supported with literature or catalog information that identifies what was purchased.
  - Charge slips alone are *not* adequate support except when they are detailed, itemized cash register receipts.
  - If merchant's documentation is not itemized, the Cardholder must write in or attach item descriptions and amounts.
  - Itemization on the Statement of Account is *not* sufficient supporting documentation.
  - Order form for dues/memberships, subscriptions, registrations or similar items are allowed for documentation.
  - No sales tax should be charged on transactions.
  - If purchase appears unusual, an explanation is included.

LIMIT INCREASES

- Supervisors must approve any increase in dollar limits for their Cardholder via an email to the Program Administrator.
- Individual with budget authority on affected reallocations must approve.

DISPUTED TRANSACTIONS

Formal written disputes must be filed with the Bank within 60 calendar days from the end of the statement cycle (the **25th** of the month) in which the transaction occurred. Any dispute not resolved directly with the merchant 30 calendar days after the monthly cycle date should be formally reported as a disputed item to the Bank. Most disputes are of unauthorized or unrecognized charges by unknown merchants and are reported to Citi's Customer Service by phone. If the merchant is known, the Cardholder must attempt to resolve the dispute directly with the merchant. A disputed transaction must have dispute information and/or a dispute form attached to the statement. Citi's Dispute Department will advise how the issue will be handled. A dispute form may need to be filled out and emailed or faxed back to them. Disputes can also be done online through CitiDirect.

VIOLATIONS

Any procurement Card transaction contrary to the Program's authorized usage is a Card violation. Card violations range from inadvertent mistakes to negligent or fraudulent use. Any persistent disregard of the Program policies and procedures will result in Card suspension or cancellation. Any negligent or fraudulent use of the PCard will result in Card cancellation and any recovery action deemed appropriate that is permitted by law.

The Approving Official reviews statement documentation and determines if any transaction is a Card violation. The following two subsections provide a guide for recognizing Card violations. Per Fiscal Rule 2-10, "*All incidents of procurement card misuse that are recurring, significant, or in excess of $500 should be reported in writing to the State Controller at least annually.*" Significant or recurring violations in excess of $500 are reported to the State Controller as required by this fiscal rule and shall "include results of any investigation or follow-up including corrective measures implemented to prevent or reduce the likelihood of future occurrences."

Significant Violations

The following violations are deemed "*significant*" by the WSCU PCard Program. An occurrence of one of these violations will be treated with serious concern for the Cardholder's fitness to retain delegated purchasing authority with a PCard. At a minimum, a review of the Cardholder's understanding of his/her responsibilities as a Cardholder and retraining will take place and the Card will be subject to immediate suspension or cancellation. Personal purchases, not reported immediately by the Cardholder, cash transactions, and lack of documentation that requires a Card violation warning, will be investigated as suspected fiscal misconduct which could result in corrective or disciplinary action, up to and including termination of employment, and possible criminal prosecution. Be particularly alert to these significant violations and report them to the Program Administrator immediately to ensure that no further violations occur.

- **Personal Purchase** - Any purchase of goods or services for personal use or benefit or for the personal use and benefit of another individual; not appropriate or applicable for University business and use.
- **Cash/Equivalent** - Cash transactions such as cash back with a purchase; cash credit returns, traveler's checks, money orders, and ATM transactions.
- **Split Purchase** - A single purchase need shall not be divided into separate transactions or to different vendors to circumvent a Card's single purchase dollar limit or to artificially create small purchases to circumvent bidding requirements. A "single purchase need" is the identification of goods and services which are similar enough in nature to be purchased from one source (vendor) and that are known to be needed for purchase presently or over a reasonable amount of time. A commitment voucher (purchase order or contract) or encumbrance are required for single purchase needs of $5,000 or more.
- **Lack of Documentation (willful or negligent default)** - Purchase transactions without documentation and the repeated use of the **Documentation of Lost or Unavailable Transaction** form is a violation. Vendors that cannot provide any form of billing, invoice or documentation for a purchase should not be used.
- **Handing PCard or PCard # over to another**.

Recurring Violations

Violations become "*significant*" when they are "*recurring*."

- **Taxes Charged on Transactions** - The University is exempt from Colorado state and local taxes and should not be charged sales tax on transactions. Repeated tax charges are apparent negligence by a Cardholder to inform merchants that WSCU PCard transactions are tax-exempt or to obtain credit.
- **Other Authorization Requirements** - Purchases that currently require pre-approval, special forms, additional processing steps, or other requirements must also meet these same requirements before the PCard may be used. (See FORMS - & - Related Documents)
  - **State Price Agreements** - When selecting a vendor, State Price Agreements must be used.
  - **Computer Hardware and Software** - A Hardware/Software Request form (HSR) must be approved by Computer Services prior to purchasing hardware and software on a PCard.
  - **Official Functions** - The Official and Training Functions Commitment Request (Official Functions Report) form must be completed with Approving Official's signature and attached to the Statement of Account along with the purchase documentation. Official Functions expenses include: all food, catering, restaurant, fast food, grocery store, meals, water, candy, materials and supplies required for conducting official and training functions. Official functions purchases with the PCard must comply with State Fiscal Rule 2-7.
  - **Furniture** – Cardholder should review the State's furniture State Price Agreement vendor furn Colorado Correctional Industries before purchasing else ware. You are allowed to go outside the state price agreement only if you find a cheaper price. Keep in mind that CCi's purchases have a life-time warranty on most items.

- **NO Gift Cards, Gift Certificates nor Gifts above $50 can be put on the PCard** – There is a Gifts, Prizes or Awards Purchase Request Form (aka: Gift Form) that needs to be filled out for these items before the purchase can be made by other means. The Accounting Office approves the Gift Form first, and then Gift Cards and Gift Certificates are purchased with a check made out directly to the vendor. Gifts above $50 requires the requester to do the requisition/PO process after the Accounting Office approves the Gift Form.
- **Unauthorized By Department** - Purchases generally considered permissible but are not allowed by a Cardholder's department or supervisor; purchases not authorized without prior approval of the department.
- **Disallowed by Grant or Project** - Purchases disallowed by a grant or similar project; purchases not in compliance with the terms of a grant award.
- **Prohibited or Inappropriate Purchases Blocked By Merchant Type** - Prohibited purchases are "blocked" or excluded for Card use according to merchant type, described by a Merchant Category Code (MCC) as shown in detail on the **MCC Excluded Goods and Services** table, e.g. travel agencies, airlines, car rental, cash transactions, financial and government services, high-medium risk industries, pawn shops, dating/escort services, massage parlors, betting/track/casinos/lotto, spas, stamp and coin stores, bars, taverns, and lounges.

Complete a PROCUREMENT CARD VIOLATION WARNING form for a transaction that has been determined to be a Card violation:

- Obtain the Cardholder's explanation for the violation and what action has been taken to resolve the issue.
- Review and evaluate the Cardholder's violation history considering:
  - Number and nature of previous violations
  - Type of violations
  - Resolutions
  - Impact on the University.

  This history will be a factor in the decision to warn the Cardholder or to cancel or suspend the Card.
- Determine if the Card violation will result in a Card violation warning, Card suspension or cancellation. This determination may be made in consultation with the Program Administrator and the Cardholder's supervisor.
  - No cancellation/suspension of the Card will occur at this time. If the Cardholder history indicates that the Cardholder does not routinely have violations of any type, the Approving Official may determine that the Card will not be canceled or suspended at this time.
  - Cancellation/suspension of the Card. If the Cardholder's history indicates that the Cardholder has repeated violations of any type, the Approving Official may determine that the Card should be canceled or suspended.
  - Fiscal Misconduct. If the violation involves any of the following, review in conjunction with the Program Administrator the policies established to assess and remedy fiscal misconduct.
    - Personal purchase that was not immediately reported and corrected.
    - Cash or cash type transaction.
    - Lack of documentation that requires Card violation warning.