

PROCUREMENT CARD MANUAL
California State University, Los Angeles
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GUIDELINE STATEMENT

The purpose of this Guideline is to ensure compliance with Procurement Card procedures by providing guidelines for the appropriate use of the card and authority for various transactions and activities for authorized business purposes. The CSU Board of Trustees and the policies of the CSU and Cal State LA delegate procurement authority.

GENERAL INFORMATION

Cal State LA, in conjunction with the Chancellor's Office, offers the Procurement Card Program to the Campus. The Procurement Card (is a tool for faculty, staff, and departments to make purchases of goods or services on behalf of the University for which Cal State LA is financially accountable.

The Procurement Card program is intended for the purchase of low dollar commodities that are not prohibited as defined by program guidelines. The Procurement Card may be used for low dollar non-repetitive purchases. The program is intended to supplement procurement, not replace it. The Procurement Card is a privilege that can be revoked in cases of non-compliance to established policies and procedures.

Reconciliation of statements will occur in the CFS PeopleSoft Procurement Card module. This will allow the cardholders the flexibility to process the month end reconciliations of their Procurement Card Statements online. Cardholders will use this module to adjust the transaction's chartfield string, record detail descriptions per transaction, and review historical transaction information. The US Bank system will not be used for the reconciliation process.

PROGRAM CONTACT INFORMATION

US Bank

Customer Service: 1-800-344-5696

<https://access.usbank.com>

Procurement Card Administrator: Ext. 3-3624

procurementcard@calstatela.edu

Procurement and Contracts: Ext. 3-3480

purchasing@calstatela.edu

ELIGIBILITY

To request a Procurement Card, contact the Procurement Card Administrator to complete the application form. The completed application shall be submitted to procurementcard@calstatela.edu and shall include the Approving Official's name, signature, and, when possible, an alternate approver.

To be eligible for a Cal State LA Procurement Card, the requestor must be employed by the University as a part-time or full-time faculty or staff member with an appointment of six (6) months or greater.

Temporary staff (appointment less than 6 months), employees from an outside temporary staffing agency, Auxiliary Services employees (some exceptions), University Student Union (USU), Associated Student Inc. (ASI) employees, retired faculty/staff, volunteers, and student assistants are not eligible to obtain a Cal State LA Procurement Card.

PROGRAM INFORMATION

The California State University Executive Order (EO) 760 establishes minimum requirements for the use of procurement cards. Each campus president is given authority to issue Procurement Cards under EO 760. Procurement and Contracts has been delegated authority for the purchase of goods and services by the President of California State University, Los Angeles. Cardholders are granted limited purchasing authority via the Procurement Card program by Procurement and Contracts. As part of the Procurement Card program, the CSU System uses the US Bank Visa Card.

This manual outlines the procedures and policies for the use of Procurement Cards at Cal State LA. Several methods are used by Cal State LA to purchase goods and services, including petty cash, purchase orders, and direct payments. The Procurement Card can be used in addition to existing methods to obtain goods. The use of the card does not replace existing guidelines and procedures. This Procurement Card may only be used for purchases authorized by Cal State LA and may not be used for personal purposes.

Legal Reference and Authority: Per the California State University [Policy ID 11714239 CSU Contracts and Procurement](#) and [Policy ID 1045892 CSU Travel and Business Expense Reimbursement Policy](#). Procurement Cards must follow all purchasing policies and guidelines. Procurement Cards may only be used for approved CSU expenditures. The use of the Procurement Cards for any form of personal purchases (regardless of any intent to repay the CSU for a purchase) is expressly forbidden.

CARD PROGRAM

Cal State LA Procurement Card program is for commodity purchases

COMMODITY PURCHASES: Upon approval, the Procurement Card should be available within five (5) business days. The standard dollar limits for the Procurement Card are \$1,500 per transaction and \$5,000 per month. The Procurement Card may not be used for travel including food, lodging and transportation expenses. Conference registration fees are not permitted, unless they do not require travel (i.e. webinars). Refer to the campus Travel Guidelines and Hospitality Guideline for more details or contact Service Centers. ALL office supplies shall be purchased through Staples using the University's Electronic Market Place ([CSUBUY](#)). For additional commodities available, please refer to the [CSUBUY](#) account per Procurement & Contracts.

APPLYING FOR A PROCUREMENT CARD

1. Approving Officials Eligibility Requirement: An Approving Official is defined as an employee with a classification of MPP, Department Head, Department Chair or Confidential Employee. An Approving Official will review and authorize the Cardholder's charges each month and should be at least one level above the Cardholder. A cardholder cannot approve his or her own charges. **Procurement Card Administrator determines the Monthly Spending Limit.**

The cardholder's Approving Official will help determine the monthly spending limit for a cardholder. Monthly spending limit should be set to accommodate your department's purchasing needs. The Procurement Card is designed for low-value and low-volume purchases, monthly spending limit shall not exceed \$5,000. Single purchase limit cannot exceed \$1,500. The Procurement Card Administrator will periodically assess spending limits on the Procurement Card. The spending limits may be modified upon the Procurement Card Administrator's discretion if they are not commensurate to the amounts spent on the card.

2. Determine a Default Chart of Accounts.

Chartfields need to be requested as the default on your card. The Approving Official of the department will know what chartfield to use. All charges on a credit card will be charged to this default chart of accounts, unless they are changed in PeopleSoft Financials during the reconciliation period

3. Procurement Card Administrator will meet, complete an application and have it signed by the Cardholder, and Approving Official.

4. Training.

Procurement Card Administrator will contact the cardholder regarding training. A training session is mandatory for all Cardholders and Approving Officials and must occur before the card is released to the cardholder. The cardholder must sign the Cardholder's Agreement prior to receiving their card. Existing cardholders may at times be required to retrain, if deemed necessary by the Procurement Card Administrator.

5. Procurement Card will arrive at Procurement and Contacts Office. The Procurement Card Administrator will contact the cardholder to pick up and activate their card.

6. Procurement Cards not picked up by the cardholder within two weeks of notification will be canceled and destroyed. A new Procurement Card will require a new request using the Procurement Card Application form in Exhibit A. Additional training may be required at the discretion of the Procurement Card Administrator. Failure to attend training may result in the suspension or cancellation of the Procurement Card.

7. Activation.

To activate the Procurement Card, call the US Bank customer service number (800) 344-5696. If calling from a campus phone, after the system answers press 9 to activate the tone sender.

- Enter 16-digit US Bank credit card account number.
- Enter Cal State LA's zip code 90032.
- Press "1".
- Enter the last four (4) digits of Cal State LA's generic social security number, "5555".
- Enter business phone number provided upon application.
- Press "1".

Sign the back of your card

8. Once a card is issued, should a greater limit be required, a written justification signed by the Approving Official should be forwarded to Procurement Card Administrator for review by email. Final determination rests with Procurement and Contracts.

PROHIBITED USES

ON CAMPUS OPERATIONS

There are three (3) categories of on-site services being supplied by on-campus operations. Use of the Procurement Card for the goods and services listed in this section is prohibited unless pre-approval has been granted in writing by the AVP of Business Services and Administrative Operations or designee or when they are not available:

1. **Copying, duplicating, printing, and bindery jobs**: These services must be obtained from Printing Center, located in the basement of the Administration Building (SSB L325). They provide both in-house and off-site services. If Printing Center Operations cannot perform the work and authorizes the user to procure the service with the Procurement Card, the user is required to have a written waiver. A copy of the waiver shall be included with cardholder account summary and shall be referenced on the invoice.
2. **Office Supplies**: All requests for office supplies shall be ordered online through Staples using the Electronic Market Place ([CSUBUY](#)).

3. **Postage, parcel, and priority mailing:** These services shall be obtained from the Distribution Center located on the first floor of the Corporate Yard Building (CY116).

PROHIBITED EQUIPMENT, SUPPLIES, & SERVICES

Use of the Procurement Card for the goods and services listed in this section is prohibited unless pre-approval in writing, by the Director of Procurement and Contracts or the AVP of Business Services and Administrative Operations, or designee:

- Construction, minor capital outlay projects or special repairs
- Modifications, alterations, and/or repairs to any state owned or "leased" facility
- Carpeting
- Animals
- Camp sites, amusement, and recreational service
- Personal Purchases of any kind
- Cash Advances or Cash Equivalents (Disney Money, gift cards, etc.)
- Firearms & ammunition
- Food Items, unless pre-approve in writing with the required forms (i.e. hospitality form, food permit)
- Leases or building rentals
- Alcohol
- Narcotics and other controlled substances
- Maintenance and/or Service Repair Agreements (one-time repairs under \$500.00 are acceptable if performed off campus), approval must be obtained from the Director of Procurement and Contracts or the AVP of Business Services and Administrative Operations, or designee, prior to any work being performed.
- Medical Services
- Sensitive Equipment over \$500
- Non-Sensitive Equipment over \$5,000
- Software and Site Licenses over \$5000 per single purchase
- **SPLITTING PURCHASES TO CIRCUMVENT THE SINGLE PURCHASE LIMIT**

ITS PROHIBITED ITEMS

- Computers and related hardware are prohibited unless it's a pre-approved ICT request. [Pre-Approved ICT | Cal State LA List](#)
- Network switch, router, Ethernet-hub, wireless access point, router, bridge, gateway and network patch cables
- Software and software maintenance
- IT-based hosted services (Software as a Service (SaaS), Infrastructure as a Service (IaaS), Platform as a Service (PaaS))
- Printers
- IT-contracted services
- Apple TV
- Multi-function Devices (MFDs)
- Multi-media equipment
- IT Maintenance Agreements
- IT Installation Services
- Software over \$5,000 per occurrence

RESTRICTIONS

Exceptions may be made in special circumstances, but only with prior written approval from the Director of Procurement and Contracts or the AVP of Business Services and Administrative Operations, or designee.

Chemicals and hazardous materials: may be purchased with the Procurement Card provided Risk Management and Environmental, Health and Safety has approved *prior* to order placement. **Approval must be obtained prior to the purchase.** Attach all approvals with invoice/receipts to cardholder monthly account statement.

ITS prohibited items may be purchased if preapproved with a duly approved E&IT form. **Attach approval to cardholder monthly account statement.**

If you have any questions regarding prohibited purchases, Procurement Card Administrator at extension 3-3482 or via e-mail at: ProcurementCard@calstatela.edu

CONFLICT OF INTEREST

The remedy for the intentional use of the Procurement Cards to defraud the University can include the reimbursement of such charges, card suspension or cancellation, disciplinary action in accordance with the Education Code, section 89535 (i.e., suspension, demotion, or termination) and/or criminal prosecutions. The remedies for negligent use of the Procurement Card can include reimbursement of unauthorized charges, card suspension or cancellation, and/or disciplinary action in accordance with Education Code section 89535 (i.e., suspension, demotion, or termination)

Cardholders are delegated limited purchasing authority on behalf of the University and have the responsibility to ensure that purchases made on their Procurement Cards do not fall within the definitions of a conflict of interest.

Conflict of Interest is defined as follows:

“No public employee at any level of state or local government shall make, participate in making or in any way attempt to use his [or her] official position to influence a governmental [CSU] decision in which [s/he] knows or has reason to know [s/he] has a financial interest.” Gov’t Code § 87100.

NOTE: This prohibition applies to all CSU employees. A gift, gratuity, rebate (not issued in the name of Cal State LA), kickback, rewards points/credit, or other incentive provided to a cardholder to influence or appear to influence the decision to make a purchase from a vendor is considered a conflict-of-interest purchase.

Questions regarding conflict of interest and what could be considered a conflict of interest should be addressed with Procurement Card Administrator.

PROGRAM ADMINISTRATION

ADMINISTRATION AND FINANCE DIVISION

Procurement, Contracts and Support Services administers the program, and is responsible for accumulating, reporting, coordinating, auditing, and evaluating all aspects of the program. The Procurement Card

Administrator is responsible to administer Cardholder and Approving Official card training, distribute cards, assist departments and monitor the proper use of the Card programs. The Procurement Card Administrator is reachable by phone at extension 3-3624 or via e-mail at ProcurementCard@calstatela.edu.

The use of the cards is a privilege, as well as a cost effective and efficient method to procure goods. Failure to comply with the procedures in this guide (including timelines) may result in temporary or permanent revocation of this privilege. Cardholder violations of this procedure shall be addressed via an email to the cardholder. The Approving Official with information copies to anyone considered appropriate by the Procurement Card Administrator. Three (3) emails within a twelve-month period may, at the discretion of the AVP of Business Services and Administrative Operations, result in the suspension (term to be determined by emails) or cancellation of a cardholder's privileges.

PURCHASE INSTRUCTIONS

A. Before making a purchase:

1. Verify that the service or merchandise is not listed as a prohibited use, see page 9.
2. If merchandise is being purchased by fax, remember to use a cover sheet.
3. If merchandise is purchased by telephone, see page 11.
4. When placing an order via the Internet, remember to download the order confirmation and use if cost matches.

CARDHOLDER

The cardholder is responsible for:

- Security of the card. Do not lend your card to another employee. Keep it in a secure/locked area. Do not email your statement with the account number visible.
- Appropriate use of the card.
- Compliance with Procurement policies and procedures (CSU Policy Manual for Contracting and Procurement).
- Downloading and submitting the cardholder monthly account statement. It is available online on approximately the 22nd of each month.
- **Note:** US Bank will not mail the statement. To meet deadline, the statements should be downloaded from US Bank. The Procurement Card Administrator can assist with a brief introduction.
- Cardholder chartfield information is available monthly for editing in PeopleSoft. An email will be sent to notify cardholders with PeopleSoft access when chartfield information is available for editing.
- Attach supporting documentation to the cardholder account statement.
- Certify that all purchases are to be, or have been used exclusively for the official University business.
- Cardholder shall sign and date monthly account statement prior to submittal using DocuSign.
- Resolving any questionable items or disputes that appear on US Bank Account Summary.
- Reconciling the monthly account statement and forwarding to Approving Official in a timely manner.
- Notify management of paperwork that needs to be submitted to the Approving Official during cardholder's absence from the office, unless the circumstances of the absence make it unreasonable to do so (e.g., serious illness).
- Yearly completion of Statement of Economic Interests form (Form 700), see addendum.
- Utilizing certified small businesses, Buy Recycle, and Disabled Veteran Business Enterprises.

- Cardholders are responsible for maintaining copies of receipts and account statements for six (6) months.
- Surrendering cards to Procurement Card Administrator at the time of separation.

APPROVING OFFICIAL

The Approving Official is responsible for:

- Reviewing all charges.
- Ensuring that purchases do not violate the procurement rules.
- Ensuring that no prohibited items have been purchased.
- Ensuring that the purchase of any restricted item has been properly justified and documented.
- Ensuring all appropriate documentation is attached to the cardholder account statement summary.
- Forwarding cardholder account statement to The Controller's Office to avoid possible late fees, by the last day of the month or the Friday preceding when the last day falls on a nonbusiness day. Note, late fees may be assessed for cardholder monthly account statement received after the last day of the month.
- Assigning an alternate Approving Official in the absence of the Approving Official to ensure that the paperwork is submitted to the The Controller's Office on time.
- The Approving Official shall not be a peer or subordinate of the cardholder.
- The Approving Official is not authorized to approve his or her own cardholder monthly account statement.
- The Approving Official signs the cardholder's statement to confirm that the statement has been reviewed and that the charges are correct and in accordance with procedures.
- Notifying Procurement Card Administrator to cancel cards of separating employees.
- Notifying Procurement Card Administrator when an employee promotes or transfers from their department.

RESPONSIBILITIES & PROCEDURES—PROCUREMENT CARD ADMINISTRATOR

- Issuing and replacing cards.
- Enforcing policies and procedures including cancelling cards.
- Auditing cardholder account statement for compliance with procedures.

If procedure is violated, an email shall be sent to the cardholder, with copies to approving official, informing the user of the violation and advising a review of procedures. The second and third violations may result in the cancellation or suspension, at the discretion of the Director of Procurement and Contracts or AVP of Business Services and Administrative Operations.

Note: Splitting of procurements and fraud may result in the immediate suspension or cancellation of the Procurement Card, at the discretion of the Director of Procurement and Contracts or AVP of Business Services and Administrative Operations. Suspension shall be for thirty (30) days unless there are extenuating circumstances acceptable to the Director of Procurement and Contracts or AVP of Business Services and Administrative Operations. The remedy for the intentional use of the Procurement Card to defraud the University can include the reimbursement of such charges, card suspension or cancellation, disciplinary action in accordance with the Education Code. Section 89535 (i.e., suspension, demotion, or termination) and/or criminal prosecutions. The remedies for negligent use of the Procurement Card can include reimbursement of unauthorized charges, Procurement Card suspension or cancellation, and/or disciplinary action in accordance with Education Code section 89535 (i.e., suspension, demotion, or termination). Late submittal of the statement over 45 days may result in the suspension of the card.

- Shall maintain files of current and past users (purge past users after three years).

- Shall conduct trainings biannually or as required.
- Based on audit findings, shall send out email notices to violators and the approving officials.
- Work with cardholders to receive late statements.
- Adjusting Procurement Card Limits

RESPONSIBILITIES & PROCEDURES—CONTROLLER’S OFFICE

- Pay cardholder account statement.
- Notify cardholder when monthly account statement is not received.
- Notify cardholder of missing receipts.
- Assess and charge user’s late fees for late submittal of account statement
- Late statement submitted to The Controller’s Office will be paid using the department’s account number held on file. It is the department’s responsibility to correct statement via expenditure transfers. The department is still responsible for the submittal of the late statement.
- The Controller’s Office is responsible for identifying late statements and working with Procurement Card Administrator to collect late statements.
- Assess use tax when applicable.

PROCUREMENT CARDS MAINTENANCE & REPLACEMENT

DISCREPANCIES ON US BANK ACCOUNT STATEMENT

- The cardholder is responsible for any discrepancies that appear on the US Bank cardholder account statement.
- If items purchased with the Procurement Card are found defective, it is the cardholder’s responsibility to return the item(s) to the merchant for replacement or credit. If the merchant refuses to replace the defective item, then the purchase of this item will be considered to be in dispute. Cardholders are responsible for charges in dispute receipts/invoices must be submitted on time with your statement.
- Credit receipts shall be kept until the credit transaction appears on the account summary and then attached to the cardholder account statement.

REPORTING A LOST, STOLEN, OR WORN OUT/DEFECTIVE PROCUREMENT CARD

- The cardholder shall IMMEDIATELY contact US Bank Customer Service. The Customer Service 24-hour number is:

**US Bank Card Services
24-hour number
1-800-344-5696**

- The cardholder shall contact the US Bank Procurement Card Service 24-hour number immediately and report the loss of the Procurement Card, notifying the Approving Official as soon as possible thereafter.
- The cardholder or the Approving Official will immediately notify Procurement Card Administrator by telephone at Ext. 3-3624, or by e-mail at ProcurementCard@calstatela.edu.
- US Bank will mail a new Procurement Card once reported.

CANCELLING A PROCUREMENT CARD

- A Procurement Card may be cancelled by an email sent from the cardholder, Approving Official, College Dean, Division Head, Human Resources, or their designee to Procurementcard@calstatela.edu. An email confirming the cancellation of the card will be sent out by the Procurement Card Administrator. The canceled Procurement Card must be destroyed and forwarded to the Procurement Card Administrator in a sealed envelope.
- The Approving Official is responsible to ensure that all final documents are submitted, including any outstanding monthly Procurement Cardholder statement or other documents to the Procurement Department, Admin 501.

FAILURE TO COMPLY WITH PROCUREMENT CARD POLICIES

Individual Cardholder and/or department card privileges may be revoked and/or face other disciplinary actions for the following reasons including and not limited to:

- Missing documentation and/or invoices for all transactions, including fraud and credits.
- Failure to comply with Travel Card program procedures defined in this manual. Excessive instances of lost receipts/invoices.
- Loaning the Travel Card out for others to use. Purchasing of restricted items.

CONSEQUENCES OF LATE STATEMENTS/MISSING DOCUMENTATION

All paperwork (Travel Card reconciliation reports, receipts, and any required justification) must be received in Accounts Payable within 5 working days of statement email notification (on or about the 28th of each month). Failure to comply will result in revoking of card privileges and/or other disciplinary measures:

- 1st Time:** Cardholder's account will be inactivated until the completed statement is received, including a memo from Approving Official.
- 2nd Time:** Cardholder's account will be inactivated for 30 days after the completed statement is received, including a memo from Approving Official.
- 3rd Time:** Cardholder's privileges will be reviewed for termination.

CONSEQUENCES OF PURCHASING RESTRICTED ITEMS

- 1st Time:** Email notification to Cardholder and Approving Official for a memo from Approving Official.
- 2nd Time:** Email notification to Cardholder and Approving Official as well as a conference meeting and retraining of both Cardholder and Approving Official required. Procurement Card limit reduced to \$1.00 until training is complete. Further disciplinary action may be taken.
- 3rd Time:** Review account for cancellation of card with no reinstatement. Further disciplinary action may be taken.

REVOCAION OF PROCUREMENT CARD

1. Cardholder violations of this procedure shall be addressed via an email to the cardholder with informational copies to anyone else considered appropriate by the Director of Procurement and Contracts or AVP of Business Services and Administrative Operations.

Two (2) emails within a twelve (12) month period may, at the discretion of the Director of Procurement and Contracts or AVP of Business Services and Administrative Operations, result in the suspension or cancellation of a cardholder's privileges.

The Procurement Card Administrator reserves the right to revoke any Procurement Card or any violation of Procurement Card policies and procedures with approval from the AVP of Business Services and Administrative Operations or an appointed designee.

