

Colorado State University-Pueblo

PROCUREMENT CARD
PROGRAM



PROGRAM
HANDBOOK

March 2016

I. KEY CONTACTS

CSU-Pueblo PCARD Program Administrator:
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Phone: (719) 549-2054
Fax: (719) 549-2056
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CSU-Pueblo PCARD, Procurement Specialist:
Trisha Encina, Procurement Services
Phone: (719) 549-2355
Fax: (719) 549-2056
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JPMorgan Chase Customer Service:
Phone: (800) 316-6056 (**Lost or Stolen Card**)*

LOST OR STOLEN CARDS MUST BE REPORTED IMMEDIATELY!

Cardholders must contact the issuing bank, JPMorgan Chase, at **1-800-316-6056** to report a lost or stolen card. Your department has full liability for all purchases made before a card is reported lost or stolen. A new card will be issued by the bank, and sent to the Procurement Services office for pick-up by the Cardholder. After contacting JPMorgan Chase about a lost or stolen card, also notify the CSU Procurement Office at (719) 549-2772.

REPORT DISPUTED TRANSACTIONS IMMEDIATELY!

The Cardholder is responsible for contacting JPMorgan Chase to initiate the dispute process. A dispute can be processed via the phone. JPMorgan Chase Phone: **1-800-316-6056** or **1-888-297-0768**. An attempt should always be made to resolve the dispute with the merchant, if possible, prior to reporting the dispute or compromised card to the bank. Please notify the Procurement Services Office of the dispute (719) 549-2772.

II. INTERNET RESOURCES / DOCUMENTATION

PCARD Web Site:

<http://www.csupueblo.edu/Purchasing/ProcurementCard/Pages/default.aspx>

Financial Services:

<http://www.csupueblo.edu/BFS/PoliciesandProcedures/Pages/default.aspx>

III. PROCUREMENT CARD (PCARD) INTRODUCTION

The Procurement Card Program (PCARD) is a purchasing method whereby Colorado State University-Pueblo staff, faculty and student employees are issued a commercial MasterCard through JPMorgan Chase to make small dollar, non-recurring purchases totaling \$3,000.00 or less for official University business use. The PCARD may be used for small dollar non-recurring purchases totaling \$3,000.00 or less when the use of a Shop Catalog vendor, Automatic Purchase Order (APO), or a Disbursement Voucher (DV) is not viable. The authorized cardholder is able to purchase directly on behalf of CSU-Pueblo, thereby allowing tax-exempt use.

Small dollar purchases are defined as follows: Small dollar purchases are purchases within the card limit where it is NOT anticipated that future purchases (in same the fiscal year) of like or similar goods or services will be needed, OR, if further purchases are anticipated, then all such purchases will remain cumulatively \$5,000 or less per fiscal year. The reasoning behind this rule is that small transactions that are recurring can add up to large purchases that would be subject to competitive bidding in order to comply with procurement and fiscal rules and to assure maximum value to the University.

OVERVIEW OF PROGRAM:

- Each MasterCard has CSU-Pueblo name/logo plus the name of the cardholder (faculty/staff).
- Cardholder buys something with the card and gets a receipt.
- Merchant sends transaction to bank (electronically) for collection.
- Bank sends transaction data to CSU-Pueblo daily.
- Transactions are fed into the Kualu Financial System as an eDoc (with default account/object code).
- The Kualu Financial System sends email notifications of each transaction to the Cardholder and assigned “Reallocator” where applicable.
- Cardholder notes accounting info on receipt and gives it back to the assigned “Reallocator” where applicable.
- Cardholder and/or Reallocator reviews transactions on the Kualu Financial System and receipt information to change account number/object code if necessary.
- Reallocated transactions are sent to Fiscal Officer for approval. Fiscal Officer approves Kualu eDoc.

- Transactions not reallocated and approved within 21 days will auto post to the default account/object code.
- Cardholder and/or Reallocator prints monthly statements, attaches receipt documentation, and forwards to Approver for review and signature
- Approving Official approves and signs.
- All Signatures must be by the 30th of the following month. Statements are filed in department.

Note: In cases where the department does not have a reallocator, the cardholder has the responsibility of reallocating their transactions.

IV. STAKEHOLDERS, ROLES AND RESPONSIBILITIES

There are four primary stakeholders in the PCARD program: the Cardholder, the Reallocator, the Approving Official, and the Procurement Services Office. Each stakeholder plays an important role in the success of the program. Each stakeholder should refer to this program handbook for details concerning their responsibilities under program rules.

In general, the cardholder, an employee is responsible for the security and use of the PCARD at all times. An agency program administrator and approving official are involved to help control and monitor card usage and expense allocation. Within the Institution, the approving official is the lowest level authority who monitors the card and is able to suspend a cardholder due to not being in compliance. Above that would be the P-Card administrator and then the President of the University. Each of these individuals has not only the authority to monitor accounts but suspend accounts when the cardholder is not in compliance. A further break down of stakeholders rules are defined below.

A. CARDHOLDER ROLES AND RESPONSIBILITIES

The role of a Cardholder is to make purchases in accordance with the regulations established by Colorado State University-Pueblo, as well as all federal and state rules, to ensure accountability to the public and fairness to vendors.

Cardholders are responsible for:

- Completing required Training with Procurement Services Staff.
- Knowing and applying all of the rules related to the PCARD program as stated in this handbook and presented at training.

- Reporting a lost or stolen card IMMEDIATELY to **JPMorgan Chase at 1-800-316-6056**. The Cardholder's department has full liability for all purchases made before a card is reported lost or stolen. The Cardholder is also responsible for disputing any charges that are incorrect or not theirs, or when there is a dispute with the merchant over the amount charged. Lost or stolen cards and disputed transactions must also be reported to the Procurement Services Office.
- Making purchases within the most current policies of the PCARD program as well as the CSU System (CSUS) Fiscal Rules, University Procurement Rules, and the University's Financial Procedures.
- Reviewing daily notification emails for unauthorized transactions. Emails are generated from the financial system.
- Ensuring merchant documentation is complete and available for every transaction and giving that documentation to the Reallocator immediately after the transaction, or, if the documentation is not immediately available, then the Cardholder must provide transaction documentation within 15 days of the purchase.

Note: In cases where the department does not have a reallocator, the cardholder may be reallocator.

- Signing the KFS Cardholder Monthly Statement, by the 30th of the month, for each cycle that had transactions.
- Protecting the card at all times to prevent unauthorized use, and not sharing or authorizing others to use the card.
- Returning the PCARD to the Approving Official upon termination of employment with either the department or Procurement Services, or upon request of the department authority or the Procurement Services Office.

B. APPROVING OFFICIAL ROLES AND RESPONSIBILITIES

The appointment as an Approving Official represents the trust bestowed upon that individual by the University to protect its assets and integrity. Through their oversight, Approving Officials provide the key point of control to maintain appropriate spending activities for their Cardholders and to protect their department's funds. An efficient and effective approval process requires commitment, coordination, and cooperation between the Cardholder, the Reallocator, and the Approving Official. **An Approving Official, based upon the level of his or her position, may delegate some administrative tasks involved in the approval process; however, final authority and responsibility ultimately rests with the Approving Official.**

Approving Officials are responsible for ensuring the integrity of the PCARD program by:

- Completing required Approval Official Training with Procurement Services staff.
- Knowing and enforcing compliance of the rules of the PCARD program as stated in the PCARD Program Handbook.
- Approving a PCARD application by determining that the applicant has a true business need to purchase small-dollar goods or services.
- Reviewing and approving purchases on behalf of the department within the most current policies of the PCARD program as well as CSUS Fiscal Rules, University Procurement Rules, and the University's Financial Procedures.
- Ensuring that merchant documentation is complete and available for every transaction, or if the documentation is not immediately available, the Cardholder must provide transaction documentation.
- Ensuring that every Statement of Account is reviewed and signed, by the 30th of the following month, for each cycle that had transactions.
- Determining if there were PCARD violations and ensuring appropriate action is taken by the department if violations are found. Making sure appropriate documentation is completed. Notify Procurement Services Office for any and all violations.
- Ensuring, if applicable, that purchases are allowable under the terms of the sponsored program account for which the purchase was made.
- Notifying the PCARD Procurement Office immediately should any Cardholder under his or her approving authority leave the employment of the department or the University, or for any other reason regarding change of cardholder status. In addition, the Approving Official must collect and destroy all cards from such cardholders.

C. REALLOCATOR ROLES AND RESPONSIBILITIES

The Reallocator (may be cardholder) is responsible for accepting receipts and maintaining all documentation that relates to the transaction. The Reallocator works with the Cardholder and the Approving Official to determine if a transaction complies with the PCARD program rules and procedures when an issue arises. Reallocators are also responsible for reallocating transactions to the correct account and object code. Reallocators use the Quali Financial System to allocate the transaction to the correct account and object code.

Reallocator (may be cardholder) responsibilities include:

- Reallocating transactions to the appropriate account and object code within the Kualu Financial System. (Note: the Rellocator and Fiscal Officer have 21 days (from eDoc creation) to allocate and approve eDoc. After 21 days the transaction will auto post to the default account and object code if not approved by both the Reallocator and Fiscal Officer.) After the transaction has posted to the default account, it cannot be reallocated, but must be modified by General Error Correction.
- Assisting Approving Officials, and Fiscal Officers as needed, to ensure the integrity of the PCard program by reviewing transactions for compliance.
- Receiving and taking action on email notifications from the Kualu Financial System (KFS) alerting them of an eDoc awaiting reallocation..
- Promptly retrieving receipts from cardholder.
- Reallocator retrieves the PCARD transaction from their Action List in KFS.
- Allocates to the correct funding source (account and object code)
- Attaching and receipts, signed hospitality forms, or other required documentation to the Kualu PCARD eDoc transaction.
- Submits eDoc into Account Approval Workflow.
- Sending hard copy receipts to Fiscal Officer if not scanned.
- Informs the Procurement Services/Approver of transfers or terminations.
- Maintaining Cardholder files in a secure location for auditing purposes.
- Informing Procurement Services Office and Fiscal Officer Approval of transfers or terminations.
- Sending copies of completed and signed Violation forms to the PCARD Administrator to be logged.
- Working with Procurement Services Office regarding any changes to existing Cardholder accounts or creation of new accounts.
- Printing the KFS Monthly Cardholder Statements and forwarding the cycle packet to the Cardholder prior to the 30th of the following month. Reallocators will receive an email with an attachment informing them when the monthly Cardholder Statements are available and can print the PDF to disburse. This email generally, will be sent by the 30th of each month.

D. PROCUREMENT SERVICES ROLES AND RESPONSIBILITIES

Procurement Services is responsible for providing oversight of the program and maintaining Cardholder records (issuing new cards, making changes, and deleting accounts) for active Cardholders at CSU-Pueblo. The Procurement Services Office provides information and support to Internal Audit, Business & Financial Services, and Purchasing Agents as needed.

PCARD staff regularly review transactions for compliance with PCARD program rules, State of Colorado, Federal and University rules and regulations. The Procurement Services Office also provides email and phone support to Cardholders, Reallocators, and Approvers. The PCARD Administrator works daily with the issuing bank in dealing with compromised cards, program updates, and reporting through the MasterCard network.

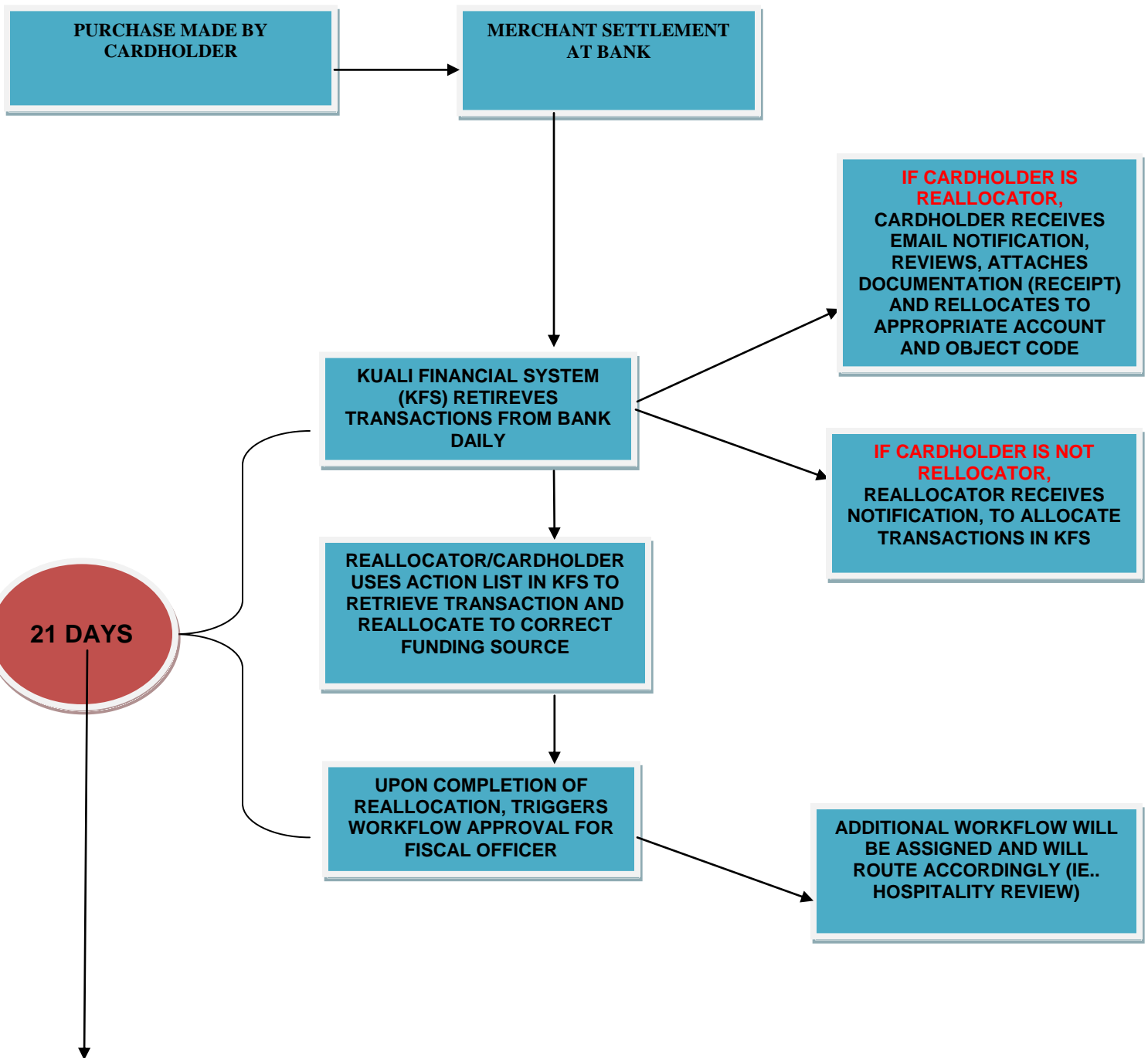
The Procurement Office reviews open accounts on at least a semi-annual basis and will close accounts with limited use, not used at least once per quarter, or no activity in order to reduce the risk to the University. It is the responsibility of the Cardholder's Department Head to determine if an employee has a true business need to open an account; however, if the card is not used, the Procurement Services Office reserves the right to cancel the card. Notification will be given to both the Cardholder and Approving Official.

The Procurement Services Office can assist in providing reports to the departments, assist with monthly statements, changing Approving Official permissions, and Reallocator changes. The Procurement Services Office can be reached at 549-2772 or via email at: purchasing@csupueblo.edu

V. THE PCARD PROCESS (KUALI TRANSACTION WORKFLOW)

The current process of a PCARD transaction in Kuali is shown below. After a merchant settles with their bank, CSU-Pueblo receives a daily feed from JP Morgan Chase and Kuali eDocs are created for reallocation purposes. When an eDoc is created, a notification is sent to both the cardholder and reallocator (may be cardholder) alerting them of activity on the card. The cardholder will review the transaction in Kuali and click the FYI button to acknowledge the transaction and the Reallocator has permission to reallocate the charge to the appropriate account and object code.

NOTE: If the cardholder is the reallocator, the cardholder will attach the appropriate documentation, and charge to the appropriate account and object code.



REALLOCATORS AND FISCAL OFFICERS:

KFS RULES ALLOW 21 CALENDAR DAYS AFTER KUALI NOTIFICATION EDOC TO REALLOCATE AND COMPLETE APPROVALS. ON THE 22ND DAY, TRANSACTIONS WILL AUTO POST TO THE CARDHOLDERS DEFAULT ACCOUNT. A JOURNAL ENTRY WILL NEED TO BE COMPLETED TO ALLOCATE FUNDING AND OBTAIN APPROVALS. AUTO POSTED TRANSACTION MAY BE CONSIDERED AN AUDIT FINDING.

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The Quali eDoc is the document used in reallocating and approving transactions made with PCARD. The eDoc is located in the Reallocator's and/or Cardholder's action list and can be opened by clicking the document number. The eDoc information is as follows:

KFS eDOC of PCARD TRANSACTIONS

Transaction Information

Doc Nbr-	KFS eDOC reference number. Used for routing in KFS
Transaction Credit Card Number-	Cardholder's account number (will be masked)
Cardholder Name-	Name of Active Cardholder as it appears with the bank
Transaction Date-	Date that the merchant settled on card
Vendor Name-	Name as it appears at the merchant's issuing bank
Transaction Total Amount-	Dollar amount that merchant settled on
Transaction Reference Number -	MasterCard identification number of the transaction

Quali Financial systems

Main Menu Maintenance Administration

tags/build-1148 (MySC)

action list doc search

Logged in User: vputman

Procurement Card ?

Doc Nbr: 321819 Status: ENROUTE

Initiator: kfs Created: 11:00 PM 05/15/2006

expand all collapse all * required field

Document Overview show

Accounting Lines hide

Transaction #546956002189000223518 hide detail

Transaction Credit Card Number: 444487675777113

Card Holder Name: COLUMBUS SCIENCE Transaction Total Amount: 71.44

Transaction Date: 01/01/2006 Transaction Reference Number: 546956002189000223518

Vendor Name: HODAPP - STAR

Accounting Lines									
	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
add:	BL	1031400		4190				0.00	add
1	BLOOMINGTON	PSYCHOLOGY		PROCUREMENT CARD PURCHASES				71.44	bal inquiry
								Total: 71.44	

VII. CARD AUTHORIZATION AND HOW TO MAKE PURCHASES

A. Obtaining Authorization to Purchase

1. **Departmental Rules.** The Approving Official and/or department head may set departmental guidelines for card use (such as potential requirements for prior approvals, special forms, etc.). The Department also sets a single transaction ceiling no greater than \$3000 per purchase for each Cardholder. In addition, there are limits set for (i) the dollar amount a Cardholder can purchase within a cycle, (ii) the number of transactions allowed per day, and (iii) the number of transactions allowed per cycle. These were all established when the card was ordered. All cycles end on the 24th day of each month.
2. **Sharing a card or card account number is strictly prohibited!**
3. **Expenses Related to Authorized Business Functions** such as Hospitality, Training, Recruiting or other official functions: view the CSU-Pueblo Rules and Procedures located on both the Business and Financial Services website to recognize and understand the requirements and restrictions for any expense related to these activities.
 - a. Three status levels exist for Expenses Related to Official Functions, Training and Recruiting (Authorized Business Function):
 - i. **No authority:** The PCard may not be used to purchase food, beverages, entertainment, lodging, training, awards, or recruiting expenses.
 - ii. **Limited official function status:** purchases can be made as departmental rules allow, using those limited merchants where the card is not blocked - - such as grocery and department stores. Restaurants, hotels, and entertainment expenses are prohibited.
 - iii. **Full official function status: purchases can be opened up to restaurants and hotels for promotion and development use such as official functions and recruiting** (NOT travel). This status is obtained via the Authorized Business Request Form, submitted to the PCARD Program Administrator on behalf of a specific Cardholder. (NOTE: liquor store purchases are not included with this or any PCARD status).
 - b. Any such purchases must comply with University Financial Procedures, as amended from time to time, and located on the Business Financial Services website. Specifically, the following must be provided and kept with the receipt to document:
 - i. **Completed Documentation for Authorized Business Function Form** and
 - ii. Signature approval from an authorized official function approver, which should be obtained in advance of the expenditure.

<http://www.csupueblo.edu/BFS/PoliciesandProcedures/Pages/default.aspx>

FOOD, BEVERAGE, AND EVENT RELATED PURCHASES (I.E. MOVIE THEATRE, ATHLETIC TICKETS, RESTURANT, MEETING ROOMS, ETC.) REQUIRE COMPLETION OF THE DOCUMENTATION FOR AUTHORIZED BUSINESS FUNCTION FORM TO DOCUMENT THE PURCHASE REGARDLESS OF THE FUNDING SOURCE OR OBJECT CODE. THE CARDHOLDER WILL BE PERSONALLY RESPONSIBLE FOR SUCH PURCHASES IF SUCH APPROVAL IS NOT OBTAINED, AND CARD REVOCATION AND OTHER PENALTIES MAY APPLY.

4. **Charges to Sponsored Programs (53) Accounts.** If you are making purchases against a sponsored program account, it is your responsibility to make purchases that are allowable under the terms of the sponsored program award. Always check with your research administrator in Sponsored Programs if unsure about what costs are allowed to be charged to the account.

B. Selecting the Merchant

1. Is the product available from any merchant in Colorado State University System Marketplace Shop Catalog? If yes, use the Shops Catalog link in the Kuali Financial System to shop and create an order. The PCARD should not be used for these purchases.
 - The University has provided a procurement avenue for campus users called the Colorado State University System Marketplace (e-procurement system) with the Kuali Financial System. The catalogs found in the Colorado State University System Marketplace represent some of the University's prime vendors for office supplies, lab supplies, computer and IT related equipment, and MRO supplies. It is the University's preference to limit PCARD spend with these suppliers and transition procurements to Shop Catalog vendors. PCARD is not needed for this purchase application.
 - To access the Colorado State University System Marketplace click on the Shop Catalogs link in the Purchasing/AP menu on the Kuali Financial System main page. Training is available. Please contact Procurement Services for more information.
2. Is there a minority or women-owned business that can meet your needs? If so, the use of MBE/WBE vendors is encouraged, especially for sponsored project related procurements.
3. Are there vendors that offer discounts to the University? Always ask the vendor if they offer educational discounts, or contact a Purchasing Agent for assistance.

C. Placing the Order

The PCARD is a point of sale transaction process. This means that the Cardholder should be giving the card information to the supplier at the time of sale. **PCARD should not be used to pay invoices for goods/services that have already been delivered or rendered.**

Cardholders may place orders in person, by phone, fax, mail or internet. Cardholders should use caution when submitting their card number over the internet or fax. Use “secured connections” on the internet and be familiar with the vendor’s reputation.

1. Inform the merchant that the purchase is tax-exempt. The tax-exempt number (98-00585) is printed on the card. Remind the merchant that this is a Colorado State University-Pueblo purchase and should be accorded any applicable tax exemption. If the vendor needs the University’s Tax Exempt Certificate, it can be found on the Procurement Services website:

<http://www.csupueblo.edu/Purchasing/TaxExemptInformation/Pages/default.aspx>

2. Cardholder must give his or her name as it appears on the card.
3. Give accurate delivery information, including building name and department name. (This is important for Shipping and Receiving to promptly deliver goods received).
4. Do not make cash-on-delivery (COD) purchases; Shipping and Receiving will refuse such deliveries.
5. Do not photocopy the credit card, due to potential increase of identity theft. If a vendor states that they require a photocopy of the card, do not complete the transactions. A Purchase Order will need to be created instead of using PCARD.
6. Request documentation showing description and cost of each item.
7. If the vendor requests a “billing address”, the vendor may be attempting to verify the card by matching information on file at the bank with the information provided by the Cardholder. The transaction may be declined if the exact address is not given. *****Give the exact billing address information as it appears on the card (on file at the bank) or contact Procurement Services at 549-2772 for assistance.**

D. Receiving the Goods

Inspect all goods promptly upon receipt. If there is a problem with the order, the Cardholder must contact the merchant immediately.

VIII. SERVICES, MAINTENANCE, AND RENTAL

A. Authorization to Purchase

Lease agreements cannot be paid using a PCARD. Service, maintenance, and equipment rental transactions may be purchased with the PCARD, provided the following six requirements are met:

- A current W-9 has been received and forwarded to Procurement Services

- The total cost of the entire service and maintenance commitment CANNOT exceed your single transaction limit. This includes yearly maintenance for equipment such as fax machines, printers, etc. If you are agreeing to pay periodically in installments, and the total of all installments exceeds the single transaction limit, you must use a Purchase Requisition instead of the PCARD.
- Rentals must be less than three months in duration and non-recurring. The total rental contract cost cannot exceed your single transaction limit, as noted above for service/maintenance agreements.
- There is no written agreement requiring the University's signature. Written contracts must be processed through the Procurement Services for review and consideration.
- The transaction is reallocated to a proper services object code.
- Departments are responsible for determining the level of risk to the University when using the PCARD for the purchase of services. Unless a waiver has been granted by CSU-Pueblo Risk Management in advance, the department must obtain a Certificate of Insurance from every service provider.

To summarize: Any service, maintenance, or rental agreement whose total contract value is greater than the Cardholder's single transaction limit, and lease agreements of any amount, can only be purchased via a University Purchase Order (prepared from a purchase requisition).

B. Authorized Signature

Departmental personnel are never authorized to sign written vendor agreements. Any agreement requiring the University's signature must be submitted to Procurement Services, for review and consideration. Unauthorized signing of vendor contracts without a proper delegation will result in a PCARD violation and possible revocation of the PCARD.

C. Master Rental Agreements

Colorado State University-Pueblo establishes master rental agreements with certain vendors for commonly purchased equipment rentals. The PCARD may be used with these specific vendors. Only the master agreement is applicable to rentals from these vendors – individual contracts are not required.

D. Publications & Printing Policy

University Communications Policy: Purchases of print, photocopier services, photography, video and electronic media must flow through the University's central communications group, External Affairs. External Affairs staff are charged with creating publications, social media, and other communication vehicles that meet the requirements of the University's Brand and Graphic Standards. Program Note: The Procurement Services Office considers the purchase of Graphic Design Services, Printing and Photocopying as the

purchase of services, not a commodity. In accordance, the procedure for procuring these services is subject to the following general guidelines.

The following University policy applies to all University communications purchases made with APOs, POs, or PCARD. Procurement Services will assist with the enforcement of this policy by monitoring purchase requests for advertising and printing services and referring all such requests to External Affairs for policy compliance. External Affairs will contact each user and will assist in as expeditious a manner as possible. This will include random audits by the Procurement Office and findings will be forwarded to External Affairs.

POLICY

*The University requires a review by External Affairs of all communications as defined above, regardless of amount, **before** they are produced and before professionals are hired. This includes communications to both internal and external audiences. Elements of this review include: 1) adherence to University graphic standards; 2) proper use of copyright, logo, and branding; 3) consistency with University marketing goals; 4) production quality improvement recommendations; 5) cost effective pricing. Contact External Affairs at 549-2810 for additional questions and requirements. External Affairs will have first right of refusal of all communication work – as defined above - that is purchased with University funds.*

E. Logo Licensing Information-Information for Ordering Departments:

To produce items to sell bearing the University name, trademarks, or logos, vendors must be officially licensed. Unlicensed vendors that produce Colorado State University-Pueblo items are in violation of state and federal trademark law. T-shirts, novelties and other specialty items produced by or on behalf of University entities for events, identification, marketing, or fund-raising purposes must display the official "Colorado State University-Pueblo" logo, in addition to any other logos or designs. Items intended for internal use (e.g. uniform shirts, giveaways or organization/club T-shirts) are exempt from royalties. Items intended to be sold externally (e.g. T-shirts for fund raising) are subject to royalties. All items bearing the University's logo, marks, or graphics must be produced by an existing licensee. *The Procurement Services Office or External Affairs Office can provide a list of current licensees. See <http://www.csupueblo.edu/Communications/Resources/Licensing/Pages/default.aspx> for more information.*

F. Non-Employee Travel Expenses

Due to stringent University requirements, use of the PCARD for non-employee hotel lodging and shuttle expenses (for visitors, recruits, etc.) is highly discouraged. However, it is allowed provided the following criteria are all **FULLY** met:

- Cardholder must have full Hospitality/Official Function privileges on the card.
- Cardholder must have pre-approval from supervisor.

- The use of the card is for hotel charges and transportation to and from the airport. (Examples include guest speakers, campus visitors, recruits, etc.).
- Car rentals are **not** allowed. No moving expenses or U-Haul type rentals are allowed.
- A proper, fully itemized receipt ("folio") is obtained for the charges.
- All charges comply with University policy and are for the direct benefit of the University (i.e. no movie, gift shop, spa charges, valet, phone, alcoholic beverages, personal phone calls, etc.).
- The State of Colorado tax exemption is applied when services are billed and delivered within the State.
- **Completed Documentation for Authorized Business Form** and approval (physical signature from an official function approver) is provided.

NOTE: PCARD should not be used for any extended stay lodging, house rentals, or student travel expense.

IX. PCARD DOCUMENTATION GUIDELINES

Transaction Documentation - The following items are required to document each transaction (every transaction must have valid and complete documentation from the merchant),

Valid source documentation may be:

- Receipt and/or card transactions slip from the merchant.
- An order form for dues, subscriptions, registrations, or similar items.
- An invoice showing credit card payment.
- E-mail confirmation from the merchant for internet transaction.

All documentation must include the following information (**you must hand write if not printed on the documentation**):

Vendor identification (merchant name).

- Date the purchase was made.
- Description and quantity of each item purchased.
- Per item cost, if available from the merchant.
- Total cost of the order.
- Cardholder name.

NOTE: If the original documentation has been lost or if the merchant did not provide documentation, contact the merchant directly to obtain a replacement. If suitable documentation is not obtainable, the Cardholder must complete an Unavailable Transaction Documentation Form which must be signed by the Approving Official.

<http://www.csupueblo.edu/Purchasing/ProcurementCard/forms/Pages/default.aspx>

Lack of original documentation due to willful or negligent default may be considered a violation under the program rules. **If a transaction is found to be a violation, the Violation Warning Form must be completed and sent to Procurement Services.**

X. DISPUTED TRANSACTIONS

The Cardholder is responsible for contacting JPMorgan Chase to initiate the dispute process and notifying his or her Reallocator. A dispute can be processed via phone. An attempt should always be made to resolve the dispute with the merchant, if possible, prior to reporting the dispute to the bank. The Dispute Department can be contacted by calling the 800# on the back of the card and giving them the last 4 digits of your CSU-Pueblo ID#. The bank should immediately issue a credit for the dispute, pending correspondence with the merchant.

Reasons for Disputes – The following may be formally disputed with JP Morgan Chase.

- Unauthorized charges and unrecognized charges, including phone or mail order charges.
- Difference between dollar amount authorized and dollar amount charged.
- Duplicate charges.
- Un-received goods.
- Defective merchandise.
- Altered Charges

Both the charge and the credit need to be reallocated in the Quali Financial System and will be listed as separate eDocs. There is no mechanism in the PCARD eDoc to code a transaction as a disputed transaction. Reallocators and/or Cardholders may add a note in the notes section for future reference.

XI. EXCLUDED MERCHANT TYPES

All MasterCard merchants have chosen a four-digit Merchant Category Code (MCC) that identifies the types of goods or services they provide. CSU-Pueblo has elected to block purchases from merchants with MCCs related to certain kinds of transactions. An attempt to purchase anything from these types of merchants will be declined.

- Banks, ATMs, financial institutions, insurance companies, legal services.
- Travel related merchants – airlines, railroads, bus lines, taxis, cruise lines, car rental companies, hotels, motels, travel agencies.

- Automotive merchants – automobile dealers, U-Haul type merchants, gas stations, and repair shops.
- Eating places (except full official function status) – restaurants, bars, cocktail lounges, nightclubs, and fast-food restaurants.
- Packaged liquor stores, duty free stores, tobacco stores.
- Furniture merchants – furniture stores, repair shops, and part stores.
- Dating and escort services, counseling services, massage parlors, health and beauty spas, computer-dating services, gambling establishments, and other such personal uses.
- Construction related contractors-including heating, electrical, and plumbing related services.

XII. TAX EXEMPT STATUS

Colorado State University-Pueblo should receive tax exempt status if purchased goods or services are billed and delivered within the state of Colorado. PCARD transactions that result in goods or services delivered outside of the state of Colorado may be subject to that state's sale tax. Please remind merchants of your tax exempt status when completing your transaction. The Colorado State Tax Exempt Number is embossed on the cardholder's card. If the merchant requires additional information regarding Colorado State University's-Pueblo tax exempt status. The link below provides the CSU-Pueblo **tax information letter** and **tax exemption certificate**. Business and Financial Services can assist with any questions regarding tax exempt status.

<http://www.csupueblo.edu/Purchasing/TaxExemptInformation/Pages/default.aspx>

If a Cardholder is charged tax, an attempt must be made to recover the tax. If successful, the merchant shall credit the card for the amount of the tax charged. No cash refunds or store credit shall be accepted. If unsuccessful or merchant refuses to credit tax back to the card, written documentation of the attempt should be attached to the receipt. Cardholder/ Reallocator may handwrite on the receipt if needed. Tax being charged on the Cardholder's purchase(s), where tax exemption should have applied, may be deemed a violation by the Approving Official/Procurement Office if it is suspected that there is willful negligence by the Cardholder or if there is no documentation to support an attempt to recover the tax. If a charged tax occurs more than once in a year, the Cardholder is required to pay the tax.

XIII. PCARD VIOLATIONS POLICY

All Procurement Card Program participants including Cardholders, Reallocators, and Approving Officials are required to know and follow the Procurement Card Program Policies, including those defining violations and their consequences. It is the responsibility of the Cardholder, Approving Official and the Reallocator to review documentation for each transaction in

order to identify violations in card use. The review must be conducted for **ALL** transactions in each billing cycle.

If an Approving Official or Reallocator determines that a violation has occurred, he or she must issue a Violation Warning Form to the Cardholder. An Approving Official or Reallocator may also contact the Procurement Services Office directly and confidentially to discuss a potential violation before issuing a violation warning to the Cardholder. Both the Violation Warning Instructions and the Violation Form can be accessed at:

<http://www.csupueblo.edu/Purchasing/ProcurementCard/forms/Pages/default.aspx>

The Procurement Office will regularly review transactions for possible violations and may request specific documentation to determine if a violation has occurred. The Procurement Services Office will contact the Approving Official to discuss the violation. The Procurement Services Office will also work in conjunction with Internal Auditing in reviewing procurement card transactions and will provide assistance in gathering information and offering recommendations for violations.

The Violation Warning Form must be completed and signed by the Cardholder and Approving Official and:

1. One copy of the violation form shall be sent to the Procurement Services Office.
2. One copy of the violation form shall be retained in the department files with receipt documentation and shall be scanned and attached to the Kualo edoc.

Transactions categorized as **Violations** (*except fraudulent purchases, which will result in an **immediate** cancellation of the card*) will result in revocation of the card for one full year (12 months) upon the 3rd documented violation. Issuance of a new card may occur after the Department Head/Director provides justification for new card, a new card application, and successful completion of PCARD training by applicant.

XIV. VIOLATIONS

A Violation Warning form is to be completed by the Cardholder and signed by their Approving Official for any of the following violations. The Approving Official and the PCARD Administrator will determine the future status of the card, requirements for additional training, or other possible consequences to regain compliance. Approving Officials will send a copy of the signed Violation Warning Form to the PCARD administrator.

Cardholders are expected to exercise sound business judgment and to make inquiries to the Procurement Services and/or Business Financial Services before making any purchase that may be construed as inappropriate, or which the Cardholder does not know to be reasonable and necessary for the official business purposes of the University. Transactions that will be deemed violations include:

1. **Personal Purchases** – Personal purchases are **never** permissible, even if the Cardholder intends to reimburse CSU-Pueblo later. A personal purchase must be reported immediately upon discovery to the Approving Official and the PCARD Program Administrator. The Cardholder must immediately reimburse the University or arrange for an immediate credit transaction from the merchant. A personal purchase is a PCARD Violation and may be suspected fiscal misconduct. A personal purchase may be cause for cancellation of the PCARD upon the first violation, and may result in termination and possible employment disciplinary action, criminal and civil prosecution. Any suspected fiscal misconduct or abuse of the card for personal purchases must be reported immediately to the PCARD Administrator by any person who becomes aware of it.
2. **Cash or Cash-Type Transactions** – Examples are additional cash with purchase, cash refunds, cash tips, travelers' checks, **gift cards**, donations, money orders and gift certificates. A cash or cash type transaction is a PCARD Violation and may be considered fiscal misconduct as noted above. A cash type purchase will be cause for cancellation of the PCARD.
3. **Splitting the Transaction**- A split purchase occurs when a Cardholder's transactions exceed \$3,000 (or their single purchase limit) for a single purchase (including shipping). A single purchase over \$3,000 must be purchased through the Quali Financial System using a purchase requisition. A Cardholder should use good judgment when determining their purchase needs. Contact Procurement Services if there is any question in defining a single purchase.

A single purchase need identifies a group of items that are similar enough in nature to be purchased from a single source and that are all known to be needed at the time of the first purchase transaction. Purchases cannot be split based on different project or program numbers, different recipients, different delivery locations, differing functionality of the items, etc.

For example, a Cardholder shall not purchase two \$2000 pumps from a single source using two separate transactions if both pumps are known to be needed at the time of the purchase (and, therefore, the total purchase need is known to be \$4000). A Cardholder shall not split purchases over time or over sources with the intent to circumvent his/her single purchase limit).

4. **Employee Travel and Travel-Related Expenses**- Cardholders cannot use their PCARD for employee travel and related expenses. Examples are airfare, vehicle rental (including the rental of moving trucks), parking fees/permits or services, meals, and employee lodging. Cardholders using PCARD for employee travel expenses will be reported to the University Controller and the PCARD may be revoked.
5. **Card Sharing**- Cardholders should NEVER share their card or card number with other individuals for use. Only the designated Cardholder is allowed to use his or her PCARD.
6. **Improper Transactions**- These types of transactions go against University and state policies due to the nature of the transaction or business rule. Improper purchases will require completion

of a Violation Warning Form to be signed by the Cardholder and Approving Official and forwarded to the Procurement Services Office. Waivers may be granted in a case by case basis.

- Non CCI Furniture Purchases – If the vendor is anyone other than Colorado Correctional Industries the purchase of furniture is unauthorized.
- Parking charges (fees, employee parking permits, services, and fines).
- Vehicle expenses – examples are vehicle rental, E-470 tolls, toll ways, fuel, and repairs.
- Pre-Paid Phones or Phone Cards, long distance, and pay-phone calls.
- Drug Enforcement Agency licensed substances, medical drugs, narcotics.
- Radioactive materials and restricted chemicals.
- Animals purchases for teaching, testing, or research unless granted an exception by IACUC.
- Materials to construct or remodel a University owned or leased facility.
- Construction Contractors to construct or remodel a University owned or leased facility.
- Guns and ammunition.
- EBay or online auction transactions.
- Printing services without a waiver from External Affairs during CSU-Pueblo business hours.
- Memberships purchases by CSU-Pueblo, but issued in an employee's name (Sam's Club, Costco, Amazon, Prime, etc.) where the membership conveys a potential personal benefit to the employee. It is impermissible for an employee to apply for a membership in CSU-Pueblo's name and then use any part of the membership benefit for personal transactions (whether or not a PCARD is used to pay for the membership).
- Willful negligence, determined by the Approving Official/Procurement Office, with non-compliance of turning in receipts or providing valid and complete receipt documentation.
- Willful negligence, determined by the Approving Official/Procurement Office, with non-compliance of University tax exempt status. (*See Section XIII*)
- Non-compliance with the completion of Expense Documentation Related to Authorized Business Functions form when required.

Cardholders must adhere to the policies set forth by the State of Colorado, CSU-Pueblo, and any additional internal policies at the department level. If a department has additional controls, it is the department's responsibility to communicate to their Cardholders these policies and enforce them consistently. Failure to comply with the current PCARD program policies set forth in the cardholder agreement will constitute a violation and possible revocation of the card.

XV. CARDHOLDER MONTHLY REPORTS

The current PCARD cycle with JP Morgan Chase runs from the 25th of each month to the 24th of the following month. Around the 30th of the month, the designated Reallocator or the Cardholder will receive a system generated email that will contain an attachment listing the cardholder's

transactions for the cycle. Transactions will appear whether they have been reallocated to “final” or “enroute”. If a cardholder had no transactions for the cycle, a report will not be generated.

Reallocator responsibilities include:

- Prints Cardholder Monthly Statement from system generated email for each cardholder that they are assigned to.
- Verifies that all receipts have been obtained for the transactions.
- Attaches receipt documentation to Cardholder Monthly Statement.
- Routes Cardholder Monthly Statement to Cardholder and Approving Official for review and signature.

Note: In cases where the department does not have a reallocator, the cardholder has these responsibilities as well.

Cardholder responsibilities include:

- Cardholder’s signature by the 30th of the cycle end month.
- Verify that all receipts have been obtained for the transactions.
- Verify that all transactions are yours and were made for CSU-Pueblo business purposes only.

Approving Official responsibilities include:

- Approving Official signature by the 30th of the following month.
- Verify that all receipts and documentation are included.
- Verify that all transactions were for CSU-Pueblo business purposes only and were within the PCARD program rules.

The signed Cardholder Monthly Report along with the receipt documentation will serve as the official record for audit purposes. Failure to provide receipts or signed signatures by the 30th will result in an audit finding. Cardholder and Approving Official signatures by the 30th of the month are a key component in maintaining the integrity of the program.

Example: A Cardholder Monthly Statement for November (October 25 through November 24) would need to have both Cardholder and Approving Official signatures by December 30th.

XVI. COMPLIANCE (INTERNAL AUDIT)

Colorado State University is committed to conducting its affairs transparently, ethically and in compliance with all laws, regulations, and University policies. All members of the University community are expected to share in this responsibility and to help prevent, detect, and address violations.

There may be instances when you suspect that a University employee's conduct is not in compliance with applicable laws, rules, regulations, or policies. To report suspected compliance violations of any kind, including violations related to ethics policy, financial reporting, internal

accounting controls, or audit matters, please contact Procurement Services at 549-2772 or Internal Audit at 549-2133 or go to Internal Audit website at: <http://www.csupueblo.edu/internalaudit/ContactUs/Pages/default.aspx> to complete applicable documentation.

What is Reportable?

Members of the campus community may use Internal Audit to report the following types of issues:

- Fiscal misconduct by University employees
- Abuse of time and other resources
- Violations of federal or state law or regulations
- Serious or reoccurring violations of University policy in the performance of University duties
- Research or scientific misconduct
- Waste of University resources, funds or property
- Serious or recurring abuse of University authority
- Public safety issues