

5.8.8P
PROCUREMENT CREDIT CARDS, USE AND CONTROL
ADOPTED: SEPTEMBER 8, 2009
CATEGORY 2 REVISION: MAY 14, 2013

The use of procurement cards can result in a reduction in the cost of doing business and improve efficiency. Through the use of procurement cards, the District may enjoy periodic rebates based on card usage.

1. DEFINITIONS

- a. **Cardholder.** The Cardholder is the District employee whose name appears on the credit card, and is responsible for ensuring the card is used and that billings are reconciled appropriately in accordance with the procedures herein. The Cardholder is responsible for ensuring that the procurement card is used in full compliance with all District procurement and contracting procedures.
- b. **Approving Official.** The Approving Official is responsible for reviewing the charges, for a group of credit card holders, to ensure that purchases are appropriate and that billing reconciliation is done promptly and correctly. Approving Official will be Director level or higher.
- c. **Bankcard Contractor.** The Bankcard Contractor is the bank that will issue the procurement cards. The card to be used is a “major” credit card selected by competitive procurement by the State of California.
- d. **Program Manager.** The Director of Purchasing will manage the program.

2. PROCEDURES

- a. District Policy authorizes the Director of Purchasing to delegate the procurement of certain types of material. Delegation approval is at the sole discretion of the Director of Purchasing, and the Vice President of Business Services. Approved Cardholders are hereby delegated the authority to make purchases via procurement card.
- b. Procurement Cards will generally be issued to permanent employees who have completed their probationary employment period. Departments can request cards be issued to temporary or probationary employees if such issuance best serves the needs of the District. The Director of Purchasing, will review and approve card-issuance on a case by case basis.
- c. Procurement Cards can only be used for officially approved District business. Only those charges which can be paid legitimately with District funds may be charged to procurement credit cards. Employees who use the procurement card for unauthorized or personal expenses will have their card revoked and will be responsible to reimburse the District for the charges.
- d. Procurement Card purchases shall be limited to both a maximum per transaction amount as well as an overall monthly transaction limit. Such limits will be determined by the Director of Purchasing, or designee in conjunction with the Cardholder and the Approving Official.
- e. Acquisitions will not be split or broken up in order to circumvent transaction limits. Splitting transactions will result in the revocation of the procurement card.

- f. Goods will not be purchased by a procurement card if they are available in the District warehouse, or are available on contract (office supplies, paper, janitorial paper, copying services, etc.).
- g. Back-ordering is discouraged as it complicates record keeping and receiving.
- h. The Purchasing Department will issue a list of items and services that may not be acquired by the use of a procurement card. This list includes services, equipment, software, and off-campus printing that requires the prior review and approval of a support department such as Information Technology, Media Services, and Graphics Services. Support department approval must be obtained and documented prior to order placement with any vendor. The acquisition of any capital equipment requires the prior approval of the Purchasing Department.

3. CARDHOLDER RESPONSIBILITIES

- a. The Cardholder will receive a procurement card to which will be attached a Usage Memorandum which will be signed by the Cardholder and Approving Official acknowledging receipt of the card.
- b. The Cardholder is responsible for the security of the procurement card and all purchases made with the card. A card may only be used by the named Cardholder.
- c. Obtaining Material. The Cardholder will either go to a place of business and obtain the goods, or call in an order, or use the Internet and place an order. In either case, the Cardholder will require the vendor to itemize the receipt/invoice. An itemized receipt/invoice contains:
 - Transaction date and description of the goods purchased.
 - Quantity purchased.
 - Price per item.
 - Amount of sales tax and total amount

If an order is to be shipped to a District warehouse, Cardholders are required to notify the appropriate District warehouse Storekeeper. Cardholders will provide the vendor's name, a description of items and quantity of each item purchase. The cardholder will instruct the vendor to ship to the appropriate warehouse and to clearly label delivery with cardholder name, building and phone number.

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Petaluma, CA 94954

SRJC Public Safety Training Center
5743 Skylane Boulevard
Windsor, CA 94952

Robert Shone Agricultural Center
7450 Steve Olson Lane
Forestville, CA 95436

- d. Monthly Procurement Card Purchase Report. Upon completing the transaction, whether by telephone, internet or in person, the Cardholder shall enter the purchase information onto the monthly Procurement Card Monthly Report to record:
 - Date of purchase
 - Receipt/invoice number
 - Description of purchase
 - Vendor's name
 - Dollar amount
 - Charge or project number and object code
 - Sales or Use tax information
- e. Procurement Card Receipt/Invoice. Receipts/invoices are to be carefully retained and submitted with reconciled bank statement. Should a receipt/invoice be lost, Cardholder shall

produce a signed memorandum with data in accordance with 3(d), above, and an explanation of why there is no receipt/invoice.

- f. Bank Statement Reconciliation. At the close of each billing cycle (month), each Cardholder will receive an individual bank statement from the Bankcard Contractor. The Cardholder shall reconcile the Bank Statement in accordance with the following procedures as soon as possible but no more than five (5) days after receipt.
 - i. Cardholder shall review the statement for accuracy and reconcile the statement with the monthly Procurement Card Purchase Report and vendor receipt/invoices. The reconciled statement package will consist of the following documents in the order shown: Statement, Questioned Item Form (if an item is questioned), Monthly Procurement Card Purchase Report, and receipts.
 - ii. For incorrect, questionable, or disputed charges, the cardholder will complete a 'Statement of Questioned Items Form'. The 'Statement of Questioned Items Form' will be faxed directly to Bankcard Contractor at the fax number at the bottom of the form, a copy sent to the Accounting Department and a copy will be retained in Cardholder's records. Copies of all documentation will be retained for a minimum of the current fiscal year and one prior fiscal year.
 - iii. If the items purchased by the procurement card are found to be defective, the Cardholder has the responsibility to return the item(s) to the merchant for replacement or receipt of credit. If the merchant refuses to replace the item(s), then the purchase of this item will be considered in dispute and a 'Statement of Questioned Items' submitted. Cardholders will work closely with warehouse staff to fully document return shipments, including Returned Merchandise Authorizations (RMA's) and tracking numbers. The Cardholder is responsible for reconciliation of all vendor related documentation such as RMA's, returns and all forms of communication related to the purchase of any goods via the credit card.
 - iv. Credits or chargebacks will be handled in the same manner as a charge showing negative or credit numbers.
 - v. Upon completion of the reconciliation, the Cardholder will approve/sign date the Bank Statement. A copy is to be made by the Cardholder and retained for a minimum of the current fiscal year and one prior fiscal year. The original package will be submitted to the Cardholder's Approving Official at Director level or higher

4. APPROVING OFFICIAL RESPONSIBILITIES

- a. Within two (2) working days after receipt of the Cardholder's Bank Statement and documentation, the Approving Official will be responsible for reviewing, approving, and signing the Bank Statement and forwarding all statements, from Cardholders within the Approving Official's group, to the Accounting Department. Charges are to be reviewed to ensure the purchases are appropriate, charged to the correct budget code, verify there are sufficient funds, and that the purchase is not in violation of this procedure or District procurement policies.
- b. Approving Officials are to keep copies of all Bank Statements and Monthly Procurement Card Purchase Report for at least the current fiscal year.

5. REPLACEMENT OR LOSS OF PROCUREMENT CARDS

- a. Replacement of Worn Out/Defective Cards. If a procurement card needs to be replaced because it is worn out or defective, submit an e-mail request to the Program Manager.
- b. Reporting Lost Procurement Cards. Upon loss, the Cardholder will immediately notify the Bankcard Contractor. After notifying the Bankcard Contractor, the Cardholder will notify the Approving Official and Program Manager by e-mail regarding date of loss and confirmation that the Bankcard Contractor has been notified. The Program Manager will contact the Bankcard

Contact to confirm card cancellation and request a replacement card with a new account number.

- c. Departure and/or Replacement of a Cardholder. When a Cardholder leaves a department, the Approving Official will submit a memorandum notifying the program manager of the name of the new Approving Official. If an employee departs District service or a card is to be revoked, the Approving Official will collect the card, cut it in half, and return it to the Program Manager requesting the account be closed.