

Bank of America's Procurement Card Manual

Procurement Card Overview

Welcome to California State University, Fresno's implementation of the Bank of America Procurement Card (ProCard) Program, your avenue for express purchasing.

This program was created to simplify the procurement process for low-dollar purchases by empowering YOU, the person who matters most, with the authority, and responsibility, to purchase these items directly from suppliers in order to meet your needs in a more timely and efficient manner.

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Purpose of the Procurement Card Program

The ProCard is a more efficient, cost-effective method of purchasing and paying for low-dollar transactions by replacing the need for requisitions, purchase orders, invoices and/or pre-payment orders. On the other hand, proper management of the cards use and good purchasing practices becomes the responsibility of the cardholder and their immediate supervisor (Approving Official).

The program is simple and easy to use. It provides you with the purchases necessary to do your work well. Be careful to follow all steps outlined herein to ensure that California State University, Fresno is successful in the program. Use good judgement and act responsibly when using your Procurement Card.

This manual provides general guidelines for using your ProCard. Please read it carefully. Your signature on the “Agreement to Accept a Bank of America Procurement Card” shows that you understand the intent of the program and agree to follow the established guidelines and take full responsibility for the use of “your” card.

Obtaining a Procurement Card

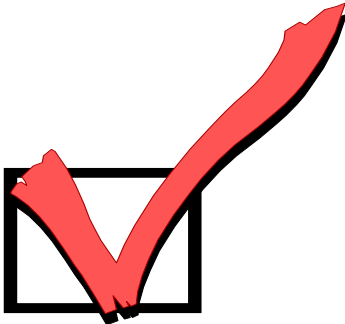
Procurement Card Administrator:

This person is knowledgeable on all aspects of the program and has a one-on-one relationship with the Bank of America representative. This is your campus contact for questions or problems.

To obtain a ProCard, call the Procurement Card Administrator (see below) to setup an appointment. At that meeting, you will receive a “Procurement Card Application Form”. Complete the form, have your Department head approve it, and send to:

***Joyce Yamanaka
Procurement Card Administrator
Procurement and Support Services
Mail Stop JA111
Phone 82111
FAX 84398***

Upon approval, your Procurement Card Application Form will be processed with Bank of America. The Procurement Card will be sent to the Administrator who will then schedule a time for you to be trained (approximately 1 hour). After completion of the training, sign the back of your Card and the “Cardholder’s Agreement”, and you will be ready to use your card.



CONGRATULATIONS, you can now utilize your Purchasing Card to acquire merchandise at any participating supplier (merchant).

Guidelines for Using the Card

This card is intended to compliment existing purchasing processes. It's to be used for acquiring low-dollar purchases under \$5,000.00, including tax, freight, handling or any associated cost per transaction. It is not intended to avoid or bypass appropriate purchasing procedures or good business practices.

Cardholder:

The Cardholder is responsible for:

- *Obtaining the best possible price for the merchandise purchased*
- *Security of the card*
- *Appropriate use of the card*
- *Compliance with CSU Procurement Procedures for Purchase of Commodities*
(See the CSU General Provisions Web site at
<http://www.calstate.edu/tier3/cs+p/crl/policy/Policy.html>)
- *Preparation of the monthly account reconciliation (Bank Statements)*

Approving Official:

The Approving Official must have supervisory responsibility over the cardholder and is responsible for:

- *Reviewing all charges*
- *Ensuring purchases are appropriate and cost effective*
- *Ensuring no prohibited items have been purchased (e.g., equipment, furniture, etc)*
- *Ensuring all proper documentation is attached to the monthly account reconciliation*

Limits and Vendor Restriction

Credit Limits:

The ProCard has a “Monthly Credit Limit”. This credit limit was established by the department administrator. If you reach this limit before the end of the month and you try using your Card, the transaction will be rejected by the merchant. To change the credit limit, your department administrator must complete a Procurement Card Application Form and forward it to the Procurement Card Administrator.

Transaction Limits:

Your ProCard has a “Single Transaction Limit”. The university has established a Single Transaction Limit of \$4,999.99. The department administrator can set an individual’s Single Transaction Limits for each card at any amount up to the university limit. A transaction includes the purchase price, tax, and freight and/or handling. Any attempt to exceed this limit will cause your transaction to be rejected by the merchant. To change the single transaction limit, your department administrator must send a letter or e-mail to the Procurement Card Administrator.

Restricted Vendors:

The program excludes vendor classifications on a card-by-card basis. The transaction will be rejected by the merchant if you present your Card to one of these vendors. Valid vendors are determined by the department administrator for each card. To change or add vendors, your department administrator must complete a Procurement Card Application Form and forward it to the Procurement Card Administrator.

Restricted Uses

*The card may **NOT** be used to purchase everything. Several items or services are restricted by state law or university policy. Below are just a few restricted items. See Exhibit 1 for a more detailed list.*

- *Services, Repairs, Capital Equipment or Furniture, Office Supplies*
- *Travel, Cash Advances, Cash Refunds, Leases, Maintenance Service*
- *And, of course, Personal Purchases*

See the back of your “Agreement To Accept A Bank of America Procurement Card” for a more detailed list of “Restricted Items”.

Consequences for Misuse of the Card

- *Revocation of the card*
- *Disciplinary measures that may include termination and legal action*

IMPORTANT: USE OF THE PROCUREMENT CARD IS SUBJECT TO REVIEW BY THE CAMPUS, CSU OR STATE AUDITOR AT ANY TIME!

How the Card Works

When a purchase authorization is requested by the supplier at the point-of-sale, the ProCard system validates the transaction against pre-set limits established by your department office. All transactions are approved or denied (immediately) based on the following card authorization criteria.

- *Number of transactions allowed per day*
- *Number of transactions allowed per purchasing period*
- *Single Purchase limit not to exceed \$4,999.99*
- *Spending limit per purchasing period*

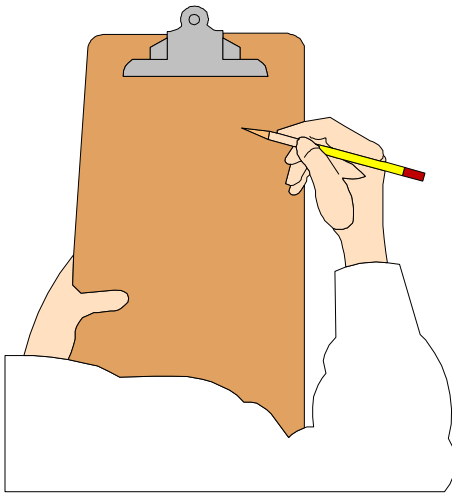
Ordering Process

The Cardholder can purchase the goods either in person, by phone, through the Web or FAX. The Cardholder is responsible for knowing if the purchase is appropriate for the card.

Determine that your transaction total is \$4,999.99 or less including tax, shipping and handling (Goods must be purchased in accordance with established purchasing procedures).

Visit or contact the supplier (merchant) and identify that you are from Fresno State and will be making a ProCard transaction.

The Cardholder shall require the supplier to itemize the receipt or invoice. If the invoice is to be mailed back to the campus, it MUST be sent directly to the cardholder, NOT to Accounting Services. An itemized receipt/invoice consist of the following information:



- 1. Vendor Name & Address*
- 2. Date of Purchase*
- 3. Card Number & Cardholder's Name*
- 4. A detailed description of EACH item.*
- 5. Quantity purchased.*
- 6. Price per item.*
- 7. Extended Price per item*
- 8. Amount of sales tax*
- 9. Shipping/Handling charges, if applicable*
- 10. Total amount of the transaction (verify if less than \$5,000.00)*

Give the supplier your name, card number, expiration date, department name, building, room and mail stop. If merchandise is to be shipped, the supplier must incorporate this information on the shipping label and ship to Central Receiving, 2671 E. Barstow Ave, Fresno, CA 93740-8007.

Before you finish with the supplier, check one last time to make sure all the information is correct. Make sure that the appropriate department administrator is aware of your purchase and that you have followed all campus and departmental procedures regarding order processing and records retention.

When receiving a shipment, it is the responsibility of the Cardholder to properly inspect the shipment. In case of returns, damages, etc., it is the responsibility of the Cardholder to coordinate directly with the supplier. All packing slips must be retained as part of the ProCard documentation.

Procurement Card Transaction Log and Envelope

It is strongly recommended that a Procurement Transaction Log be maintained by the Cardholder and all paperwork be kept in a Transaction Envelope. Use a new log and envelope for each month's purchases. Record in the log each time you make a purchase. Use a detailed description of the items for you, your supervisor, and the auditors to recognize the purchase as appropriate to the program.

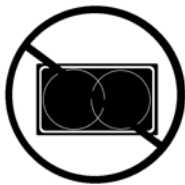
Use must always obtain a detailed receipt when using the ProCard. Keep the receipts in the Transaction Envelope. It is your responsibility to ensure you have a receipt for each purchase. The log and your receipts will be your backup to the monthly ProCard statement and charges recorded on the Cost Center report.

Reconciliation

*Bank of America will send the Cardholder a statement twice a month. It will contain the detail charges billed during the previous billing cycle. The billing cycles close on the 7th and the 21st of each month. Each statement reflects the charges processed by the Vendor during that cycle. You will notice that the balance due is zero. You **MUST** reconcile your statement, have it signed by your supervisor, and send your paperwork to the Accounts Payable Technician within 48 hours after you receive your statement. Accounts Payable will make the payment when they receive the Corporate Statement.*

When you receive the monthly statement, it is **ESSENTIAL** that you perform the following steps:

- ✓ Compare your backup documents to the transactions listed on the statement
- ✓ Ensure any exceptions are followed-up on for corrections
- ✓ Sign the monthly statement to show you've reviewed and agree with it
- ✓ Attach the Transaction Envelope with all supporting documents to the statement
- ✓ Forward all documents to your supervisor for approval. He/she will forward the approved package to Accounts Payable for audit and tax purposes.



IMPORTANT: This is MANDATORY and is the program's principle control. Failure to comply with these procedures could result in disciplinary action and cancellation of your ProCard privileges. Use of the Procurement Card is subject to review by the Campus, CSU or State auditor at ANY time!

What if the supplier does not accept the card?

Procurement Cards are new in terms of corporate use. Bank of America is actively working with merchants in our area to get them involved in this program. There may be situations where you might find suppliers that do not accept the ProCard. Should this occur, ask the supplier if they are interested in obtaining the ability to accept the cards. If they are interested, have them make arrangements directly with their bank. It will probably take two weeks for them to begin accepting the cards. If they do not want to do that themselves or do not want to participate, provide the Procurement Card Administrator with their name, the business name, address and phone number so arrangements can be made with Bank of America to contact them. In the mean time you'll need to,

- ***Complete a purchase requisition and process it as usual!***

Procurement Card Security

The ProCard should be stored in a secure location. Since you are personally responsible for its use and are the only one who is authorized to use the card, it should be accessible only to you.

Please take the appropriate measures to secure the card number. The number should not be posted in any location where other people will have access to it.

The cardholder is the only person that is authorized to use the card. Do NOT lend your card to others for use. If you are going to be absent for an extended length of time, the department manager may request that a new card be issued to a different person for the duration. It takes approximately five (5) working days to issue a new card, so please plan ahead.

Reporting Lost Procurement Card

- *The Cardholder must immediately contact Bank of America at 800/305-7735*
- *The Cardholder is liable for all unauthorized use of the card until Bank of America is notified*
- *The Cardholder will then immediately contact the approving officer*
- *The approving officer will immediately notify the Procurement Card Administrator by telephone*
- *The approving officer must follow up with a written notification with a detailed explanation*
- *The Administrator will contact the bank to obtain a replacement card (approximately 2 days)*

Replacing the Procurement Card

There may be instances when it becomes necessary to replace the card or obtain additional cards. It will be the approving officer's responsibility to initiate both of these processes. A memorandum must be submitted, along with the old card if it is worn or defective, to the Procurement Card Administrator.

Do NOT fold, spindle or mutilate the old ProCard. Bank of America will issue a replacement card within five (5) working days after receipt of the memorandum.

The Procurement Card Administrator will notify the Cardholder when the replacement card is available.

What if the Cardholder leaves the Department or University?

When a Cardholder leaves or transfers to another department, the card should be immediately canceled by the Approving Officer by calling Bank of America (800/305-7735).

A memorandum, along with the card cut in half, must be submitted to the Procurement Card Administrator.

Sales Tax

The University is NOT exempt from paying California Sales Tax, therefore, as you place an order with the supplier/merchant, you should emphasize that the purchase MUST include sales tax. It is the Cardholders responsibility to make sure it is included on every transaction.

Use Tax

Some out of state suppliers do not charge California State Sales Tax. It's the University's responsibility to file a return and remit directly to the State Board of Equalization any Use Tax on these purchases. It is, therefore, the Cardholders responsibility to document this for the Accounting Department. The current tax rate is 7.875% of the purchase price, excluding "freight" and "handling". As you receive EACH invoice, you should review it carefully to verify that the Sales or Use Tax has been included. If it has not, you need to complete the "Procurement Use Tax Worksheet" by listing the supplier name, their State, the TAXABLE portion of the purchase price and the amount of tax. For example,

| <u>Supplier/Merchant Name</u> | <u>State</u> | <u>Price</u> | <u>Tax</u> |
|-------------------------------|--------------|--------------|------------|
| Texas Instruments Corp | Texas | 395.00 | 31.11 |

NOTE: Should "freight" and/or "handling" be included, be sure to deduct them and calculate the tax only on the total purchase price.

When you receive your statement, you will need to complete the "Procurement Use Tax Worksheet" for out of state purchases, if applicable. The statement and worksheet must be submitted to your Cardholder Approving Official for signature before being sent to Accounting.

Card Disputes

In case of an exception or disputed charge, the Cardholder should first contact the supplier. Most exceptions or issues can be resolved at this level. When the vendor corrects the problem, you should see the correction on your next monthly statement. If you cannot reach an agreement with the supplier, the next step is to contact Bank of America at their Customer Service Center at 800/305-7735 between the hours of 8:00 am to 5:00 pm. The staff is experienced in dealing with exceptions and should be able to assist you. Nearly all exceptions can be managed using these two steps. If you are unable to obtain an acceptable resolution, you should write a letter within thirty (30) calendar days of the date the charge first appeared on your monthly statement to Purchasing Card #3632, Bank of America, 1825 E. Buckeye Road, Phoenix, AZ 85034.

IMPORTANT: *Failure to take immediate and appropriate action could result in a loss for the university, disciplinary action against the Cardholder and cancellation of your ProCard.*

Returns and Credits

Returns: *If you need to return an item for any reason, first request a “Return Goods Authorization Number” from the supplier, enter that number as part of the documentation you are keeping for that transaction in case further follow-up is required. Determine if the supplier will pick up the item, issue a “Call Tag” or if it is necessary for you to return it to the supplier.*

Credits: *The supplier should issue a credit for any item that has been discussed and agreed upon for return. This credit will appear on a subsequent statement.*

**California State University, Fresno
 Procurement and Support Services**

PROCUREMENT CARD APPLICATION FORM

Is this a new Setup or a change to an existing Cardholder? _____ *New* _____ *Change*

If this is a change, please provide the Cardholder's name and Account Number

Name: _____ (For Procurement Use Only)

Account No. _____ Hierarchy: _____)

Note: If this is a change, please only enter those fields that you want to change.

| | |
|--|--|
| 1. Cardholder's Name | |
| 2. Social Security Number | |
| 3. Address (Line 1) | <p style="font-size: 1.2em; color: yellow; font-weight: bold; text-shadow: 2px 2px 4px black;"> SAMPLE - Please refer to the University Forms section of this manual or contact Procurement at 8-2111 for the original </p> |
| 4. Address (Line 2) | |
| 5. City | |
| 6. State | |
| 7. Zip Code | |
| 8. Phone No. | |
| 9. What is the Monthly Credit Limit | |
| 10. What is the Single Transaction Limit | |
| 11. Valid Merchant Code(s) | |
| 12. Department Name and Mail Stop | |
| 13. Department Telephone Number | |
| 14. Department Administrator's Name | |

Signature of Cardholder _____

Approval Officer's Signature _____

Date _____

**PROCUREMENT CARD
ISSUED BY CALIFORNIA STATE UNIVERSITY, FRESNO**

California State University, Fresno is pleased to present to you this Procurement Card (the "ProCard"). It represents the University's trust in you and your empowerment as a responsible employee of the University to safeguard and protect our assets and the tax payers money.

I, _____ hereby acknowledge receipt of a California State University, Fresno Procurement Card, Card Number _____ .
As a Cardholder, I agree to comply with the terms and conditions of this Agreement and the applicable provisions of the Bank of America's Procurement Card Manual (the "Manual") provided, and as such Manual may subsequently be revised. I acknowledge receipt of the Manual and training, and confirm that I have read and understood its terms and conditions. I understand the California State University, Fresno (the "University") is liable to Bank of America for all charges made by me.

As the holder of this Procurement Card, I agree to accept responsibility for the protection and proper use of this ProCard as outlined in this Agreement and the Manual. I understand that the University WILL audit the use of this Procurement Card. I understand that I CAN NOT use the Procurement Card for the restricted commodities or uses listed on the back of this Agreement. I understand that commodities, where University Master Agreements are in place, must be purchased from the University's contract suppliers.

I further understand that improper use of this ProCard may result in disciplinary action, up to and including TERMINATION of employment. Should I fail to use this ProCard properly, I authorize the University to deduct from my salary that amount equal to the total of the discrepancy. I also agree to allow the University to collect any amounts owed by me even if I am no longer employed by the University. If the University initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all legal fees incurred by the University in such proceedings.

I understand the University may terminate my rights to use this ProCard at any time for any reason. I agree to return the ProCard to the University immediately upon request or upon termination of employment.

CARDHOLDER **SAMPLE - Please refer to**
Signature: _____ **the University Forms** _____
SSN: _____ Home Phone: _____
Name (Print): _____ **section of this manual or** _____
Department: _____ **contact Procurement at** _____
Home Address: _____ **8-2111 for the original** _____
City/ZIP: _____

APPROVING OFFICER:

Signature: _____ Date: _____
Name (Print): _____ Title: _____
Department: _____ Campus Phone: _____

Exhibit 1

Restricted Items

The following is a representative list and is not intended to be all inclusive. Please contact Procurement and Support Services before you acquire any product to determine if it's allowed under this program if you have any questions.

Airline Tickets
Alcoholic Beverages
Ammunition/Firearms
Animals and Animal Related Products
Automotive Gasoline and Oil
Bottled Water
Capital Equipment
Car Washes
Cash Advances, Cash Refunds
Catering Services
Cellular Phones and Service
Computers
Consulting Services, Instructors and Guest Speakers
Controlled Substances
Food and Food Related Products and Services (Hospitality)
Furniture
Hotels, Motels and other Lodging Expenses
Meals, Travel or Entertainment Expenses
Office Decorations
Office Supplies (Use Boise Contract)
Pagers
Paper (Use University Warehouse)
Party Favors
Personal Items
Postage and Postage Stamps
Prescription Drugs
Radioactive/Hazardous Materials
Rental Agreements
Restaurants
Services and Service Agreements (Annual Maintenance Contracts)
Silk Plants
Vehicle Repairs

Use Tax Worksheet Instructions

*The University is **NOT** exempt from paying California Sales Tax, therefore, as you place an order with the supplier/merchant, you should emphasize that the purchase **MUST** include sales tax. It is the Cardholders responsibility to make sure it is included on every transaction.*

*Some out of state suppliers do not charge California State Sales Tax. It the University's responsibility to file a return and remit directly to the State Board of Equalization any Use Tax on these purchases. It is, therefore, the Cardholders responsibility to document this for the Accounting Department. The current tax rate is 7.875% of the purchase price, excluding "freight" and "handling". As you receive **EACH** invoice, you should review it carefully to verify that the Sales or Use Tax has been included. If it has not, you need to complete the "Procurement Use Tax Worksheet" by listing the supplier name, their State, the **TAXABLE** portion of the purchase price and the amount of tax. For example,*

| <u>Supplier/Merchant Name</u> | <u>State</u> | <u>Price</u> | <u>Tax</u> |
|-------------------------------|--------------|---------------|--------------|
| <i>Texas Instruments Corp</i> | <i>Texas</i> | <i>395.00</i> | <i>31.11</i> |

NOTE: Should "freight" and/or "handling" be included, be sure to deduct and calculate the tax on the total purchase price only.

When you receive your statement, you will need to complete the "Procurement Use Tax Worksheet" for out of state purchases, if applicable. The statement and worksheet must be submitted to your Cardholder Approving Official for signature before being sent to Accounting.