

## CSU CHANNEL ISLANDS ASSOCIATED STUDENTS INC.

**Process:** Credit Card Distribution and Usage  
**Effective Date:** September 5, 2013

### Purpose

In today's environment of streamlining, ASI professional staff is continuously looking for ways to increase efficiency. Credit cards enable staff and students to significantly reduce both paper and the procurement process for small dollar purchases.

Credit cards allow CI employees and select student organization leaders to easily make in-store transactions and place telephone/internet orders. In addition, credit cards allow departments/organizations to effectively monitor and control small purchases and reduce time on paperwork.

### Background

An increasing amount of recognized student organizations have approached ASI seeking the attainment of a credit card. ASI is now in the position of needing a written process which details the minimum requirements for attaining a credit card, acceptable usage guidelines, and processes. In addition, ASI is in need of a governing document to guide the transactions and practices of current ASI credit card holders.

### Accountability - Who Should Know This Policy

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> ASI Board of Directors          | <input checked="" type="checkbox"/> ASI Professional Staff | <input checked="" type="checkbox"/> ASI Student Employees |
| <input type="checkbox"/> Student Union Student Employees | <input checked="" type="checkbox"/> Budget Support Staff   | <input checked="" type="checkbox"/> ASI Entity Leaders    |
| <input type="checkbox"/> ASI Entity Organization Members | <input checked="" type="checkbox"/> ASI Entity Advisors    |   |

### Applicability - Who Does the Policy Apply To

- |  |  |   |
|--|--|---|
| <input type="checkbox"/> Board Members                               | <input checked="" type="checkbox"/> ASI Professional Staff | <input checked="" type="checkbox"/> Student Employees         |
| <input type="checkbox"/> Students                                    | <input checked="" type="checkbox"/> Staff                  | <input checked="" type="checkbox"/> University Administrators |
| <input checked="" type="checkbox"/> University Student Organizations |  |   |

### Authority

This policy is in alignment with information found in the *CI Procurement Credit Card Handbook*.

## Definitions

None

## Policy Regulations

### Cardholder Qualification

*Staff:* Cards are granted to full-time employed staff, select ASI student staff, and temporary staff members with a position appointment of at least six months.

*Students:* Cards may also be granted to student leaders on behalf of their registered student organization. Organizations must have been registered by CI for at least the past two concurrent years.

### Credit Card Request

An Approving Official may request a credit card for a staff member or student leader by completing the CSU Credit Card Program Participant Notification Form and the ASI Procurement Card Program Agreement. This form is signed by the cardholder, the ASI Executive Director and the University President or designee. The completed form is sent to the Procurement Card Program Administrator.

### Credit Card Issuance

The credit card is issued to ASI in an individual's name; however, ASI is responsible for all payments. There is no personal liability on the card unless the cardholder violates the terms of the credit card program by making a personal purchase. The cardholder is responsible for ensuring that all purchases are made within University, State and ASI guidelines.

### Purchase Limits

The credit card is issued with variable amounts of approximately \$1,000 per purchase limit and an overall monthly limit of approximately \$5,000 (including tax and shipping charges). Increases to dollar limits are made only upon written request to the Procurement Card Program Administrator. Such requests may be submitted using the Cardholder Account Maintenance Form and should state the need for higher purchase limits. Requests are to be approved by the cardholder's approving official.

*Staff members:* Staff members must have access to an ASI account containing at minimum \$10,000. In addition, this staff member must purchase at minimum \$5,000 worth of purchases per year and no more than \$15,000.

*Students:* Student organization accounts must maintain a minimum \$10,000 balance within an ASI allocated account and/or fundraised monies. In addition, there must be a minimum of \$5,000 worth of purchases per year.

**Prohibited Items** (per CI Procurement Policy):

Use of credit cards for the following types of goods and services is PROHIBITED:

- Personal purchases of any kind
- Alcohol
- Cash advances
- Cellular phone service
- Firearms & ammunition
- Large volume, routine repetitious purchases from one supplier (may coordinate with Procurement to establish an open purchase order instead).
- Space, equipment or other types of leases, building or equipment rentals
- Narcotics and other controlled substances
- Personnel services, including consulting services
- Gift Cards/Gifts over \$50 (including taxes and shipping)
- Raffle Prizes
- Fines, late fees, penalties, interest and finance charges
- Rush/expedited shipping
- Paying invoices on items that were previously purchased but not invoiced until a later date
- Service or maintenance agreements
- Contracts or agreements requiring authorized signatures (Contracts and agreements need approval by individuals with formally granted University purchasing approval, i.e., Procurement staff, the VP for Finance & Administration and the President, only).
- Splitting purchases into multiple card transactions to circumvent the maximum dollar limit. Splitting is defined as one item or a set of items sold as a set that has been split by the merchant to look like two (2) separate purchases.
- Vehicles, including trailers, boats and any other equipment which must be registered with the DMV.

**Restricted Items**

- Food & beverages:
  - Business meals only within the guidelines of the business meals policy & on campus food services have first right of refusal.
  - Business meals require appropriate backup, which includes an agenda and a list of attendees.

**Credit Card Receipt/Invoice**

Whether the purchasing transaction is made by telephone, in person or via the web, the cardholder will need an original itemized receipt or invoice. If the cardholder has lost receipts/invoices and a duplicate copy cannot be obtained from the vendor, a Lost/Missing Receipt Form must be completed.

### **Print Credit Card Transaction Report**

Once transactions have been reviewed and the accounting information has been updated (if necessary), the cardholder will print a Credit Card Reconciliation Form and submit all receipts/invoices to the ASI Office.

The ASI Office will provide each credit card holder with a copy of their monthly credit card statement. The completed credit card Reconciliation Form must be turned in four (4) days after such notification is given. Reconciliations must have the following supporting documentation attached to the Reconciliation Form:

- Events: event flier and list of attendees (if possible)
- Meetings: meeting agenda and list of attendees
- Awards or Registration: list of recipient(s) and flier or agenda
- Travel: agenda of travel and list of travelers
- Office Supplies: No additional documentation beyond receipt

The reconciliation processing must include a complete review and analysis of the monthly credit card charges at every level of responsibility. This review includes examination of the completeness of the documentation supporting the monthly credit card invoice and the approving official's signature.

### **RESPONSIBILITIES**

#### *Cardholder*

It is the responsibility of each cardholder to make appropriate purchases in accordance to this Credit Card Distribution and Usage Policy, the CSU procurement policies and, if applicable, the ASI Budget Allocation and Spending procedures. The cardholder has the responsibility to:

- Ensure proper security of the credit card. Do not allow others to use the card. New cardholders will receive training prior to receiving their card. Cardholders may receive refresher training on an as needed basis. To request training, contact the ASI Office.
- Make purchases in accordance to this Credit Card Distribution and Usage Policy, and, if applicable, the ASI Budget Allocation and Spending procedures. Do not purchase prohibited items or attempt to split transactions to avoid card limits.
- Direct any questions regarding use of the credit card, clarification of questionable purchases, etc. to ASI professional staff.
- Notify the receiving department via fax or email if a delivery is expected for a credit card purchase.
- Reconcile transactions in a timely and accurate fashion, verifying the date of the credit card charge, description of purchase, shipping/handling, vendor's name, account number, dollar amounts including tax, and enter the correct account, fund, department, program and project codes.
- Resolve any questionable items or disputes that appear on the statement.
- Contact the credit card company immediately and report to the ASI Office if the card is lost or stolen.

### **Requests for Procurement Credit Card Increases**

In certain situations, temporary or permanent increases to the daily and/or monthly purchase limit may be increased. Cardholders should complete the Credit Card Reconciliation Form and submit with signature to the ASI Office. Increases are effective within 24-48 hours and cardholders will be notified when the request has been processed.

### **Policy Violations**

Violations may result in a written notice to the Authorizing Official and may result in mandatory training sessions, suspension, or revocation of cardholder privileges. Credit cards may be revoked if a cardholder has three violations within a 12 month period. The ASI Office performs a monthly review of all cardholder documentation. The cardholder will be notified by e-mail if non-compliance issues are found.

Each of the following situations is an example of violation:

- Failure to obtain an itemized receipt
- Missing the deadline for submitting the reconciled and approved statements to the ASI Office
- Inappropriate spending as defined in the Prohibited Items section above and in the BASC Procedures
- Not including necessary supporting documents on more than three reconciliations

### *Penalty*

- 1st violation: The cardholder's supervisor/advisor is notified and a written warning is issued.
- 2nd violation: The Vice President for Student Affairs is notified and the cardholder incurs a one month suspension of credit card usage.
- 3<sup>rd</sup> violation: The card is revoked for 12 months.



California State University, Channel Islands ASI Procurement Card Program Agreement

Name of Cardholder: \_\_\_\_\_

Department: \_\_\_\_\_ Phone/Extension No: \_\_\_\_\_

The cardholder agrees to accept the responsibility for use of the P-Card for authorized purchases for official ASI business only. The Cardholder has received training for the P-Card and is responsible for ensuring the purchases made via the P-Card are in accordance with the CSU Channel Islands-ASI P-Card Manual.

Specifically, the cardholder is responsible for security of the card, appropriate use of the card, timely and accurate on-line approval and reconciliation of transactions, ensuring original receipts are obtained for all transactions, making advance preparation for monthly statements when planning to be out of the office, immediate reporting of fraud, lost or stolen card to US Bank, and follow up an resolution of all disputed charges.

The cardholder/designee must complete the monthly on-line reconciliation of transactions for each billing cycle within five working days of notice by PCard Program Administrator of the close of the billing cycle. The Cardholder must also forward to their Authorizer a printed statement and attach original, itemized receipts/invoices, and backup documentation for signatures. The printed statement and original receipts/invoices shall be sub mitted to the Procurement office for review. This is a mandatory requirement.

Should the Cardholder want to terminate the P-Card or if the Cardholder transfers to another University department, the Cardholder must obtain all receipts for transactions for the current billing cycle (if any), provide these receipts to the Authorizer and return the P-Card, in person, to the P-Card System Administrator. Should the Cardholder terminate employment from the University, the Cardholder must obtain all receipts for transaction of the current billing cycle (if any), provide these receipts to their Authorizer, and return the P-Card to their department as part of the separation/clearance process, as outlined by Human Resources, prior to separation from the University.

The Cardholder understands this program is a privilege and failure to follow the procedures contained in the ASI P-Card manual can result in audit findings, which can result in a temporary revocation of use and even revocation of this privilege.

The Cardholder must not allow any other individual, including co-workers, to use the P-Card or sign P-Card drafts under any circumstances. The Cardholder can instruct co-workers to sign packing slips if a co-worker will be picking up items the Cardholder has already ordered.

\_\_\_\_\_  
Cardholder Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Authorizer Signature

\_\_\_\_\_  
Date:

\_\_\_\_\_  
P-Card System Administrator

\_\_\_\_\_  
Date: