

**VENTURA COUNTY COMMUNITY COLLEGE DISTRICT**

**PROCUREMENT CARD PROGRAM**

**USER'S GUIDE**

# TABLE OF CONTENTS

|      |   |       |
|------|---|-------|
| I.   | OVERVIEW  | 3     |
|      | A. Purpose  | 3     |
|      | B. Card Uses  | 3     |
|      | C. Card Features and Program Restrictions                                       | 4     |
|      | 1. Dollar limit per transaction   | 4     |
|      | 2. Number of transactions per day   | 4     |
|      | 3. Dollar limit per month   | 4     |
|      | 4. Standard Industry Code (SIC) or Merchant Category Code (MCC) groups          | 4     |
|      | D. Monthly Statements   | 4     |
| II.  | BANNER INTERFACE AND PAYMENT OF CHARGES   | 4-5   |
|      | A. Procurement Card Transactions  | 5     |
|      | B. Procurement Card Maintenance Form  | 6     |
| III. | OBTAINING AND USING YOUR PROCUREMENT CARD                                       | 7     |
|      | A. Instructions for Completing A Request for Issuance of VCCCD Procurement Card | 7     |
|      | B. Completing a Procurement Card Policies and Procedures Contract               | 7     |
|      | C. Receiving and Activating Your Card   | 7     |
|      | D. Safeguarding Your Card   | 7     |
|      | E. Conference/Travel Attendance   | 8     |
|      | F. Declined/Rejected Charges  | 8     |
|      | G. Errors and Dispute Resolution  | 8     |
|      | H. Lost or Stolen Cards   | 8     |
|      | I. Revocation of a Card   | 8     |
| IV.  | FORMS   | 10    |
|      | A. Request for Issuance of VCCCD Procurement Card                               | 10    |
|      | B. Procurement Card Policies and Procedures Contract                            | 11-12 |

# OVERVIEW

The Board of Trustees of the Ventura County Community College District ("District") has entered into an agreement with Bank of America ("Bank"), which provides for the issuance of procurement cards to regular permanent employees who are required to make purchases or travel related expenses on behalf of the District. Procurement cards are to be used for District use only and not for personal transactions. Permanent employees are eligible to be issued a District procurement card upon approval of the Vice President, Business Services and the Vice Chancellor, Business & Administrative Services.

This user's guide provides the guidelines for obtaining and using your procurement card. Please read the guide in its entirety before completing the Request for Issuance of VCCCD Procurement Card and the Procurement Card Policies and Procedures Contract.

## Purpose

The purpose of the procurement card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions. The program is designed to:

- Streamline the process for low dollar-value purchases.
- Allow time-sensitive and emergency purchases.
- Eliminate low-volume, low-dollar standing orders.
- Facilitate conference attendance and related travel for cardholders.
- Accommodate prepayment purchases.
- Expedite vendor payments.
- Allow dedication of resources to timely processing of high-impact, high-value purchases.

## Card Uses

The procurement card is a Visa credit card issued to a regular permanent District employee by Bank of America upon submission of an application by the District. The card bears the name of the employee and the District's name. The card functions virtually the same as a personal credit card and can be used within the program's guidelines, to make purchases from any vendors accepting Visa. Telephone, facsimile, internet and mail orders as well as in-person purchases can be made with the card, subject to the District's program guidelines.

The cardholder is personally responsible for guaranteeing that all charges are for appropriate District expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Trustees.

**In no event shall an employee use the card for personal purchases or for the purchase of equipment (with a total cost of \$200 or more per item), memberships, payment of wages, payment to independent contractors, or payments for services.**

Neither Bank of America nor the District assume responsibility for non-District or otherwise inappropriate purchases. The cardholder shall be liable to the District and to the Bank for any non-District or otherwise inappropriate purchase. Any charges resulting from misuse or abuse of the card by the cardholder will be deducted from the responsible employee's paycheck unless the employee has consulted with and resolved such charges through the Office of the Vice Chancellor, Business & Administrative Services.

### **Card Features and Program Restrictions**

A major difference between the procurement card and a personal credit card is that the procurement card program allows the District to assign individual card usage limits and to establish cardholder profiles based upon the following parameters:

#### **Dollar limit per transaction**

There will be a maximum amount which can be charged to the card for supplies or travel related expenses on any single purchase. Purchases in excess of this maximum amount will be rejected by the Bank.

#### **Number of transactions per day**

Some cards may have a maximum number of purchases that can be charged to a card in a single day. Attempts to make additional purchases after the maximum amount within a 24-hour period beginning at midnight will be rejected by the Bank.

#### **Dollar limit per month**

The maximum amount of purchases which can be charged to any card during a single month will be determined by the Vice President, Business Services or the Vice Chancellor, Business & Administrative Services. "Month" is defined as the 26<sup>th</sup> of the current month through the 27<sup>th</sup> of the next month. If the 27<sup>th</sup> of the month is on a weekend, the closing day is the last business day before the 27<sup>th</sup>. Once the maximum limit in expenses has been made during a single month, attempts to make additional purchases will be rejected by the Bank until the billing cycle is completed on the 27<sup>th</sup>. Payment is processed electronically by the District Administration Center Accounting Department 25 days after the closing date (27<sup>th</sup> of each month).

#### **Standard Industry Code (SIC) or Merchant Category Code (MCC) groups**

Every vendor that accepts Visa is assigned a Standard Industry Code ("SIC") or Merchant Category Code ("MCC") by its bank. This is a means for the banking industry to classify and identify different types of businesses. The District has opted to incorporate the use of MCC's in its procurement card program to restrict purchases from certain types of vendors. For example, jewelers, liquor stores, financial institutions, medical providers, building contractors, insurance providers, and legal services are all restricted businesses for which attempted procurement card purchases will be rejected by the Bank.

#### **Monthly Statements**

A monthly statement will be emailed to every cardholder. These statements will include the transaction date, the posting date, the amount of the purchase, and the name of the vendor. Purchases or travel related expenses are to be reconciled by the cardholder, or designee, each month to the statement of charges. **The statement must be attached to the procurement card log with all original receipts and forwarded to the District Administrative Center Business Services Department no later than ten days upon receipt of statement.**

## **BANNER INTERFACE AND PAYMENT OF CHARGES**

#### **Procurement Card Transactions**

Every Monday, the District Administration Center Purchasing Department shall download all procurement card transactions from Visa to a local PC. The transactions are then uploaded into the Banner Finance System at which time procurement card transactions are created. The transaction detail for each purchase

will display as a single line item on the Procurement Card Transaction Form which is charged to the default accounting distribution.

Using the Banner Procurement Card Maintenance Form, FAAINVT, the cardholder (or designee) is responsible for reviewing the transactions to reconcile and approve charges for payment and to audit and correct the accounting distribution as needed. The credit card transactions are to be reviewed, edited and completed within five working days. All cardholders, or designee, having Banner access to the form FAAINVT, have the ability to change the account, fund, organization and program in the default accounting distribution. After the procurement card transactions are completed, a Banner automated nightly process creates a journal entry (document number beginning with JPXXXXXX). The procurement card journal entries will route through the appropriate Banner approval ques.

The Request for Issuance of VCCCD Procurement Card form must indicate the name of the employee who will be assigned responsibility for reviewing, editing, and completing the cardholder's Banner transactions. If the cardholder designates another employee to complete their procurement card transactions, the cardholder will be responsible for providing the designee with complete information and documentation on all purchases made.

The Bank electronically debits the bank clearing account which the District established to facilitate payment of the procurement card charges. Cardholders are not responsible for remitting payment or initiating requisitions for the District to remit payment.

The following is a display of the Banner Procurement Card Maintenance Form, FAAINVT, which shows a purchase.

The screenshot displays the Banner Procurement Card Maintenance Form (FAAINVT) for a purchase transaction. The window title is "TEST - SCT Banner" and the menu bar includes "File", "Edit", "Options", "Block", "Item", "Record", "Query", "Window", and "Help". The main window title is "Purchase Card Transaction: Document Information FAAINVT 5.2.1 (TEST)".

The form is divided into several sections:

- Options:** Finance Identification Form, Vendor Maintenance Form.
- Cardholder Information:** Cardholder ID: 9TERCOB Terry Cobos, Resp Orgn: [blank], Acct Mgr ID: [blank], Bus Mgr ID: [blank], Type: Not Fed Transactions.
- Card Details:** Cardholder ID: 9TERCOB Terry Cobos, Card Account Number: 1234567890123456, Start: 01/02, Thru Expiration: 01/09, Card Type: MISA, Status: A, Card Descriptor: [blank], Acct Mgr ID: TCOBOS, Bus Mgr ID: SJOHNSON, Resp Orgn: 72006.
- Vendor Information:** Vendor: [blank] ICBO, Check Vendor: [blank], Address Code: [blank], Seq #: [blank], Address: [blank], City: 800-284-4406, State/Prov: CA, ZIP/PC: 00000000, Nation: [blank], Reference #: 68450782296119000101319, SIC: 5969, Document: [blank].
- Transaction Dates:** Dates -> Bank Post: 23-DEC-2002, Invoice: 21-DEC-2002, Feed: 29-JAN-2003, Transaction Amount: 37.47, Payment Due: 31-JAN-2003.

The status bar at the bottom shows "Cardholder Id. Record: 1/1", "kDSC> kDBG>", and the system time "6:23 PM".

The following is a display of the Procurement Card Maintenance Form, Accounting Distribution data.

TEST - SCT Banner

File Edit Options Block Item Record Query Window Help

Options

Purchase Card Transaction: Accounting Information FAAINVT 5.2.1 (TEST)

Cardholder ID: 9TERCOB Terry Cobos

Card Account Number: 1234567890123456

Vendor: ICBO Transaction Amount: 37.47

Default Account String

| COAS Index | Fund | Orgn  | Acct | Prog   | Actv | Locn | Proj | Bank |
|------------|------|-------|------|--------|------|------|------|------|
| 1          | 111  | 72006 | 4502 | 672000 |      |      |      | CT   |

| Seq | COAS | Index | Fund | Orgn  | Acct | Prog   | Actv | Locn |
|-----|------|-------|------|-------|------|--------|------|------|
| 1   | 1    |       | 111  | 72006 | 4502 | 672000 |      |      |
|     |      |       |      |       |      |        |      |      |
|     |      |       |      |       |      |        |      |      |
|     |      |       |      |       |      |        |      |      |
|     |      |       |      |       |      |        |      |      |
|     |      |       |      |       |      |        |      |      |

Chart of Account Code.  
Record: 1/1

Start Terry Cobos... Procurement... TEST TEST - SCT ... 8:10 AM

# OBTAINING AND USING YOUR PROCUREMENT CARD

## Instructions for Completing a Request for Issuance of VCCCD Procurement Card

A request for Issuance of VCCCD Procurement Card is to be completed for a card to be issued to an employee as follows:

Enter the name, position title, last four digits of the employee's social security number, date of birth (DOB). The name of the employee as entered on the Request must be the same as that which appears on the employee's social security card.

Enter the location where the employee works as District Administrative Center, Moorpark College, Oxnard College or Ventura College, and department.

List the direct VCCCD telephone number of the employee and the VCCCD email address

Enter the full accounting distribution of fund, organization, account, and program to which transactions will be expended against as the default. This default account number can be changed for any transaction when reviewing in Banner.

Enter the District employee responsible for reviewing and completing the procurement card transactions in Banner as the account manager, and list the business manager/back-up person to handle Banner transactions should the account manager not be available.

All requests must be signed by the employee/cardholder, Department Head/Dean, and Vice President, Business Services or Vice Chancellor, Business & Administrative Services.

## Completing A Procurement Card Policies and Procedures Contract

A Procurement Card Policies and Procedures Contract is to be completed by each employee who will be issued a District procurement card. The contract must be signed by the employee and is to be submitted with the Request for Issuance of VCCCD Procurement Card. Employees must carefully read the program guidelines and contract which identify employees' responsibilities and obligations as a procurement cardholder.

## Receiving and Activating Your Card

Upon approval of a Request and Contract by the Vice Chancellor, Business & Administrative Services, an application will be submitted to the Bank and a procurement card will be issued in seven to ten days. Cardholders will be issued the card after completion of the mandatory training. After receiving the card, the cardholder should sign it immediately to prevent unauthorized use. Before using the card, the cardholder must call **Bank of America at the number listed on the card insert** to activate it.

## Safeguarding Your Card

Safeguarding the procurement card is the responsibility of the cardholder. It should be secured as if it were a personal credit card. Every cardholder shall take reasonable precautions with the procurement card. These include, but are not limited to, the following:

- Maintain a log of all purchases made with the procurement card. The information should include, at a minimum, date of purchase, vendor, description of merchandise/service, and amount of purchase.

- Always request a sales receipt or invoice from the vendor.
- Keep the card in a safe place, preferably locked up when not in use.
- Keep the card in view after you give it to a clerk. Get it back promptly after they have imprinted it.
- Avoid signing a blank receipt. Also, draw a line through all blank spaces above the total when you sign.
- Destroy all carbons and voided (when a mistake was made) receipts. If the clerk has to keep a voided receipt for the store's accounting system, be sure to get a copy.
- Immediately report to Purchasing any questionable charges.
- Never lend your card to anyone.
- Never leave your card, receipts, or carbons where anyone can pick them up.
- Never put a card number on a postcard or on the outside of an envelope.
- Never give your card number over the phone unless you are dealing with a company who you are sure is legitimate.
- Whenever possible, use those vendors identified by Purchasing.

### **Conference/Travel Attendance**

As approved, some procurement cards may be used for conference attendance and travel for the cardholder only or expenses related to student travel. For employee travel, **A District Travel Request form must be completed, encumbered and approved in Banner prior to use of the credit card for any transactions related to the employees travel.** After completion of travel, a VCCCD Travel Request form must be submitted documenting all expenditures. Credit card expenditures are to be reported on the appropriate expense line with "District Visa" noted next to those which were paid by using the procurement card. Conference and travel expenses paid using the procurement card are to be included in the line item "District Visa". Copies of all receipts and the procurement card journals are to be submitted with the Travel Request form.

Procurement cards may be used for employee travel for the cardholder only and not other District employee travel expenses or non-employees.

### **Declined/Rejected Charges**

If a vendor notifies you that a charge made to your procurement card has been declined or rejected, check to verify the following:

- The amount of the purchase is less than established transaction limits.
- The purchase will not exceed the limit established for number of transactions in one day.
- You have not reached your monthly credit limit.
- The vendor has recorded your card number and expiration date correctly.

If your intended purchase has not been declined due to the above, contact Bank of America at (888) 449-2273 to report the decline within 36 hours. If the Bank advises the charge was declined due to a "MCC" restriction, note the code assigned to the vendor and report this to Purchasing. The Director of General Services has the ability to arrange for one-time override of merchant category code restrictions or to remove the restriction permanently if this is deemed appropriate.

### **Errors and Dispute Resolution**

If you find an entry on a procurement card journal or the monthly bank statement which does not correspond to your log of purchasing transactions or receipts, you should first contact the vendor to report the discrepancy. If the dispute cannot be resolved with the vendor, it should be reported to Purchasing within 10 days of receipt of the monthly statement.

### **Lost or Stolen Cards**

If your procurement card is lost or stolen, you must report it immediately upon discovery to the Bank of America at (888) 449-2273. This number is manned seven days per week, 24 hours per day.

In addition, the cardholder shall notify Purchasing upon discovering the procurement card is lost, stolen, or otherwise in the possession of an unauthorized person. A written follow-up, including pertinent information on the cause of the procurement card loss or use by an unauthorized person, shall be forwarded to Purchasing in a timely manner.

Provided the cardholder notifies Purchasing of unauthorized charges within three working days of receipt of notice of journals pending approval, the cardholder shall have no personal liability for unauthorized charges, unless due to the cardholders intentional or fraudulent actions.

### **Revocation of a Card**

Each cardholder is personally responsible to ensure that his/her card is used within the District's program guidelines and purchasing policies and procedures. The procurement card may be revoked for any reason, including the following:

- The card is used for personal or unauthorized purposes.
- The card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law, or regulation pertaining to the District.
- The cardholder allows the card to be used by another individual.
- The cardholder uses the card for another employees travel expenses.
- The cardholder splits a purchase to circumvent a purchase limit assigned to the card.
- The cardholder uses another cardholder's card to circumvent a purchase limit assigned to either cardholder.
- The cardholder accepts a personal gratuity from a vendor.
- The cardholder uses the card to purchase gratuities and gifts.
- The cardholder, account manager, or business manager repeatedly fails to approve procurement card transactions in Banner within five working days from the day transactions were downloaded to Banner.
- The cardholder fails to provide the District with documentation that may be necessary to record a purchase appropriately.
- The cardholder does not adhere to any of the procurement card policies and procedures.

In addition, the procurement card is the property of the Bank, and may at any time revoke card privileges under the provisions of its policies and procedures.

**REQUEST FOR ISSUANCE OF VCCCD PROCUREMENT CARD**

A completed Request for Issuance of VCCCD Procurement Card and a copy of the Procurement Card Policies and Procedures Contract are to be submitted to the Director of General Services at the District Administrative Center, Purchasing Department. After submission of approval of the request by the Vice Chancellor, Business & Administrative Services, a procurement card will be issued within 7-10 days or after attendance of a training session. Cardholders shall be required to personally pick up and sign for the card at the Purchasing Department. The Request for Issuance of VCCCD Procurement Card is to be completed for each card to be issued to an employee as follows:

All requests must be signed by the employee/cardholder and the Department Head/ Dean. In addition, requests for cards to be issued to College employees requires the signature of the President or Vice President. Requests for cards to be issued to District Administrative Center employees requires the signature of the Vice Chancellor, Business & Administrative Services or designee.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Last 4 digits of SSN: \_\_\_\_\_ DOB: \_\_\_\_\_

Location (MC, OC, VC, DAC): \_\_\_\_\_ Department: \_\_\_\_\_

Phone No.: \_\_\_\_\_ Email address: \_\_\_\_\_

Default Budget Account No. (18 digits): \_\_\_\_\_

Employee Responsible for Banner Transactions (weekly Banner feed of transactions and reconciliation):

Acct manager: \_\_\_\_\_ Bsn. Manager (back-up person) \_\_\_\_\_

**Authorized Signatures**

Employee/ Cardholder \_\_\_\_\_

Department Head/ Dean \_\_\_\_\_

President or Vice President \_\_\_\_\_

Vice Chancellor, Business & Administrative Services or designee \_\_\_\_\_

**RETURN COMPLETED FORM TO DAC BUSINESS SERVICES**

## PROCUREMENT CARD POLICIES AND PROCEDURES CONTRACT

In order to expedite the purchase and accounting of low cost and frequently needed items, the Ventura County Community College District issues procurement cards to employees whenever there is sufficient benefit to the District.

1. Every cardholder shall be a permanent employee of the District, and shall agree to all terms and conditions established for the issuance of a District procurement card, including the District's Procurement Card Program User's Guide, by this reference hereby made a part of this contract.
2. Every cardholder shall sign their card in the presence of a designated District issuer immediately upon taking possession of the card.
3. The cardholder shall be personally liable for inappropriate charges and shall be personally responsible for the settlement of any dispute on any purchase with a vendor.
4. The procurement card may be revoked for any reason, including the following:
  - The card is used for personal or unauthorized purposes.
  - The card is used to purchase alcoholic beverages or any substance, material, or service, which violates policy, law, or regulation pertaining to the District.
  - The cardholder allows the card to be used by another individual.
  - The cardholder uses the card for another employees travel expenses.
  - The cardholder splits a purchase to circumvent a purchase limit assigned to the card.
  - The cardholder uses another cardholder's card to circumvent a purchase limit assigned to either cardholder.
  - The cardholder accepts a personal gratuity from a vendor.
  - The cardholder uses the card to purchase gratuities and gifts.
  - The cardholder repeatedly fails to approve procurement card transactions within five days from receipt of e-mail notification.
  - The cardholder fails to provide the District with documentation that may be necessary to record a purchase appropriately.
  - The cardholder does not adhere to any of the procurement card policies and procedures.
  - The procurement card is the property of the Bank, and it may at any time revoke card privileges under the provisions of its policies and procedures.
5. Each procurement card will be assigned specific purchase limits and restrictions. Cardholders shall adhere to these limits and restrictions. Cardholders shall not use the card for the purchase of equipment (items with a total cost of \$200 or more), memberships, payment of wages or payment to independent contractors.
6. The cardholder agrees to immediately notify Bank of America at (888) 449-2273 in the event a procurement card is lost or stolen (24 hours per day, 7 days per week). In addition, the cardholder shall immediately notify the District Purchasing Department ("Purchasing") upon discovering the procurement card is lost, stolen, or otherwise in the possession of an unauthorized person. A written follow-up, including pertinent information on the cause of the procurement card loss or use by an unauthorized person, shall be forwarded to Purchasing in a timely manner. Provided the cardholder notifies Purchasing of unauthorized charges within three working days of receipt of notice of procurement card transactions pending approval, the cardholder shall have no personal liability for unauthorized charges, unless due to the cardholders intentional or fraudulent actions.

7. Every cardholder shall take reasonable precautions with the procurement card. These include, but are not limited to, the following:
  - Keep the card in view after you give it to a clerk. Get it back promptly after they have imprinted it.
  - Avoid signing a blank receipt. Also, draw a line through all blank spaces above the total when you sign.
  - Destroy all carbons and voided (when a mistake was made) receipts. If the clerk has to keep a voided receipt for the store's accounting system, be sure to get a copy.
  - Immediately report in writing to Purchasing any questionable charges and unresolved disputes.
  - Never lend your card to anyone.
  - Never leave your card, receipts, or carbons where anyone can pick them up.
  - Never put a card number on a postcard or on the outside of an envelope.
  - Never give your card number over the phone unless you are dealing with a company who you are sure is legitimate.
  - Whenever possible, use those vendors identified by Purchasing.
  - Save all procurement card receipts. Upon receiving notice of procurement card transactions pending your review and completion, check these against your receipts and monthly statement.
  
8. Every Monday Purchasing downloads all procurement card transactions from Visa to a local PC. The transactions are then uploaded into the Banner Finance System at which time procurement card transactions are created on the Banner form FAAINVT. Using this Banner form, the cardholder (or designee) is responsible for reviewing the transactions to reconcile and approve charges for payment and to audit and correct the accounting distribution as needed. Procurement card transactions are to be reviewed, edited and completed within five working days.
  
9. All original receipts, credit card log and statements shall be submitted to the Director of General Services within 10 days after receipt of credit card statement.
  
10. In the event of separation from the District, the cardholder shall be required to surrender the card to Purchasing prior to release of the cardholder's final paycheck.
  
11. The cardholder is personally responsible for guaranteeing that all charges are for appropriate District expenses, that purchases are within budget limits, and that the purchases do not violate any law, regulation, or policy of the Board of Trustees. Neither the Bank nor the District assume responsibility for non-District purchases. The cardholder shall be liable to the District and to the Bank for any non-District or otherwise inappropriate purchase. Any charges resulting from misuse or abuse of the card by the cardholder will be deducted from the responsible employee's paycheck unless the employee has consulted with and resolved such charges through the Vice Chancellor, Business & Administrative Services.

The undersigned hereby agrees to abide by the District's Procurement Card Policies and Procedures, as detailed herein, and agrees that revocation of card authorization will have no effect on obligations outstanding as of the date of revocation.

**EMPLOYEE**

**VCCCD District Administrative Center**

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Print Name and Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date