



PERALTA COMMUNITY COLLEGE DISTRICT



CAL CARD VISA PROGRAM

ADMINISTRATIVE GUIDELINES

WHAT IS CAL CARD?

The Department of General Services, Procurement Division (DGS PD) entered into a Participating Addendum (Cooperative Agreement) with U.S. Bank National Association for purchase card services to support the State of California Purchase Card (CAL-Card) Program. The agreement provides eligible participating agencies with VISA purchase card services for the acquisition of goods and services.

BACKGROUND

On May 14, 2013 the PCCD Board of Trustees adopted the U.S. Bank Cal-Card Program, in an effort to improve the district's bottom line, UTILIZING the U.S. Bank Purchasing Cards to place low-dollar value orders, emergency orders and the costs associated with processing requisitions, purchase orders, vouchers and reimbursements which impacts the purchase and payment process and allow for labor intensive manual data entry for staff.

The Cal Card program is an excellent procurement tool which will allow for efficiency and timely processing of low dollar value items, emergency purchases, payment for purchases where a purchase order is not acceptable, travel, conference, and other related items.

BENEFITS OF THE CAL CARD PROGRAM

The Cal-Card "Visa" Purchasing cards streamline procurement processes and reduce costs for the District and vendors. The benefits of the program are:

- Purchasing cards save time, reduce paperwork and the "Visa" logo are widely accepted
- No waiting for signatures on requisitions, check request or invoices for emergency purchases
- No waiting for a purchase order to be issued on travel and conference related purchases
- Goods and services are procured in a timely manner when urgently needed

THE PURCHASING CARD PROCESS

Cardholders may use their purchasing card at any merchant that accepts Visa cards for payment. The typical purchasing process follows these basic steps (when in doubt please refer to your Approving Official):

1. In-person transactions: Once a Cardholder has selected items to purchase, the Cardholder present his or her card to the merchant for payment Internet, mail or telephone order purchase.

When placing an Internet, mail or telephone order, Cardholders will be asked to provide their name account number, account expiration date, CVV2 and/or mailing address. Cardholders must also inform the merchant if the mailing or billing address for their U.S. Bank Purchasing Card and shipping address are different, otherwise their transaction may be declined.

2. After calculating the total due for the purchase, the merchant processes the card information through an electronic terminal to obtain authorization.

3. The authorization request verifies that the account is valid and determines if the purchase is within authorized spending control limits.

4. Cardholders retain their receipt that the account is valid and determines if the purchase is within authorized spending control limits.

SPENDING LIMITS

Cardholder spending limits are assessed and determined by the Vice Chancellor of Finance based on need and service levels. Increases to spending limits must be authorized by the Vice Chancellor of Finance in advance of use.

INAPPROPRIATE PURCHASES.

After payment, the monthly statements will be audited by the District Internal Auditor for conformance to District Procedures on Purchasing Policies. If there are inappropriate purchases made by the cardholder, the Approving Official is responsible for reprimanding the employee. Continued inappropriate use will result in suspension of credit card privileges and possible disciplinary action which shall include termination of employment. Any misrepresentation or misappropriation resulting from misuse of a card may also result in a financial adjustment to a cardholder's pay and/or criminal charges being filed.

EMERGENCY PURCHASES

EMERGENCY PURCHASES DEFINED

An emergency purchase bypasses normal procurement procedures to purchase directly limited amounts of goods or services (e.g.-repairs) which are needed on an *emergency basis* to continue essential department operations and/or to ensure the health and safety of the District's students, faculty and staff.

An example of a recent emergency purchase: during a recent heat spell air coolers were purchased to place in college classrooms in order to maintain a safe and comfortable instructional environment for students.

Please note that ineffective planning on behalf of a department does not constitute an emergency. The Purchasing Card should not be used to mitigate or disregard the District's regular purchasing process(es).

Emergency purchases do not include:

- On-going commitments, such as maintenance contracts
- Standing or Open Purchase Orders
- Orders exceeding \$1,000 in general
- Capital equipment purchases
- Purchase of software and/or advanced technology
- Furniture
- Gasoline

However, the Purchasing Card can be put to good use for purchases were the District's purchase order is not acceptable. Examples of such vendors include:

- Lowe's
- Home Depot
- Orchard Supply and Hardware
- Swimming Pool supplies

The Purchasing Card should never be utilized in lieu of the District's purchasing procedures for non-emergency purchases. *Nor should the card be used for any personal purchases.* When in doubt, please refer to your Approving Official or to the Program Administrator, Marie Hampton, Director of Purchasing Services, for additional information regarding emergency purchases.

**PERALTA COMMUNITY COLLEGE DISTRICT
CAL CARD PROCEDURES**

CAL CARD

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SECTION I - GENERAL

A. Purpose

The purpose of the District's Cal Card Program is to establish a more efficient, cost-effective method of purchasing and paying for emergency transactions, travel, conference and other small transactions and to establish policies and guidelines related to appropriate use of the Cal Card.

B. Policy

1. A Cal Card Application form must be completed and approved.
2. All cardholders must sign and accept the terms and conditions as outlined on the Cal Card Program Cardholder Agreement.
3. All purchase transactions processed against the Cal Card must be made by the individual to whom the card is issued.
4. The Cal Card can only be used for non-restricted (acceptable) commodities.
5. Documentation pertaining to all purchase transactions must be obtained and maintained on file.
6. Split purchases to bypass the authorized limit(s) or to circumvent Purchasing Policies and Procedures is prohibited.
7. Fraudulent use of the Cal Card, or use for personal gain, will result in corrective action in accordance with the terms and conditions of the Cal Card as outlined on the Cardholder Agreement and/or loss of card.

C. Overview

The Cal Card Program streamlines the purchasing process, including the requisitioning, procurement, receiving, and payment processes for low-dollar value purchases from any vendor or supplier that accepts a VISA credit card.

This program enables the cardholder to purchase approved commodities directly from vendors/suppliers.

The Cal Card can be used for purchases of all non-restricted (acceptable) commodities based on emergency needs. All purchases of commodities, where approved "Prime Vendor" contracts are in place, should be made from those contracted vendors/suppliers. Each Cal Card issued will contain the name of PERALTA COMMUNITY COLLEGE DISTRICT as the corporate buyer of products and services. **THE CAL CARD IS NOT TO BE USED FOR PERSONAL TRANSACTIONS.**

Each card is assigned transaction limits when the Cal Card Application is completed and approved.

D. Approving Official

The College Business Director is the Approving Official for the Cal Card program at each Peralta campus.

SECTION II - PROGRAM OVERVIEW

The Cal Card Program simplifies the purchasing/disbursement process by facilitating point-of-sale procurement. Purchasing responsibility is delegated to the ordering department enabling an authorized cardholder to place an order directly with a vendor/supplier.

When a purchase authorization is requested by a vendor/supplier at the point-of-sale, VISA validates the transaction against pre-set limits established by the District in conjunction with department administrators. All transactions are approved or declined instantaneously based on the following Cal Card authorization criteria:

1. Number of transactions allowed per day.
2. Number of transactions allowed per month.
3. Single purchase limit not to exceed \$1000.00
4. Spending limit per month not to exceed \$5000.00
5. Approved commodity codes.

The Approving Official is responsible for adhering to these limits.

A. How to Obtain a Cal Card

1. Complete a Cal Card Application form.
2. Submit the Request for Cal Card for approvals the College President for approval.
3. Submit the approved Request for Cal Card to the Vice Chancellor of Finance for processing.
4. Attend a Pre-Card Issue Training Session.
5. Application for Cal Card is completed and transmitted to Card Provider.
6. Card Provider issues Cal Card.

B. Opening of Accounts

1. The Chancellor, College Presidents and Vice Chancellors, are responsible for designating employees to receive the Cal Card and must use the Cal Card Application form (Appendix B). All applications are subject to review and final approval by the Vice Chancellor of Finance & Administration. The approved application is submitted to Purchasing for processing. Legitimate charges made on the Cal Card are a District liability, not a personal liability to the individual. Employees should ensure that Cal Cards are adequately safeguarded from loss or misuse.

2. There will be no credit reference check on the personal credit of the employee as a condition for receiving the District Cal Card, nor will the use of the Cal Card have any effect on the employee's personal credit rating.

3. Employees who have exhibited a history of not following Board Policy or/and Administrative Regulations concerning Purchasing will not be approved to use the Cal Card. An example of such a history would include having three or more Audit Exception Memos on file for the preceding 12 months.

4. Each employee approved to receive the Cal Card must attend a user training session. Training will be provided by the Purchasing Department. After completion of the training, the cardholder will be required to complete and sign the Cardholder Agreement.

5. US Bank will issue a Cal Card to the employee when a Cal Card Application is submitted by the Approving Official. Cal Cards will only be issued to permanent, full-time employees who are not on probationary status.

C. Ordering Process

The Cal Card Program provides another option to existing purchasing procedures regarding transactions for goods, commodities, supplies or repairs valued at less than \$1000.00 (including all delivery, shipping, etc.) **NO SINGLE PURCHASE IS TO EXCEED \$1000.00.**

Purchases for restricted commodities and for purchases of \$1000.00 or more should continue to be processed in accordance with the established procurement/disbursement policies and procedures.

Please be sure to follow these procedures when using the Cal Card:

1. Determine that the purchase is appropriate for a Cal Card transaction. Cross-check the list of prohibited purchases.
2. Determine if your transaction total is \$1000.00 or less. If not, the transaction must be processed in accordance with established purchasing disbursement policies and procedures.
3. Contact the vendor/supplier and obtain the goods. Goods may be purchased either in person, by telephone, or internet. Purchases must be in conformance with District purchasing guidelines (i.e. reasonable, necessary, and for District business).
5. When receiving a shipment, it is the responsibility of the cardholder to properly inspect the shipment for damage and to verify the shipment is complete. In case of returns, the cardholder is responsible for coordinating the return directly with the vendor/supplier and for contacting the Approving Official with any unresolved issues.
6. All packing slips must be retained as part of the purchase transaction documentation.

D. Recording Purchase Transactions

The CAL-Card Visa card should only be used by the cardholder for approved purchases. Purchases can be made in person, via telephone, or via the Internet.

Credit Card Receipts

When you place your order, request a detailed receipt from the vendor. Should you lose a receipt or a vendor not include one with a purchase, you will need to make one on District letterhead and sign to verify that the information is correct.

The following information should be on all receipts:

- Date of Purchase
- Name of Vendor
- Address of Vendor
- Description of Items
- Price of Items
- Taxes paid

Taxes

Remember that all purchases of good are taxed. If you are ordering from an out of state vendor that does not collect California tax, the District is still legally obligated to pay Use Tax to the State of California. If you are ordering from another city in California, and the goods will be delivered to the District in Oakland, we pay the tax rate for Oakland, not the tax rate of the city where the item is being shipped from.

Purchase Log

The cardholder is responsible for keeping a detailed description of every use of the credit card. As soon as you have completed a purchase, or as soon as you return to your office, record that purchase on the Purchase Log (last page of this document). You will need to record the following information:

- Date of Purchase
- Vendor Name
- Item Description
- Method of Purchase (in person, phone, Internet)
- Amount of Goods
- Taxes
- Date Item Received
- GL Account/Object Code

At the end of the billing cycle, the Purchase Log is signed off and forwarded to the Approving Official with the receipts. When forwarding the receipts, arrange them in the same order as they occur on the statement. If they are smaller than 8-1/2" X 11", tape to a full sheet of paper. The Cardholder should make copies of the log sheet and all receipts and keep in these documents in their files for two years.

E. Closing of Accounts

1. Accounts will be audited as a part of the closeout procedures for employees leaving the District. Cal Cards are to be turned-in to the Approving Official by employees upon separation of service from the District for any reason.
2. Supervisors of employees changing departments must contact the Approving Official to close their accounts. If appropriate to the new position, the process for opening a new account will be followed. The District's Approving Official will close account numbers upon request of the Chancellor, Presidents, Vice Chancellor's, and Vice Presidents.
3. Accounts may be closed without prior notification if funds are not available in the Cardholder's account or cancelled at any time for reasons considered not in the best interest of the District. Reasons include but are not limited to failure to adhere to Board Policies and/or Administrative Regulations.

F. Authorized/Prohibited Purchases and Practices

Cal Cards are District property issued in the employee's name. **Use is restricted exclusively for qualified business-related purchases.**

1. Authorized Purchases

One-time emergency purchases up to \$1000.00

Periodic supply purchases up to \$1000.00 per transaction

Equipment costing under \$1000.00 (including tax and shipping)

Travel Expenses (Air Fare, Ground Transportation, Lodging, Conference Fees)

2. Prohibited Purchases

Any purchase over \$1000.00

Equipment costing over \$1000.00

Furniture

AV equipment

IT Services

Computers

Software

Software licenses

Consultants, Instructors, Speakers

Maintenance Agreements

Service Agreements

Rental Agreements (Facilities, Equipment, etc.)

Lease/Purchase Agreements

Facility Improvements

Postage, Federal Express, UPS

Employees' meals and/or food expense

3. Prohibited Practices

Cash Refunds

Cash Advances

Split Orders/Purchases

Transferring cards between individuals

Wire transfers – Money orders

Purchases for personal gain or benefit

SECTION III - RESOLUTION PROCESS

A. General

The cardholder is responsible for taking appropriate and timely action by initiating the proper documentation and notifying the proper official whenever a discrepancy is noted on the monthly billing statement.

B. Order and Receipt of Goods

The cardholder is responsible for ensuring receipt of materials and will follow-up with the vendor to resolve any delivery problems, discrepancies or damages to goods.

For telephone or internet orders, make sure complete shipping address and instructions are given along with your name (i.e., name, department name, complete street address, room number, city, state and zip code). If materials are ordered by phone, ask the vendor to include a sales receipt in the package. Save the credit card receipt and shipping documentation.

C. Resolving Errors

The cardholder is responsible for following up with the vendor or bank on any erroneous charges, disputed items, or returns as soon as detected. Disputed billing can result from failure to receive goods/services, fraud, misuse, altered charges, defective merchandise, incorrect amounts, duplicated charges, unprocessed credits, etc. The cardholder will first contact the vendor to resolve all outstanding issues.

D. Resolving Disputes

If the cardholder is unable to reach agreement with the vendor, contact US Bank Customer Service Center at 1-888-344-5696.

The bank will ask the cardholder to complete a Cardholder Statement of Questioned Item form and fax or mail the completed form to the bank. Please note on the form the reference number given to you by the customer service representative. A copy of the form should be sent to Purchasing. The bank must be notified of any disputed item within thirty (45) days of the cycle in which the item was purchased.

If the cardholder is still unable to reach an acceptable solution, contact Purchasing at (510) 466-7225.

E. Credits and Returns

The Cardholder is responsible for ensuring that all credits resulting from the return of merchandise to the vendor are applied to the cardholders account. Should the related credit appear in the subsequent billing cycle or appear on a subsequent billing statement the cardholder must identify the future credit on the PCCD Monthly Cal Card Purchase Log.

F. Card Cancellation

To cancel a Cal Card, immediately call or notify in writing, the Approving Official. The Approving Official will notify the Program Administrator who will notify the bank and deactivate the card. The card should be cut in half and immediately forwarded to the Approving Official.

G. Lost or Stolen Card

If your Cal Card is lost or stolen, IMMEDIATELY NOTIFY US BANK AT 1-888-344-5696 AND THE CAMPUS APPROVING OFFICIAL AND VICE CHANCELLOR OF FINANCE.

SECTION IV - ACCOUNTING PROCESS

A. Purchase Requisition/Purchase Order - General

Prior to final approval by Approving Official of applicants Cal Card Application, applicant must initiate an Open Purchase Requisition to identify and encumber sufficient funds to pay for obligations created by use of card. At any given moment the unexpended amount on the Open Purchase Order must not be less than the monthly expenditure limit established by the Approving Official (\$5000.00). Should the unexpended balance remaining on the Open Purchase Order fall below the monthly expenditure limit established the Approving Official will reduce the monthly expenditure limit accordingly.

B. Purchase Requisition/Purchase Order – Travel

Authorized cardholders can use their assigned Cal Cards to pay for registration, airfare, lodging, parking, and other business-related incidental expenses with the exception of meals. Meals are prohibited purchases. Such expense should only be made after receiving Board approval, if applicable. Prior to using the Cal Card, cardholders must create a Purchase Requisition for the total estimated expense of the activity.

C. Recordkeeping and Documentation

To facilitate reconciliation, substantiation, and allocation of charges, the cardholder is required to provide detailed information about his/her credit card purchases. The original transaction documentation and original detailed receipts (credit card slip, packing slip, itemized invoice, etc.) will generally provide important information such as a detailed listing of what was purchased, when the transaction occurred, who the vendor is, where they are located, the purchase amount, and the purchaser identification.

Regardless of the method used to document credit card transactions, the documentation must provide the details of the transaction and describe the goods purchased.

Cardholders must prepare and maintain the PCCD Monthly Cal Card Purchase Log to expedite reconciliation and distribution of charges. This summary, along with supporting documentation, is to be presented to the cardholder's Approving Official and Purchasing Department for review and approval.

D. Reconciliation and Approval Process

The following process and timeline has been established to facilitate the payment process within the timeline required by US Bank.

1. Cardholders will receive a statement of charges either via U.S. mail or downloaded from the US Bank website for their respective card. Cardholders must reconcile the transaction documentation with the statement of charges in a timely fashion using the PCCD Monthly Cal Card Purchase Log including appropriate and accurate budget codes. All the preceding documents are herein after collectively referred to as the "**reconciliation packet**".
2. Cardholders must forward the **reconciliation packet** to their Approving Official for approval **within than 5 working days of receipt of the statement of charges.**
3. After review and approval, the Approving Official must forward a copy of **reconciliation packet** to the Purchasing Department **within 5 working days of receipt from the cardholder.**
4. The Approving Official or designee must review and approve the **reconciliation packet** and forward to Accounts Payable for processing within 48 hours of receipt.

SECTION V - RESPONSIBILITIES

A. Cardholder Responsibilities

This Administrative Regulation, coupled with the Cardholder Guide, places adequate controls into effect, and, if followed, should provide significant benefits to both the cardholder and District. The following is a list of the cardholder's specific responsibilities:

1. Ensure that the Cal Card is used in accordance with this Administrative Regulation.
2. Purchase only items that are work-related or for the use and benefit of the District and that are permissible.
3. Order supplies only as needed and only from vendors with whom the District does not already have negotiated contracts.
4. Sign the card in the signature panel.
5. Maintain card security to prevent unauthorized charges against the account.
6. Obtain receipts at the point of purchases and verify them for accuracy.
7. Reconcile receipts and other purchase documentation to the statement of charges timely.
8. Provide the vendor with all pertinent information when placing an order (if placing an order by telephone, cardholder must instruct the vendor to ship goods directly to the cardholder's department). **DO NOT HAVE THE ORDER SENT TO CENTRAL RECEIVING.**

9. Maintain the documentation for all transactions in accordance with this Administrative Regulation and the District's record retention policy.
10. Report loss of card IMMEDIATELY to: (1) U.S. Bank Customer Service and (2) the Approving Official (Business Director/Purchasing Director).
11. Notify U.S Bank Customer Service of any billing discrepancies posted on your statement of charges that cannot be resolved with the merchant. If needed, complete and submit the Cardholder Statement of Questioned Item.
12. Do not allow any member of your staff, family or supervisor to use this card. You, alone, are authorized to use this card.
13. Ensure that NO SPLIT PURCHASES are made.
14. Accept NO BACKORDERS.
15. Maintaining the PCCD Monthly Cal Card Purchase Log.
16. Submit the "Reconciliation Packet" to the Approving Official for approval within stated timelines.
17. Ensure sufficient funds have been encumbered on Purchase Order to meet the obligations from card use.

Use of the Cal Card that is NOT in accordance with the guidelines established for this Program may result in: (1) loss of card privileges, (2) personal liability, (3) written reprimand, (4) suspension of employment, or (5) termination, in the case of fraudulent use.

B. Responsibility for Approving Officials

Approving Officials are responsible for:

1. Reviewing all charges.
2. Ensuring all purchases are appropriate.
3. Ensuring all proper documentation is attached to the reconciliation packet.
4. Ensuring cardholders do not purchase commodities that should have been competitively bid in accordance with District Purchasing Policies and Procedures.
5. Ensuring that NO SPLIT PURCHASES are made.
6. Administering the Cal Card Program for its respective Campus⁷². Processing approved requests for Cal Cards.
7. Providing assistance to cardholders.
8. Providing information to appropriate District officials.
9. Reviewing reports for program compliance.

10. Following up with Program Administrator when necessary.

D. Accounts Payable Department

The Accounts Payable Department is responsible for:

1. Paying monthly statement billing upon receipt from Approving Official.
2. Following up with Card Holder/Program Administrator on matters of payment.

E. Card Holder

Card Holder is responsible for:

1. Paying suppliers/vendors.
2. Monitoring and controlling credit verification.
3. Providing monthly statement and analyses to the Approving Official.
4. Providing duplicate copies of sales drafts of a disputed charge when requested.

