

# COLUSA UNIFIED SCHOOL DISTRICT

## PROCUREMENT CARD MANUAL

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# COLUSA UNIFIED SCHOOL DISTRICT PROCUREMENT CARD MANUAL

## GUIDELINES

### DEFINITION

A procurement card is a business credit card that can be utilized for purchases. Currently the District is utilizing the State of California CAL-Card Program. U. S. Bank is the Program contractor for the CAL-Card Program.

### PURPOSE

The CAL-Card is a procurement tool intended to streamline the paperwork process and improve the acquisition time of materials, supplies and services.

### GENERAL INFORMATION

The CAL-Card has been uniquely designed to appear different from other personal types of credit cards. The actual card will be embossed with both the District and cardholder's names. The CAL-Card is limited to "Official District Business Only" and is prohibited for any use that would be of a personal nature. No member of the staff, family or any other individual will be authorized to use this card.

The CAL-Card is a restricted use procurement card. Each CAL-Card will be assigned:

- A single purchase limit
- A 30-day purchase limit
- Merchant Activity Type codes, related to specific procurement needs
- An Approving Official

**The CAL-Card must not be used for personal purchases.**

Merchant Activity Type (MAT) codes, which are unique to the program, designate the type of merchant a Cardholder may use the CAL-Card. Each merchant is also identified as to its type of business by a Standard Industrial Classification (SIC) Code. Acceptable MAT Codes are determined by the Approving Official and the Agency Program Coordinator (Chief Business Official (CBO)) during the Cardholder account setup process. The transaction authorization for a CAL-Card purchase will be approved only if the MAT code on the Cardholder's file allows purchases for that particular type of merchant or business, and the transaction falls within the other account spending limits. MAT codes are specific to each card and may vary based on

a Cardholder's purchasing needs. If a MAT code has been blocked, the Cardholder's transaction will be declined.

## **CARD USAGE CONDITIONS**

The cardholder will be responsible for ensuring that the CAL-Card is used in accordance with these procurement card procedures. Use of any type of procurement card does not relieve the cardholder from adherence to District purchasing policies and procedures. Expenditures that exceed the established card limit must be processed on a requisition.

A single transaction shall not be willfully split into a series of transactions to exceed these maximum expenditure limits. District will audit all monthly card transactions and will revoke cardholder privileges if there are any procedural violations.

Cards are assigned to individuals and may not be assigned to multiple users or loaned to any other individual. The cardholder is the only individual authorized to use the card.

## **PROCUREMENT CARD REQUESTS**

A manager must submit all requests for a CAL-Card in writing to the CBO. The request is then reviewed and if approved, the CBO will process a new card.

The CBO will:

- Act as the Agency Program Coordinator and handle all administrative requirements for the CAL-Card Program
- Be responsible for processing card applications and approvals, all training, account changes, monitoring activities, and issuance/replacement of cards.
- Review all application forms and provide final approval for each application.
- Retain all Procurement Card Cardholder Agreements
- Assign Merchant Activity Type codes to each cardholder (based on their procurement needs)

NOTE:

1. Procurement cards will not be issued without a signed Procurement Card Cardholder Agreement on file.
2. CAL-Cards will be issued to permanent District employees only.

## **DISTRICT PROCESSING GUIDELINES**

Records must be retained for all procurement card transactions. The original invoices and monthly statements must be submitted to the District Office. Invoices will be verified for accuracy with the monthly statements.

Invoice audit and verification will be handled by the District Office on a monthly basis in the following manner:

- The Cardholders' Monthly Statement of Account and documentation will be reviewed for accuracy and acceptability. The Cardholder and the Approving Official must sign each invoice charged.
- Original receipts will be submitted to the District Office immediately after card use.
  - NOTE: small size receipts should be taped to an 8-1/2 x 11 sheet of paper to avoid lost of paperwork.

The District Office will conduct an audit of all expenditures to evaluate the effectiveness of the program, identify any high volume items that could be competitively quoted or bid and monitor any potential program abuses.

Intentional use of this procurement card for reasons other than "Official Use Only" will be considered an attempt to commit fraud against Colusa Unified School District. Proof of such fraud will result in the cancellation of the employee's card and will be followed by immediate disciplinary action against the employee, in full accordance with the District's personnel rules and regulations, which may include termination of employment. If the card is used for personal purposes, the cardholder shall immediately reimburse the District for the amount of the unauthorized purchase(s) and any other fees associated with the unauthorized purchase(s).

## **DISPUTES**

Cardholder should immediately coordinate with the vendor in an attempt to resolve any billing disputes. If the dispute is unresolved, then the Cardholder must process a Cardholder Statement of Questioned Item form (page 17). All disputes must be submitted to US Bank within sixty (60) days of the transaction date.

## **CARDHOLDER PROCEDURES**

### **RESPONSIBILITIES**

The Cardholder is responsible for:

- Security of the card (including immediate reporting of lost/stolen card).
- Appropriate use of the card in accordance with established guidelines.
- To reconcile each monthly Statement of Account promptly.
- Sending original receipts and related documentation to the District Office.
- Resolving all questionable items or disputes directly with vendor and submitting the Cardholder Statement of Questioned Item form to U. S. Bank as needed.
- Making arrangements in his/her absence to ensure paperwork is submitted to the District Office in a timely manner.

### **CAL-CARD TRANSACTIONS**

The CAL-Card may be used at any merchant that accepts Visa cards for payment (card use is limited to previously assigned merchant codes).

Examples of Prohibited Transactions include but are not limited to:

- Airphone
- Wire Transfers, Money Orders
- Direct Marketing Insurance Services
- Financial Institutions: Manual Cash Advances
- Financial Institutions: Automatic Cash Advances
- Non-Financial Institutions: Foreign Currency, Money Order, Travelers Checks
- Security Brokers/Dealers
- Overpayments
- Savings Bonds
- Timeshares
- Betting, Casino Gaming Chips, Off-Track Betting
- Political Organizations
- Court Costs, Alimony, Child Support
- Fines
- Bail and Bond Payments
- Tax Payments
- Government Loan Payments
- Cellular phone, pagers
- Firearms, ammunition
- Alcoholic beverages
- Tobacco products

Examples of Authorized Transactions:

- Supply purchases that do not exceed the established card limits
- Office Supplies
- Equipment that do not exceed the established card limits

Refer any questionable items to District Office for necessary clarification.

## **TROUBLESHOOTING A DECLINED TRANSACTION**

Occasionally, a transaction may be declined at the merchant location. The merchant is not provided a reason via electronic terminal display. The only information provided is the decline message, or perhaps a request for the merchant to gather additional Cardholder identification. When a transaction is declined, consider the following:

- a) Is the transaction amount within your Single Purchase Limit?
- b) Will the transaction amount exceed your 30-day limit?
- c) Have you been authorized to make purchases at this type of supplier?
- d) If this is an email, telephone or mail order transaction, has the supplier used the correct expiration date of your account?

After 24 hours, the Cardholder can call the District Office to have the CBO inquire as to why the transaction was declined.

## **OBTAINING GOODS**

The Cardholder can walk into an actual store to make a purchase or place orders by phone, facsimile, U.S. Mail or Internet. In all cases, the Cardholder will require the vendor to itemize the receipt with the following information:

- Vendor name and address
- Description of items purchased
- Quantity
- Itemized pricing
- Sales tax (if applicable)
- Shipping charges (if applicable)
- Grand total of order

When placing an order, the Cardholder should remind the vendor that Visa regulations stipulate that vendors are to ship orders before processing transactions for payment.

**SHIPPING INSTRUCTIONS** – All items must be shipped to a school or District Office.

## **TAX INFORMATION**

Colusa Unified School District is required to pay sales tax in the percentage amount applicable to the area in which the order is placed. Likewise, the same rates apply for use tax on all items purchased from out-of-state vendors.

**BUSINESS MEALS**-Do Not charge individual meals on the card. Per Diem rates apply. IF meals are for a group, the card may be used. Please ask the District Office before you charge meals.

## **DISPUTES**

The Cardholder is responsible for resolving all discrepancies and disputes directly with the vendor. Cardholder should allow sufficient time for vendor to make the correction (either with a credit voucher or provide replacement of items). If the vendor does not resolve the dispute in a timely manner then the dispute must be reported to U.S. Bank.

Disputes are to be reported to U. S. Bank by calling 800-344-5696. U.S. Bank will give detailed instruction to report the dispute.

## **CANCEL A PROCUREMENT CARD**

When a Cardholder employment of the District, the District will cancel the card and account immediately.

## **REPLACING A PROCUREMENT CARD**

There may be instances where it becomes necessary to replace a procurement card.

## **REPORTING A LOST OR STOLEN CARD**

It is the responsibility of the cardholder to maintain control and security for the procurement card. Fraudulent use of the card, and lost or stolen cards must be reported immediately.

The Cardholder shall IMMEDIATELY contact U. S. Bank Customer Service and provide their credit card number. 1-800-344-5696

Be prepared to respond to the following questions that are summarized below:

- Cardholder's complete name
- CAL-Card account number
- The date the loss or theft of the card occurred
- Circumstances surrounding the loss of the card.

- Any purchase(s) made on the day the card was lost or stolen.
- Details of the last purchase amount and location.

After a lost or stolen card is reported, the Cardholder must also contact the District Office so all records can be updated accordingly.

If a loss occurs after work hours or on the weekend, **it is essential that the Cardholder contact the U.S. Bank Customer Service Number immediately and report the loss of the card.** Cardholder must notify the District Office as soon as possible thereafter. It is advisable to keep the customer service number at home as well as the office.

U. S. Bank will mail replacement cards to the District Office within ten (10) working days of notification.

### **REPLACEMENT OF WORN OUT OR DEFECTIVE CARDS**

If a Procurement Card needs to be replaced because the magnetic strip is worn out or defective, the user shall notify the Director of Purchasing. Once the replacement card is received, the Cardholder shall destroy the defective card.

## **FRAUD**

### **E-MAIL SCAMS**

Random e-mails are being sent throughout the District, often times to individuals who do not even have U.S. Bank accounts. Legitimate banks will never contact a customer directly to request personal information and/or credit card account numbers via a random email or random telephone call. The only time you would provide such information to anyone, would be if you initiated the telephone call to the bank.

These e-mails appear to be legitimate because it includes the bank's logo and has a link in the body of the email that will take the reader to what appears to be a legitimate web site. Do not be fooled. These logos are easily obtained from the Internet.

### **FRAUD ACTIVITY ON MONTHLY STATEMENT OF ACCOUNT**

U.S. Bank's Fraud Prevention Unit continually monitors accounts and transactions to prevent and halt fraud activity. If fraud activity is suspected, the U.S. Bank Fraud Prevention Unit may contact Cardholders by telephone to inform them about the use (or attempted use) of their purchase card in a fraudulent manner.

Cardholders can help to prevent fraud by carefully reviewing their monthly Statement of Account. If the Cardholder discovers a fraudulent transaction, the Cardholder should immediately report suspected fraud to U.S. Bank Customer Services and the U.S. Bank Fraud Prevention Unit.



U.S. Bank will work with the Cardholder to confirm the validity of a suspected fraud transaction. An affidavit may be mailed to the Cardholder. It must be signed and returned immediately. It may also be necessary to close the current account to prevent additional fraud activity. To help with the investigation, U.S. Bank may also request that the Cardholder cut up the plastic card and return it to the Fraud Prevention Unit.

Direct any concerns about fraud on the CAL-Card to:

U.S. Bank  
Attn: U.S. Bank Fraud Investigative Services  
PO Box 6355  
Fargo, ND 58125-6355

Phone toll free: 800-344-5696

Fax: 866-229-9625

**IMPORTANT:** The Cardholder must also immediately inform the District Office when fraud is reported to U.S. Bank. The Cardholder will need to provide the following information:

- The account number on which the fraud has been detected
- The date and dollar amount of the fraudulent transaction(s)
- The date the Cardholder first contacted, or was contacted by, U.S. Bank regarding the fraud
- The name of the U.S. Bank Fraud Representative investigating the account
- The new account number (if established)

# Colusa Unified School District

## PROCUREMENT CARD CARDHOLDER AGREEMENT

**Cardholder:** \_\_\_\_\_

Prior to the issuance of a procurement card, the cardholder must read the following information and verify acceptance with the terms and conditions that have been established for this program:

1. I understand that this card may only be used for official business and will not be used for any unauthorized or personal purchases. If the card is used for personal purposes, the cardholder shall reimburse the District upon demand of the District.
2. This card will not be provided for use to any other individual. The cardholder is the only individual authorized to use the card.
3. The cardholder is responsible for the card's safekeeping. Fraudulent use of the card, lost or stolen cards must be reported immediately. The U.S. Bank phone number is available 7 days a week, 24 hours a day for reporting lost or stolen card, 1-800-344-5696. The District Office must be informed of these incidents to properly update all file records.
4. It will be the responsibility of the cardholder to submit all receipts for each transaction immediately to the District Office. It is the responsibility of the cardholder to ensure that all of the appropriate paperwork is forwarded to the District Office within 2 business days following the transaction.
5. The cardholder will promptly notify the vendor to resolve any disputed charges.
6. Acknowledgment of Liability – I understand that I will be held personally liable for any unauthorized purchases.
7. My procurement card can be canceled if any terms of this agreement are violated.
8. I agree to surrender the card immediately upon retirement, termination, or upon request of the superintendent or authorized designee.
9. Failure to follow the above policies and procedures is cause for disciplinary action.

I certify that I have received a copy of the Colusa Unified School District "Procurement Card Procedures" and will abide by these established guidelines as an authorized cardholder. I understand that the failure to follow these policies and procedures would be cause for disciplinary action.

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