



**Colorado  
State**  
University

PROCUREMENT CARD  
PROGRAM HANDBOOK

March 2017

## I. KEY CONTACTS

### CSU PCard Help Desk

Procurement Services

Campus Mail Address: PCard, 6010 Campus Delivery

Phone: (970) 491-5752

Fax: (970) 491-5523

E-mail: [procurement\\_pcard\\_help\\_desk@Mail.Colostate.edu](mailto:procurement_pcard_help_desk@Mail.Colostate.edu)

### JPMorgan Chase Customer Service

Lost, Stolen, or Compromised Card

**Phone: (800) 316-6056**

### **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.

*After contacting JPMorgan Chase about a lost or stolen card, also notify the CSU PCard Help Desk at (970) 491-5752.*

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, sent to the PCard office, and the Cardholder will be notified to pick-up the new card.

### **REPORT DISPUTED TRANSACTIONS IMMEDIATELY!**

*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 PCard Help Desk of the dispute (970-491-5752).*

**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.

## II. INTERNET RESOURCES / DOCUMENTATION

PCard Website: <https://procurement.colostate.edu/pcard/>

Business and Financial Services Website: [www.busfin.colostate.edu](http://www.busfin.colostate.edu)

## III. PROCUREMENT CARD (PCARD) INTRODUCTION

The Procurement Card (PCard) is a purchasing method whereby active Colorado State University 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 (depending upon individual card limit) 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 Catalogs 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, thereby allowing tax-exempt use.

CSU student employees must be in the Oracle payroll system, been paid by the University for at least one pay period before applying for a PCard, and must have continued active employment status in the department requesting the PCard in order to retain it.

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 the CSU name/logo, the name of the Cardholder (faculty/staff/student employee), and the tax exempt number.
- Cardholder buys something with the card and gets a receipt.
- Merchant sends transaction to bank (electronically) for collection.

- Bank sends transaction data to CSU daily.
- Transactions are fed into the Kualu Financial System as an eDoc (with default account/object code).
- The Kualu Financial System sends email notification of each transaction to the Cardholder and assigned “Reallocator”.
- Cardholder notes accounting information on receipt and gives it to the assigned Reallocator.
- 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.
- Reallocator prints/routes monthly statements, attaches/electronically retains receipt documentation, and forwards to Cardholder for review and signature.
- Cardholder receives monthly statement, reviews, signs, and forwards to the Approving Official for review.
- Approving Official reviews and signs monthly statement.
- All signatures must be obtained by the 30<sup>th</sup> of the following month. Statements are filed in department.

#### **IV. STAKEHOLDERS ROLES AND RESPONSIBILITIES**

There are four primary stakeholders in the PCard program: the Cardholder, the Reallocator, the Approving Official, and the PCard 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.

##### **A. Cardholder Roles and Responsibilities**

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

1. Cardholders responsibilities include:
  - a. Completing required online PCard Cardholder Training Certification course, including review of all course materials, lecture presentation, and successful completion of quiz. Access is granted for the training once PCard Office receives application for card.
  - b. Knowing and applying all of the rules related to the PCard program as stated in this handbook and contained in the on-line training course.
  - c. 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, not his or hers, 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 PCard help desk.
  - d. 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 Rules and Procedures.
  - e. Reviewing daily notification emails for unauthorized transactions. Emails are generated from the financial system.
  - f. Ensuring merchant documentation is complete and available for every transaction and giving that documentation to the Reallocator immediately after the transaction. If the documentation is not immediately available, then the Cardholder must provide transaction documentation within 15 days of the purchase.
  - g. Signing the KFS Cardholder Monthly Statement, by the 30<sup>th</sup> of the following month, for each cycle that had transactions. Approved methods to sign statements electronically are DocuSign or Adobe Sign (previously EchoSign/eSign). Adobe Acrobat is not an approved method.
  - h. Protecting the card at all times to prevent unauthorized use, and not sharing or authorizing others to use the card.

- i. Returning the PCard to the Approving Official upon termination of employment with either the department or CSU, OR upon request of the department authority or the PCard 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.**

1. Approving Officials are responsible for ensuring the integrity of the PCard program by:
  - a. Completing required Approving Official Training Certification on-line course, including review of all course materials, lecture presentation, and successful completion of quiz. Approving Official should contact the PCard Office to take training.
  - b. The appointment as a PCard Approving Official is different from an Authorized Business Function Approver as defined in the CSU Financial Rules.
  - c. Knowing and enforcing compliance of the rules of the PCard program as stated in the PCard Program Handbook.
  - d. Approving a PCard application by determining that the applicant has a true business need to purchase small-dollar goods or services.
  - e. 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 Rules and Procedures.

- f. 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.
- g. Ensuring that every Statement of Account is reviewed and signed, by the 30<sup>th</sup> of the following month, for each cycle that had transactions.
- h. Determining if there were PCard violations and ensuring appropriate action is taken by the department if violations are found.
- i. Ensuring, if applicable, that purchases are allowable under the terms of the sponsored program account for which the purchase was made.
- j. Notifying the PCard Help Desk 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 a Cardholder's status. In addition, the Approving Official must collect and destroy all cards from such Cardholders.

### **C. Reallocator Roles and Responsibilities**

The Reallocator 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 also are responsible for reallocating transactions to the correct account and object code. Reallocators use the Kualu Financial System to allocate the transaction to the correct account and object code.

#### **1. Reallocator responsibilities include:**

- a. Reallocating transactions to the appropriate account and object code within the Kualu Financial System. (Note: the Reallocator and Fiscal Officer have 21 days (from eDoc creation) to allocate and approve the 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.

- b. Assisting Approving Officials and Fiscal Officers, as needed, to ensure the integrity of the PCard program by reviewing transactions for compliance.
- c. Receiving and taking action on email notifications from the Kualu Financial System (KFS) alerting them of an eDoc awaiting reallocation.
- d. Promptly retrieving receipts from Cardholder.
- e. Reallocator retrieves the PCard transaction from his/her Action List in KFS.
- f. Allocates to the correct funding source (account and object code).
- g. Attaching any receipts, signed hospitality forms, or other required documentation to the Kualu PCard eDoc transaction.
- h. Submitting eDoc into Account Approval Workflow.
- i. Maintaining Cardholder files in a secure location for auditing purposes.
- j. Informing the PCard Office and Fiscal Officer/Approver of transfers or terminations.
- k. Sending copies of completed and signed Violation forms to the PCard Administrator to be logged.
- l. Working with PCard Office regarding any changes to existing Cardholder accounts or creation of new accounts.
- m. Printing/Routing the KFS Monthly Cardholder Statements and forwarding the cycle packet to the Cardholder prior to the 30<sup>th</sup> of the following month. Reallocators will receive an email with an attachment informing them when the monthly Cardholder Statements are available and can print/route the PDF to disburse. This email generally will be sent by the 30<sup>th</sup> of each month.

#### **D. PCard Office Roles and Responsibilities**

The PCard Office, located in 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. The PCard



Office provides information and support to Internal Audit, Business & Financial Services, and Purchasing Agents as needed.

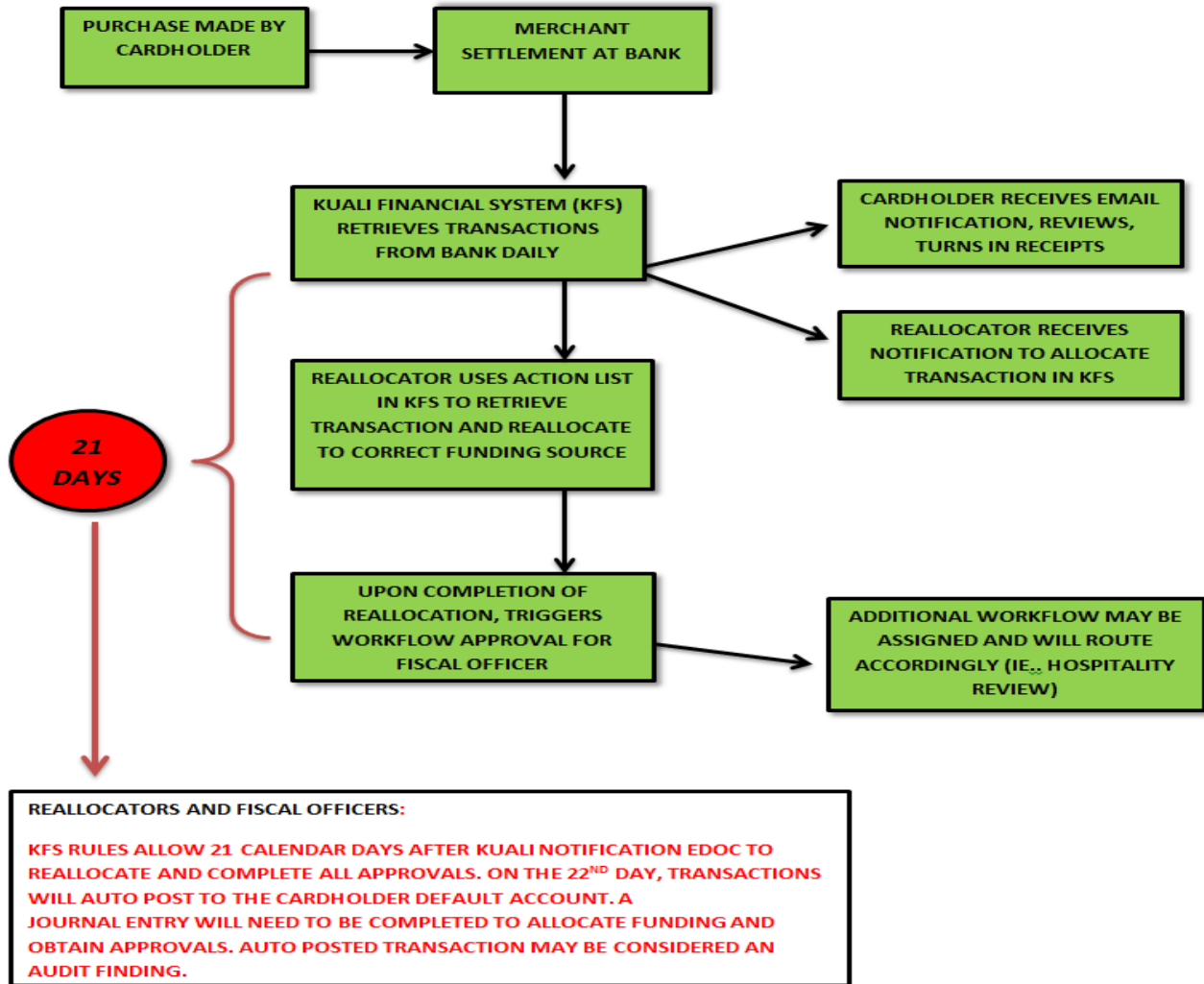
PCard staff regularly review transactions for compliance with PCard program rules, State of Colorado, Federal, and University rules and regulations. The PCard Office also provides email and phone support to Cardholders, Reallocators, and Approvers via a help desk. The PCard Administrator works daily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

The PCard 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 with 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 PCard Office reserves the right to cancel the card. Notification will be given to both the Cardholder and Approving Official.

The PCard Help Desk can assist in providing reports to the departments, assist with monthly statements, changing Approving Official permissions, and Reallocator changes. The PCard help desk can be reached at 491-5752 or via email at [Procurement\\_Pcard\\_Help\\_Desk@mail.colostate.edu](mailto:Procurement_Pcard_Help_Desk@mail.colostate.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 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 alerting them of activity on the card. The Cardholder will review the transaction in Kuali and click the FYI button to acknowledge the transaction. The Reallocator has permission to reallocate the charge to the appropriate account and object code.



## VI. THE PCARD EDOC IN THE KUALI FINANCIAL SYSTEM

The Kuali eDoc is the document used in reallocating and approving transactions made with the PCard. The eDoc is located in the Reallocator’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

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

The screenshot shows the Kuali Financial Systems interface. At the top, there is a navigation bar with 'Main Menu', 'Maintenance', and 'Administration' tabs. Below this, a search bar contains 'action list' and 'doc search'. The user is logged in as 'vputman'. The main content area displays 'Procurement Card' with a question mark icon. To the right, a summary box shows: 'Doc Nbr: 321819', 'Status: ENROUTE', 'Initiator: kfs', and 'Created: 11:00 PM 05/15/'. Below this, there are buttons for 'expand all' and 'collapse all', and a note '\* required field'.

Document Overview

Accounting Lines

Transaction #546956002189000223518

<b>Transaction Credit Card Number:</b> 444487657777113	<b>Transaction Total Amount:</b> 71.44
<b>Card Holder Name:</b> COLUMBUS SCIENCE	<b>Transaction Reference Number:</b> 546956002189000223518
<b>Transaction Date:</b> 01/01/2006	<b>Vendor Name:</b> HODAPP - STAR

Accounting Lines <input type="button" value="import lines"/>									
	* Chart	* Account Number	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount	Actions
add:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	0.00	<input type="button" value="add"/>
1	BL BLOOMINGTON	1031400 PSYCHOLOGY	<input type="text"/>	4190 PROCUREMENT CARD PURCHASES	<input type="text"/>	<input type="text"/>	<input type="text"/>	71.44	<input type="button" value="bal inquiry"/>
								<b>Total: 71.44</b>	

## 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 24<sup>th</sup> day of each month.

***NOTE: Cardholders from registered student organizations should call the SLiCE office for additional instructions on PCard use.***

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 Financial Rules and Procedures located on the Business and Financial Services website to recognize and understand the requirements and restrictions for any expenses related to these activities.
  - a. Three status levels exist for Expenses Related to Authorized Business Functions (Hospitality):
    - **No authority:** the PCard may not be used to purchase food, beverages, entertainment, lodging, training, awards, or recruiting expenses.
    - **Limited authority:** purchases may 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.
    - **Full authority:** 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 Official Function 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 Rules and Procedures, as amended from time to time and located on the Business and Financial Services website.

- c. Completed **Authorized Business Function Form** (or customized form approved by Business and Financial Services; and **Signature approval from an authorized official function approver**, which should be obtained in advance of the expenditure whenever possible.

*FOOD, BEVERAGE, AND EVENT RELATED PURCHASES (I.E. MOVIE THEATRE, ATHLETIC TICKETS, RESTAURANT, MEETING ROOMS, ETC.) REQUIRES USE OF THE APPROPRIATE OBJECT CODE. SEE FINANCIAL PROCEDURES INSTRUCTIONS (FPI) 2-1 ON THE BUSINESS AND FINANCIAL SERVICES WEBSITE FOR GUIDANCE ON THE APPROPRIATE USE OF AUTHORIZED BUSINESS FUNCTIONS AND RELATED GUIDANCE SUCH AS TIPPING.*

4. **Charges to Sponsored Programs (53) Accounts.** If the Cardholder is making purchases against a sponsored program account, it is the Cardholder's 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 Shop Catalogs?** If yes, use the Shop Catalogs link in the Kualu Financial System to shop and create an order. The PCard should not be used for these purchases.
  - a. The University has provided a procurement avenue for campus users called Shop Catalogs (e-procurement system) within the Kualu Financial System. The catalogs 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 Catalogs vendors. PCard is not needed for this purchase application.
  - b. To access, click on the Shop Catalogs link in the Purchasing/AP menu on the Kualu Financial System main page. Training can be obtained at the department level or via classroom training. Please contact Procurement Services for more information. A list of current vendors located in Shop Catalogs who have catalogs available to use can be found by visiting the Procurement Services website for details.

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. Please see the University's Small Business Program on the Procurement Services website or contact Procurement Services for assistance.
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 (98-02381) is printed on the card. Remind the merchant that this is a Colorado State University 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 Business and Financial Services website.
2. **Cardholder must give his or her name as it appears on the card.**
3. **Give accurate delivery information, including department name and the four-digit Campus Delivery code.** (This number is important for Central Receiving to promptly deliver goods received.)
4. **Do not make cash-on-delivery (COD) purchases;** Central 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 transaction. A Purchase Order will need to be created instead.
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 the PCard Office at (970) 491-5752 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 requirements are met:

1. **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.
2. **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.
3. **The rental is not for moving vehicles/trailers such as U-Haul.**
4. **There is no written agreement requiring the University’s signature.** Written contracts requiring signature must be submitted to Procurement Services for review and consideration.
5. **The transaction is reallocated to a proper services object code.**
6. **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 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. Clickwrap Agreements**

Departmental personnel are authorized to enter into clickwrap agreements as long as the agreement is within the Cardholder's single transaction limit. A clickwrap agreement (also known as a "clickthrough" agreement or clickwrap license) is a common type of electronic agreement mostly found on the Internet. Most clickwrap agreements require the end-user to agree or accept terms and conditions by clicking an "ok" or "agree" button on a dialog box or pop-up window.

## **D. Master Rental Agreements**

Colorado State University 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. A list of master rental agreements is available on the Procurement Services website.

## **E. Publications and Printing Policy**

**Central Communications Policy:** Purchases of print, photocopier services, photography, video, and electronic media must flow through the University's central communications group, the Division of External Relations. External Relations staff are charged with creating publications, websites, social media, and other communication



vehicles that meet the requirements of the University's Brand and Graphic Standards Program.

*NOTE: Procurement Services 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 Creative Services (CS) for policy compliance. CS will contact each user and assist in as expeditious a manner as possible. This will include random audits by the PCard office and findings will be forwarded to CS.

## **POLICY**

*Central Communications Policy (originally approved July 2, 2002 by EBC): This policy requires that Communications and Creative Services (CCS) must be consulted at the beginning of all communication initiatives and branding efforts regardless of amount and **before** they are produced. 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; and 5) cost effective pricing. Contact Creative Services, 1-6432 for additional questions and requirements. Creative Services will have first right of refusal of all communication work – as defined above – that is purchased with University funds.*

## **F. Logo Licensing Information**

### **Information for Ordering Departments**

To produce items bearing the University name, trademarks, or logos, vendors must be officially licensed. Unlicensed vendors that produce Colorado State University 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" 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. Procurement Services or the Licensing Program Office can provide a list of current licensees. See the Creative Services website for more information.

## **G. 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:

1. Cardholder must have full Hospitality/Official Function privileges on the card.
2. Cardholder must have pre-approval from supervisor.
3. The use of the card is for hotel charges and transportation to and from airport. (Examples include charges for guest speakers, campus visitors, recruits, etc.).
4. Car rentals are not allowed. No moving expenses or U-Haul type rentals are allowed.
5. A proper, fully itemized receipt ("folio") is obtained for the charges.
6. 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.).
7. The State of Colorado tax exemption is applied when services are billed and delivered within the State.
8. See Financial Procedures Instructions (FPI) 2-1, Expenses for Authorized Business Functions, on the Business and Financial Services website for additional requirements.

***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 transaction slip from the merchant.
- An order form for dues, subscriptions, registrations, or similar items.
- An invoice showing credit card payment. An invoice is valid source documentation if it was provided as your confirmation of payment. The PCard should not be used to pay invoices for goods or services already rendered.
- 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.***

Lack of original documentation due to willful or negligent default may be considered a violation under the program rules.

**Digital documentation must be retained as a TIFF or PDF file.**

## **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, 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 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, fraudulent 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 to the Cardholder's departmental account 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 comment in the notes section for future reference.

## **XI. EXCLUDED MERCHANT TYPES**

All MasterCard merchants have chosen a four-digit Merchant Category Code (MCC) that generally identifies the types of goods or services they provide. CSU 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 should be declined.

*NOTE: Merchant categorization by MCC can vary and may result in transactions being processed in conflict with the excluded merchant and transaction violation lists contained in this handbook. For example: a Cardholder shall not buy alcohol from a packaged liquor store even though the transaction can be processed.*

- 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 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 tax exempt status, visit the Business and Financial Services website for the CSU tax information letter and certificate. Tax Services (Business and Financial Services) can assist with any questions regarding tax exempt status.

If a Cardholder is charged tax for goods and services billed and delivered in Colorado and the tax is less than \$20.00, an attempt must be made to recover the tax from the merchant and this attempt must be documented. If successful, the merchant shall credit the card for the amount of tax charged. No cash refunds or store/merchant credit shall be accepted. If unsuccessful or the merchant refuses to credit tax back to the card, written documentation of the attempt should be attached to the receipt. The Cardholder/Reallocator may handwrite on the receipt if needed. Tax being charged on the Cardholder's purchase(s), where a tax exemption should have applied, may be deemed a violation by the Approving

Official/PCard Office if it is determined that there is willful negligence by the Cardholder or if there is no documentation to support an attempt to recover the tax.

If a Cardholder is charged tax for goods and/or services billed and delivered in Colorado in which the tax is \$20.00 or greater, the tax must be recovered via refund provided by the merchant, via reimbursement to the University by the Cardholder, or by the department requesting a refund directly from the State. Please contact the University Tax Manager for documentation on how to recover tax directly from the State. Completed documentation to recover tax must be attached to the KFS document.

The following procedures are to be followed to request tax exempt status with online merchants at the individual Cardholder level:

- Cardholder will create an individual account with an online merchant by using his/her colostate.edu email address. The Cardholder will follow each merchant's guidelines for requesting tax exempt status.
- Cardholder will only conduct University business using their colostate.edu email address. Personal business with the same merchant must use a personal email account (i.e., Yahoo, Gmail, Hotmail, etc.).
- Cardholder agrees not to post any comments, feedback, or reviews related to purchases made for University business.
- Cardholder agrees not to use the University's tax exempt status for personal purchases. Such purchases will be considered fiscal misconduct and will result in revocation of the PCard and may result in employment disciplinary action, criminal, and civil prosecution.

### **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 PCard Office directly and confidentially to discuss a potential violation before issuing a violation warning to the Cardholder.

The PCard Office will regularly review transactions for possible violations and may request specific documentation to determine if a violation has occurred. The PCard Office will contact the Approving Official to discuss the violation. The PCard 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 then:

- One copy of the violation form will be sent to the PCard office.
- One copy of the violation form will be retained in the department files with receipt documentation and will also be scanned and attached to the Quali 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 up to one full year (12 months) upon the 3<sup>rd</sup> documented violation. Issuance of a new card may occur after department head/director provides justification for new card, 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 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 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 (see the CSU Financial Rules and Procedures for Reporting of Fiscal Misconduct). A personal purchase will be cause for revocation of the PCard upon the first violation, and may result in 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. Please store your PCard in the provided credit card sleeve to avoid confusion.

2. **Cash or Cash-Type Transactions** – Examples are additional cash with purchase, cash refunds, cash tips, travelers' checks, **gift cards**, donations, money orders, RamCash, 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 immediate cancellation of the PCard.
3. **Gift/Gift Card with Purchase** – Any gift and/or gift card received from a purchase expending University funds becomes the property of the University. The gift/gift card must be surrendered to Procurement Services upon receipt. Failure to surrender the gift/gift card at time of receipt will be cause for immediate revocation of the PCard.
4. **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).

5. **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, travel visas, passports, employee lodging, etc. Cardholders using the PCard for employee travel expenses will be reported to the University Controller and the PCard may be revoked.
6. **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.
7. **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 PCard Office.
  - Furniture (desks, height-adjustable desks/tables, chairs, conference, lounge, cubicles, office, patio, desktop height-adjustable stands, etc.)
  - Parking charges (fees, employee parking permits, services, and fines).
  - Vehicle expenses – examples are vehicle rental, E-470 tolls, toll ways, fuel, repairs, and vehicle/trailer purchases.
  - Pre-Paid Phones or Phone Cards, long distance, and pay-phone calls.
  - Drug Enforcement Agency licensed substances, medical drugs, and narcotics.
  - Radioactive materials and restricted chemicals.
  - Animals purchased for teaching, testing, or research unless granted an exception by IACUC. See IACUC Policy on Purchasing Animals.
  - 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 where bidding is required. “Buy it Now” transactions are permissible.
- Printing services without a waiver from Communication and Creative Services during CSU business hours. *Exception: Copy Rite located on campus is allowed.*
- Cell-phone air time charges.
- Memberships purchased by CSU, either in CSU’s name or 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’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). See CSU Financial Rule 2.1.1.3. It is also impermissible for an employee to use their personal membership in combination with a PCard.
- Willful negligence, determined by the Approving Official/PCard Office, with non-compliance of turning in receipts or providing valid and complete receipt documentation.
- Willful negligence, determined by the Approving Official/PCard Office, with non-compliance of University tax exempt status. (*See Section XII*)
- Non-compliance with the FPI on Authorized Business Functions.

Cardholders must adhere to the policies set forth by the State of Colorado, CSU, 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 25<sup>th</sup> of each month to the 24<sup>th</sup> of the following month. Around the 30<sup>th</sup> of each month, the designated Reallocator for 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/Routes Cardholder Monthly Statement from system generated email for each Cardholder that they are assigned.
- Verify that all receipts have been obtained and scanned into KFS for the transactions.
- Attaches receipt documentation to Cardholder Monthly Statement.
- Routes Cardholder Monthly Statement and receipt documentation to Cardholder and Approving Official for review and signature.

Cardholder responsibilities include:

- Cardholder’s signature by the 30<sup>th</sup> of the following month.
- Verify that all receipts have been obtained for the transactions.
- Verify that all transactions are yours and were made for CSU business purposes only.

Approving Official responsibilities include:

- Approving Official signature by the 30<sup>th</sup> of the following month.
- Verify that all receipts and documentation are accounted for.
- Verify that all transactions were for CSU business purposes only and were within the PCard program rules.

The signed Cardholder Monthly Report along with the scanned receipts in KFS will serve as the official record for audit purposes. Failure to provide receipts or signed signatures by the 30<sup>th</sup> will result in an audit finding. Cardholder and Approving Official signatures by the 30<sup>th</sup> 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 30<sup>th</sup>.***

## **XVI. COMPLIANCE REPORTING HOTLINE**

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. Consistent with this commitment, the University provides the Compliance Reporting Hotline for employees, students, and constituents to report issues, in good faith, regarding compliance with laws, regulations, and substantive University policies. This reporting mechanism allows people to report issues anonymously if they wish to do so. The issues reported will be reviewed by the appropriate University officials to determine if further investigation and actions are warranted. The University takes every allegation of illegal or unethical conduct seriously.

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 go to the Compliance Reporting Hotline page.

### **What is Reportable?**

Members of the campus community may use the Reporting and Compliance Hotline mechanisms 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 recurring 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