

SAN DIEGO STATE UNIVERSITY PROCUREMENT CREDIT CARD HANDBOOK

PCC PROGRAM

Business and Financial Affairs
Accounts Payable
October 2007 (Revised)

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GENERAL INFORMATION

San Diego State University (SDSU) utilizes the Procurement Credit Card (PCC) to reduce the traditional paper and labor-intensive procurement process for small dollar purchases. With the ease of a widely accepted MasterCard credit card, SDSU employees may make walk-in purchases, place telephone orders, place Web orders and receive and confirm purchases.

The procurement credit card should be the primary means to obtain approved goods, supplies or services costing \$1,000 and less (including tax and shipping) per transaction. Cardholders are encouraged to use the procurement credit card for low value purchases to achieve cost savings and improve processing time. If use of the PCC is not practical, existing methods such as a standard requisition may be used.

LEGAL REFERENCE AND AUTHORITY

The CSU authority to obtain goods is granted in Public Contract Code Section 10295. Procurement authority has been delegated to the campus president by Executive Order 760 and 775.

CONFLICT OF INTEREST

In accordance with The Political Reform Act of 1974, university employees who “are deemed to make or participate in decisions which may foreseeably have a material effect on a financial interest” of their own, must file financial disclosures indicating their interests which might fall within the conflict of interest category. Each cardholder must sign the Acknowledgement and Responsibility Form upon receipt of card.

******* All Cardholders are required to complete the Form 700, Conflict of Interest, and the online Ethics Training prior to Orientation to receive their card(s)**

PROHIBITED USES OF THE CREDIT CARD

The PCC may not be used in the procurement of the following items:

- Alcoholic Beverages
- Animals (except for instructionally related purposes-lab use)
- Cash Advances
- Commencement related expenses and functions
- Contributions, donations
- Firearms, ammunition
- Food (except for instructionally related purposes-lab use)
- Hazardous Materials, gases
- Leases, contracts, maintenance agreements; on-going in nature
- Large volume, routine repetitious purchases from one supplier (coordinate with Procurement to establish an open purchase order)
- Narcotics and other controlled substances
- Personal purchases (*)
- Phone services (cells, pagers)
- Postage - All US Postal Service (USPS) services (postage may be purchased through Business Services)
- Public works projects (contractual)
- Purchases for other department(s) (except for Procurement Services Buyers and Business Services)
- Receptions, ceremonies, benefits, gifts
- Recruitment of employees
- Services Performed by an Individual/Sole Proprietor (reportable)
- Software Licenses (contractual)
- Split purchases to circumvent the dollar limitation
- Travel (including lodging, transportation, meals & incidentals)
(PCC may be used for conference registration if no other travel expenses are to be incurred.)

(*) Personal purchases with the PCC will result in immediate cancellation of the PCC and will require repayment to the University.

Exceptions to prohibited use (special circumstances) may be made at the discretion of the Accounts Payable Manager. Contact Accounts Payable prior to purchase.

AUTHORIZED CREDIT CARD PURCHASES

Routine Purchases – Generally, goods, supplies and services costing \$1,000 and less, including tax and shipping, may be purchased with the PCC. (Note previous section for prohibited uses). Departments may, at their option, establish “customized” limits for (1) maximum dollar limit for each purchase transaction \$1,000 and less, and (2) maximum limit per month not to exceed the lesser amount of 10% of the department’s expenditure for supplies in the prior fiscal year or its supplies budget for the current year. The University Controller may authorize a transaction limit greater than \$1,000 where circumstances warrant.

The PCC may be used for advertisements. For employment advertisements, contact the Center for Human Resources for approval prior to ad placement. Advertisement tear sheets must accompany monthly statement submitted to Accounts Payable.

The PCC is intended for low dollar value transactions for goods, supplies and services including subscriptions, memberships, and film rentals. If there are questions regarding qualifying supplies and services, contact Accounts Payable, 619-594-2915.

AREAS OF RESPONSIBILITY

GE Capital Financial

GE Capital Financial is the contractor who issues the PCC. The contractor mails all PCC cards to Accounts Payable for distribution. Cardholders will receive their PCC cards from Accounts Payable. Accounts Payable will advise cardholders when their cards are available.

BUSINESS AND FINANCIAL AFFAIRS

Accounts Payable administers the PCC Program and is responsible for training, coordinating, reporting, and evaluating all aspects of the program. Accounts Payable is responsible for approval of invoices upon receipt of original Expense Log Report by the Cardholder or the Approving Official. Procurement Services in conjunction with Accounting Services monitors the PCC statements for appropriate use and reporting requirements.

CARDHOLDER

Cardholders must complete an orientation and sign an acknowledgement form prior to receiving their PCC. Cardholder's signature acknowledges receipt of the PCC and acceptance of the responsibility and authority being delegated to the Cardholder for its proper use. Cardholders must be an employee of San Diego State University and authorized to expend from the accounts to which the PCC is charged.

The Cardholder is responsible for:

- Security of the PCC
- Appropriate use of the PCC
- Compliance with University Procurement Services and Contracting procedures and policies for purchase of goods, supplies and services
- Verification that account balances are adequate to cover purchases
- Preparation of the [Monthly PCC Purchase Report Form](#)
- Review for completeness of back up documentation
- Ensuring duplicate payments do not occur
- Approving all transactions online in GE's SAM Database
- Notifying Approving Official (AO) that the online "approval" is complete so that AO can then "authorize" the cardholders transactions online
- Submission of monthly **Expense Log Report** from GE SAM Database, **Monthly PCC Purchases Report** and **detailed receipts** to Accounts Payable within **eight** working days of the 1st of the month.
- Provision of accurate delivery information to supplier
- Resolution of returns/exchanges with merchants
- Submission of online Dispute in the GE SAM Database for disputed items within 60 days of purchase
- Resolution of disputes directly with GE Capital Financial
- Records of warranty work paid for by the PCC
- Calculation of sales tax if not charged by supplier
- Submission of FPPC Form 700 to Center for Human Resources **is required**
- Completion of the online Ethics Training **is required**
- Using Small Business, Disabled Veteran Business Enterprises (S/DVBE) and recycled products whenever possible. Purchase must be reported on the [Monthly PCC Purchase Report Form](#) and a copy of the form must be submitted to Procurement Services. Attach original form to monthly statement.

Important:

**The Cardholder is the sole authorized user of the card.
No one else is to use their card.**

APPROVING OFFICIAL

The Approving Official is responsible for:

- Customized card coding for limits
- Review and approval of all charges
- Ensuring that all purchases are appropriate and that no prohibited items have been purchased
- Verification that all proper documentation is attached to the Expense Log Report and [Monthly PCC Purchase Report Form](#).
- Confirmation of available funds
- Ensuring cardholder fulfills responsibilities
- Online “authorization” of cardholders purchases in the GE SAM Database. <https://gesamservice.corpcard.com/Paris>
- Ensure submission of documents to Accounts Payable within three working days after receipt from cardholder
- Retrieval of PCC from Cardholders who are separating from department
- Initiation of replacement process for cards and new users

******Note: Approving Official is not allowed to use the card.
Approving Official shall not be a subordinate or peer to Cardholder.**

PROCEDURES - CARDHOLDER

1. Responsibility

The Cardholder is an employee of San Diego State University and is responsible for ensuring the PCC is used in accordance with the University PCC Program Policy and that all purchases comply with SDSU procurement and contracting procedures and policies.

It is important that the Cardholder is the only one to use their PCC card and to make sure suppliers do not have their credit card on file for security reasons.

2. Security of PCC

Cardholder is responsible for the security of the PCC. Replacement procedures are detailed on page 13 of this handbook.

3. Determine the Need and Fund Availability

- a. Cardholder determines the need to purchase authorized goods, supplies and services within approval limits including tax and shipping.
- b. Cardholder screens requests for purchases to determine if the request is an appropriate use of the PCC.

4. Small Business, Disabled Veterans Business Enterprises (S/DVBE) and Recycled Products Requirements

- a. When at all possible, the Cardholder will patronize S/DVBE businesses and those suppliers supplying recycled products to assist San Diego State University with obtaining participation goals. A list of S/DVBE suppliers is available from Procurement Services. S/DVBE supplier information also can be found at the following website: <http://www.osmb.dgs.ca.gov/>
- b. If a supplier qualifies under S/DVBE or recycled products, record the information in the area provided on the [Monthly PCC Purchase Report Form](#). Send a copy of the report to Procurement Services; MC1616.

5. Obtain Commodity

- a. The Cardholder may go to the place of business (**Have a T2 on file in your office**) and obtain the commodity or place order by phone/fax, Web or mail. Cardholder will advise supplier not to charge PCC until material is shipped. **Cardholder will require the supplier to itemize the receipt/invoice or packing slip with the following information for commodity purchases:**
 - Description of commodities purchased
 - Quantity purchased
 - Price per item

- Amount of sales tax and total amount
 - Shipping charges, if applicable.
 - Electronic Waste Recycling fee – EWRF – (if applicable)
- b. Commodity orders to be shipped require the following **SHIP TO ADDRESS** format:

RECEIVING DEPT. **PCC**
 SAN DIEGO STATE UNIVERSITY
 ATTN: (FILL IN NAME, BLDG, ROOM)
 5555 Canyon Crest Dr.
 SAN DIEGO CA 92182-8530

(Note: Any missing ship to address information will result in the item being returned to the supplier and payment disputed.)

6. Obtain Service (Except Service performed by an Individual/Sole Proprietor)

- a. Repair (Immediate repairs, one time only)

The Cardholder will require the supplier to itemize the receipt or invoice with the following information:

- Complete description of service
- Date by which service is to be performed or completed
- Total amount (Generally no sales tax on service)
- Warranty Information

- b. Subscriptions, Membership (newspaper, magazine, journal, and publications):

The Cardholder will place the order by phone/fax, Web or mail and instruct the supplier of the proper department subscriber/membership representative mailing address. Obtain an invoice if possible; otherwise, the itemized order form is an acceptable itemized receipt/invoice.

7. Monthly PCC Purchase Report

The [Monthly PCC Purchase Report Form](#) is used to record purchases of recycled goods or activity with S/DVBE suppliers. This form is required to facilitate record keeping, and includes the following information:

- Cardholder Name
- Credit Card Number **(last 4 digits only)**
- Item No.
- Transaction Date
- Description of Purchase
- Supplier Name
- Total Amount

- Use Tax (if supplier does not charge CA tax)
- Disputed Item
- Small Business
- DVBE
- Recycled Products
- Cardholder signature and date (for audit purposes all signatures must be dated)

8. Web Orders

The cardholder will print out from the supplier's website the order and receipt for the commodities charged to the PCC card. The supplier's website receipt/invoice must include a complete description and itemization of what was purchased – including sales tax.

9. PCC Receipt/Invoice

- Whether the purchase transaction is made by phone/fax, Web, mail or in person, the Cardholder shall require the supplier to itemize the receipt or invoice. If the receipt or invoice is not itemized, the Cardholder must write in required information for each line item.
- Individual receipts should be taped on an 8-1/2 x 11" sheet of paper to ensure they are not lost in transit and to facilitate document scanning. (Make sure not to tape over the print as it erases the information)
- If the Cardholder has lost receipts/invoices, please call supplier to obtain a duplicate receipt. If a duplicate copy cannot be obtained from the supplier, the Cardholder, with prior approval from Accounts Payable must fill out the [Lost Receipt Report](#) and attach it to the Expense Log Report. **Use the "comments" section on this form to advise of attempts to receive a duplicate copy of the receipt.**

Note: If there are excessive instances of lost receipts/invoices, the PCC will be revoked.

10. Expense Log Report (Statement of Monthly Transactions)

- At the close of each monthly billing cycle, routinely the 22nd of each month, Accounts Payable will notify all Cardholders to "approve" and "authorize" their transactions on the GE SAM Database and at this time each cardholder will print out the Expense Log Report to submit to Accounts Payable with all corresponding receipts.

Note: ALL PCC statements are to be submitted to Accounts Payable by the last working day of the fiscal year.

- Cardholder reviews the Expense Log Report for accuracy and reconciles this report with supplier detailed receipts/invoices.
- Cardholder is responsible for attaching to the Expense Log Report the corresponding detailed receipts/invoices in order as charged on this report.

- 4) If an item is billed incorrectly, the Cardholder must circle the dollar amount and write "In dispute" on the Expense Log Report, in addition to Disputing the charge online in the GE SAM Database.
- 5) Cardholder is responsible for contacting GE Capital Financial directly, not Procurement Services or Accounts Payable, regarding questionable items or disputed items which appear as a transaction on the card statement. This contact must be as soon as it is noticed and no later than 60 days after purchase.
 - a) Cardholder will file an online Dispute with GE Capital. Cardholder will print out a copy of the Dispute Form and submit it with the Expense Log Report to A/P, retaining a copy for their files.
 - b) If items purchased with the PCC are found defective, the Cardholder has the responsibility to return the item(s) to the merchant for replacement or to receive a credit on the purchase. If the merchant refuses to replace the defective item, and fails to issue a credit, then the purchase will be considered IN DISPUTE. Cardholder must file an online dispute directly with GE Capital for each item in dispute.
 - c) A list of common reasons for dispute can be located on page 14.
- 6) PCC credit receipts are to be kept until the credit transaction appears in the GE SAM Database and shall be attached to the Expense Log Report.
- 7) If out of state suppliers do not charge sales tax, the department is responsible for paying it. **Purchase should not exceed \$1,000 including taxes and shipping.** Cardholder will write a "T" and the sales tax amount (7.75% for San Diego and Brawley, **and** for IVC) next to the dollar amount on the Expense Log Report. Accounts Payable will remit this amount directly to the State Board of Equalization.
- 8) Cardholder AND Approving Official (AO) must "approve" and "authorize" each transaction in the SAM Database within five (5) working days at the end of the monthly cycle. When the Approving Official "authorizes" each transaction in SAM, this is considered their "electronic signature". The AO no longer needs to sign and date the Expense Log Report.
- 9) The Cardholder must sign and date the Expense Log Report prior to submitting in to Accounts Payable. This report must be submitted with all required documentation to Accounts Payable by the 8th of the month. Submit documentation in the following order:
 - Expense Log Report
 - Monthly PCC Purchase Report
 - Detailed original receipts/invoices/packing slips and other required documentation

PROCEDURES - APPROVING OFFICIAL

Reconcile Monthly Transactions

Within **five** working days after the end of the cycle (the 22nd of the month), the Approving Official shall:

1. Review charges in the GE SAM Database to ensure that purchases are appropriate.
2. “Authorize” each Cardholder transaction which is the Approving Official’s “electronic signature”
3. Hand carry to Accounts Payable, AD-116, to avoid loss of the original documents:
 - The Expense Log Report
 - Monthly PCC Purchases Report
 - Detailed original receipts/invoices/packing slips and other required documentation

PROGRAM ADMINISTRATION BUSINESS AND FINANCIAL AFFAIRS

ACCOUNTS PAYABLE

Accounts Payable is responsible for administering the program and issuing PCC cards, auditing the GE Capital Statement of Account, and processing it for payment. Accounts Payable is also responsible for training.

PROCUREMENT SERVICES

Procurement Services is responsible for reporting information and assisting departments in maximizing utilization of specified suppliers.

1. Reports

a. Usage Reports

Monthly reports reflecting cardholder activity are maintained in Procurement Services. This information will be made available upon individual request.

b. Small Business and Disabled Veteran-Owned Business Enterprise Reporting

Procurement Services will accumulate and report small and disabled veteran business enterprise activity from all monthly Procurement Credit Card Purchase Reports to be included in Chancellor's Office and system wide utilization reports.

c. Recycled Products

Procurement Services will accumulate and report transactions involving recycled products from all monthly Procurement Credit Card Purchase Reports to be included in Chancellor's Office and system wide utilization reports.

2. Program Evaluation

Procurement Services and Accounts Payable will be jointly responsible for accumulating, reporting and analyzing Procurement Credit Card usage, as well as program evaluation.

ORDERING PROCUREMENT CREDIT CARDS

It is the Approving Official's responsibility to initiate ordering procurement credit cards.

1. **Ordering PCCs** - The following steps must be taken:
 - a. Approving Official will complete [Request for Participation](#) form and forward to Accounts Payable.
 - b. Accounts Payable will process form and request the PCC from GE Capital Financial.
 - c. Accounts Payable will notify Cardholder when the PCC is available and set up training with the Cardholder (approximately 45 minutes) prior to release of card. **All cardholders are required to complete the Form 700 (conflict of interest) and Ethics Training and Orientation prior to the PCC card being released.** The Approving Official is strongly encouraged to attend PCC training.
2. **Changes to PCCs** - Any changes to the PCC card – a new “Request for Participation” form must be filled out stating the changes such as: new Approving Official, transaction limits, Oracle account string, etc.

REPLACING PROCUREMENT CREDIT CARDS

Occasionally, it may be necessary to replace PCCs or obtain additional cards. It will be the Approving Official's responsibility to initiate this process. Follow the instructions below that apply:

1. **Reporting Lost or Stolen PCCs** - The following steps must be taken immediately.
 - a. Cardholder contacts GE Capital Customer Service at 800-274-7378.
 - b. Cardholder contacts Approving Official
 - c. Approving Official *immediately* notifies Accounts Payable by phone at 619-594-2915, with a follow up email to sdanner@mail.sdsu.edu.
 - d. Accounts Payable contacts the bank to obtain a replacement card. GE Capital will mail replacement card to Accounts Payable within **five** working days of notification
 - e. Accounts Payable will notify Cardholder when replacement card is available
2. **Replacement of Worn Out/Defective Cards**
 - a. To replace a PCC card that is worn out or defective, Accounts Payable should be notified via email at sdanner@mail.sdsu.edu by the Approving Official
 - b. The worn/defective PCC must be hand carried to Accounts Payable AD-116. **DO NOT FOLD, SPINDLE, OR MUTILATE PROCUREMENT CREDIT CARD.** The bank will issue a new card within **five** days after receipt of email.
 - c. Accounts Payable will notify Cardholder when replacement card is available
3. **Replacement Due To Employee Turnover**
 - a. When a Cardholder leaves the department for which he or she holds a card, Accounts Payable must be notified in writing. Notifications can be forwarded via email to sdanner@mail.sdsu.edu
 - b. The Cardholder must contact The Center for Human Resources to complete documentation stating they no longer have a Procurement Card
 - c. The Approving Official must hand carry the card to Accounts Payable, AD-116
 - d. [Request for Participation](#) must be completed for the new incoming employee.
 - e. GE Capital will issue a card for the incoming employee after notification by Accounts Payable. Accounts Payable will notify Cardholder when card is available.

COMMON REASONS FOR DISPUTE

The most common reasons for dispute are described below. If you have any questions regarding the appropriate dispute reason to use, please contact Accounts Payable at 619-594-2915. Regulations regarding your dispute require that you notify the bank within **60 days** of the date of the purchase. Attempts should be made with the merchant to resolve the dispute before notifying the bank. Any response received after the above-mentioned time frame may result in the banks inability to assist you with your dispute. The GE SAM Database has an online Dispute form from which you can dispute a purchase.

1. Unauthorized Charge-**Charge was not authorized by Cardholder.**
2. Duplicate Processing-**Cardholder has been billed more than once for the same transaction.**
3. Alteration of Amount-**Cardholder has been billed for the wrong amount.**
4. Merchandise/Services not received-**Cardholder has not received the merchandise/services ordered.**
5. Credit not Received-**Merchant was to issue credit for goods returned. The credit has not posted to Cardholders account.**
6. Unrecognized Charge-**Need invoice/receipt copy.**
7. Quality of Goods/Services-**Cardholder has contacted the merchant to resolve dispute about the quality of goods/services and is still not satisfied.**
8. Other Dispute Reasons-**None of the above.**
9. Dispute Resolved-**Cardholder has resolved dispute with the merchant.**