

PALOMAR COMMUNITY COLLEGE DISTRICT OPERATING PROCEDURE	DATE: 6/1/00 REVISED:
PROCUREMENT CARD–SUPPLIES	PU5

OVERVIEW

This procedure describes the process for activating, managing, and reconciling authorized supply purchases using the District's Procurement Card. The bankcard currently used is the IMPAC (International Merchant Procurement Authorization Card) VISA Card from U. S. Bank National Association.

FORMS USED:

- PCCD Cardholder Application, PU5.F1
- PCCD Cardholder Agreement, PU5.F2
- Monthly Bank Card Log, PU5.F3
- Procurement Card Definitions, PU5.A1
- Procurement Card Quick Reference, PU5.A2
- Procurement Card Authorized/Prohibited Purchases, PU5.A3
- IMPAC Cardholder Account Set-up Form
- IMPAC Cardholder Account Update Form
- Business Account Summary (R090)
- Cardholder Statement of Questioned Items (CSQI)
- IMPAC Financial Summary (R060)
- Statement of Account (SOA)
- Vendor Data Record (STD 204)

CODES, REGULATIONS, AND DISTRICT POLICIES RELATED TO THIS PROCEDURE

- Government Code 19990, 54201-54202
- California Education Code section 40002, 85231

PRIMARY STAKEHOLDER: Assistant Superintendent/Vice President Finance and Administrative Services, Director of Business Services, Director of Fiscal Services, Approving Officials

COMMENTS

The procurement card is an expedited payment mechanism available to approved District employees. The card has a \$1,000 per transaction limit and may be used for purchasing small goods, commodities, supplies, or repair parts.

There are four "limits" applied to each procurement card: per transaction, per month, per fiscal year, and per approving official. The Director of Business Services sets the limits.

Approved: _____

Issued: 6/1/00

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<u>STEP</u>	<u>TASK PERFORMED BY</u>	<u>DESCRIPTION</u>
PROCUREMENT CARD APPLICATION AND ACTIVATION		
1	Director of Business Services	<p>Designate Approving Officials Appoint the Approving Officials.</p> <p>Establish specific monthly site limits for each approving official.</p>
2	Approving Official	<p>Designate Site Cardholders Distribute application packages, including:</p> <ul style="list-style-type: none"> • PCCD Cardholder Application, PU5.F1 • PCCD Cardholder Agreement, PU5.F2 <p>Collect, evaluate, and approve Cardholder application packages.</p> <p>Forward approved application packages to the Director of Business Services.</p>
3	Business Services	<p>Process Approved Applications Review and if correct/complete:</p> <ol style="list-style-type: none"> (1) Fill out the IMPAC Cardholder Account Set-up Information (2) Fax the required documents to IMPAC Customer Services at US Bank National Association.
4	Business Services	<p>Perform Ongoing Training and Issuance</p> <ul style="list-style-type: none"> • Review procedures • Summarize Cardholder responsibilities • Review ramifications of any misuse • Review Supply Procurement Card Quick Reference PU5.A2
5	Cardholder	<p>Activate Card Upon receipt of the Procurement Card, activate by telephone immediately. Note: The bank may cancel cards that are not activated upon receipt for security reasons.</p>

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6 Business Services

Maintain Cardholder Agreement File

PURCHASES AND RETURNS

1 Cardholder

Obtain Goods

Supplies may be purchased either in person or by telephone. Purchases must be in conformance with District purchasing rules (i.e. not for personal use). Obtain an *itemized* invoice or receipt from the vendor, which includes:

- Description of the commodity purchased
- Quantity purchased
- Price per item
- Amount of sales tax and total amount
- Shipping charges, if any (consistent with signed agreement with the District)

In some cases, vendors do not automatically provide an itemized receipt or invoice. If this happens, request and obtain an itemized receipt.

Do not make any purchase or commitment when existing contracts/bids are in place. If in doubt, call Business Services prior to making a purchase with the Procurement Card.

2 Cardholder or Accepting Employee

Receive Merchandise and Approve Itemized Receipt

Merchandise may be picked up by another person for the Cardholder/Actual Receiver. If the accepting employee is other than the Cardholder, the individual picking up the purchase should sign the invoice "for", as in "John Doe for Mary Smith".

If the vendor provides a credit card voucher along with an itemized receipt, sign both the voucher and the receipt and attach them together.

3 Cardholder

Log Transaction (Optional)

Enter the transaction into the Monthly BankCard Log, form PU5.F3. Record the following

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information:

- Date of purchase
- Description of purchase
- Vendor's name
- Dollar amount

4 Cardholder

Return Merchandise when Necessary

Returns must be credited back to the bank. Cash refunds are not allowed. Enter returns/credits in the Monthly BankCard Log.

RECONCILIATION

1 Cardholder

Reconcile Monthly Statement of Account

Procurement Card use will be charged against the departmental budget, and will be reflected in the IFAS reports. In addition, each Cardholder will receive an individual Statement of Account (SOA) directly from the bank. Upon receipt of the SOA:

- Review the SOA for accuracy and compare against the Monthly Bank Card log form PU5.F3
- Attach itemized receipt for each transaction to the SOA
- Retain charge-back receipts until the credit transaction shows up on the bank statement

If there is not a receipt for an authorized purchase:

- Explain reason on the log and on the SOA (for example, "Vendor ships receipts with merchandise, merchandise not received yet")
- When the receipt is received, forward the original to the approving official with a note identifying the SOA month to which the receipt should be attached.

If there are Unauthorized Charges:

- Call the bank immediately at (1-800-227-6736). The Card will be blocked.
- Inform the Approving official of the Unauthorized Charge
- Dispute the item as described below

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If there are disputed charges:

- Write "Disputed" on the description line of the SOA
- Complete the Statement of Questioned Item (SQI) bank form and attach along with other receipts to the SOA
- Retain one copy of the SQI and attach another copy to the SOA. Mail the original SQI to:

IMPAC Card Services
 PO Box 6346
 Fargo, ND 58125-6346

Sign and date the SOA.. Forward the Cardholder package to the immediate supervisor within five business days of receipt of the SOA. ***This must be done within five business days.*** Failure to forward an appropriately documented package within the 5-day limit could result in card revocation.

Retain copies of the SOA for the current annual year plus the three previous years.

2 Cardholder Supervisor

Review SOA and Submit to the Approving Official

Review SOA to ensure that purchases are

- (1) appropriate supply purchases
- (2) not on the prohibited list
- (3) have a properly approved itemized receipt for each transaction (including description).

Sign off and forward to the Approving Official. Forward the package within five business days. Failure to forward an appropriately documented package within five days could cause card revocation.

3 Approving Official

Reconcile

The Business Account Summary (R090) is a composite statement of all assigned individual cardholders with posted activity during the last

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billing period. The Approving Official receives it from the bank before the first of each month.

Verify that each Cardholder statement has:

- a valid supply description and itemized receipt or acceptable explanation for each transaction
- SOA approved by the Cardholder’s supervisor

Summarize and note exceptions on the R090. Attach a separate exceptions sheet to the R090 if necessary. Exceptions are defined as purchases that are inconsistent with District purchasing procedures.

Communicate via email any discrepancies to the Cardholder. If possible, help resolve issues.

Attach a recommendation to revoke the card of any cardholder not consistently conforming to the terms of the Procurement Card Agreement.

4 Approving Official

Review and Approve

Review exceptions. Make copy of exceptions summary and retain.

Review details.

Sign approval on R090.

Approve any recommendations for card revocation.

Forward package to the Director, Business Services.

5 Director, Business Services

Review documentation from Approving Officials for conformity to process and completeness.

Forward package to the Director, Fiscal Services.

6 Director, Fiscal Services

Reconcile Approving official Packages

The IMPAC Financial Summary R060, a recap of all cardholder charges which is used as the invoice for billing purposes, is received by the Director,

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Fiscal Services from the bank before the first of each month.

Upon receipt of the approving official packages, review the Business Account Summary R090 and the IMPAC Financial Summary R060. Retain the R090 and R060 for audit.

Review exception lists and spot-check purchases for consistency with purchasing procedures.

Authorize Accounting to process payments as appropriate.

7 Vice President – Finance and Administrative Services

Review

Review the Impact Financial Summary R063, the Business Account Summary R090, and other documents as appropriate.

8 Vice President – Finance and Administrative Services

Evaluate/Process Revocation Recommendations

9 Fiscal Services / Accounts Payable

Make Payment

Make payments to the bank after receiving Controller approval.

CARDHOLDER AND APPROVING OFFICIAL CHANGES

1 Cardholder

Submit Changes as Required

Submit the bank's Account Maintenance Form to the approving official whenever:

- a change in the Cardholder name, address, or phone number occurs
- the Cardholder leaves or transfers to another functional area within the District. If leaving or transferring, return the following to the approving official :
 - Procurement Card
 - Account Maintenance form
 - Logs and receipts for the current year plus the three previous years.

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2 Approving Official

Evaluate & Submit Account Maintenance Form
For Cardholder changes, review the information on the Cardholder's Account Maintenance form, and if appropriate, complete the "Approving Official Only" section.

For Approving Official changes for address, phone number, or office limits, complete the "Approving Official Only" section of the Account Maintenance form.

Forward the Account Maintenance form along with any returned Procurement Cards to the Director of Business Services.

Immediately notify Business Services of any Cardholder employee terminations.

3 Business Services

Coordinate Changes with the Bank

WORN OUT AND DEFECTIVE CARDS

1 Approving Official

Request Replacement for Procurement Card
Submit a memo to the Director of Business Services along with the worn out or defective Procurement Card.

2 Business Services

Coordinate with the Bank to Replace Card

LOST AND STOLEN CARDS

1 Cardholder

Notify Bank, Approving Official, and the Director of Business Services

Provide the following information:

- name as shown on the Procurement Card
- Card number
- date reported to Police (if applicable)
- date reported to the bank

*US Bank can be contacted at:
1-800-227-6736 (24 hr/7 day)*

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- 2 Approving Official **Submit Memo to Director of Business Services**
Submit a memorandum to the Director of Business Services documenting the lost or stolen card.
- 3 Business Services **Coordinate Card Replacement**