Procurement Card Program Policy and Procedure Manual

Version 3.0
August 2023

Procurement Card Program
Policy and Procedure Manual

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I. Procurement Card (PCard) Program Overview

A. Introduction

The SDSU Research Foundation (SDSURF) Procurement Card (PCard) program is designed to provide a more efficient means of making routine purchases by reducing paperwork and waiting time, allowing more purchasing responsibility and control at the department and project level, and streamlining the purchasing cycle for frequent and routine purchases.

SDSURF PCards are widely accepted Visa cards issued by US Bank (USB). They are "corporate liability" cards and are intended to be the primary method used for routine, authorized business purchases within the cardholder's delegated authority limit, including taxes and shipping. The PCard program is meant to supplement purchasing mechanisms already in place, and is not intended as an overall replacement or as a means to circumvent purchasing guidelines, requirements, and policies and procedures established by SDSURF. If use of the PCard is not practical, the use of SDSURF's existing mechanisms such as purchase orders and personal expense reimbursements may be utilized.

B. PCard Spend Profiles

Three card profiles with different spend limits have been established to accommodate typical purchasing profiles. Cardholders are assigned to a profile by their authorized approver based on business requirements.

Spend Profile	Single Transaction Limit* **(including tax, freight, handling charges)**	**Monthly Spending Limit**
Profile 1	$1,000	$5,000
Profile 2	$3,500	$10,000
Profile 3	$4,999	$20,000

**Splitting orders to remain under the single transaction limit is not allowed.*

On occasion, there may be a need for a temporary adjustment of spend limits. Exceptions may be allowed depending on the individual cardholder and department needs. See Section XII.B Cardholder Account Maintenance for instructions on requesting a change in spend limit.

A travel PCard is also offered. See Addendum (p. 21) for the policies and procedures related to the use of the travel PCard.

C. Program Benefits

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Program benefits include:

- Ability to easily obtain goods and services
- Reduced need to use personal funds requiring reimbursements
- Decreased need for cash advances
- Immediate payment to suppliers/vendors
- No invoices to process
- Convenient, secure, and flexible
- Universal acceptance by suppliers who accept Visa
- Automatic recording of all purchases made by cardholder
- Reduced need to request travel advances for qualifying and approved cardholders. See Addendum (p. 21)

- More SDSURF staff time available to assist on high dollar or specialized transactions
- Designated PCard administrator and support staff to address individual cardholder issues and requests.

II. Authorized Uses of the PCard

Cardholders must follow CSU, SDSU and SDSURF purchasing guidelines and strive to obtain the maximum value for each dollar of expenditure. The PCard may be used to purchase many of the goods and services used for SDSURF business. All PCard purchases are subject to the limitations in Section III and any applicable grant/contract terms and conditions. The PCard may be used to purchase items including:

- Books
- Office supplies
- Non-inventory equipment (items under $1,499)
- Lab, research supplies
- Registration for conferences
- Memberships
- Publications – hardcopies must be delivered to SDSU business address
- Subscriptions (Ex. periodicals or streaming information for download only - No Terms & Conditions
- Services, including maintenance and repair
- Computer parts and supplies (e.g. memory, flash drives, mouse, keyboard, monitors, thumb drives, etc.)
- Online Trainings/Webinars
- Advertisements. Cardholder or Authorized Approver must contact SDSURF Human Resources for employment advertisements.

Some PCards may also be used for travel incurred while on SDSU/SDSURF business. See Addendum (PCard Travel Form Instructions)

If you would like to purchase an item with your PCard that is not listed on the Authorized or Restricted/Prohibited Use lists, please contact your Grant Specialist or the SDSURF PCard administrator for assistance. For questions or assistance with selecting the best method of procurement of goods or services please contact the SDSURF's purchasing department at (619) 594-6891.

III. Restrictions and Prohibited Uses of the PCard

The PCard may **NOT** be used to purchase the following items:

- Items that are unallowable under specific grant or contract terms and conditions or that have been excluded from the project budget. The specific terms and conditions of each award supersede any provisions of this policy.
- Goods or services for **personal use**. The use of the PCard for personal expenditures is strictly prohibited. Cardholders who violate this rule must personally reimburse SDSURF for the item and, if the violation is determined to be intentional, the cardholder may be subject to both employment termination and criminal penalties.
- Cash advances or cash refunds

- Amazon Prime Memberships
- Political contributions
- Donations
- Gifts
- Gift cards, gift codes, emailed eGift Cards or any type of pre-paid card
- Computers/Laptops/iPads or other computing devices, regardless of dollar value. Any device that stores data is not allowable
- Parking citations or fines
- IT Software, applications and subscriptions (unless approved with an approved TARP on file and the SRA Grant Specialist)
- Inventory equipment/computer items (items over $1,500)
- Animals
- Splitting of purchases to circumvent the dollar limitation
- Firearms/ammunition
- Travel (lodging, transportation, parking, meals & incidentals), UNLESS cardholder has been pre-approved for a travel PCard
- Hosting (food, beverages, receptions, ceremonies, benefits, gifts, tickets, flowers, event supplies)
- Alcoholic beverages
- Leases, contracts, long-term maintenance agreements, on-going in nature
- Cellular and data services for any kind for either phones or tablets
- Construction/tenant improvements
- Narcotics and other controlled substances
- Insurance
- Advertisement for employee recruitment (except approved SDSURF Human Resources personnel)
- Hazardous materials, gasses, explosives, radioactive materials
- Large volume, routine repetitive purchases from one supplier should be coordinated with SDSURF Purchasing department
- Purchases made through foreign vendors must be done through the SDSURF Procurement department
- Furniture
- Automobile repairs and related purchases from car dealers or service departments of car dealerships, UNLESS cardholder has been pre-approved for automotive expenses
- Payment to individuals (independent contractors, consultants, etc.)

Conflict of Interest and Vendors

- Cardholder must not make PCard purchases from vendors where the cardholder has a financial interest.
- Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence cardholder decision-making regarding PCard purchases.

IV. Areas of Responsibility

A. Measuring PCard Readiness

PI/PDs and Department Directors interested in participating in the PCard program can measure their readiness by reviewing the following requirements.

1. Confirm commitment and support to the PCard Program. Each cardholder should consider the requirement to spend a minimum of $4,000 per year prior to requesting a card.
2. Agree to uphold the terms and conditions of the cardholder user agreement and participate in cardholder training
3. Maintain knowledge of restrictions and limitations required under award specific terms and conditions and outlined in the PCard policies
4. Meet the qualifications as discussed in sections IV.B, IV.C, and IV.D

Individuals must complete a PCard Application and forward the completed application package to their Grant Specialist.

B. Cardholder Qualifications and Responsibilities

While full liability rests with SDSURF for immediate payment, the PI/PD or Department Director designates the cardholder authority assigned to each card and is responsible for all purchases. Intentional misuse/abuse of the PCard may result in immediate revocation of privileges, and may include further disciplinary action up to and including termination of employment. Cardholders may also be financially liable for unauthorized purchases. ***The Cardholder is the sole authorized user of the card. Other individuals may <u>not</u> use the card.***

Cardholders must meet the following qualifications:

Individuals must be an employee of SDSU or SDSURF who have a reasonable need to routinely procure goods and or services related to grants/contracts and other programs administered by SDSURF **AND** one of the following:

- Be an authorized signer for ALL projects under the PI/PD or Department Director Org code as defined on the project signature card(s) OR
- Be designated by the PI/PD or Department Director as a cardholder for ALL projects under the PI/PD or Department Org code. In these cases, the PI/PD or Department Director must designate PCard authority to the cardholder by signing the application as the Authorized Approver. In addition, the PI/PD or Department Director (or authorized signer) must perform the online approval process for this cardholder's PCard transactions.
- Individuals must have an assigned SDSU email address, internet access, access to a computer, and access to technologies to digitize and submit receipts.
- Grants/contracts or other programs must be in good financial standing with no audit investigations and no unresolved financial liabilities

Cardholder Responsibilities

- Sign the Cardholder User Agreement and agree to comply with the terms and conditions.
- Security and safekeeping of the physical PCard, as well as the account number and expiration date. Cardholders alone are the only authorized users of their PCard and should make every effort to ensure suppliers do not have their credit card on file for security reasons. Some websites encourage or prompt cardholders to save credit card information in their profiles for ease of use. Cardholders should opt not to utilize this function to minimize potential fraud risk in the event of a vendor system breach.
- Securing confidentiality of cardholder information and Chrome River and US Bank Online IDs and passwords.

- Appropriate use of the PCard
- Compliance with all PCard policies and procedures including:
    - Reviewing Procurement Card Program Policy and Procedure Manual
    - Attending PCard training
    - Working with the Procurement Card Administrator (PCA) to establish and follow internal business controls to ensure proper record keeping, reconciliation, and validation of expenditures
- Reviewing appropriateness, allowability, and availability of funds prior to executing transactions
- Complying with all "Restrictions and Limitations" listed in Section III Restrictions and Prohibited Uses of the PCard
- Retaining original, itemized receipts for each transaction
- Obtaining and retaining records of warranty when applicable
- Reviewing each transaction in Chrome River for validity and assigning the appropriate fund information within published deadlines
- Reviewing each transaction in Chrome River and providing sufficient justification for each expense to document it supports the project's goals and adheres sponsor agency and SDSURF guidelines.
- Provision of accurate delivery information to suppliers
- Resolution of returns/exchanges with merchants
- Submission of online dispute in the US Bank's Access Online website for disputed items within 60 days of purchase
- Use small business, disabled veteran business enterprises and recycled products whenever possible. A list of S/DVBE suppliers is available from the SDSURF Purchasing website.
- Notify the PCA of any extended absences (i.e. vacation, FMLA, sabbatical etc.)
- Immediately reporting possible fraudulent misuse to US Bank by contacting Cardholder Support at 1-800-344-5696 and completing the Statement of Fraud (SOF) document(s) provided by US Bank within deadline dates.
- Immediately reporting lost or stolen PCard to US Bank by contacting Cardholder Support at 1-800-344-5696 and notifying the SDSURF PCA. (Refer to "Lost or Stolen Cards" procedures in Section X in this manual.)

All PCard cardholders are reminded that the PCard is merely a tool to purchase goods and services; it does not alleviate the need for responsible, ethical, and reasonable procurement practices for determining what is purchased, from whom, and at what price.

D. Authorized Approver (AA) Qualifications and Responsibilities

The AA is the SDSU or SDSURF employee responsible for oversight of cardholder activity.
The AA must meet the following criteria:

- Must be an SDSU or SDSURF PI/PD who has budget and signature authority on projects administered by SDSURF ***OR***
- Must be an SDSU or SDSURF employee with budget and signature authority on active orgs and funds **AND** obtain written approval and documentation signed by PI/PD.
- Must have an e-mail address, internet access, and access to a computer with Adobe Acrobat Reader and print capabilities.
- Must have an appropriate "one-up" relationship with/to assigned cardholders.
- Individuals with delegated approval authority may not approve their own expenses and individuals may not approve expenses of their supervisor.

Note: In some instances, the cardholder and authorized approver may be the same. This may occur when the cardholder is the PI/PD for the funds.

AA Responsibilities:

- Maintaining confidentiality of cardholder information and Chrome River and Access Online user IDs and passwords
- Authorizing cardholder spend profile
- Reviewing and approving of all cardholder charges in Chrome River within published deadlines: all charges are appropriate, no prohibited items have been purchased, transactions have been allocated to the appropriate funds and that there is sufficient and approved budget available.
- Verifying that all charges are supported by appropriate documentation and that the documentation has been uploaded into Chrome River and submitted within published deadlines.
- Notifying the SDSURF PCA of cardholders who are terminating employment, transferring to another department, or will be on an extended leave of absences
- Ensuring that cardholder fulfills responsibilities
- Initiating replacement process for cards and new users.

E. Principal Investigator's (PIs)/ Project Director's (PDs) Responsibilities

As the PI/PD is the designated individual responsible for programmatic and financial oversight of the funds, the PI/PD has responsibility for complying with the financial and administrative policies of their projects and is therefore required to approve all requests for PCards associated with any of their funds.

PI/PD Responsibilities

- Oversight of program participants when authority has been delegated to others.
- Review and approve all requests to establish new cardholders and authorized approvers
- Monitor PCard activity on designated funds via MyRF on a regular basis and reporting any suspected misuse or fraud to the Procurement Card Administrator
- Timely notification of employment transfers and terminations

F. Sponsored Research Administration Grant Specialist Responsibilities

The Grant Specialist establishes and monitors sponsored research and other funds and provides support to the PI/PDs associated with those funds.

Grant Specialist Responsibilities

- Reviewing and approving cardholder applications, including card profiles, and correspondence
- Reviewing and approving cardholder modification forms
- Assisting cardholders with questions about allowability of expenditures
- Reviewing and approving specific expenditures for allowability
- Notifying the PCA of any unallowable expenditures or suspected fraudulent activity

G. SDSURF Procurement Card Administrator (PCA) Responsibilities

The PCA is responsible for overseeing the daily operations of the PCard program ensuring that it operates smoothly and effectively. The PCA coordinates information between USB, Chrome River, SDSURF, and program participants.

PCA Responsibilities

- Processing new PCard applications and cardholder maintenance requests
- Providing training to cardholders and authorized approvers
- Providing support and guidance to program participants
- Distributing cards to cardholders upon completion of requisite paperwork and training
- Review and audit transactions with receipts as received through Chrome River
- Issuing and maintaining cardholder guidelines
- Maintaining US Bank Access Online and Chrome River information and ensuring the information reconciles with Banner records
- Monitoring purchases for compliance with policies and procedures and reporting abuses, in conjunction with the Grant Specialists
- Monitoring for fraud and misuse
- Ensuring compliance with published deadlines
- Ensuring internal controls are followed
- Providing updated information and news to cardholder and administrators
- Distributing email reminders to cardholders
- Being knowledgeable about accounting issues, including the application of CA sales and use tax.
- Serving as the liaison between the cardholder, US Bank, and Chrome River to assist and resolve PCard and Chrome River issues
- Reconciling the US Bank, Chrome River, and Banner systems monthly

The PCA can be contacted by email at sdusrfpcard@sdsu.edu or by voicemail at 619.594.5622.

V. Procedures for Becoming a Cardholder

A. Obtaining a PCard

The PI/PD will determine which employees have a reasonable need to routinely procure goods and services AND meet the qualifications defined in section **II.B** “Cardholder Qualifications and Responsibilities.”

Under the direction of the PCA, all cardholders must:

- Complete the **PCard Program New Card Application**
- Obtain PI/PD and AM signatures
- Submit all forms to the applicable Grant Specialist (Project Staff) or Department Director (Central Staff) to obtain approval
- The Grant Specialist will submit all necessary forms to the PCA who will coordinate training, and new card distribution for all cardholders
- Complete required training and sign Cardholder Agreement Form.

VI. General Instructions for Making Purchases

A. Determining Need and Budget Availability

Before executing a purchase transaction with the PCard, the cardholder must: 1) verify that there are sufficient funds available in the budget to cover the purchase; and 2) verify that the items/services to be purchased are allowable under the terms and conditions of the award document; and 3) authorized use of the pcard. Purchases made within the last 30 days of a sponsored program may be subject to additional review and approval. Obtaining prior approval may be necessary depending upon the nature of the purchase. Check with your Grant Specialist prior to any purchase if there are questions or concerns regarding the allowability of the expenditure.

Note: Consider other PCard transactions made, but not yet reflected in MyRF. Access MyRF to verify the availability of funds if in doubt. If you have questions regarding the availability of funds, contact your Authorized Approver or Grant Specialist.

B. Conflict of Interest

SDSURF is committed to the highest ethical standards and requires all cardholders and authorized approvers to avoid any transaction or circumstance that enables, potentially enables, or appears to enable a conflict of interest.

Program participants must not use suppliers (individuals or corporations) of goods and services who are family members (spouse, brothers, sisters (whether whole, half-blood, or step), children (whether natural, adopted, or step), grandchildren, great- grandchildren, spouses of brothers or sisters), where they have a financial interest or economic benefit in any way, or if their personal outside business or other interest could be construed to have an influence when making a supplier selection. Program participants must uphold the Conflict of Interest policies of SDSU and SDSURF and not make purchases from any vendors where they personally benefit directly or indirectly.

SDSU Research Foundation's purchasing staff may make random checks of company ownership to ensure integrity is maintained in all purchasing practices.

C. Receiving Goods - Campus Shipping Address

Goods that are ordered using the PCard by projects and departments occupying space on the SDSU campus or SDSURF space at Sky Park and Alvarado Road, should be shipped directly to SDSURF's receiving dock at the address listed below:

SDSURF Receiving
Attn: Cardholder's full name, building, and room number
5555 Canyon Crest Drive
San Diego, CA 92182

Instruct the supplier to write the complete shipping address on the packing slip or box. This will enable the shipping company (UPS, FedEx, DHL , etc.) to deliver to the correct address. If the supplier indicates that they do not have enough room to include all the personal information for the cardholder, make sure that the name (at the very least) is included on the packing slip or box.

All projects and departments occupying space at any other location are to provide the supplier with detailed information regarding the specific delivery location, cardholder's name, phone number, etc. Goods and services must be delivered to an authorized work location and should not be shipped to personal/home addresses.

Please note that packages with incorrect or missing shipping information may be delayed or possibly returned to the supplier. Confirm that the correct ship to information is referenced before completing an online order or placing an order over the phone with a vendor. Shipments made by the cardholder are their responsibility to monitor using the tracking information supplied by the vendor. .

D. Recording Transactions between Cardholder and Supplier

Before completing communication with the supplier, make sure that all the information needed has been provided and that the supplier confirms that the card data has been accepted through their automated register terminal. Inform all vendors that a paid receipt is required.

To complete the transaction, obtain an itemized charge slip, sales receipt, and any other documentation that validates the order and/or receipt of the item(s). If the purchase is a phone transaction, ask the merchant to fax the receipt and include purchase details, tax rate, shipping etc. and annotate for PCA's record.

Cardholders must follow all internal processes, as described in the Procurement Card Program Policy and Procedure Manual regarding handling of supplier receipts, packing slips, and confirmation documents to ensure accurate and timely transaction reconciliation and validation.

E. Use of PCard via the Internet

The PCard can be used for purchasing goods via the Internet. When using the PCard for online purchases, cardholders should ensure that the site is secure (look for the secure site symbol or messages) and that the appropriate documentation (in lieu of a standard receipt) is obtained to validate the transaction at the time of order. Most online orders provide electronic order confirmations.

F. Use of the PCard for Telephone Orders

The PCard can be used for purchasing goods over the telephone. Cardholders should ensure that the appropriate receipt is obtained to validate and support the transaction. If documentation is not received in a timely fashion, the cardholder must follow up with the merchant to obtain the itemized receipt.

G. Lost or Non-Itemized Receipts

Lost Receipts

If the cardholder has lost receipts and/or lost invoices and a duplicate cannot be obtained from the merchant, the cardholder must provide justification for each missing receipt in Chrome River when allocating and approving transactions. Missing receipts for transactions allocated to grant or contract funds will route to the Grant Specialist for additional review.

Note: Excessive lost receipts may result in suspension or loss of PCard privileges.

Non-Itemized Receipts

If the cardholder cannot obtain an itemized receipt from the merchant, the cardholder will be required to provide justification in Chrome River(see section **VIII.A** for details). Itemized receipts must include a description of the item(s) purchased, quantity purchased, price per item, applicable sales tax and any shipping and handling charges.

H. Records of Warranty

The cardholder must maintain custody of any warranty records for goods or services which were obtained and paid for with the PCard.

I. Purchases Declined at the Point of Sale

Although the supplier may accept the card for use, the purchase may be declined at the point of sale. The following are possible reasons for a decline:

- The transaction amount exceeds single purchase limit
- The transaction amount exceeds the remaining available balance of total monthly spending limit
- The Merchant Category Code (MCC) is restricted. Transactions outside the established parameters will automatically be declined at the point of sale
- Cardholder has not activated a newly assigned or renewed card. Refer to section V.B in this manual titled “Activation of the PCard”
- The card has expired.
- Card has been suspended/terminated due to non-compliance or failure to meet published deadlines.
- The cardholder or the merchant transposed the card account number during the exchange of information. All cardholders should ensure that the merchant has received the correct number for the correct PCard to minimize the occurrence of this type of declination at the point of sale
- The merchant enters an incorrect expiration date
- The attempted transaction may have been flagged as a possible fraudulent charge by US Bank

Cardholders may contact the PCA at sdsurfpcard@sdsu.edu or (619) 594-5622 to determine the reason a purchase was declined at the point of sale. These mechanisms for declining transactions are meant to protect the cardholder, the merchant, and SDSURF. Please be patient should this occur until the reason for the declination can be determined. On occasion, temporary overrides of merchant codes may be necessary. Possible fraud alerts will require the cardholder to call the bank and confirm the validity of specific transactions that were flagged. See section **XI.C Cardholder Account Maintenance** for procedures regarding overrides.

VIII. Accountability and Internal Controls

Most PCard approvals and control features occur after the purchase has taken place. Examples of after-the-purchase controls include:

- **Support Documents for each PCard transaction.** Cardholders must upload support documents for each pcard expense in Chrome River. Support documents such as itemized receipts provide detailed information about the purchase as required under SDSURF guidelines, including what was bought, the number of items that were purchased, and the total amount charged.
- **Administrative Review.** Authorized approvers indicate approval of purchases by reviewing and approving transactions in Chrome River and ensuring requisite and appropriate supporting documents are uploaded for each purchase.. It is the supervisor’s responsibility to address Cardholders about questionable transactions.
- **US Bank Controls.** Certain merchant codes are blocked so that PCard transactions are automatically declined. US Bank provides access to all transaction data generated by

Cardholders to the PCard Administrators. PCard Administrators review transactions and declined transaction reports on a regular basis for unusual or irregular transactions.

A. Chrome River

Chrome River is the database of record for all PCard transactions. Access to Chrome River is password-restricted to ensure safekeeping of information. Cardholder and Authorized Approver hierarchies are maintained in Chrome River to ensure proper segregation of the review and approval process. The ability to post fund information to transactions is maintained and monitored in Chrome River.

Chrome River is an online system that provides cardholders and authorized approvers a convenient method of querying information and transaction details for purchasing activity on each PCard, allocating transactions to one or more funds, and accessing account activity reports. Transactions generally appear in Chrome River within 48 hours after processing by the bank.

The Approving Manager is responsible for maintaining original receipts and providing access on demand as requested for periodic audits for the current fiscal year plus 90 days. The SDSURF fiscal year runs July 1st through June 30th.

B. Internal Controls and Accountability

To ensure the continued success of the PCard program, audits of cardholder transactions will occur. The primary purpose of audits is to ensure that the correct information is being captured and retained; that the PCard is being used for allowable transactions; and that program policies and procedures are in place and being followed.

Audits will be performed and will include:

- Review of allocations to ensure itemized receipts support transaction
- Review of transactions for appropriateness and allowability
- Review of transactions for proper justification regarding the nature of the purchase.
- For documentation received electronically, verification that receipts and supporting document images are of sufficient quality to be readable.

C. Suspension and Revocation of Card

The following controls have been put in place to help manage the risks associated with dispersed purchasing authority via a larger system of PCards, with higher limits, and increased purchasing authority.

Immediate Revocation

Pcards will be immediately terminated and cardholder privileges immediately revoked under the following circumstances:

- Cardholder allowing other individuals to use his/her/their PCard
- Personal use of the PCard (using card for personal purchases/non-business related expenses)
- Fraudulent Use of PCard

Decreased Spending Limits

Any cards that have activity that is not allocated and approved in Chrome River as of the monthly deadline will automatically have their spending limit adjusted to $0. The limit will be

restored when the transactions have been allocated and approved.. Authorized approvers are encouraged to communicate with the PCA when there are issues that will prevent final approval of the transactions before the deadline to prevent the spending limit from being dropped to $0.

Cardholder / Authorized Approver Program Violations Triggering Consequences
It is very important for all cardholders and authorized approvers to meet their responsibilities in a timely manner. The following is a list of program violations that will trigger review of cardholder and authorized approver readiness to participate in the program.

- Late allocations and approvals in Chrome River
- Frequent lost/missing receipts
- Purchase of prohibited items (Refer to Section III)
- Not allocating expenses correctly to reflect grants/project benefited by the purchase(s)
- Overspending grants and contracts, overspending 2, 9 or C ledger funds, causing fund deficits
- Use of the PCard for purchases of more than the preset spending limit by splitting the purchase into more than one transaction
- Failure to return the PCard when reassigned, terminated, or upon request

Schedule of Progressive Corrective Actions

The following corrective actions may be used depending on the level of violation. Human error and extraordinary circumstances may be taken into consideration when investigating any violation of policy.

1st Incident	Authorized approver and cardholder will be provided with a warning and a resolution date. If not resolved by this date SDSURF may charge expenses to the PI/PD's discretionary funds and the card(s) limits may be set to $0 until resolved.
2nd Incident	Authorized approver and cardholder will be provided with a warning and a resolution date. If not resolved by this date SDSURF may charge expenses to the PI/PD's discretionary funds and the card(s) may be temporarily suspended until resolved. Card limits and spending privileges may be reviewed and adjusted to a more conservative spending limits and profiles
3rd Incident	If the 3rd incident occurs within 12 months of the 2nd incident and warning, the PCard may be revoked for a period of three to twelve months. Any outstanding expenses may be charged to discretionary fund(s). Cardholder and authorized approver may be required to attend training again. In the case of deficit spending, the PI/PD may be required to provide a discretionary fund, or if they do not have one, may be required to obtain Dean sponsorship.
Immediate Revocation	Cards may be immediately revoked for: ● Allowing other individuals to use one's PCard ● Using the PCard for personal purchases/non-business related expenses ● Fraudulent use of the PCard

If the cardholder or authorized approver anticipates any circumstance, which may result in transactions not being reviewed and approved by the monthly deadline or the monthly packet(s)

not being submitted by the published deadlines it is the responsibility of the cardholder and/or authorized approver to contact the PCA **IN ADVANCE** to request an exception.

NOTE: While contacting the PCA does not guarantee an exception, reasonable requests will be given due consideration.

The PCA has the authority to investigate and to determine whether a violation of procurement policy has occurred, and in consultation with the Procurement Manager, to take actions as a result of such determinations. SDSURF will consider the facts and circumstances of each incident, and will take action as deemed appropriate, and as permitted by applicable law and/or SDSURF policy.

E. Validation and Reconciliation of Transactions

The cardholder and authorized approver are responsible for reconciliation, record keeping, and validation of expenditures for all PCard transactions. Detailed reports listing all PCard transactions are available via the web based Chrome River. Cardholders, and authorized approvers will be trained regarding the use of Chrome River prior to receiving a card. Please contact the PCA if assistance is required.

F. Office of Record

PCA is the responsible “office of record” for all PCard activity.

IX. Unauthorized Use, Security and Protection

A. Misuse/Abuse

Please refer to section VIII.D “Suspension and Revocation of Card” in this manual for policy regarding misuse and abuse of PCard privileges.

B. Security and Protection

A PCard should always be treated with the same care as personal credit cards, bank cards, cash, and checks. Cardholders should keep their PCards in an accessible, but secure location. The cardholder is the only individual authorized to use the card so it need only be accessible to the cardholder. Protect the card from use by any person other than the cardholder either on a business or personal basis. If the card is either lost or stolen or used by a person other than the authorized cardholder, immediately report such action by following instructions in section **X.A** “Lost or Stolen PCards, Fraudulent and Disputed Transactions” in this manual.

C. Safeguard PCard Account Number Carefully

It is critical to safeguard the card account number! Do not post it in your workspace or record it in your day planner, etc. Do not give the card account number to a vendor for use on a standing or blanket basis. When prompted, do not opt to have vendors save or store card numbers to help reduce potential fraud if the vendor’s systems are breached or compromised. Remember that the account number can be used just like the card itself. If the card is either stolen or misused resulting in unidentifiable transactions, which are reported on periodic printed or web based statements, immediately report such action by following instructions in section **X.A “**Lost or stolen PCards, Fraudulent and Disputed Transactions.”

D. Lending or Sharing PCard is Strictly Prohibited

The only person entitled to use a PCard is the person whose name appears on the face of the card. Do not lend your card to another person for any reason. Card assignment to a single named employee of SDSU or SDSURF ensures proper internal controls. If the cardholder is going to be absent from the office for an extended period, the PI/PD or Department Director may request a new card be issued and another person trained as backup. During an absence of the cardholder, a department can use alternative procurement methods (i.e., purchase requisition) for procurement of goods or services.

X. Lost, Stolen or Compromised PCards, Fraudulent & Disputed Transactions

A. Lost or Stolen PCards

All cards are the property of SDSURF. If a card is lost or stolen or has been compromised as evidenced by unauthorized or fraudulent activity and identified by review of monthly bank statement, please do the following:

1. Immediately notify US Bank and the SDSURF PCard Administrator.
    a. US Bank Customer Service: 1-800-344-5696 US Bank representatives are available 24 hours a day, 7 days a week and will block additional use of a lost/stolen card immediately upon telephone notification. SDSURF is not responsible for any charges made with either the PCard or PCard account number that is lost or stolen AFTER US Bank has been notified.
    b. SDSURF PCard Program Administrator: sdsurfpcard@sdsu.edu or 619-594-5622
2. Notify your Authorized Approver and complete a *Cardholder Maintenance Form* to begin the card replacement process.
3. Log into Chrome River to review account for potential fraudulent activity. Any charges that have been charged on the account before notifying the bank are the liability of the cardholder/project until resolution is reached with the merchant, merchant's bank, and SDSURF. Take immediate action to report and dispute any unauthorized charges. Disputes must be done by phone with US Bank or through Access Online.
4. Failure to take immediate action regarding lost/stolen cards and disputed charges may result in financial liability and losses to the project and termination of PCard privileges.

B. Disputed Transactions

On occasion, items may appear in Chrome River that are questionable or not authorized by the cardholder. The cardholder is responsible for resolving these items.

A dispute exists when:
A merchant will not accept returned items for credit
Duplicate or erroneous charges exist for which the merchant will not provide credit
Charges appear on the cardholder statement that are questionable or unauthorized. (See section IX "Unidentifiable and Fraudulent Charges" of this manual)

Items Billed Incorrectly
Contact the merchant directly to resolve the problem. If resolution is not reached, the cardholder must dispute the item in Access Online within sixty (60) working days from the receipt of the electronic statement using the procedures documented below.
Defective Merchandise

If items purchased with the PCard are found to be defective, the cardholder is responsible for returning the item(s) to the merchant for replacement or to receive a credit. Credit receipts received from the merchant must be kept until the credit transaction appears on the **Cardholder Statement**. Credit receipts must be attached to the Cardholder Statement.
If the merchant refuses to replace the defective item, the purchase is considered to be "in-dispute" and must be handled as a disputed item. Dispute the transaction in Access Online using the procedures documented in the **Procurement Card Program Training and Reference Guide**.

XI. Returns and Credits

Returns and Credits
In most instances, merchants cooperate with the cardholder in the event that the goods purchased need to be returned for exchange, replacement or credit. The cardholder should contact the supplier to make the arrangements if a purchase return is required.
A copy of the shipping documentation must be kept with the transaction file in the event that further follow-up is required. Once the return is authorized and received by the supplier a credit is issued and appears on a subsequent statement.

XII. Cardholder Account Maintenance

A. Card Renewal

New cards are automatically reissued to all active cardholders in good standing who meet minimum spend thresholds prior to the expiration date. The card expires on the last calendar day of the month listed on the card. PCards are good for a three-year period. A renewal PCard is mailed directly to the SDSURF Procurement Manager. The PCA will contact the cardholder and make arrangements for pick up by the cardholder. The cardholder is required to turn in the expired card prior to receiving the new card. New cards will only be issued to cardholders who are current with the procedures established by SDSURF.

Cardholders who do not receive a card before the current one expires should contact the PCA for assistance. Cardholders are responsible for picking up and activating renewal cards within 30 days after notification. Cards that have not been picked up within 30 days will be destroyed. Refer to card activation instructions that are affixed to the new PCard in section **VI.B** "Activation of the PCard".

B. Credit Limit Change - Temporary

Cardholders may need to change the single purchase limit or monthly credit limit from the original pre-authorized limits. Requests for changes may be temporary or permanent. Temporary changes are set to expire within a short time frame to mitigate risks of misappropriation of SDSURF assets. Requests for changes in credit limits must be in writing using the Cardholder Maintenance Form and be approved by the PI/PD. Additional approval of the Director of Sponsored Research Administration or CFO or designee may also be required. Once the appropriate and authorized approvals are obtained, the request is submitted to the PCA for processing.

C. Merchant Authorization Controls

On occasion, a cardholder may have a need to request a one-time override of a merchant code in order to make a valid, necessary purchase for their project needs. Requests should be directed to the PCA. Upon approval, the PCA contacts the bank to issue the override. Overrides are temporary and are reset once the purchase transaction is complete.

D. Replacement of Worn-out/Defective Cards

To replace a PCard card that is worn out or defective, the cardholder must contact the PCA to request a replacement card. The PCA notifies the cardholder when the replacement card is available for pick-up or delivery.

E. Termination/Cancellation of Card

A card may be terminated or canceled when a) the PCard is considered “inactive,” b) the cardholder is no longer employed at SDSU or SDSURF, or c) the cardholder no longer has active awards/funds with available balances.

To close a cardholder account, contact the PCA. If the cardholder is leaving SDSU or SDSURF employment, the PCA should be contacted two weeks prior to departure to ensure all documentation has been collected and all outstanding charges allocated to the appropriate funds. When a cardholder terminates employment with SDSURF or SDSU, the cardholder has the specific obligation to surrender the assigned PCard prior to the employee termination date, turning in receipts, and assigning the fund information in Chrome River. The PI/PD, or Department Director (Central Staff) is responsible for notification of the resignation or termination to the PCA.

F. Changes in Cardholder Status

As cardholder information changes, the cardholder is responsible for contacting the PCA in writing using the Cardholder Maintenance Form to ensure that the most current information is on record (i.e., name change, address change, phone number change).

G. Review of Inactive PCard Accounts

Periodically, the PCA reviews data regarding PCard account activity and notifies the appropriate PI/PD or cardholder regarding cardholder accounts that have not been used during the past six months. Inactive cards may be terminated. The review of inactive PCard accounts is important to ensure that inactive cards have not either been misplaced or exposed to the risk of inappropriate use.