



SAN JOSÉ STATE

UNIVERSITY

ProCard Program Policies & Procedures 2011

Table of Contents

- General Information 3
 - Overview of Program..... 3
 - Ethics 3
 - Credit Card Controls..... 4
 - Maximum dollar amount per transaction 4
 - Maximum dollar amount per monthly billing cycle..... 4
 - Merchants from whom purchases cannot be made 4
 - Exceptions 4
- Using the Card 5
 - What Cannot be Purchased with the Card 5
 - What Can Be Purchased With the Card..... 6
 - Fiscal Year End 6
 - Key Contacts 6
 - How to Make Purchases with your ProCard..... 7
 - Sales Receipt Requirements 7
- Responsibilities 8
 - Cardholder Responsibilities..... 8
 - Approving Official Responsibilities 8
- Consequences for Failure to Comply with Program Policy and Procedures 9
 - Consequences of Late Statements / Missing Documentation..... 9
 - Consequences of Purchasing Restricted Items 9
- Bank Statement Reconciliation 10
 - Billing Cycle 10
 - Reconciliation by Cardholder..... 10
 - Reconciliation by Approving Official 10
- Forms 10

General Information

Overview of Program

The ProCard program has been implemented to provide easy and expeditious method for campus departments to make low dollar purchases and Office Max supply orders. Cards are issued in the name of the individual (Cardholder) whose purchases are reviewed and authorized by their Approving Official¹.

The Cardholder is the only one authorized to make a purchase with the ProCard. Approving Official must have the authority to spend department funds and be registered on file in the Accounts Payable Office. Each Cardholder and Approving Official participating in the program is required to attend a training session. Both are expected to sign the ProCard Training Agreement. Cardholders must also sign a Cardholder Participation Agreement prior to receiving a card.

Unlike the American Express corporate travel card, purchases made with the ProCard are billed to the University. Monthly payments are made to the bank immediately upon receipt of the master bill in Accounts Payable. Each Cardholder and Approving Official must verify that the charges on the statement are valid and that the goods have been received. Such charges must be supported with itemized receipts for each transaction on the statement.

Cards will be renewed automatically unless the individual Cardholder's privileges have been terminated.

The University is using an agreement made with US Bank. The card is a Visa card.

Ethics

Cardholders and their Approving Officials have been granted limited authorization to purchase on behalf of San José State University. Authority to purchase goods and services has been delegated from the Chancellor to the President and to the University Purchasing Office. The Purchasing Office has further delegated limited purchasing authorization to individuals in departments outside the Purchasing Office through the use of the procurement credit card.

The Purchasing and Accounts Payable Offices have implemented internal controls as regulated by the Chancellor's Office that mitigate procurement abuses, comply with Trustee policy, ensure observance of good business practices, and provide appropriate checks and balances.

As a ProCard cardholder, you are responsible for ensuring all your purchasing transactions are in compliance with State and Federal laws, including conflict of interest laws and any potential impact your purchase may have on personal financial interests.

All ProCard cardholders and Approving Officials are responsible for conducting business in an ethical manner as outlined by the SJSU Procurement Ethics Policy:

- Conduct business in good faith; demanding honesty and ethical practices from all participants in the purchasing process.
- Strive to obtain the maximum value for each dollar of expenditure.
- Avoid unfair practices by granting all competitive suppliers equal consideration insofar as State, Federal, and CSU regulations require.
- Make reasonable efforts to negotiate equitable and mutually agreeable settlements of controversy with a supplier(s).
- Personal gifts or gratuities from vendors will be politely and firmly declined.
- Avoid involvement in any transactions/activity that could be considered to be a conflict between personal interests and the interests of the CSU.

¹ As outlined in the [Delegation of Authority for the Approval of Financial Expenditures Guidelines](#).

- Enhance proficiency by acquiring and maintaining current technical knowledge and pursuing related educational opportunities and professional growth.
- Know and obey the letter and spirit of laws governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.

Credit Card Controls

Maximum dollar amount per transaction

For each Cardholder within his/her area of responsibility, the Approving Official will determine the maximum dollar amount per transaction allowed for the individual Cardholder. The maximum cannot exceed \$5,000 per transaction and such maximum includes shipping, handling, and freight. Should a transaction exceed the allowed maximum for the Cardholder, it will be denied when the merchant processes the charge. Splitting of purchases to circumvent this limit is not allowed.

Maximum dollar amount per monthly billing cycle

For each Cardholder within his/her area of responsibility, the Approving Official will determine the maximum dollar level allowed for charges per month (not to exceed \$10,000). Should a purchase be attempted that would put the Cardholder over the established limit, it will be denied when the merchant processes the charge.

Merchants from whom purchases cannot be made

The card is *restricted* from use by certain merchant types such as airlines/airports, drug stores, hotels/motels, and restaurants/bars. Goods and services provided by these types of merchants should generally be secured through use of the American Express corporate travel card.

Exceptions

Any request for delegation of authority that would exceed \$5,000 per transaction or \$10,000 per month, or conflict with the restricted items list must be submitted to the Accounts Payable Manager for approval.

Using the Card

What Cannot be Purchased with the Card

Purchases with the card must be made from merchants who accept Visa. Allowable purchases include most items that have been acceptable via Petty Cash and Direct Pay. Cardholders are **prohibited** from using the ProCard for the following types of transactions:

- **All** services (e.g., repairs, rentals*, ads)
- Cash advances
- Chemicals or other hazardous substances (unless an MSDS is obtained with goods)**
- Contracts
- Computers:
 - Complete systems
 - Items to build/configure computers
 - Cellular data cards
 - Bulk purchases
 - Hardware from foreign suppliers
 - On-line backup services
 - Monitors
- Custom promotional items with imprints
- Engraving (trophies, plaques, awards)
- Equipment
- Fans, heaters, air conditioners
- Firearms
- Food/catering (unless vendor is on the Approved Caterer's List)***
- Furniture
- Gifts (including flowers, cards, and plaques)
- Household appliances (refrigerators, microwaves, coffee makers, etc.)
- Insurance
- Items for personal use
- Membership fees and dues
- Narcotics or other controlled substances
- Postage
- Printing or other related services
- Registration fees (unless vendor is a CSU or UC campus)
- Software
- Splitting of purchases to circumvent the per transaction limit
- Telephones (including cell phones, wireless data cards and PDAs)
- Travel expenses (e.g., hotel, car rental, restaurants)
- Wireless reading devices (e.g., Kindle)

* All rentals are restricted from the ProCard programs with the exception of regalia rentals from the SJSU Spartan Bookstore.

** It will be the responsibility of the Cardholder and/or Approving Official to keep a copy of the MSDS and forward the original to the FD&O Hazardous Materials Specialist.

*** Food/catering purchases must include a justification and follow the [SJSU Hospitality Guidelines](#), Food, Awards, & Gift Expenses. Vendors must meet specific insurance requirements to be placed on the Approved Caterers' List. If you have a caterer you'd like to add to the list, please contact the Purchasing Office.

If you have a question on whether a particular item is allowed under the ProCard program, please contact the ProCard Program Coordinator in the Accounts Payable Office at 924-1569.

What Can Be Purchased With the Card

Allowable purchases include most items that are acceptable via Petty Cash and Direct Pay as well as all Office Max orders. The card can be used for the following types of transactions:

- Books
- Cell phone accessories (no phones)
- Computer supplies/accessories (e.g., extended memory, mouse, keyboards, desktop printers, external hard drives, speakers)
- Spartan Catering or Vendors on the Preferred Caterer's List
- Gold Point Cards*
- Items from the Spartan Bookstore
- Miscellaneous hardware supplies
- Miscellaneous lab supplies
- Testing forms/exams
- Office Supplies
- Office Max
- CSU Chancellor's Office, other CSU campus, or UC registration fees
- Subscriptions
- Stationary through Sierra Office Supply
- Videos (in compliance with Section 508 and California Code 11135)
- And much, much, more!

* Gold Point cards may be purchased with the University ProCard. However, you must provide justification and ensure their use adheres to [SJSU Hospitality Guidelines](#) and/or [ProCard Allowable/Prohibited Items](#).

Fiscal Year End

All charges through May 20th of each year will be paid from the current fiscal year. Any charges after May 20th will be charged to the next fiscal year. (Date subject to change)

Key Contacts

ProCard Bank

US Bank
(800) 344-5696
<https://access.usbank.com>

- Report lost or stolen card
- Report/dispute questionable charges
- Access account information 24/7
- Enroll in e-statements

ProCard Program Coordinator

Sara Tipton
(408) 924-1569
sara.tipton@sjsu.edu

- Report lost or stolen card
- Apply for, terminate, replace, or make changes to a card
- Clarify policy
- Submit receipts and accounting information for review

How to Make Purchases with your ProCard

Cardholders may use the ProCard to secure goods by either:

- Picking up goods directly from merchant at merchant's location
- Telephoning, faxing, internet or mailing request to merchant, with goods shipped to the University

When ordering by telephone, fax, internet, or mail, it is the Cardholder's responsibility to instruct the merchant to ship the goods to the following address:

San José State University
Attn: Cardholder's Name & Department
129 South 10th Street
San Jose, CA 95192-xxxx (ordering department's extended zip)

Emphasize that all information is to be included on the shipping label, especially the Cardholder's name and department. Should goods arrive in the Receiving Department without the above information, Receiving personnel will be unable to identify where merchandise is to be delivered, resulting in goods being returned.

Sales Receipt Requirements

Regardless of the method used for obtaining goods, the Cardholder must obtain an *itemized** receipt. When ordering, the Cardholder *must* advise the merchant verbally or on the written transmittal that an itemized receipt must be provided with the shipment or faxed to the Cardholder.

* Itemized is defined as a description of goods secured, the quantity, the amount, tax and shipping charges (if applicable) and total. If the merchant's receipt is not itemized (e.g., merely states *miscellaneous supplies*), the Cardholder must supply a written description to justify the purchase.

Should a receipt be lost, the Cardholder must attempt to obtain a duplicate copy from the merchant. If the Cardholder is unsuccessful in securing a copy, he/she must complete a [Certification of Receipt of Goods](#) form. If there are excessive instances of lost receipts, University ProCard privileges will be revoked.

Receipts are to be forwarded to the Accounts Payable Office by the 10th of each month once the Cardholder and Approving Official have completed the reconciliation process. All receipts must be submitted to an 8.5 x 11 piece of paper and submitted along with the ProCard Adjustments Report.

Responsibilities

Cardholder Responsibilities

- Use of card is restricted to Cardholder only
- Keep card and card number secure
- Comply with University ProCard program policy and procedures
- Obtain itemized receipts for each transaction
- Obtain credit from merchant on returned goods and disputed items
- Review purchases online and distribute to appropriate chartfields
- Reconcile monthly statements with receipts and deliver to Approving Official for approval and submission to Accounts Payable by the 10th of each month
- Immediately report lost or stolen cards to the credit card company, ProCard Program Coordinator and Approving Official
- Return the card to the ProCard Program Coordinator before leaving the University or when there is no longer a need for the card
- Submit an updated ProCard Application form if a change in Approving Official Change is made
- Agree to the consequences of violating the ProCard program policy and procedures

Approving Official Responsibilities

- Review charges for appropriateness of expense(s)
- Be familiar with SJSU procurement policies
- Know which items are on the Prohibited Items list
- Know the policy/ramification for late submission of statements
- Notify ProCard Program Coordinator whenever a Cardholder leaves the University
- Submit signed ProCard adjustment reports and receipts by the 10th of each month
- Agree to uphold the expectations of the ProCard program policy and procedures

Consequences for Failure to Comply with Program Policy and Procedures

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:

- Splitting of orders to circumvent transaction limits
- Failure to comply with ProCard program procedures defined in this manual
- Excessive instances of lost receipts/invoices
- Loaning the ProCard out for others to use
- Purchasing of restricted items

Consequences of Late Statements / Missing Documentation

All paperwork (ProCard adjustment reports, receipts, and any required justification) must be received in Accounts Payable by the 10th of each month. Failure to comply will result in revoking of card privileges and/or other disciplinary measures:

- **1st Time:** Spending limit on card will be set to \$1.00. Limit will be reset 5 working days after receipt of all documents.
- **2nd Time:** Spending limit on card will be set to \$1.00. Limit will be reset on the 1st day of the next billing cycle following receipt of all documents.
- **3rd Time:** Cardholder privileges will be terminated.

Consequences of Purchasing Restricted Items

- **1st Time:** Email notification to Cardholder and 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. ProCard limit reduced to \$1.00 until training is complete. Further disciplinary action may be taken.
- **3rd Time:** Cancellation of card with no reinstatement. Further disciplinary action may be taken.

Bank Statement Reconciliation

Billing Cycle

The billing cycle of the US Bank Visa ProCard is from the 23rd of the first month to the 22nd of the next month (depending on calendar work days). E-statements are available through US Bank's online service.

Reconciliation by Cardholder

Around the 25th of each month an email notice is sent to all cardholders from procard-info@lists.sjsu.edu indicating that charges for the previous month are available for reconciliation. Each cardholder or their designee will reconcile their account per the instruction received during their in-person training with CMS. For detailed instruction on completing the ProCard Reconciliation in PeopleSoft, visit [MySJSU Finance Help for Department Users](#).

If an item is billed incorrectly or is questionable (e.g., purchases which the cardholder does not believe he/she made), the cardholder must contact US Bank within 14 days of statement date and:

- Notify vendor that made the charge that the transaction is being disputed
- Maintain an accounting of expected credits for disputed items,
- Remember the chartfield string(s) original payment was made from, and
- Ensure future charges do not appear on statement

Cardholder statements will be paid in full, including disputed items, to avoid late fees and penalties. It is the Cardholder's responsibility to secure a reversal of charges (credit) from US Bank.

If a purchased item is defective, return the item to the merchant for replacement or credit. If the merchant refuses to replace the defective item and/or fails to issue a credit, the purchase will be considered in dispute and the Cardholder should contact US Bank.

Submit the signed and approved ProCard Adjustment Report, matching receipts, and any required justification to the ProCard Program Coordinator by the 10th of the following month.

Reconciliation by Approving Official

The Approving Official must:

- Review the monthly charges made by the Cardholders to make sure they are appropriate, that prohibited items were not purchased, and that appropriate account numbers were assigned to each charge.
- Ensure that disputed items are credited.
- Sign and forward to Accounts Payable all ProCard Adjustment Reports and receipts by the 10th of each month.

Forms

[Procurement Card Application](#)

[Cardholder Participation Agreement](#)

[Certification of Receipt of Goods](#)