

 <p>Category: Financial</p> <p>Responsible Office: University Controller</p>	<p>Policy Title: State University Procurement Card Policy and Guidelines</p> <p>Document Number: 7558</p> <p>Effective Date: April 01, 2017</p> <p>This policy item applies to: State-Operated Campuses</p>
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Summary

The State University of New York procurement card program offers campuses an alternative method of purchasing small dollar items. This program is intended to allow campuses the flexibility to streamline local procedures and controls for procuring goods and services. Proper use of the procurement card significantly reduces the time between requesting, ordering, and receiving goods and services.

In addition to saving time, the procurement card program greatly reduces the volume of accounts payable transactions and the associated administrative costs. This is done by eliminating supplier invoices and consolidating multiple supplier payments into one monthly voucher payment to the procurement card vendor. Currently, the procurement card vendor is paid monthly through an automated clearing house (ACH) via electronic check from the Office of the State Comptroller (OSC). This process contributes to the overall efficiency and cost effectiveness of the program.

According to a study by the National Association of State Comptrollers (NASC), savings related to procurement card use ranges from \$24 to \$75 per transaction. A similar study conducted by a commercial procurement card vendor estimates it costs \$67 to process a voucher compared to \$11 with a procurement card — a savings of \$56 per transaction. Using the lowest reported savings estimate, \$24 per transaction, the University saved approximately \$2.3 million in the 2004/05 fiscal year.

Operation of the University program follows the basic New York State Procurement Card guidelines as established by the Office of General Services (OGS). Due to the University’s flexibility, there may be minor differences in the operation between the New York State and the University program. Where the operation of the two programs are different, University guidelines, as noted in this policy manual, will take precedence.

Overview

Procurement card services must be obtained through participation in the State-wide contract administered by the State of New York OGS, Division of Standards and Purchases. As such, the University has adopted an identical [Purchase Card Template for Excluded Items by Merchant Category Code \(MCC\)](#). This MCC template is a

comprehensive list of vendor types (e.g., airline, lodging, golf courses, etc.) that are not allowed when using the procurement card. If a cardholder attempts to purchase goods or services from a vendor with an excluded MCC the charge will be declined.

The procurement card is a non-transferable financial instrument assigned to University employees with appropriate purchasing authority. These employees must have proper security clearance within the State University Accounting System (SCSO), and be given access to the Web Procurement Card (Web P-Card) application, which is the procurement card reconciliation tool module in the University Finance and Management System (FMS).

Each campus utilizes a program administrator (PA) who is the liaison between the University, the suppliers, and Citibank. The PA is primarily responsible for cardholder training, account maintenance (e.g., name changes, creating department hierarchies, etc.), new card applications, and general procurement card issues. These campus PA's must make certain that cardholders are aware of all the responsibilities and privileges associated with the program. Cardholder responsibilities include, but are not limited to, using the procurement card for authorized State transactions only, notifying Citibank and the campus PA immediately if the Visa card is lost or stolen, and following the policies and procedures established within this manual.

Training will be provided by the PA for all persons receiving a procurement card. This training will cover the use of the procurement card consistent with New York State policy, as well as University and/or campus purchasing practices. Training must be completed prior to issuance of the card.

Cardholders are issued a single procurement card, which is embossed with their full legal name. The University program does not allow for group or departmental cards. Before receiving the card, all cardholders must sign the New York State Citibank Travel Card / [Purchasing Card Acknowledgement Form](#). This form ensures that cardholders have read and understand the terms and conditions of the program. All cardholders must surrender the procurement card to the University at the request of the campus PA or upon termination of employment.

Managerial review of all departmental transactions within Web P-Card is strongly suggested, however this process is optional. If charges are not reviewed by the department manager, they must be completely reviewed by the accounts payable department before final A/P certification.

Terms and conditions that constitute misuse and/or abuse of the procurement card are outlined in New York State Procurement Card guidelines. Campuses must refer to the appropriate sections of these guidelines for information on disciplinary steps, and should incorporate them into the written campus- specific procedures for procurement card use.

Policy

Voucher Payment

Voucher payments made to the procurement card vendor (Citibank) are automatically generated by System Administration at the end of each monthly billing cycle. Currently, the billing cycle consists of purchases made from the seventh of the month to the sixth of the following month. An e-mail is sent to members of the University procurement card program administrator, accounting, purchasing and accounts payable listserv's, explaining that the voucher has been completed and transmitted to the Statewide Financial System (SFS). Campuses should expect to receive an IDL two to three business days after the voucher is completed by System Administration.

The University is responsible for all charges made within the billing cycle, except those related to alleged fraud or misuse. Procurement card bills containing charges related to fraud or misuse are paid in full by the campus. After investigation, if the charges are deemed to be fraudulent, the procurement card vendor will credit the campus billing account for the total amount of the fraud.

Transaction Disputes

Cardholders must immediately report all transaction disputes to the campus PA. The PA must then contact the procurement card vendor directly and complete the [Citibank Government Cardholder Dispute Form](#). This dispute form must be filled out completely and forwarded to Citibank within 60 calendar days of receipt of the campus invoice.

The following information is required to complete the dispute form:

- **Inquirer's Name:** name of individual submitting dispute (i.e., Program Administrator)
- **Date:** day, month, and year for the day the dispute is being filed
- **Cardholder Name:** list the name that appears on the account where the charge in dispute resides
- **Account Number:** 16-digit account number
- **Transaction Date:** indicate the date the transaction in dispute was made
- **Dollar Amount of Charge:** indicate the dollar amount for the disputed transaction(s)
- **Merchant:** provide the name of the merchant for the disputed transaction(s)
- **Cardholder Signature:** cardholder must sign
- **Error Description:** check the box that most appropriately relates to the type of dispute being made

In some cases, the Citibank Fraud Protection Unit determines when fraud occurs before charges appear on cardholder statements. This proactive approach may eliminate the need to complete the transaction dispute form. However, it does require Citibank to cancel the current card account number and reissue a new account. New cards will be sent to the campus PA within a few days. The new card account number will automatically be active and the cancelled card will reflect that it was deactivated in the University Web P-Card application within the FMS.

Before cardholders give any type of account information over the telephone, they must be completely certain that they are speaking with a Citibank representative. If there is any question whether the caller is on a phishing expedition for personal information, hang up and call Citibank Government Customer Service at 855-241-0728.

Web P-Card Transaction Sub-objects

The University Controller's Office has constructed a crosswalk between the Merchant Category Code (MCC) that is provided by Citibank and University sub-object codes. This process enables campuses to better track purchases made using the procurement card. For example, if a cardholder purchases office supplies from a vendor with MCC XXXX the corresponding University sub-object will be applied to the transaction within Web P-Card.

Program Administrator

The Vice President's designee, generally the purchasing director at each campus, acts as the campus program administrator (PA). This campus PA is responsible for managing all aspects of the procurement card program. The PA is the liaison between the campus, the suppliers and Citibank.

The campus PA evaluates cardholder, department and vendor compliance within the statewide procurement card program. The PA may also be involved in evaluating enhancements to policies and the Web P-Card application within the University FMS.

Additional responsibilities of the position include:

- Cardholder training
- Maintenance of cardholder records, such as; account number, transaction limit, monthly limit, reporting hierarchy, card expiration dates
- Review applications for valid approval and funding information
- Coordination of cardholder enrollment, termination and changes
- Assist with review of program effectiveness
- When requested, provides assistance with transaction disputes.

The PA is responsible for ensuring that all employees receiving a procurement card are properly instructed on card usage and responsibilities. The PA is also responsible for ensuring that all cardholders and their immediate supervisor/manager attend training prior to issuance of the card. The University Controller's Office, with the assistance of the Office of General Services (OGS) and Citibank, will provide the necessary literature and training to the campus. These training sessions are designed as a "train-the-trainer" course for the campus PA and the procurement staff. The PA, with the assistance of the procurement staff, will provide necessary campus end-user training.

Cardholder training will cover the use of the procurement card consistent with New York State policy, as well as University and campus specific procurement practices. Each cardholder will also be given instruction in the use of the Web P-Card application.

Upon completion of the training, the cardholder will sign a copy of the Citibank Cardholder Acknowledgement Form. By signing this form, the cardholder acknowledges that he or she has read and understand the terms and conditions

of the program.

Cardholder

By activating and signing the procurement card, the employee agrees to participate in the State University procurement card program and assumes responsibility in accordance with program guidelines. Failure to abide by these terms may be grounds for disciplinary action up to and including dismissal. These responsibilities include but are not limited to the following:

- The State University procurement card is to be used for business expenditures only.
- The procurement card may not be used for personal use, business travel or entertainment purposes.
- The procurement card will be issued in the name of the employee. By accepting the card, the employee assumes responsibility for the card and will be accountable for all charges made with the card. The card is not transferable and may not be used by anyone other than the cardholder.
- The University procurement card must be maintained with the highest level of security. If the card is lost or stolen, or if the cardholder suspects the card or account number has been compromised, the cardholder agrees to immediately notify Citibank customer service and his/her manager.
- All charges will be billed and paid directly by your Agency. Therefore, the cardholder's credit rating is not affected by participating in the New York State procurement card program. On a monthly basis, the cardholder will download a statement listing all activity associated with the card. This activity will include purchases and credits made during the reporting period. While the cardholder will not be responsible for making payments, the cardholder will be responsible for the verification and reconciliation of all account activity.
- Cardholder accounts may be subject to periodic internal control reviews and audits designed to protect the interests of New York State. By accepting the card, the cardholder agrees to comply with these reviews and audits. The cardholder may be asked to produce the card to validate its existence and produce statements and receipts to verify appropriate use.
- Policies and procedures related to the procurement card program may be updated or changed at any time. New York State will promptly notify all cardholders of these changes. The cardholder agrees to and will be responsible for the execution of any program changes.
- The cardholder agrees to surrender and cease use of his/her card upon termination of employment whether for retirement, voluntary separation, resignation or dismissal. In addition, the cardholder must surrender and cease use of the card in the event of transfer or relocation. The cardholder may also be asked to surrender the card at any time deemed necessary by Agency management.
- Misuse or fraudulent use of the card may result in disciplinary action and may be grounds for dismissal.
- The procurement card will be used to buy business related goods and services that are within the guidelines of New York State's procurement card program and the Office of the State Comptroller Guide to Financial Operations.

The procurement card may not be used for:

- Personal Use

- Business Travel (Airfare, Hotels, etc.) – the Travel Card is to be used for such travel expenses
- Non-Employee Travel – the NET Card is to be used for such travel expenses
- Cash Advances

If you have questions regarding the appropriate use of the procurement card, contact your campus PA.

To make a purchase using the New York State Procurement Card, follow the same general procedures used for any type of credit card purchase.

All purchases made using the procurement card should be supported by store receipts, Visa® charge slips, shipping detail, etc. The documentation must be maintained and stored for reconciliation, auditing and tax purposes. In addition, these documents will be necessary to resolve billing and shipping disputes.

At the end of each billing cycle, cardholders are instructed to download their billing activity statement from CitiManager (PDF). The cardholder activity statement includes a listing of purchases made and credits received during the monthly cycle. The activity statement is a reference document and not a bill. The cardholder is responsible for verifying all activity listed on the activity statement is accurate. The cardholder may need to refer to previous orders to reconcile credits that may have been posted on the current activity statement.

Cardholder reconciliation procedures include:

- Review all transactions listed on the activity statement
- Attach all sales receipts and other documentation to the activity statement as support for each transaction
- Identify and highlight all discrepancies on the activity statement
- Contact supplier directly to resolve discrepancies
- Review the reconciled activity statement (with attached receipts) with cardholder's supervisor for approval
- Forward statement and receipts to campus coordinator

Definitions

There are no definitions relevant to this policy.

Other Related Information

In support of this procedure, the following links and/or references to additional resources for related information are included:

[Citibank P-Card Guidelines - OGS](#)
[Citibank Website](#)
[Citibank Credit Card MCC Templates](#)
[Citibank List of all MCC Codes](#)
[Citibank Online Statement Guide](#)
[Chip and PIN – Cardholder FAQ](#)
[Chip and PIN – Administrator FAQ](#)
[Citibank Contact Information](#)
[Credit Card Program Setup Checklist](#)
[Employee Liability for State Charges](#)
[NYS Training Presentation](#)
[New York State Procurement Guidelines](#)
[Program Administrator Reference Guide](#)
[Warning – Phishing Scams](#)

Procedures

There are no procedures relevant to this policy.

Forms

Where applicable, this section contains links and/or references to forms as they relate to this procedure:

[Card Acknowledgment Form](#)
[Citibank Cardholder Transaction Dispute](#)
[Program Administrator Setup](#)
[NYS Tax Exempt Letter](#)

Authority

Where applicable, this section contains links and/or references to the authority governing this procedure:

Office of the University Controller accounting requirements

History

Policy initially enacted on September 01, 2004 and updated on April 1, 2017.

Appendices

There are no appendices relevant to this policy.