



# **Cuesta College**

**San Luis Obispo County Community College District**

# **Procurement Credit Card Handbook**



# Cuesta College

## Procurement Credit Card Handbook

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### GENERAL INFORMATION

In today's environment of streamlining, government, state, and local agencies are looking for ways to cut administrative time, effort, and costs. Procurement Credit Cards, essentially VISA credit cards, enable agencies to significantly trim the traditional paper and labor intensive procurement process for small dollar purchases. With the ease of a widely accepted VISA card, Cuesta College employees may make walk-in purchases, place telephone and electronic orders, and confirm purchases of up to \$950 per transaction. The card allows departments to effectively control and monitor small purchases and reduce time and paperwork.

Cuesta College uses a variety of methods for the purchase of goods and services, including purchase orders, standing (blanket) purchase orders, and claim reimbursements. Processing purchase orders is not cost effective for low dollar value goods and occasionally suppliers refuse to accept a purchase order.

The Procurement Credit Card should be used as the first option before other existing methods to obtain supplies and services costing less than \$950 per transaction, including tax, which are not prohibited or restricted. Cardholders are encouraged to use the Procurement Credit Card, for low value purchases in order to achieve cost savings and improve processing time for such items.

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Contact the following for questions or concerns:

Agency Program Administrator:

Chris Green, Fiscal Services, 805-546-3902, [cgreen@cuesta.edu](mailto:cgreen@cuesta.edu)

Assistant Program Coordinators:

Linda Brizzolara, Purchasing Dept. 805-546-3134, [lbrizzol@cuesta.edu](mailto:lbrizzol@cuesta.edu)

Celeste Brown, Purchasing Dept. 805-546-3134, [cbrown@cuesta.edu](mailto:cbrown@cuesta.edu)



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### PROHIBITED OR RESTRICTED PURCHASES

#### PROHIBITED

If the goods are 'prohibited', the use of the Procurement Credit Card is unauthorized and should not be used to procure such items. Additional blocks will be placed on Credit Cards by the Fiscal Services Department depending on specific department needs and usage.

The use of the Procurement Credit Card is strictly **prohibited** for the following:

Personal purchases—**no exceptions**.

Home deliveries.

Cash advance, leases, maintenance service, equipment rental exceeding one week.

Communications equipment, cellular telephones, pagers, and accessories.

Splitting of purchases to circumvent the dollar limitation.

Equipment as defined in Appendix E of Budget and Accounting Manual (pp. E.1 & E.2).

#### RESTRICTED

If the goods or services are 'restricted', the Procurement Credit Card may still be used if established approvals and criteria are met. Some examples of **restricted** purchases are:

**Services:** otherwise available from Physical Plant.

**Office furniture:** must be verified by Purchasing that campus standards are being met prior to purchase.

**Computer software or hardware:** Computer Services must approve item(s) prior to purchase.

**Equipment requiring installation or wiring:** Physical Plant must be consulted prior to purchase.



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### EMERGENCY PURCHASES

The Procurement Credit Card, may be used to purchase a restricted item when there is an emergency need and time is of the essence. 'Emergency' is defined as the need for goods/services necessary for the continuance of critical daily operating functions, or when an emergency condition exists involving public health, welfare, or safety. Failure to allow adequate lead time **does not** constitute an emergency.

It is the department's responsibility to submit a written justification with their monthly department records stating: 1.) Why the item or service was necessary; and 2.) Program impact if the item or service had been filled through normal ordering procedures.

***NOTE: THE QUANTITY ORDERED ON A CREDIT CARD MUST BE ONLY ENOUGH TO COVER THE NATURE OF THE EMERGENCY.***

### REVOCATION OF CREDIT CARD

**In the event of repeated abuses of Procurement Credit Card policies, the card will be revoked.**



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### AREA OF RESPONSIBILITY AND PROGRAM ADMINISTRATION

#### **U.S. BANK GOVERNMENT SERVICES**

U.S. Bank is the State of California Procurement Credit Card contractor who issues the Procurement Credit Cards. All Cardholders will receive their Procurement Credit Card from the Purchasing Department, Fiscal Service Division. Cardholders will be advised when their card is available, and must sign a Cardholder responsibility agreement, and attend a short workshop to receive the Procurement Credit Card.

#### **FISCAL SERVICES DIVISION**

The **Director of Fiscal Services** is responsible for coordinating the program, issuing Procurement Credit Cards, reporting information and assisting departments in utilizing the cards correctly.

The **Purchasing Department** within the Fiscal Services Division will administer and maintain the Procurement Credit Card program and is responsible for accumulating, reporting, coordinating and evaluating all aspects of the program.

The **Accounts Payable Department** within the Fiscal Services Division is responsible for verifying monthly statements for payment, auditing the U.S. Bank Statement of the Account and processing it for Payment to U.S. Bank.

#### **CARDHOLDER (Cards will be issued to permanent Cuesta College employees only)**

The Cardholder is responsible for the security of the Procurement Credit Card, the appropriate use of the card, compliance with Cuesta College procurement procedures, and reconciliation of all purchases via the Banner P-Card system.

**Cardholder must verify that budgeted funds are available prior to making any purchase.**

#### **APPROVING OFFICIAL**

The Approving Official is responsible for reviewing all charges, ensuring all purchases are appropriate, ensuring no prohibited items have been purchased, verifying that all proper documentation is attached to the monthly U.S. Bank statement, and signing their approval.



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### PROCEDURES

#### **CARDHOLDER**

##### **1. Responsibility**

The Cardholder is responsible for ensuring the Procurement Credit Card is used in accordance with this handbook, and all purchases of commodities are in compliance with Cuesta College procurement and contracting procedures and policies.

##### **2. Security of Procurement Credit Card**

The Cardholder is responsible for the security of the Procurement Credit Card, and is the only authorized user of the card.

##### **3. Determines the Need**

Cardholder determines the need to purchase supplies using good judgment, and in the best interest of the District.

Cardholder screens requests to determine if the request is an appropriate use of the Procurement Credit Card.

##### **4. Obtaining Goods**

The Cardholder will use the Procurement Credit Card to purchase goods in person, by telephone, or through a secured Internet site.

##### **5. Pre-Purchase Approval Process**

Cardholders must obtain pre-approval from their Approving Officials for Cal Card purchases of \$200 or greater.

Once the form is signed by your Approving Official, you may proceed with the purchase. Attach the form with your receipt to the monthly U.S. Bank statement.

##### **6. Shipping Purchases to Cuesta College**

The cardholder will specify the warehouse address when shipping purchases to:

Cuesta College, Building 7400, Highway 1, San Luis Obispo, 93405

The cardholder will make a copy of the order confirmation, write "VISA" across the top of the copy, and forward to the Shipping and Receiving Department.



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### 7. Receipts and Invoices

a) The Cardholder will obtain a receipt or invoice for each purchase. If necessary, the Cardholder will **require the vendor to itemize the receipt or invoice**. An itemized receipt or invoice consists of the following information for commodity purchases:

- Vendor name and information
- Description of commodities purchased
- Quantity purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if applicable

b) Individual receipts or invoices smaller than 4 ¼" X 5 ½" must be taped on an 8 ½ x 11" sheet of paper to ensure they are not lost in transit.

c) Receipts are to be attached to the monthly statement in the order they are listed.

Note: Excessive instances of lost receipts may result in loss of card privileges.

### 8. CalCard 'E'-reconciliation in Banner and Bank Statement

a. Electronic files of all purchases will be downloaded from US Bank into the Banner system.

b. The Banner system will distribute email notifications weekly to the Cardholders that have charges to be reconciled. Reconciliation and coding of these purchases must be completed within 14 days of the notification in FAAINVT **Repeated failure to reconcile and code charges will result in a strike.**

c. Cardholders or designee will assign proper account codes to purchases in the Banner system for expense and payment. (Note: Coded expenses will move via Banner to the budget manager for approval, once approval queues have been implemented.)

d. At the close of each monthly billing cycle, U.S. Bank will send an individual bank statement directly to each Cardholder.

e. Cardholders will attach their receipts to the monthly U.S. Bank statement in the order they are listed, and forward to Approving Official for approval signature.





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- f. Cardholders will forward their signed monthly U.S. Bank statement and receipts to **Accounts Payable** within 14 days from the statement date for auditing purposes.
- g. Foundation charges must be sent to the Foundation to be encumbered before being submitted to the Accounts Payable Department.

### 9. Fiscal Year-End

All Procurement Cards will be deactivated the Monday in June prior to the bank cut-off date and reactivated on July 1<sup>st</sup> for the fiscal year end closing. Cardholders are asked not to use the card during this period.

### 10. Reporting Discrepancies

- a. If an item is billed incorrectly, the Cardholder must provide a complete explanation on the Banner email notification, attach the original receipt. Notify the vendor of the incorrect amount billed to rectify the discrepancy.
- b. Cardholder is responsible for contacting U.S. Bank, **800-344-5696** (*not the Purchasing Department or Accounts Payable*), on questionable items or disputed items which appear as a transaction on the bank statement within 15 days after the date of the invoice report.
- c. If items purchased with the Procurement Credit Card are found defective, the Cardholder is responsible for returning the item(s) to the merchant for replacement or to receive a credit on the purchase (use RMN process-see purchasing website). If the merchant refuses to replace the defective item, then the purchase of this item will be considered to be in DISPUTE.
- d. A copy of the receipt shall be kept until the corrected credit transaction shows up on the Banner email notification. The credit receipt shall then be attached to the corrected U.S. Bank statement and forwarded to **Accounts Payable** in the usual manner.

### 11. Reporting Fraudulent Charges

- a. Cardholders can help to prevent fraud by carefully reviewing their Banner email notifications and their monthly statement. If a Cardholder discovers a fraudulent transaction, the Cardholder should immediately report the fraudulent transaction to **U.S. Bank Fraud Investigation Services 800-344-5696**.



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- b. U.S. Bank will work with the Cardholder to confirm the validity of the transaction(s) in question. An affidavit may be mailed to the Cardholder. It must be signed and returned. It may also be necessary to close the current account to prevent additional fraud activity. The District may also require the credit card to be turned into the Purchasing Department for termination and destruction.
- c. The Cardholder should reconcile their Banner email notification and their monthly statement by circling any suspected fraudulent transactions and write "fraud" next to the charge(s). Deduct the fraudulent charge(s) from the total amount owed and process the statement as required. The Cardholder should follow the reporting instructions as stated in the previous paragraph.
- d. If a credit or debit balance remains the Cardholder and Accounting Office should work with U.S. Bank, Invoice and Payments Services, to clear the amount off the account. Invoice and Payments Services can be reached by calling **Customer Services at 800-344-5696** and ask to speak to an Invoice and Payments Services Representative.
- e. U.S. Bank Government Services Fraud Prevention Unit continually monitors CAL-Card accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, U.S. Bank Government Services Fraud Prevention Unit may contact Cardholders by telephone to inform them regarding the use (or attempted use) of the CAL-Card in a fraudulent manner.

**Direct any concerns about fraud on the CAL-Card to U.S. Bank Customer Services at 800-344-5696.**

**IMPORTANT:** The Cardholder must also provide the following information to their Agency Program Coordinator:

- The account number on which the fraud has been detected
- The date and dollar amount of the fraudulent transaction(s)
- The date the Cardholder first contacted, or was contacted by, U.S. Bank regarding the fraud
- The name of the U.S. Bank Fraud Representative who is investigating the account
- The new account number (if established)



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### PROCEDURES

#### APPROVING OFFICIAL

##### **Reconcile Purchases with Banner Email Notification**

Electronic files of all purchases will be downloaded from US Bank into the Banner system for Cardholders or designee to reconcile upon Banner email notification. Cardholders or designee will enter account information in Banner **immediately**, attach their receipts to the monthly U.S. Bank statement, and forward to Approving Official for approval signature. The approving official will:

1. Review charges to ensure that purchases are appropriate and any purchase of restricted items are appropriately documented. Review list of transactions to be sure all invoices/receipts are included.
2. Approve, initial, and date the U.S. Bank statement with the receipts prepared by Cardholders or designee in their Department.
3. Cardholders will forward their signed U.S. Bank statement and receipts to **Accounts Payable** within 14 days from the statement date for auditing purposes.

**Accounts Payable, Building #8000  
Attn: Procurement Credit Card Program**

#### USAGE REPORTS

Usage reports reflecting Cardholder activity are accessed by the Purchasing Department, Purchasing Technician through US Bank on-line system. This information will be made available upon individual request.

#### **Three Strikes Policy**

**Failure to comply with Procurement Credit Card procedures will result in the Cardholder receiving a written warning.**

**Three written warnings will constitute the *suspension* of Credit Card privileges.**



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### REPLACING PROCUREMENT CREDIT CARDS

There may be instances where it becomes necessary to replace Procurement Credit Cards. It will be the card user's responsibility to initiate this process. Follow those instructions below that apply:

#### **REPORTING LOST PROCUREMENT CREDIT CARD**

- a. Cardholder will immediately contact **U.S. Bank Customer Service at 800-344-5696**.
- b. Cardholder will then immediately contact their approving official.
- c. The approving official will immediately notify the **Purchasing Department by telephone, 805-546-3134 or email, [lbrizzol@cuesta.edu](mailto:lbrizzol@cuesta.edu) or [cbrown@cuesta.edu](mailto:cbrown@cuesta.edu)**.
- d. The Purchasing Department will contact the bank contractor to obtain a replacement card. U.S. Bank will mail replacement cards to the Purchasing Department office within two (2) working days of notification.
- e. The Purchasing Department office will notify the card holder when replacement card is available.

#### **REPLACEMENT OF WORN OUT OR DEFECTIVE CARDS**

- a. If a Procurement Credit Card needs to be replaced because it is worn out or defective, the card user will contact the **Purchasing Department by telephone, 805-546-3134 or email, [lbrizzol@cuesta.edu](mailto:lbrizzol@cuesta.edu) or [cbrown@cuesta.edu](mailto:cbrown@cuesta.edu)**, to request a replacement card. The worn out/defective card will be turned in to the Purchasing Dept. when the replacement card is picked up.
- b. **DO NOT FOLD, SPINDLE, OR MUTILATE PROCUREMENT CREDIT CARDS.** U.S. Bank will issue a replacement card within two days after receipt of memorandum.
- c. The Purchasing Department will notify departments when the replacement card is available.



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### REPLACING A CARDHOLDER OR APPROVING OFFICIAL

#### **CARDHOLDER**

- a. When a Cardholder leaves the District, their credit card must be returned to the Purchasing Department. DO NOT FOLD, SPINDLE, OR MUTILATE PROCUREMENT CREDIT CARDS.
- b. A new credit card may be requested for another employee by submitting a “Cuesta College Procurement Credit Card Application”.
- c. U.S. Bank will issue a new card within two weeks after receipt of request. The Purchasing Department office will notify departments when new cards are available.
- d. When an employee moves to another department, they may keep their card provided the new budget manager approves of the card. Once written approval is obtained by the Purchasing Department, another card (same number) will be issued with updated department information.

#### **APPROVING OFFICIAL**

- a. When an approving official leaves the department, a memorandum from the department head requesting a change in approving official should be submitted to the Purchasing Department office. The memorandum or email must include the name of the new approving official.
- b. Forward the memoranda or email to:

Purchasing Department  
Attn: Procurement Credit Card Program  
Linda Brizzolara, [lbrizzol@cuesta.edu](mailto:lbrizzol@cuesta.edu) or  
Celeste Brown, [cbrown@cuesta.edu](mailto:cbrown@cuesta.edu)



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### COMMON DISPUTE REASONS

The most common dispute reasons are described below. If you have any questions regarding the appropriate dispute reason to use, contact **U.S. Bank Customer Service at 800-344-5696**.

#### **Unauthorized Mail/Phone Order**

This reason should be used for telephone or mail order transactions. If a sales slip is signed or imprinted with the Cardholder's card, this reason does not apply.

#### **Duplicate Processing**

This reason is used when a transaction has been multiple billed to an account. The amounts must be the same. The Cardholder should provide the transaction details of the original billing, such as dollar amounts, transaction date, etc. A copy of the monthly bank statement on which the billings occur and copies of the original sales slip.

#### **Merchandise Not Received**

This reason is used when the goods were not received or paid for by other means. The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of merchandise. If the goods were paid for by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided and a copy of the Statement of Account.

In the event merchandise was canceled, full details should be provided, such as why the transaction was canceled and date of cancellation.

#### **Merchandise Returned**

In the event merchandise was returned and a credit has not yet been posted, the Cardholder should describe the reason for returning the merchandise and the date the item was returned. A copy of the reference number on the monthly statement, postal, UPS or other official receipt proving the merchandise was returned should be forwarded with the Cardholder's Statement.

#### **Credit Not Received**

This reason may be used when the Cardholder has received a credit voucher or written refund acknowledgment from the vendor, but the credit has not been posted to the Cardholder's account within 30 days from the date on the voucher or acknowledgment. The Cardholder acknowledges participation in the transaction but the goods were returned or the service was canceled. The Cardholder should state the amount of credit they are expecting and provide a copy of the credit memo.



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### **Alteration of Amount**

This reason is used when the Cardholder participated in the transaction and indicates that the amount was altered without permission. The Cardholder must acknowledge the amount before alteration and a copy of the Cardholder's copy of draft must be provided to support this reason. The amount of the credit would be the difference between the amount before alteration and after alteration.

### **Inadequate Description or Unrecognized Charge**

In the event the Cardholder does not recognize the transaction description, they should request that USBN supply a copy of the sales draft due to inadequate description or unrecognized charge. This should be requested only after reviewing their supporting documentation and ensuring a merchant (vendor) description or location error has not occurred.

Contact **US Bank Customer Service 800-344-5696** for a copy of the transaction.

### **Copy Request**

This reason should be used when the Cardholder recognizes the charge, but requires a copy of the sales draft for their records. The Cardholder should be encouraged to keep all other supporting documentation, such as catalog information, magazine ad, shipping documents, etc., as evidence of their purchase. .

### **Services Not Received**

This reason is used when the services were never performed or paid for by other means. The Cardholder should attempt to resolve the dispute with the vendor. The Cardholder should detail this attempt and provide the date of expected delivery of service. If the services were paid for by another means, a copy of the payment (copy of front and back of a check or other payment document) should be provided. In the event the request for service was canceled, full details should be provided, such as why the transaction was canceled and date of cancellation.

### **Not as Described**

This reason is used when the Cardholder claims goods or services were not received as described. The written document of what was to be delivered must be different than what was actually delivered. It is important that the sales draft specifically describe what was purchased. For example, this reason could not be used when the Cardholder was expecting a Sony tape recorder, model LXX210 and when he or she got back to the office, they determined that a Sony model B640 was in the box and the sales draft simply said "tape recorder".



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### **Not as Described (continued)**

In a telephone order situation, the verbal description is considered the “document characterization”. The Cardholder must explain in his or her letter how the verbal description was different from what was actually received.

An attempt must be made to return the goods and must be stated in the Cardholder’s documentation. If merchandise was returned, proof of such return should be forwarded with a copy of the return authorization.





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### INFORMATION SOURCES

#### U. S. Bank Government Services

Customer Service 24/7 800-344-5696

#### Cuesta College Fiscal Services Division

Agency Program Administrator – Chris Green 805-546-3902

[cgreen@cuesta.edu](mailto:cgreen@cuesta.edu)

Budget Accountant – Shanna Ahrens 805-546-3960

[shanna\\_ahren@cuesta.edu](mailto:shanna_ahren@cuesta.edu)

Assistant Program Coordinator – Linda Brizzolara 805-546-3134

[lbrizzol@cuesta.edu](mailto:lbrizzol@cuesta.edu)

Assistant Program Coordinator – Celeste Brown 805-546-3134

[cbrown@cuesta.edu](mailto:cbrown@cuesta.edu)

Accounts Payable (Billing) – Shawna Donahou 805-546-3137

[Accounts\\_Payable@cuesta.edu](mailto:Accounts_Payable@cuesta.edu)



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### PROCUREMENT CREDIT CARD

### ACKNOWLEDGEMENT AND RESPONSIBILITY

The Cuesta College US Bank Credit Card Number \_\_\_\_\_  
has been assigned to me. I hereby acknowledge that I am responsible for the security  
of the card, and for the appropriate use of this card for department purchases.  
Furthermore, I have attended the training and read and understand the Credit Card  
Program Handbook.

I understand that this card is valid only while I am employed in this department and that  
if I transfer to another department, or terminate my employment I must relinquish this  
card to the Approving Official of the card.

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Department

\_\_\_\_\_  
Date