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| <p>CSU, FULLERTON AUXILIARY SERVICES CORPORATION (ASC) POLICY AND PROCEDURES</p> <p>Section: PURCHASING CARD</p> <p>Approved by: CFO, TARIQ MARJI</p> | <p>Dept: ASC FINANCIAL SERVICES</p> <p>No: PC 205</p> |
| <p>Subject:</p> <p>POLICY & PROCEDURES</p> | <p>Rev.: 06/24/2008</p> <p>Total: 8 pgs</p> |

PC-205.A Purchasing Card Application Form
 PC-205.B Cardholder Agreement – Purchasing Card

PC 205.1 Policy

The Purchasing Card is a tool designed to complement ASC’s purchasing and payables processes and is used to make small dollar purchases for goods required to conduct ASC official business. This card can also be used for conference registration, hotel (lodging), airfare, and rental car services. Airfare may be purchased through travel agencies, direct from airlines and the Internet. The card also allows users to obtain certain items faster and easier. Issuance of a Purchasing Card is a privilege and every reasonable effort must be made to ensure that funds are used responsibly and in a manner consistent with ASC’s and the University’s mission, applicable laws and ethical practices. The card **CANNOT** be used for personal expenditures.

PC 205.2 Authorized Use and Restrictions

The card is allowed for the ASC General Fund, Commercial Operations, Grants & Contracts, and Sponsored Programs such as the UEE. This card cannot be used for campus programs operations. There are four types of Purchasing Cards available to eligible members:

1. Executive

This card can be used to make purchases for all types of goods, supplies, and travel related expenses, as authorized by the ASC or University Travel Policy.

2. Administration

This card is restricted to purchases associated with office supplies, store purchases, and miscellaneous repairs.

3. Travel

This card is restricted to travel purchases such as airfare & rail tickets, conference fees, rental car expenses, lodging, business lunches, and other associated travel expenses. Pre-approved authorization is required.

4. Automotive

This card is restricted to purchases related to repairs for automobiles and vehicles owned by the ASC.

PC 205.3 Authorized Use and Restrictions

The cardholder will be responsible for maintaining documentation on every purchase made using the card. Purchases must be made in accordance with established ASC and University policies for expenses associated with official business that directly benefit ASC and the University. No purchases of a personal nature may be made using the Purchasing Card. Any such purchases must be immediately reimbursed to ASC by the Cardholder and may result in the revocation of card privileges.

1. Prohibited Purchases/Transactions

The Purchasing Card may not be used for the following:

- All services including independent contractors;
- Cash advances, money orders, wire transfers, Titan card/copy card deposits, gift cards or other cash equivalent items;
- Public relations (unless the expense has an approved Directive 11);
- Personal purchases (including personal expenses when on a business trip);
- Goods that require the purchaser to sign a contract or document that requires administrative review;
- Narcotics/Controlled Substances;
- Raffle or Prizes;
- Furniture (with any room design or installation service);
- Fines, late fees, penalties, interest and finance charges;
- Splitting purchases to circumvent the transaction limits (Note: A split purchase is defined as one item, or set of items sold as a set, that has been split by the merchant to look like two separate purchases);
- Purchases which result in a conflict of interest for the user, resulting in personal gain, or which violate ASC or CSU policies or procedures;
- Purchases restricted by the Grants or Contracts;

2. Fixed Asset Property and Equipment

The following guidelines apply when a cardholder is purchasing property/equipment (fixed assets). The accounting office maintains a record of ASC fixed assets. All fixed assets that are \$5,000 or more, whether depreciated or expensed, should be tagged with a bar code assigned by the ASC Accounting Office or Sponsored Program coordinator. All equipment

which has a value of \$500 or more and service life of over one year should also be tagged. ASC assets will be inventoried annually. Departments are required to confirm the existence of each tagged item or to state its new location.

3. Conflict of Interest

- a. Cardholders are delegated limited purchasing authority on behalf of ASC and, as such, have the responsibility to ensure that purchases made on their P-Card do not fall within the definitions of a conflict of interest. “Conflict of Interest” is defined as follows: No public employee at any level of state or local government shall make, participate in making, or in any way attempt to use his/her official position to influence a governmental [CSU] decision in which he/she knows, or has reason to know, that he/she has a financial interest.
- b. Gifts, gratuities, rebates (not issued in the name of ASC), kickbacks, rewards points/credits, or other incentives provided to a cardholder which influence or appear to influence the decision to make a purchase from a vendor is considered a conflict of interest purchase. Conflict of interest purchases may subject the cardholder to suspension or revocation of the P-Card and will result in the reporting of the conflict of interest violation to management for review.

PC 205.4 Area of Responsibility

1. Cardholder Responsibilities

Cardholder must ensure that the Purchasing Card is used in accordance with the Purchasing Card Policies and Procedures, and must ensure that all purchases are in compliance with ASC’s overall policies and procedures.

2. Card Security

Purchasing Cards must always be stored in a secure place. Cardholder must ensure the appropriate use of the Purchasing Card. The Purchasing Card may be used only by the approved cardholder. Use by anyone other than the cardholder is prohibited as the card is NOT transferable.

3. Lost or Stolen Cards

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, immediately report this information to Wells Fargo Bank Business Purchasing Service Center (BPSC) at 800-932-0036. Immediately after reporting to the BPSC, you must inform ASC accounting office. **In order to avoid company liability for fraudulent transactions, it is extremely important to act promptly in the event of a lost or stolen card.** As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

4. Reconciliation

At the end of a statement period, the cardholder will be notified via email that it is time to review the card statement. The cardholder will access the Commercial Card Expense Reporting tool via the Internet to review the statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. Cardholders are responsible for the following:

- Retaining all receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made by the cardholder on behalf ASC.

Supporting Documents and Receipt Retention:

It is a requirement of the program that the cardholder keep all receipts for goods and services purchased. **For orders placed via phone, fax, mail, or online, cardholder must request that a receipt, detailing merchandise price, sales/use tax, freight, etc., be included with the goods mailed/shipped. (Note: a merchant should not reject this request as it is a Visa policy).** It is extremely important to request and retain purchase receipts as this is the only original documentation that shows whether sales tax has been paid.

Reconciling Purchases:

It is the cardholders responsibility, immediately upon receipt of statement, to: (1) check the statement to ensure all the transactions posted are legitimate transactions; (2) mark transactions for which receipts will be attached; and (3) attach line item detailed point of sale receipts or delivery invoices. Other optional functions such as adding descriptions and reclassifying expenses can be performed using the Purchasing Card Expense Reporting tool. All of the available functions can be referenced in the Cardholder Quick Reference Guide. If everything is in order, cardholder will mark the statement as reviewed. Once your statement has been marked as reviewed an email will be issued to the cardholder's manager for his/her approval. Cardholder should forward all receipts to his/her manager. Please make copies for your records.

5. Disputed or Fraudulent Charges

If there is any discrepancy between the record log and statement it is imperative that the issue be addressed immediately. Depending on the type of discrepancy, cardholder will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

If the merchant has charged you incorrectly or if there is an outstanding quality or service issue, cardholder must first contact the merchant and try to resolve the error or problem. If the issue is resolved with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on the next statement. Note: The item should be

highlighted on your record log as a reminder to verify that the correct credit has been received.

If the merchant disagrees that an adjustment is necessary, the cardholder will complete an online dispute form. The details of the disputed transaction will be entered online and followed up on by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the company's account for the amount of the disputed transaction.

Any fraudulent charge (i.e., a charge appearing which was not authorized by you) must be reported immediately to the ASC Accounting Office. Prompt reporting of any such charge will help to prevent the company from being held responsible.

PC 205.5 Billing Cycle

The billing cycle generally runs from the 1st of the month until the end of the month. At the end of each month the cardholder will receive a reminder that he/she needs to reconcile the Purchasing Card within three business days. This can be done online through Wells One Commercial.

The Cardholder must review all expenses for accuracy and reconcile them to the vendor receipts/invoices. The Cardholder is responsible for reviewing each transaction and assigning the appropriate project and object entries, and the appropriate description of the purchase for each transaction. The Cardholder is responsible for contacting Wells Fargo regarding questionable or disputed items. The Cardholder must sign and attach the Approval Card Transactions Form and forward the packet to the designated Approving Official to review and approve.

The entire expense log report packet, receipts/invoices, corresponding documents and the signed approval form are due in the ASC Accounting Office, Accounts Payable department CP275, on the 10th day of each month (for the prior month's transactions).

PC 205.6 Approving Official Responsibilities

The Approving Official is the administrator who supervises the Cardholder or has been delegated the authority to certify that the purchases made by the Cardholder are appropriate. The Approving Official is responsible for the following:

- Review and approve all charges;
- Ensure that all purchases are appropriate;
- Ensure that no prohibited items have been purchased;
- Ensure that proper documentation is attached to the monthly statement;
- Ensure that a Directive 11, signed by the Division Head or designee, has been submitted with the packet, if applicable;
- Certify that all purchases are to be, or have been, used to benefit University.

- Sign the Approval of Purchasing Card Transactions Form and forward the form and packet, with attached documents, to the ASC Accounting Office, Accounts Payable Department CP275, by the 10th day of each month (for the prior month transactions).

PC 205.7 Purchasing Card Policy Violations

Pursuant to Executive Order No. 760, the Accounting Supervisor is responsible for conducting post-audits to ensure compliance with Purchasing Card policies and procedures. Failure to comply with Purchasing Card policies may result in suspension or revocation of the Purchasing Card.

PC 208.8 Purchasing Card Processes

New Cardholders must complete an application and submit it, with the appropriate signatures, to the Accounting Office, CP-275. Incomplete applications will delay processing of the application. The Accounts Payable Specialist will notify Cardholders once their card is received. Upon receiving the card, Cardholder must activate the card with a 4 digit code that will be assigned by the Accounting Office.

1. Change of Cardholder Position

When a Cardholder leaves the position the Purchasing Card must be surrendered to the Accounting Office or Human Recourses. All account activity must be cleared and reconciled. If a Cardholder transfers to another department, the Accounting Office must be notified in writing.

2. Spending Limits

Monthly spending limits are set at the time of card issuance. The monthly limit may be changed by an email from the supervisor explaining the reason for the change. Such email should include the requested monthly limit amount and should state whether the change is permanent or temporary. All changes must be approved by the Director of Finance & Administration.

3. Card Changes / Updates

A change to the Cardholder's last name or telephone number may be requested by an email from the Approving Official or by submitting a Revision Request Form signed by the Approving Official. To change an Approving Official, a signed memo by the new Approving Official and the Division Head, College Dean or their Designee must be submitted to the ASC Accounting Department.

A Purchasing Card may be cancelled by an email request sent from the Approving Official. The cancelled Purchasing Card must be sent to the ASC Accounting Office to be destroyed. A Revision Request Form may also be submitted along with the destroyed Purchasing Card. The Approving Official is responsible for ensuring that all documents are submitted to the ASC accounting office.

FOR A COPY OF THE PCARD APPLICATION, PLEASE GO TO CSUFASC.ORG AND CLICK ON THE ACCOUNTING FORMS TAB TO FIND THE PURCHASING CARD APPLICATION

(APPENDIX PC-205.A)

Purchasing Card Application

APPLICATION/APPROVAL FORM

Applicant's Name: _____

Department Name: _____ Bldg. _____ Room# _____

Department Mailing Address: _____

Phone Number: _____ E-mail: _____

Campus Wide Identification Number (CWID #): _____

Default project(s) to be charged: _____

Monthly \$ Limit Request: _____ Single purchase Limit Request: _____

Award Period (For Grants and Contracts projects) _____

Explanation for Single Purchases Limit over \$500: _____

Max. Transactions Per Month: _____ Max. Transactions Per D. _____

Department contact for Audit/Reconciliation:

Name _____ Phone _____ E-mail _____

I agree to adhere to the ASC policies and procedures and sign the Cardholder Purchasing Card Agreement before a Purchasing Card will be issued. Upon the issuance of the card, I will be personally responsible for any abuse, misuse or purchases of prohibited items. I also understand that failure to submit all required documents in compliance with purchasing card policy deadlines may result in revocation of my card.

Applicant Name (Print/Type) _____ Applicant Signature _____ Date _____

I hereby approve the applicant, listed above, for issuance of an ASC Purchasing Card. I assure that the monthly reconciliation of all statements will be done, as required, and all documentation retained. I understand that the improper use of this card by this individual may result in revocation of the card.

Department Head/Supervisor Name (Print/Type) _____ Department Head or Supervisor Signature _____ Date _____

Division Head or Designee (Print/Type) _____ Division Head or Designee Signature _____ Date _____

Approved:

Chief Financial Officer

ASC Office Administrator _____ By _____

CARDHOLDER AGREEMENT – PURCHASING CARD

I, _____, hereby acknowledge receipt of the ASC Purchasing Card. As a cardholder, I acknowledge that I have read, understand and agree to comply with the terms and conditions of this Agreement and the Purchasing Card policies and procedures.

I understand that the CSUF Auxiliary Services is liable to Wells Fargo for all purchasing card charges.

I agree to use this card for ASC approved purchases **only** and agree not to charge personal purchases. I understand that the ASC will audit the use of this card and report any discrepancies. I agree to repay the ASC for any amounts personally owed by me, even if I am no longer employed by the ASC or the University.

I agree to follow the established procedures for use of the Purchasing Card and to submit my statement, with all receipts attached, to my Authorized Approver within the time frame set forth in the policies and procedures. Failure to do so may result in revocation of my Purchasing Card.

I understand that the card is the property of the ASC. I further understand that the ASC may terminate my right to use this card at any time and for any reason. I agree to return the card to the ASC Accounting Office immediately upon request, upon termination of employment.

Cardholder: Card #: _____

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|-----------------|-----------|------|
| Cardholder Name | Signature | Date |
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ASC Use only

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|---------------------------|------|-----------|
| Orientation conducted by: | Name | Signature |
|---------------------------|------|-----------|

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|----------------------------------|------|-----------|
| Card released by: (H/R Staff) | Name | Signature |
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