



# **Procurement Card Program**

## **POLICIES AND PROCEDURES**

## **MANUAL**



**November 2012**

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# KEY CONTACTS - WHO TO CALL

## Bank Customer Service

Lost or Stolen: (800) 248-4553

Telephone: (800) 248-4553  
Declined purchase  
Specific transaction information  
Disputed transaction  
Cardholder Information

## Procurement Card Program Administration

### Program Administrator

*Sue Oberly*

Phone: 943-7022  
Fax: 943-2280  
email: [soberly@western.edu](mailto:soberly@western.edu)

*Patty Love*

Phone: 943-2026  
Fax: 943-2280  
email: [plove@western.edu](mailto:plove@western.edu)

**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**

**WESTERN STATE COLORADO UNIVERSITY  
PROCUREMENT CODE OF ETHICS**

Any person employed by the Western State Colorado University who purchases goods and services, or is involved in the purchasing process for the University, shall be bound by this code and shall:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications;
2. Demonstrate loyalty to Western State Colorado University by diligently following the lawful instructions while using professional judgment, reasonable care, and exercising only the authority granted;
3. Conduct all purchasing activities in accordance with the laws, while remaining alert to and advising Western State Colorado University regarding the legal ramifications of the purchasing decisions;
4. Refrain from any private or professional activity that would create a conflict between personal interests and the interests of Western State Colorado University;
5. Identify and strive to eliminate participation of any individual in operational situations where a conflict of interest may be involved;
6. Never solicit or accept money, loans, credits, or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence or appear to influence purchasing decisions;
7. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle;
8. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the public being served;
9. Provide an environment where all business concerns, large or small, majority- or minority-owned, are afforded an equal opportunity to compete for Western State Colorado University business; and,
10. Enhance the proficiency and stature of the purchasing profession by adhering to the highest standards of ethical behavior.

# PROCUREMENT CARD PROGRAM

## Western State Colorado University

### Introduction

The Division of Finance and Procurement in the Department of Personnel and Administration is responsible for the statewide implementation of the Procurement Card Program. The State Purchasing Office Procurement Card Coordinator is the contact point for the state's procurement card (Card) policies and procedures. The Procurement Card Coordinator is responsible for establishing and updating the policies and procedures. Western State Colorado University's ("WSCU" or "University") Procurement Card ("PCard") Program ("Program") complies with the State of Colorado Procurement Card Program Suggested Minimum Guidelines, May 2003.

The Procurement Card Program was established to allow state agencies, departments, and institutions to use a state credit card, Citi Visa issued by CitiBank ("Bank"), to make small purchases, to support and streamline purchase and payment systems, and to increase customer service. The goal of the WSCU PCard Program is to enable users to acquire goods and services more easily, to manage small purchases more effectively, to provide more timely payment to vendors, and to reduce the number of purchase orders, check vouchers, and petty cash transactions.

Procurement Card purchases are governed by the same statutes and the same personnel, fiscal and WSCU procurement rules that apply to all University purchases and payments. WSCU PCard purchases are also governed by the WSCU PCard policies and procedures.

In accordance with [Fiscal Rule 2-1](#), all expenditures, including procurement card transactions, by state agencies, departments or institutions shall meet the following standards of propriety:

- Are for official state business purposes only
- Are reasonable and necessary under the circumstances

In addition, the last section of [Fiscal Rule 2-10](#) states the following:

*"State agencies or institutions of higher education participating in the procurement card program shall use the state procurement card for purchases at local vendors in lieu of open or other charge accounts. The state agency or institution of higher education's procurement card administrator and the controller or chief fiscal officer must approve exceptions to this requirement in advance. Open accounts should be closed as soon as procurement cards are available to state agency or institution of higher education personnel."*

The responsibilities of Cardholders and Approving Officials are critical to ensuring the success and integrity of the Procurement Card Program. The issuance of procurement cards demonstrates the University's confidence in its employees. Although the Card lists an individual's, the Card is issued to the State. The University is responsible for the use and payment of purchases with the Card. Cardholders have primary accountability for the Card's security and use. The University's Program Administrator and Approving Officials monitor Cardholders' use of the Card and ensure accurate recording of expenditures.

Each Card has multiple controls such as spending limits and a limited number of transactions per time period. Every individual authorized to use or monitor a procurement

card (Cardholder or Approving Official) is required to attend PCard training, read this [Policies and Procedures Manual](#) and sign an agreement to follow the Program policies and procedures.

This policies and procedures manual, user handbooks, and all documents and forms referenced in this manual are found on the [WSCU PCard](#) webpage.

## **Program Participants: Roles and Responsibilities**

### **PARTICIPANT**

### **ROLE AND RESPONSIBILITIES**

#### **Approving Official (AO)**

- Role: Person assigned to review Cardholder transactions to ensure compliance with PCard policies and procedures.
- 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 - Department Head may be the AO for a Department Assistant.
  - WSCU - Department Assistant may be the AO for Department faculty, staff, and Department Head.
  - WSCU - Department Head or supervisor may delegate AO authority with approval of Program Administrator.

Responsibilities:

- Review and sign-off on the monthly account statement for each Cardholder.
- Ensure that all statement reconciliation documentation is received and retained in the department.
- Ensure that all expenditures are assigned to the correct accounting.
- Ensure that transactions are in accordance with department authorization and the terms of any applicable grant or project.
- Monitor Cardholder activity for unusual transactions or unusual patterns of use.
- Document and report Cardholder violations in accordance with policies and procedures.
- Notify Program Administrator of changes in employment status such as transfers and terminations.

#### **Cardholder Individually Assigned**

- Role: Person issued an Individually Assigned procurement card to make purchases.

Responsibilities:

- Custody, security, and use of the Card.
- Use the Card only for official University business.
- Immediately report a lost or stolen Card to the Bank.
- Make purchases in accordance with University policies and procurement rules, applicable fiscal rules, and code of ethics.
- Make purchases in accordance with department authorization and the terms of any applicable grant or project.
- Obtain and submit adequate supporting documentation for each purchase.
- Reconcile and sign-off on the account statement for each cycle

(month) that has transactions.

- Contact merchants for all returns, exchanges, and refunds and ensure credits are posted to the Card account.
- Contact merchants to resolve disputes and complete the Dispute Form, when necessary.
- Ensure that all purchases are charged to the proper Banner account.
- Notify Approving Official of changes in employment status, i.e., transfer, termination.

**Reallocator**

Role: Person responsible for changing or reallocating transaction charges from the default accounting string to the correct applicable accounting string.

- WSCU - Only individuals with departmental budget approval authority will have reallocating authority.

Responsibilities:

- Make reallocations as soon as possible after the transaction posting and no later than the 5th day of the month following the transaction posting.
- Initiate request for a journal entry if an accounting change is required for a transaction posted in the University's financial system (Banner).

**Program Administrator**

Role: Person who is responsible for the University's Program policies, procedures, Card issuance/cancellation, monitoring Approving Officials, management reporting, and development of the Program.

- WSCU – Procurement Specialist is Program Administrator, with Procurement Director as back up and policy approver.
- Primary interface with the State Purchasing Office and the Bank.

Responsibilities:

- Interface with the State Purchasing Office statewide Procurement Card Coordinator and the Bank on all Program matters.
- Establish and update Program policies and procedures that meet the minimum requirements of statewide policies and guidelines.
- Work closely with other University functions (accounting, management, etc.) to administer and develop the University's Program.
- Train Cardholders and Approving Officials in the management and use of the PCard. Provide additional training and retraining when necessary.
- Maintain Cards in a secure manner until issued to Cardholders.
- Maintain records of all Cardholders and other information in a secure manner.
- Process Card account set-up, information updates, changes, additions, deletions, and lost/stolen Card replacement, etc.
- Assist Cardholder with transaction disputes reported to the Bank, as needed.

- Terminate Cardholder accounts due to job changes such as transfer, termination, lack of need, etc.
- Review transaction exception reports, if available, and take appropriate follow-up action.
- Develop and issue periodic management reports to monitor the development of the Program.
- Foster the development and growth of the WSCU PCard Program.
- Conduct periodic reviews to ensure that Cardholder and Approving Official activities are in compliance with Program policies and procedures.
- Report all incidents of Card misuses that are recurring, significant, or in excess of \$500 in writing to the State Controller at least annually (Fiscal Rule 2-10).
- Report all incidents of fraud, abuse, or misuse of the Card to the State Controller's Office (Fiscal Rule 2-10).
- Ensure that Approving Officials and Cardholders have updated policies and procedures.

# CARD MANAGEMENT

## Requesting a Card

All University employees are eligible to become PCard Cardholders.

- Supervisors must approve employees as Cardholders based on their job responsibilities and their need to make purchases.
- Supervisors are responsible for recommending Card limits as discussed below.
- The Program Administrator approves Card limits within the overall limits established for the WSCU Program.

## Training and Agreements

All new Cardholders and Approving Officials are required to attend training on the use of the PCard. The training includes:

- Description of the Program
- Responsibilities of Cardholders and Approving Officials
- Use of State Price Agreements
- Prohibited purchases
- Statement review and reconciliation

All Cardholders and Approving Officials are required to sign a **Cardholder Agreement** and/or **Approving Official Agreement** before a Card is issued. These agreements outline important responsibilities and expectations. The agreements must be submitted to the Program Administrator and maintained in a secure file.

## Application Process

An application form, the **Procurement Card Cardholder Account Form** must be completed to start the application process.

- Cardholder information, reporting hierarchy, Cardholder controls (limits) and default accounting string for transaction charges.
- Cardholder's supervisor must approve and sign the **Cardholder Account Form**.
- Submit **Cardholder Account Form, Cardholder Agreement** and **Approving Official Agreement** to the Program Administrator.
- Program Administrator reviews for completeness and approves the **Cardholder Account Form**.
- A Card request is submitted to the Bank after mandatory training is completed; the **Cardholder Account Form** and all **Agreements** are completed, signed and received by the Program Administrator.
- Bank issues the Card in about 4 days of request and sends it by overnight mail to the Administrator who retains it in safekeeping until provided to the Cardholder.

## Card Distribution, Activation, and Custody

**Distribution** - Cards will be distributed upon satisfactory completion of training, the application process, and receipt of signed agreement(s).

**Activation** - Each Card must be activated in accordance to the procedure explained on the Card. For an Individually Assigned Card, the Cardholder must safeguard the Card by signing it immediately.

**Custody** - The Cardholder is responsible and accountable for the Card and its use at all times. The University is liable and responsible for payment of all transactions unless they are successfully disputed. (See dispute resolution steps below.) **The only person**

**authorized to use an Individually Assigned Card, is the person to whom the Card is issued. The Individually Assigned Card must not be given to or shared with any other person.**

## **Card Limits**

Dollar limits and other controls are established for each Cardholder's Card on the application form when the Card is authorized and approved. **The Card may not be used for single purchases costing more than \$5,000 in accordance with procurement and fiscal rules pertaining to small purchases and commitment voucher requirements.** Agencies may establish lower single purchase limits. Each Card will have the following limits based on anticipated needs:

- **Dollar limit per single purchase transaction** (Single Purchase Limit) - \$5,000 or less, as recommended and approved by the Cardholder's supervisor and the Program Administrator
- **Dollar limit per monthly cycle** (Credit Limit or Cycle Spending Limit [CSL])
- **Maximum number of transactions per day** (Transactions Per Day)
- **Maximum number of transactions per monthly cycle** (Transactions Per Cycle)

## **Changes to Card Limits or Cardholder Information**

Cardholders should contact the Program Administrator through their supervisor if Card limits are restricting purchases that are required to perform job responsibilities, to update changes in work address, default account codes, etc. The Cardholder's supervisor must approve all dollar limit increases via an email request.

## **Lost, Stolen or Compromised Cards**

Cardholders must report a lost, stolen or compromised Card to the Bank **immediately**. Call the Bank directly at 1-800-248-4553, 24 hours/7 days. Inform the Bank customer service representative that the lost/stolen/compromised Card is a "purchasing card." The Cardholder must also inform the Program Administrator as the card account will be closed and a new account number issued. The University is liable for all transactions charged prior to Bank notification. The Bank will credit the account for any recovered funds.

## **Card Cancellation**

The PCard must be returned to the Program Administrator if a Cardholder leaves employment or transfers to another department. Transfers within the same department may also require Card cancellation depending on the Cardholder's job responsibilities. Upon receipt of a returned Card, the Program Administrator will destroy the Card.

If suspected or actual Card misuse by a terminated employee occurs, the University may have its liability waived for unauthorized charges. See the following section regarding the Visa Liability Waiver Program and the University's procedures.

## Visa Liability Waiver Program

Visa has established a liability waiver program if an employee has used the state procurement card in a fraudulent manner. The University is protected for up to \$100,000.00 per Card. However, the University must comply with all program conditions.

- Notify the employee in writing of the Card cancellation.
- Terminate the Cardholder from employment.
- Submit a "**Liability Waiver Claim Form**" to the Bank for unauthorized charges made to the Card.

The Program Administrator should be knowledgeable about the liability protection program requirements before an incident occurs. Coverage is affected by the timing of the agency's actions at every stage of the process. See the WSCU Program Administrator for program guidelines provided by the Bank for specific details and standard forms.

**There is no liability protection whatsoever for fraudulent transactions committed by a Cardholder who is not an employee of the University.**

### Merchant Acceptance, according to Visa Rules:

The merchant shall treat your PCard transaction like any other transaction; that is, they may not impose any surcharge on your PCard transaction. They may; however, offer a discount for cash, provided the discount is clearly disclosed to customers and the cash price is presented as a discount from the standard price charged for credit card forms of payment.

A Convenience Fee may be charged. For merchants who offer an alternate payment channel (i.e. mail, phone, e-commerce) for customers to pay for goods or services, a convenience fee may be added to the transaction amount. If the merchant chooses to assess a convenience fee to its customers, the merchant **must** adhere to the following rules:

- The fee is being **charged for a bona fide convenience of using an alternative payment channel outside of the merchant's normal business practice.**
- The **fee must be disclosed to the customer as a charge for the alternative payment channel convenience.**
- The **fee is applied only to non-face-to-face transactions.**
- The **fee must be a flat or fixed amount**, regardless of the amount of the payment due.
- The **fee is applied to all forms of accepted alternative payment channels.**
- The **fee is included as part of the total transaction amount.**
- The **fee cannot be added to a recurring transaction.**
- The **fee is assessed by the merchant that provides the goods or services to the cardholder and not a third party.**
- The customer must be given the opportunity to cancel prior to the completion of the transaction.

Example:

A merchant provides utility services to its customers and the customary way to pay is by mail or in person at the merchant's location. For the convenience of its customers, the merchant also offers payments online. In this example, the merchant may apply a convenience fee to payments made online.

It is also a violation of the Visa Rules for a merchant to impose a minimum or maximum purchase amount in order to accept a Visa card transaction.

## INDIVIDUALLY ASSIGNED CARD

An Individually Assigned Card bears the name of the individual Cardholder on the Card in addition to the name of the agency and department. The individual to whom the Card is assigned provides a signature on the back of the Card. *The Individually Assigned Card cannot be used by anyone other than the person to whom the Card has been assigned.*

### Authorization to Purchase

The Cardholder's supervisor will advise the employee how much can be purchased with or without the supervisor's knowledge and approval. For example, a Cardholder may have a single purchase limit of \$500 for the Card, but a supervisor may want to be verbally informed of all single purchases over \$250. In addition to the requirements of Fiscal Rule 2-1, if purchases are made against a grant or charged to a particular fund, the Cardholder is responsible for ensuring that the charges are allowable under the grant or fund.

### Placing the Order

Orders may be placed in person, by phone, fax, e-mail, internet, or mail. If the order is placed over the internet, make sure the site is secure. If the order is placed by fax or email, call the merchant and provide the Card number instead of including it on the fax document or in the email message. If the Card number is provided over the telephone, the Cardholder should be alert to others in the surrounding area who might hear the Card information.

#### **Provide the following information to the merchant:**

- The purchase is tax exempt. The University's tax-exempt number is **98-04524**. The number is also printed on the Card.
- The purchase is subject to all applicable discounts for the State of Colorado, any government discounts or price agreement pricing, if applicable.
- Cardholder's name
- Delivery instructions, department office location, room number and building name

#### **Request the following information from the merchant:**

- "Paid Invoice" documentation showing itemized descriptions and pricing, including any shipping cost.
- Merchant contact name and phone number
- Anticipated ship date

### Sales Tax

The University is exempt from Colorado state and local taxes and should not be charged sales tax on transactions. A copy of the official [tax-exempt form](#) (CERTIFICATE OF EXEMPTION FOR COLORADO STATE SALES/USE TAX ONLY) for WSCU is available on the [FORMS & Related Documents](#) webpage if any vendor requests a copy. PCard purchases made which delivery is taken in another state or foreign country are not exempt from those state and local taxes.

### Transaction Documentation

The Cardholder must obtain appropriate, detailed, itemized documentation to support **every** transaction charged to the Card. The purpose of supporting transaction documentation is to show from the merchant what was purchased, from whom it was purchased, and the cost of the purchase. The documentation also shows that the purchase is appropriate and

applicable to official University business. Appropriate documentation is generated by the merchant at the time of the transaction or after the transaction occurs. A merchant's receipt can be supported with literature or catalog information that identifies what was purchased. Credit card charge slips alone are *not* adequate support except when they are also detailed, itemized cash register receipts. If the merchant's documentation does not adequately describe each item purchased, the Cardholder must write in or attach item descriptions and amounts. Itemization on the Statement of Account is *not* sufficient supporting documentation. Credit entries can be documented with copies of previous transaction information, such as a copy of the statement showing a double charge.

**Valid supporting documentation includes:**

- An itemized receipt with Card transaction slip (charge slip) from the vendor
- A signed delivery packing slip
- Order forms for dues, subscriptions, registrations, or similar documents
- Detailed invoice showing credit card payment
- E-mail confirmation from the merchant

**Information contained in supporting documentation should include:**

- Merchant name and address
- Date of purchase
- Description, unit price, and quantity of each item purchased
- Total cost of the order, including shipping and handling charge
- Cardholder name and/or Card number
- Signature of Cardholder demonstrating receipt
- Official function form, if applicable
- Explanation of the reason for the purchase, *if it appears unusual*

**Lack of Documentation - Lost or Unavailable**

Contact the merchant directly if the original supporting documentation is lost or if the merchant did not provide it. If the merchant cannot provide documentation, complete the **Documentation of Lost or Unavailable Transaction Information** form. Any transaction without documentation from the merchant is a Card violation. Lack of original documentation due to willful or negligent default will be determined by the Approving Official and a **Card Violation Warning** form must also be completed. The Approving Official may request the Program Administrator to suspend a Card until documentation is provided. Repeated use of the **Documentation of Lost or Unavailable Transaction Information** form as substitute for original documentation may result in cancellation of the Cardholder's Card.

**Tracking Purchases**

Card purchases should be tracked by any means that is convenient and effective. Using a log and/or checklist is *not mandatory*, unless required by your department, and may be useful only when multiple purchases are in-process at once or for Approving Officials' requirements. Consider the cost effectiveness and efficiency of maintaining a log or checklists with any potential benefit. Following are suggested approaches to tracking purchases.

- Retain documentation of orders in-process in a file including letters, emails, hand prepared order information with signatures, etc. Make process tracking notes on order information. Two separate files might be used for in-process orders to separate transactions by cycle during the time that processing for the previous cycle and the current cycle overlaps. Retain a separate file of reconciled transaction statements.

- Retain order information and authorizing documentation and maintain a log of all purchases. An example of a **Procurement Card Transaction Log** is in the Appendix and editable log forms for hard copy use and electronic use are found on the [FORMS & Related Documents](#) webpage.
- Keep a checklist of process tracking with each order's documentation and information. An example of a **Procurement Card Transaction Checklist** is in the Appendix and an editable document is found on the [FORMS & Related Documents](#) webpage.
- Keep a checklist attached to the front of an orders-in-process file as a tracking reminder for all orders.

## Returns, Exchanges, and Refunds

Cardholders are responsible for all arrangements related to any return of merchandise, exchanges, or refunds. Contact the merchant and receive authorization and instructions before returning merchandise. The merchant must credit a return and charge a new transaction for an exchange unless there is no difference in price. All refunds or credits must be issued as a credit to the Card account. No cash refunds shall be requested or accepted. Refunding cash for a credit card return is a *merchant* violation and accepting cash is a *Cardholder* violation. Do not allow a merchant to make a cash refund. Record the name(s), date(s) and outcome(s) of all conversations with the merchant. This information will be needed if a formal dispute becomes necessary.

## Reconciling the Statement

Cardholders will review their Card account online through CitiDirect, the web product for managing Card accounts. After the close of each billing cycle, the **25th** of each month, the Cardholder will print an individual **Statement of Account**, listing purchases posted within the billing cycle. Purchases made near the end of the billing cycle may not be posted until the next billing cycle and so will not appear on the statement for the cycle just ended.

Frequent review of Card accounts by Cardholders is advisable to validate transactions, reallocate charges, initiate the dispute process, etc.

The Cardholder must review transactions as follows:

- Verify that each listed charge is valid and matches the transaction documentation.
- Ensure that account coding is accurate.
- Identify any disputed charges. Attach a copy of the **Dispute Form** (see procedure below) to the statement for transactions that cannot be resolved directly with the merchant. Retain a copy of all paperwork until the dispute has been resolved.
- Reconcile credits in the same manner as charge transactions.
- Attach all supporting documentation to the statement.
- Sign the statement and forward it to the Approving Official.

Statements must be reconciled within **10 working days** after the cycle close date (25th). Disputed transactions must be reported to the Bank within 60 days of the statement cycle date in accordance with contract terms. Early attention to disputes is recommended to ensure resolution.

## Reallocating Transactions

A default accounting string for each Card account is established when a Card is authorized for setup. Transaction charges initially post to the Cardholder's Card account with the default accounting string. Cardholders with reallocation authority may change the

accounting string on individual charges if the default accounting string does not apply. Reallocating is the process of changing the accounting for transaction charges which should occur as soon as possible after the transaction posts to the Card account.

In CitiDirect, Cardholders with reallocation authority should complete the reallocation process during the current cycle, if possible. Reallocation **must** be completed **by the 5th day of the month** following the cycle close date to be posted appropriately in the Banner system. On approximately the 5th of the month, WSCU Accounts Payable will download the previous month's Card transactions from the Bank to prepare for posting the transactions to the Banner system. The Banner posting will occur overnight after the download.

If reallocation does not occur before the download of transactions from the Bank, an accounting change to a Card transaction charge has to be accomplished manually in the WSCU Accounting Office by journal voucher. The individual with budget authority on the Banner account to be charged must send a written request to the WSCU Accounting Office to change accounting by journal voucher (JV), giving complete details for the change (explanation of request, amount, "from" accounting string, "to" accounting string, budget authority signature). Requests for JV changes on PCard transactions must be an exceptional process only and should occur as infrequently as possible.

#### **Reallocating to Another Department's Banner Account:**

Reallocating to another department's Banner account occurs when:

- Sharing the expense of a PCard purchase with another department or
- Providing back-up assistance for making purchases for a different department.

The Cardholder, who makes the purchase on his/her PCard, should advise the person with budget authority in the other department what amount was reallocated and confirm to which accounting string the amount was reallocated. You can provide this reallocation advice by either:

- Sending an email and include all the details such as, explanation for reallocation, merchant, item(s), total amount, amount reallocated if different from total, accounting string, etc. or
- Copying your documentation for the transaction, writing the additional pertinent information on it (explanation for reallocation, Cardholder's name, amount reallocated if different from total, accounting string, etc.) and sending it in the mail to the other department's PCardholder or budget authority/manager.

This reallocation advice to the other department is important information for balancing PCard expenses in Banner by the other department's PCard Cardholder. Without this reallocation advice, the other department's PCard transactions will not balance in Banner. If the other department has no PCard, the reallocation advice explains the PCARD expense entry in Banner. The other department is not required to keep this reallocation information for any purpose other than advice and Banner balancing information. The reallocation information is not a transaction on the other department's PCard so tracking and documenting on a Statement of Account and other transaction responsibilities are not applicable.

## **Banner Reconciliation**

After the month's transaction data has been downloaded from the Bank and posted to Banner accounts (approximately after the 12th of each month) Cardholders should reconcile their month's transactions to the expense posted to their Banner account(s). This Banner reconciliation will be a final check for accuracy of the accounting on the month's PCard transactions and that posting to Banner is accurate.

## Approving Official Review

Approving Officials must review and approve with signature on each account statement. Review each statement to ensure:

- Supporting documentation is attached for each transaction including **Dispute Form** or **Documentation of Lost/Unavailable Transaction Information** form.
- Transactions are in accordance with WSCU Program policies and state rules, i.e., no violations such as personal purchases, split or cash transactions, no pattern of lost documentation.

Violations should be reported to the Program Administrator in accordance with WSCU Program policies. (See procedures in the **PROHIBITED TRANSACTIONS** section below.)

## Disputed Transactions

The University has 60 calendar days from the statement cycle date (the **25th**) to dispute a questioned transaction in accordance with contract terms. Therefore, any dispute not resolved directly with a merchant 30 calendar days after the monthly cycle date should be formally reported as a disputed item to the Bank.

A dispute exists when a Cardholder determines that a charge is improper or inaccurate. Some examples of transactions that should be disputed include:

- Unauthorized or unrecognized charge
- Amount charged is higher than the amount authorized
- Duplicate charge
- Credit due but not received; tax charged and not credited
- Credit posted in error as another charge
- Returned goods not credited
- Goods not received
- Correct goods not received
- Goods received damaged
- Charged for services not performed
- Charges continue for a canceled monthly billing
- Charge to a previously closed Card account

Most disputes are of unauthorized or unrecognized charges by unknown merchants and are reported to the Bank's Customer Service by phone.

If the merchant is known, the Cardholder must attempt to resolve the dispute directly with the merchant.

- Document the dates, time, names, and matters discussed with the merchant.
- If the matter cannot be resolved before the end of the next billing cycle:
- Cardholder must notify the Bank at the Customer Service number and
- Submit required information and documentation as required by the Bank. If need be a **Dispute Form** can be downloaded from the CitiDirect website.
- Advise the Program Administrator.
- The account remains open even if a transaction is disputed.
- Bank will issue a credit to the account when the information on the Dispute Form is received. The account will be re-charged if the Bank finds in favor of the merchant.

## Statement Record Retention

Cardholder statements with supporting documentation and signed by the Cardholder and Approving Official will be stored in the Cardholder's department. Records will be retained for the current fiscal year and three (3) additional fiscal years. Transactions involving federal or grant funds may require a longer retention period. Records must be available for review or audit on request.

## Payment and Reconciliation

For the WSCU PCard Program an Automated Clearinghouse (ACH) draw-down has been established for making the monthly payment to the Bank. In accordance with contractual terms, payments must be made within thirty calendar days of the cycle end date; however, with ACH payment, an automatic draw-down occurs on the 10th of the month. If the 10<sup>th</sup> of the month falls on a Saturday, Sunday, or Bank holiday, the automatic draw-down is the prior business day. This prevents WSCU from having a past due account which is assessed at a finance charge rate of Prime plus 2%. WSCU Accounts Payable must reconcile Cardholder amounts approved for payment with the actual amount remitted to the Bank on a monthly cycle basis. ([Fiscal Rule 2-10](#))

**Note:** Payments should be made in a manner that maximizes the use of the funds to the state while ensuring timely payment and avoiding finance charges. Electronic invoices from the Bank are preferred to allow more time for reconciliation and timely payment.

## Personal Services - 1099 Reporting

Services may be purchased with the WSCU PCard. The University obtains 1099 information from the Bank's merchant reporting facility for all of the University's Card transactions. This determination has been approved by the University's controller and chief fiscal officer.

The requirement to issue IRS Form 1099-MISC generally applies to service-related transactions--rather than transactions involving the outright purchase of goods. Some examples of 1099 reportable payment types are:

- Rents (all types including real estate, machine and equipment rentals, and leases)
- Personal services, medical & health care services including mental, behavioral, and veterinary
- Legal services
- Fees, awards, honorariums.

Some examples of purchases that are not 1099 reportable include purchases of supplies, materials, pharmaceuticals, equipment, subscriptions, registration fees, FedEx/UPS charges, telephone, freight, and storage.

Current tax law generally requires that procurement card payments follow the regular 1099 reporting requirements. The University is responsible for adding 1099 reportable payments to vendor income totals for proper 1099 reporting.

## Reportable / Non-Reportable Payments

- Payments for Merchandise - Payments made to vendors for merchandise, telegrams, telephone and storage do not need to be reported on Form 1099.
- Payments for a combination of merchandise and services are reportable. For example, if hiring an unincorporated contractor to repair a roof at a cost of \$1,000

consisting of \$700 for materials and \$300 for labor, the entire \$1,000 would be reported on Form 1099. The authority for this position is Revenue Ruling 81-232.

- Special Rule for Legal Services - Payments made for legal services are reportable regardless of whether or not the entity type is a corporation.
- Special Rule for Medical Services - Payments made for medical services are reportable regardless of whether or not the entity type is a corporation.

### **1099 Reportable Entity Types**

Sole proprietorships, Individuals; Partnerships; LLCs (Limited Liability Companies); LLPs (Limited Liability Partnerships); Trusts; and Estates.

### **Non-Reportable Entity Types**

Governments; Corporations (unless medical or legal).

### **Fiscal Year End**

PCard purchases must be expensed in the correct fiscal year (the fiscal year in which goods are received or services begin, or travel takes place, etc.) just as all other purchases and expenses. If goods or services are charged to a Card account in the wrong fiscal year in which they are received, the Cardholder is required to request a journal entry (JE) from WSCU Accounting to change the expense to the correct fiscal year. Following are items that are most commonly in question at the fiscal year change.

- Conference/meeting registrations
- Subscription renewals
- Dues and memberships
- Maintenance agreements
- License fees
- Goods needed close to the beginning of the fiscal year
- Emergency goods or services

Wait, if possible, until July 1 to place these orders on your PCard. Most July 1 renewal items can be adequately processed on July 1. A JE must be requested if:

- orders must be placed in the fiscal year prior to receipt to ensure timely registrations, receipt of goods, etc.
- merchant delays the Card transaction so that it is charged during the fiscal year following receipt of item(s).

Submit JE requests as soon as you know that an item is or will be charged in the wrong fiscal year. Close attention to the date of receipt of items and the date they are charged to your PCard is necessary during the fiscal year change. Requests for JE's to change the fiscal year expense **must be received no later than July 10**. Include the following information in the JE request to the Accounting Office.

- Correct fiscal year
- Date transaction posted to Card account
- Vendor name
- Amount of transaction
- Accounting info: Index Fund Orgn Acct Prog
- Signature

**Note:** Do not make changes to the transaction in CitiDirect after submitting this JE request.

**Remember:** The following are the default fiscal year expenses. If the receipt date and the fiscal year expense on these transactions do not match, request the JE to correct the fiscal year to match the receipt date.

- Transactions posted by the Bank to Card accounts by the billing cycle end date in June (6/25), will be charged to the department budget(s) as an expense for the current fiscal year ending June 30.
- Transactions posted by the Bank to Card accounts on June 26 and later will be charged to the department budget(s) as an expense for the new fiscal year beginning July 1.

## **RESTRICTED CARD USE**

The University shall not use any other credit or debit card program for general merchandise and services procurements. State of Colorado agencies shall not use any card types other than a card with the name of an individual assigned to it (Individually Assigned Card) under the Visa Agreement between the Bank and the State of Colorado without express, written permission from the State of Colorado Department of Personnel & Administration (DPA).

### **Individually Assigned Card**

Individually Assigned Cards shall be issued only to an individual. Individually Assigned Cards and Card numbers shall not be shared with or loaned to any other person.

## **PROHIBITED TRANSACTIONS**

*Any personal purchase (not reported immediately by the Cardholder), cash transaction, split purchase, or lack of documentation (recurring by willful or negligent default) is deemed a significant Card violation by the WSCU PCard Program and will be treated with serious concern for the Cardholder's fitness to retain delegated purchasing authority with a PCard.*

The WSCU PCard shall not be used for the following prohibited transactions.

### **Personal Purchase**

Any purchase of goods or services for personal use or benefit or for the personal use and benefit of another individual is prohibited.

### **Cash/Equivalent**

Cash transactions such as cash back with a purchase, cash credit returns, traveler's checks, money orders, and ATM transactions are prohibited.

### **Split Purchase**

A single purchase need shall not be divided into separate transactions or to different vendors to circumvent a single purchase dollar limit or to artificially create small purchases to circumvent bidding as required by [WSCU Procurement Rules](#) (VI.B.). 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. State [Fiscal Rule 2-2](#) requires a commitment voucher (purchase order or contract) and funds encumbrance for single purchase needs of \$5,000 and over.

### **Lack of Documentation**

- Recurring lack of documentation or repeated use of the **Documentation of Lost or Unavailable Transaction Information** form as substitute for original documentation which appears to be willful or negligent default is prohibited.
- Purchases are prohibited for goods or services from a vendor that cannot provide any form of billing, invoice or documentation for the purchase, such as, long distance pay phone calls.

### **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 on transactions is apparent negligence by a Cardholder to inform merchants that purchases are tax-exempt or to obtain credit.

### **Without Authorization Requirements**

Purchases that currently require pre-approval, special forms, additional processing steps, or other requirements must also meet these same requirements before the Card may be used.

- **State Price Agreements** - When selecting a vendor, [State Price Agreements](#) must be used. (See <http://www.gssa.state.co.us/SPAagree>)
- **Computer Hardware and Software** - A **HARDWARE/SOFTWARE ACQUISITION REQUEST (HSR)** must be approved via Computer Services' online work order system, prior to purchasing hardware and software on a Card. A copy of the HSR email approval from Computer Services must be attached to the Statement of Account for each hardware and software purchase.
- **Official Functions** - The **Official and Training Functions Commitment Request** form must be completed with Approving Official's signature and attached to the Statement of Account with the official function purchase documentation. Official functions expenses include: all food, including bottled water, tea, coffee, candy, etc. (catering, restaurant, fast food, grocery store, etc.), meals, materials, and supplies required for conducting official and training functions. Official functions purchases with the Card must comply with State [Fiscal Rule 2-7](#). See the Official Functions and Training Functions rule and WSCU's Official Functions Policies on the [Official Functions Report](#) form.
- **Furniture** - Cardholder should review the State's furniture State Price Agreement vendor CCI 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.

- **Vendor Agreements** – Maintenance agreements and any document with terms and conditions, etc., requiring a University signature must be submitted to WSCU Contract Administrator for an authorized signature prior to making the purchase. A purchase order may be required at the discretion of the Contract Administrator or Procurement Director.

### **Unauthorized By Department**

Purchases generally considered permissible but are not allowed by a Cardholder's department or supervisor are prohibited. Approving Officials will advise Cardholders what purchases are authorized with and without prior approval of the department.

### **Disallowed by Grant or Project**

Purchases disallowed by a grant or similar project are prohibited. The Cardholder is responsible for making purchases that are allowable under the terms of the grant award.

### **Prohibited or Inappropriate Purchases Blocked By Merchant Type**

To assist with Card use compliance, prohibited purchases are "blocked" or excluded for Card use according to merchant type, described in the banking industry by Merchant Category Code (MCC) as shown in detail in the table below. The Card contains a feature that blocks, by Card account setup, purchases from certain vendors according to their MCC. Prohibited purchases include travel and related services, travel agencies, airlines, car rental, etc. Inappropriate purchases include cash transaction services and products, some government and financial services, high-medium risk industries, e.g. pawn shops, dating/escort services, massage parlors, betting/track/casinos/lotto, spas, stamp and coin stores, and bars, taverns, lounges, etc.

## **MCC Excluded Goods and Services**

The following is a descriptive list of the excluded merchant categories for the WSCU procurement card program. This list can vary based on agency needs.

<b><u>Merchant Category</u></b>	<b><u>Code (MCC)</u></b>	<b><u>Description</u></b>
Airlines	3000-3299 4511 4582	All Airlines Air Carriers Airports/Fields/Terminals
Car Rental	3300-3500 7512	Car Rental Auto Rental Agencies
Government Services	9211, 9222 9223, 9311	Court Costs/Alimony/Support; Fines Bail and Bond Payments; Tax Payments
High Risk Industries	5933, 7273 7297, 7995	Pawn Shops; Dating & Escort Services Massage Parlors; Betting/Track/Casinos/Lotto
Mail Order, Catalog Order, Telemarketing	5962	Telemarketing Travel-related
Manual/ATM Cash/Courtesy Checks	4829 6010-6012 6051	Wire Transfer - Money Order Financial Institutions - Manual Cash, Auto Cash, Merchandise Non-Financial Institutions - Foreign Currency, Money Order; Travelers Checks, Stamps
Medium Risk Industries	5972 7298	Stamp and Coin Stores Health/Beauty Spas
Misc Financial Services	6211	Security Brokers/Dealers
Misc Service Provider	7012 7276 7277	Timeshares Tax Preparation Counseling
Restaurant-types, such as	5813	Bars, Taverns, Lounges, Discos
Telecommunication	4815	VisaPhone
Travel Agencies/Svcs	4722	Travel Agencies
Undefined	9401	I - Purchasing Pilot
Wholesale Trade	5172	Petroleum Products

## VIOLATIONS AND CONSEQUENCES

The Cardholder is responsible for purchasing only items that are necessary to carry out the Cardholder's job requirements and for complying with WSCU Procurement Rules, Fiscal Rules, and Program policies and procedures. In the event of willful or negligent default of these obligations, the University will take any recovery action deemed appropriate that is permitted by law, including criminal prosecution. Any Card transaction contrary to the Program's authorized usage is a Card violation. Card violations range from inadvertent mistakes to negligent or fraudulent use. The Approving Official shall report all significant or recurring Card violations on a **Procurement Card Violation Warning** form and take appropriate action. Violations could result in corrective or disciplinary action up to and including termination of employment. Such action shall be applied consistently throughout the University according to applicable University personnel policies. Violations and corrective, disciplinary, or other appropriate action shall be documented and maintained in a secure file.

Any persistent disregard of the Program policies and procedures will result in suspension or cancellation of a Card. Any negligent or fraudulent use of the Card will result in Card cancellation.

Part of Fiscal Rule 2-10 states:

*"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. Reports shall be submitted to the State Controller's Office by November 1 each year. This report should include results of any investigation or follow-up including corrective measures implemented to prevent or reduce the likelihood of future occurrences. All incidents of procurement card suspected theft or embezzlement shall be reported according to [Fiscal Rule 1-9](#)."*

"Significant" or "recurring" violations in excess of \$500 shall be reported to the State Controller, as well as any suspected fraud or abuse, as required by Fiscal Rule 2-10.

### Significant Violations

The following violations are deemed "*significant*" by the WSCU PCard Program.

- **Handing your PCard or PCard # over to another.**
- **Personal Purchase (not reported immediately by Cardholder)**
- **Cash Transaction**
- **Split Purchase**
- **Lack of Documentation (willful or negligent default)**

Any 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 of the Cardholder 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 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.

## Recurring Violations

Any violation becomes "*significant*" when it is "*recurring*." The consequences and actions to be taken for recurring violations are the same as for significant violations.

**The following actions are required as a consequences of these Card violations.**

## Personal Purchase

It is a violation of federal and state laws to use public funds for a personal purchase, regardless of reimbursement or intent to reimburse the University, and may be considered a fraudulent act. The University will take any recovery action deemed appropriate that is permitted by law.

- An inadvertent personal transaction must receive an immediate credit transaction on the account from the merchant or reimbursement to the University must take place immediately upon discovery of the error.
- A personal purchase which is not reported immediately by the Cardholder to the Program Administrator 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.
- A **Procurement Card Violation Warning** form is required to be submitted to the Program Administrator by the Approving Official and Cardholder if a personal purchase is not reported immediately by the Cardholder to the Program Administrator.
- Card is subject to immediate cancellation or suspension.

## Cash/Equivalent

Cash transactions such as cash back with a purchase, cash credit returns, traveler's checks, money orders, and ATM transactions are prohibited. The University will take any recovery action deemed appropriate that is permitted by law.

- Any violation of this policy 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.
- A **Procurement Card Violation Warning** form is required to be submitted to the Program Administrator by the Approving Official and Cardholder.
- Card is subject to immediate cancellation or suspension.

## Split Purchase

It is a violation of WSCU procurement rules and a Card violation to split single need purchases to circumvent single purchase Card limits and/or bidding requirements.

- A **Procurement Card Violation Warning** form is required to be submitted to the Program Administrator by the Approving Official and Cardholder.
- A split purchase violation may require that the item(s) purchased be returned, a credit issued to the PCard and a purchase request be sent to WSCU Procurement, or that the vendor issue a credit to the PCard and an after-the-fact purchase request be sent to WSCU Procurement.

- Card is subject to immediate cancellation or suspension at the discretion of the Program Administrator.
- Additional training will be required before a suspended Card will be reinstated.

### **Lack of Documentation (willful or negligent default)**

Accountability for appropriate use of a PCard requires that every Card transaction is supported by complete and accurate documentation. Lack of documentation that appears to be willful or negligent is strictly prohibited.

- Lack of documentation due to willful or negligent default 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.
- A **Procurement Card Violation Warning** form is required to be submitted to the Program Administrator by the Approving Official and Cardholder.
- Card is subject to immediate cancellation or suspension.

### **All Other Violations**

#### **Taxes charged on transactions repeatedly (apparent negligence)**

**Other Authorization Requirements:** State Price Agreements; Computer Hardware and Software-HSR; Official Functions Form; NO Gift Cards, Gift Certificates nor Gifts above \$50 on PCard.

#### **Unauthorized By Department or Supervisor**

#### **Disallowed by Grant or Project**

#### **Prohibited or Inappropriate Purchases By MCC Exclusion**

- A **Procurement Card Violation Warning** form is required to be submitted to the Program Administrator by the Approving Official and Cardholder.
- Card is subject to cancellation or suspension at the discretion of the Program Administrator.
- Additional training will be required before a suspended Card will be reinstated.

# **PROGRAM MONITORING AND MANAGEMENT**

The State Purchasing Office is responsible for statewide management and coordination of the statewide Procurement Card Program. The WSCU Program Administrator has primary responsibility for management of the WSCU PCard Program. The Program Administrator will ensure that Approving Officials and Cardholders are in compliance with the WSCU Program policies and procedures.

The WSCU PCard Program fully implemented maintains approximately 55 Cards issued. Our Program has reduced the number of checks issued by approximately 60% and the number of purchase orders has been reduced by 81%. Petty cash transactions have been reduced by approximately 75%.

## **Program Monitoring**

The Program Administrator follows a monthly monitoring schedule by conducting annual reviews of the transactions and Program activities of approximately four (4) Cardholders and their approving officials per month to ensure overall and procedural compliance with the Program. The monitoring schedule accomplishes the review of all Cardholders and Approving Officials at least once every other year. The results of reviews are documented, copied to, and discussed with Cardholders, approving officials, and supervisors, and retained for review by Program authorities and internal and external auditors. Transaction records are retained for a period of three full fiscal years plus the current fiscal year. Review records are retained for an indefinite period by the Program Administrator.

Preliminary reviews, which are abbreviated and informal versions of the annual review, are conducted on new Cardholders' transactions approximately three (3) months after the new Cardholder's transactions begin. Preliminary reviews reinforce the Card training after the new Cardholder has had some experience using the Card. The preliminary reviews greatly reduce the number of common oversights of new users and promote very good results for the first annual review of a new Cardholder.

An exit review is conducted on the final transactions of cardholders whose employment is terminating. As soon as the Program Administrator is notified of a cardholder's employment termination, the final day for transactions and account closure is set and a review is scheduled to occur before the employee's last day of work. Routine review of the final transactions is performed along with identifying the location of the cardholder's statements in the department and discussing how the department's purchases will be handled after the terminating employee's departure.

## **Program Management**

The following goals or on-going tasks have been set for the WSCU PCard Program:

- Report results to participants and management.
- Create self-training materials that may be accessed from the WSCU Procurement web page. Training may consist of online testing for these self-trained new users, designed to be a more efficient and effective training.

# Appendix

The forms and documents in this Appendix are found on the [WSCU PCard](#) webpage.

## GLOSSARY

<b>Accountability</b>	The understanding and acceptance that one is answerable and responsible for one's actions and activities.
<b>Approving Official</b>	A department employee responsible for reviewing and approving the purchases of the Cardholder. An Approving Official may be outside the cardholder's department with the preapproval of the departmental budget authority and the PCard Program Administrator. Cardholders may not be their own approving authority.
<b>Authorizations Per Day</b>	The number of individual purchases authorized per day. Set per Cardholder. Also referred to as <b>Number of Daily Transactions</b> . Varies according to department's purchasing volume and needs in order to limit liability exposure.
<b>Authorized Purchases</b>	Purchases made in compliance with applicable law and rule, Program parameters, purchasing policies and procedures and within approved budget spending authority.
<b>Bank</b>	The bank issuing the CitiBank Visa procurement cards for the State of Colorado.
<b>Cardholder</b>	The person whose name appears on an Individually Assigned Card who is authorized to make purchases of goods and services for the State in accordance with the policies and procedures of the Program.
<b>Cardholder Statement</b>	The statement showing all Card transactions for the Cardholder within the billing cycle.
<b>Credit</b>	A transaction reversing a previous charge resulting from the return of goods or resolution of a dispute.
<b>Credit Limit</b>	See <b>Cycle Spending Limit</b> .
<b>Cycle Date</b>	The Bank's close date or final day of transactions for the month. WSCU's cycle date is the <b>25th</b> of each month.
<b>Cycle Spending Limit</b>	The maximum dollar spending limit a Cardholder may charge during a monthly billing cycle. Varies according to department's purchasing volume and needs in order to limit liability exposure.

<b>Default Account Code</b>	The Banner accounting string selected by the department for each Cardholder to which all purchases are charged. The default account code is established in the Cardholder's setup information.
<b>Dispute</b>	Any transaction or charge appearing on the monthly transaction statement that a Cardholder believes is invalid.
<b>Individually Assigned Card</b>	A Card that is assigned to an individual and bears the name of the assigned individual. The individual to whom the Card is assigned is the only person who may use the Card.
<b>Internal Controls</b>	The systems that management uses to regulate and guide operations, ensure accountability, and achieve Program objectives.
<b>Merchant Category Code (MCC)</b>	A four-digit number that describes the type of business that a vendor provides to CitiBank from a predefined list. Transactions with vendors with certain blocked MCC codes may be prohibited and will be declined.
<b>Program Administrator</b>	The WSCU Procurement department employee who is responsible for overall administration of the Program including Program policies, procedures, Card issuance/cancellation, monitoring Approving Officials, reporting, training and development of the Program. The primary interface with the State Purchasing Office and the Bank.
<b>Prohibited Purchase</b>	Purchases made that are not in compliance with applicable law, Program parameters, purchasing policies and procedures, department authorization, and within approved budgetary authority.
<b>Reallocation</b>	Process used to change the default accounting string. See <b>Reallocating Transactions</b> in <b>INDIVIDUALLY ASSIGNED CARD</b> section.
<b>Single Purchase Limit</b>	The maximum dollar limit a Cardholder is authorized to charge in a single transaction, also referred as <b>Single Transaction Amount</b> . Varies according to departments' purchasing volume and needs in order to limit liability exposure.

<b>Statement of Account</b>	The monthly statement summarizing transactions attributable to a Card. Used to reconcile monthly transactions for each Cardholder. The monthly cycle ends the <b>25th</b> of the month for WSCU.
<b>Transaction Authorization</b>	The authorization that the vendor receives from CitiBank to accept or decline a purchase.
<b>Transactions Per Cycle</b>	The number of individual purchases authorized per month for each Cardholder, also referred to as <b>Number of Transactions Per Cycle</b> . Varies according to department's purchasing volume and needs in order to limit liability exposure.
<b>Violation</b>	Any 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 suspension or cancellation of a Card. Any negligent or fraudulent use of the Card will result in Card cancellation. In the event of willful or negligent default of Cardholder obligations, the University will take any recovery action deemed appropriate that is permitted by law.

**WESTERN STATE COLORADO UNIVERSITY**

**Cardholder Agreement**

**- Individual Card -**

By this Agreement ("Agreement") Western State Colorado University ("the University") will provide an individually assigned CitiBank Visa procurement credit card ("Card") to the undersigned employee who has adequate purchasing experience and received procurement card training. This Card issuance represents the University's trust in the undersigned as a responsible, trustworthy employee who will safeguard and protect its assets.

As a Cardholder, I agree to comply with the Western State Colorado University Procurement Rules, State of Colorado Fiscal and Personnel Rules, this Agreement, and the provisions of the University's **Procurement Card Program Policies and Procedures Manual** ("the Manual") and any subsequent revisions. I acknowledge completion of procurement card training and receipt of the Manual. I have read and understand the Manual. I understand that the University is liable to the Bank for all charges made by me.

As the Cardholder, I accept responsibility for the protection and proper use of the Card as outlined in this Agreement and the Manual. I shall keep the Card secure at all times. The Card shall be used only by me to pay vendors for allowable purchases of goods and services. I shall not use the Card for personal purchases or for any prohibited item as listed in the Manual. I understand that the University's Program Administrator will review the use of the Card. If my Card is lost, stolen, or compromised in any manner, I shall immediately advise the Bank (**1-800-248-4553**) for cancellation purposes and the University's Program Administrator. I shall reallocate my charges or arrange for reallocation no later than ten (10) working days after the cycle close date (the 25th). I shall approve, by my signature, reconciliation of my monthly transaction Statement of Account.

I understand that in the event of willful or negligent default of these obligations, the University shall take any recovery action deemed appropriate that is permitted by law. Furthermore, upon notification of my transfer from the University or termination of employment, I agree to notify my Approving Official and the Program Administrator and to promptly return my Card.

**Cardholder:**

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Approving  
Official  
Name:** \_\_\_\_\_

**WESTERN STATE COLORADO UNIVERSITY**

**Approving Official Agreement**

By this Agreement ("Agreement") Western State Colorado University ("the University") authorizes the undersigned to act as an Approving Official under the University's Procurement Card Program. This authorization represents the University's trust in the undersigned as a responsible, trustworthy employee to monitor the use of the procurement card ("Card").

I hereby acknowledge my appointment as an Approving Official for the Procurement Card Program. As an Approving Official, I acknowledge completion of procurement card training and receipt of the University's **Procurement Card Program Policies and Procedures Manual** ("the Manual"). I have read and understand the Manual. I agree to fulfill the responsibilities outlined in this Agreement and the Manual and subsequent revisions.

As an Approving Official, I understand that I am an internal control point for the Program by ensuring the Cardholder has complied with Western State Colorado University's Procurement Rules, State of Colorado Fiscal and Personnel Rules, and the provisions of the University's Procurement Card Program. I will review all transactions made by each of my Cardholders, ensure original documentation is matched to Cardholder statements, take appropriate action should violations occur, and approve, by my signature, the monthly Statement of Account ran by the Cardholder.

I understand that the University is liable to the Bank for all charges made by Cardholders, including charges made on a lost or stolen Card before it is reported lost or stolen. I will promptly notify the University's Program Administrator of any suspected or real Card misuse or abuse.

I understand that the Card is the property of the University, assigned to the Individual Cardholder, and that, in the event of willful or negligent default of the Cardholder's obligations; the University shall take any recovery action deemed appropriate that is permitted by law. Furthermore, I agree to notify the University's Program Administrator immediately in the event that I or any Cardholder under my approving authority is transferred from or is no longer employed by the University.

**Approving Official:**

**Signature:** \_\_\_\_\_

**Print Name:** \_\_\_\_\_

**Department:** \_\_\_\_\_

**Phone:** \_\_\_\_\_

**Date:** \_\_\_\_\_





## **Instructions**

### **Documentation of Lost or Unavailable Transaction Information**

This form is required for any transaction that is not supported by documentation from the merchant.

**Warning:** *Repeated use of this form as substitute for original documentation may result in cancellation of the Cardholder's Card.*

#### **Cardholder Instructions**

- If original documentation from the merchant is missing, contact the merchant to request replacement documentation.
- Complete this form if you are unable to obtain transaction documentation from the merchant.
- Fill out all fields through Cardholder Signature.
- Give the completed and signed form to your Approving Official.

#### **Approving Official Determination Instructions**

Any Cardholder's transaction without documentation from the merchant is a Card violation. Using the following guidelines, determine Card violation status for the transaction and the action to be taken.

#### **No Card Violation Warning – No willful or negligent default:**

- Cardholder has not provided documentation from the merchant but the charge appears to be reasonable for state business.
- Cardholder made a reasonable effort and was unable to obtain documentation from the merchant.
- Cardholder is normally responsible and consistent with providing acceptable documentation.

**Action:** – Attach a copy of the completed **Documentation of Lost or Unavailable Transaction Information** form to the Cardholder's Statement of Account that shows this undocumented transaction.  
– If the Approving Official believes that no willful or negligent default on the part of the Cardholder has occurred and the charges appear reasonable for state business, a **Procurement Card Violation Warning** form is not required.

#### **Card Violation Warning – A Card violation requires a warning when a Cardholder:**

- By apparent willful or negligent default fails to provide documentation from the merchant.
- Makes an inappropriate purchase that does not appear to be reasonable for state business.

**Action:** – Complete a **Procurement Card Violation Warning** form.  
– Approving Official and/or Cardholder's Supervisor may request the Program Administrator suspend a Card.

# WESTERN STATE COLORADO UNIVERSITY

## PROCUREMENT CARD VIOLATION WARNING

- This form is **required** for any procurement Card transaction determined to be a Card violation.
- Violations may result in suspension or cancellation of the Card.
- All incidents of procurement card misuses that are recurring, significant, or in excess of \$500 shall be reported in writing to the State Controller. (Fiscal Rule 2-10)

Cardholder: \_\_\_\_\_

Approving Official: \_\_\_\_\_ Department: \_\_\_\_\_

Today's Date: \_\_\_\_\_ Transaction Date: \_\_\_\_\_

Merchant Name: \_\_\_\_\_ Amount: \_\_\_\_\_

### Type of Violation

- Personal purchase
- Cash transaction
- Split Purchase
- Unauthorized by department or supervisor
- Disallowed purchase under the terms of a grant or similar project
- Without other required authorization – HSR, Official Functions, use of State Price Agreements
- Travel and travel related expenses (except registrations)
- MCC excluded goods and services – alcohol, tobacco, fuel and other automotive expenses, unauthorized services, etc.
- Lack of documentation – Attach completed **Documentation of Lost or Unavailable Transaction Information** form
- Gift Card, Gift Certificate or Gift over \$50 on PCard
- Taxes charged on transactions repeatedly or above \$3.00
- Other: \_\_\_\_\_

**Cardholder Explanation:** Explain why the violation occurred and provide detailed information on what has been done to correct the situation. Attach additional sheet if necessary.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Cardholder Certification:** I hereby acknowledge that the above transaction is in violation of the WSCU PCard policies and that repeated violations could result in cancellation of my Card. I further acknowledge that I have been warned through the use of this form. I understand that I am permitted to make purchases that are in compliance with WSCU PCard policies and agree to refer to my Cardholder Handbook or contact the Program Administrator if I am unsure about PCard policies or procedures.

Cardholder Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**Approving Official Determination and Certification:** Indicate the appropriate actions taken.

- Warning:** The above transaction is a violation of the WSCU PCard policies. The Cardholder has been warned through the use of this form. The Card will not be canceled or suspended at this time.  
**Actions:** **1)** Obtain the Cardholder's signature on this form. **2)** Send the original of this completed form to the Program Administrator with the documentation for the above transaction. **3)** Be sure the Cardholder attaches a Copy of this form to their Statement of Account where the violation occurred. **4)** Give a copy of this Violation Warning Form to the Cardholder's Supervisor to keep in Cardholder's personnel file.
- Cancellation/Suspension:** The above transaction is in violation of WSCU PCard policies and the Card is being canceled or suspended.  
**Actions:** **1)** Document the specific reasons for canceling or suspending Card privileges. **2)** Notify the Cardholder that his/her Card is being canceled or suspended. **3)** Retrieve the Card from the Cardholder. **4)** Deliver the Card and the original of this completed form, with documentation, to the Program Administrator and request immediate cancellation/suspension of the Card. **5)** Notify the Cardholder's Supervisor if you are not their Supervisor. **6)** See if the Program Administrator needs additional reporting requirements to maintain coverage under the Visa Liability Waiver Program.

Approving Official Name: \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

## **Instructions**

### **PROCUREMENT CARD VIOLATION WARNING**

- The Approving Official or Program Administrator determines if a transaction is a Card violation.
- This form is required for any Card transaction determined to be a Card violation.
- Violations may result in cancellation or suspension of the Card.
- All incidents of procurement card misuses that are recurring, significant, or in excess of \$500 shall be reported in writing to the State Controller. (Fiscal Rule 2-10)

#### **Instructions:**

- 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 UniversityThis 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/or Approving Official 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 and/or Program Administrator may determine that the Card should be canceled or suspended.
  - If the violation involves any of the following, review 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



# WESTERN STATE COLORADO UNIVERSITY

## Procurement Card Transaction Checklist

### Before Placing Order:

- Single Transaction Limit: \$ \_\_\_\_\_
- Estimated or Quoted amount: \$ \_\_\_\_\_
- Is estimated amount (with shipping) close to or over single transaction limit?  
If so, do REQ/PO. DO NOT SPLIT THE PURCHASE.
- Authorizations needed:
  - Official Function form
  - HSR Approval (IT Work Order - Hardware/Software Request)
  - Use correct State Price Agreement
  - NO Gift Cards, Gift Certificates nor Gifts above \$50 on PCard!
- Does vendor accept credit card payment?
- Inform vendor that purchase is tax exempt.
- Give vendor tax exempt #98-04524.
- Does vendor need copy of tax exempt certificate?
- Request vendor send you a "PAID" invoice.

**Vendor Name:** \_\_\_\_\_ **Phone #:** \_\_\_\_\_

**Date Ordered:** \_\_\_\_\_ **Vendor Contact:** \_\_\_\_\_

**Purchase Description:  
and Price**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Shipping Cost:** \_\_\_\_\_

**Total Price Including Shipping:** \_\_\_\_\_

**Accounting String:** \_\_\_\_\_

**Expected Delivery Date:** \_\_\_\_\_ **Date Received:** \_\_\_\_\_

### Documentation Received

- Check for tax - Call vendor for credit if tax was charged.
- Check for credit card fee - Call vendor for credit if card fee was charged.

### Transaction Posted by Bank

- Reallocate by the 5th to: \_\_\_\_\_
- Enter "Description" in CitiDirect
- Send reallocation advice to another department? \_\_\_\_\_

### Processing Notes:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# WESTERN STATE COLORADO UNIVERSITY

## Procurement Card Monthly Cycle Checklist

\_\_\_\_\_ **Finalize reallocations** - must be complete by 5th of the month (3:00 pm)

\_\_\_\_\_ **Send reallocation advice to other department(s), if necessary.**

\_\_\_\_\_ **Run and Print Statement**

\_\_\_\_\_ No earlier than the 26th - No later than the 5th

\_\_\_\_\_ For transactions dated the 26th through the 25th of the month, e.g.  
09/26/2012 through 10/25/2012

\_\_\_\_\_ **Reconcile to Statement after the 25th and by the 5th**

\_\_\_\_\_ Documentation is attached for each transaction

\_\_\_\_\_ Documentation is in same order as Statement transactions

\_\_\_\_\_ **Sign your Statement**

\_\_\_\_\_ **Approving Official signs Statement**

\_\_\_\_\_ **Reconcile in Banner** using BANNER Budget form **FGIBDST** after approximately the 15<sup>th</sup> of the month.

\_\_\_\_\_ **File Statements in chronological order within your department.**

Required to keep three (3) full fiscal years plus the current year.

Recommendation: Keep as many years as possible. These are your only historical records of your purchases.

