



SBCCD PROCUREMENT CARD PROGRAM PROCEDURES – BOARD OF TRUSTEES

Objective

The Procurement Card Program, otherwise known as the Cal Card Program, administered through U.S. Bank, provides a simplified method for end-users to procure low-value purchases of authorized commodities and travel expenses using a specialized credit card. This method distributes procurement authority to authorized cardholders throughout the District while protecting its assets.

Program Administration

The Program Administrator for the Procurement Card Program shall be the Business Manager.

The Program Administrator shall be responsible for the following:

- Issuing procurement cards;
- Setting credit limits;
- Establishing approved merchant category codes;
- Reviewing the master billing statement on a monthly basis for unusual activity and for reconciliations that have not been submitted;
- Approving exceptions;
- Monitoring noncompliance with District policies and procedures, and issuing warning notices; and
- Suspending/cancelling procurement cards.

To provide for independent administration of the program, any Program Administrator shall not be issued a procurement card.

In the absence of the Business Manager, cardholders may contact the Purchasing Department for guidance and information. All forms listed herein and all procurement card procedures are available on the District website.

Obtaining a Procurement Card

Procurement cards are not necessarily provided to all employees or Trustees. Assignment is based on need to purchase materials for the District and/or to provide for business travel. Please note that an employee or Trustee shall not be eligible for travel advances as long as he or she is an active procurement cardholder.

Trustees shall submit a procurement card application, signed by the Chancellor and the Board Chair, to the Program Administrator for consideration.



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Only the Program Administrator is authorized to grant procurement cards. If a procurement card is granted, the Board Member shall receive a Cardholder Agreement. Before the procurement card is issued, the Trustee shall read and sign the Cardholder Agreement thereby accepting authority and responsibility for the procurement card and the procedures established in this document – SBCCD Procurement Card Program Procedures - Board of Trustees. A signed cardholder agreement also confirms that the Trustee has received the required training.

Authorized Trustees shall be issued a VISA credit card from U.S. Bank. The Trustee's name and the District's name shall appear embossed on the procurement card.

Credit Limits & Approved Merchant Categories

Each procurement cardholder shall be allowed a single purchase limit and a spending limit per month.

Requests for credit limit increases may be approved by the Program Administrator. Credit limits of \$5,000 or above require secondary approval from the Executive Vice Chancellor or the Director of Fiscal Services.

Procurement Cards shall be programmed to automatically decline certain merchants (such as auto dealers, financial institutions, gambling organizations, service providers, etc.) based on risk to the District and the District's procurement card procedures. Cardholders should contact the Business Manager to request the removal of certain merchants from the exclusion list.

Authorized/Prohibited Purchases and Practices

Procurement cards are District property issued in the Board Member's name. Use of the procurement cards is restricted exclusively for qualified business-related purchases and is only allowed when a bona fide purchase order has been approved and sufficient funds have been encumbered for the purchase. Applicable purchase categories are summarized as:

1. Authorized Purchases

- Purchases of supplies, goods, and materials up to \$1,000 per transaction
- Equipment purchases under \$1,000 (a cardholder shall verify with their site technology manager that technology equipment is compatible with District systems)
- Electronic apps, single license/device software, electronic or online subscriptions, website domain names with a purchase price of less than \$1,000 classified under object code 5622 (a cardholder shall verify with their site technology manager that software is compatible with District systems)



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- The cardholder's own travel expenses, such as airfare, ground transportation, lodging, conference registration fees, and /or meals, excluding alcohol. Cardholders are encouraged to keep itemized receipts for meals. A maximum acceptable meal gratuity is 20% of allowable meal expenses and taxes.
- Refreshments and other goods for official business meetings (see Administrative Procedure 6925 for additional requirements)
- Postage, handling, and shipping expenses

2. Prohibited Purchases

- Purchases for supplies, goods, material and equipment over \$1,000 per transaction
- Services, such as consultants, instructors, speakers, repairs, maintenance, personnel, labor, rentals, leases, lease-to-purchases, and public works
- Purchases of goods or services for personal use
- Travel related conference and training expenses for any person other than the cardholder
- Computers
- Electronic apps, single license/device software, electronic or online subscriptions, website domain names with a purchase price over \$1,000
- Software licenses and other copyright use licenses over \$1,000
- Alcohol
- Other purchases where the vendor requires a signed contract, agreement, MOU or other similar document

3. Prohibited Practices

- Use of the procurement card before a bone fide purchase order has been approved and sufficient funds have been encumbered for the purchase
- Cash refunds
- Cash advances
- Splitting a purchase into more than one transaction to avoid exceeding an established purchasing limit
- Transferring cards privileges to other individuals
- Wire transfers – money orders

Exceptions

The Program Administrator has the authority to grant exceptions to prohibited purchases in the event of an emergency. An emergency is defined as the need for goods or services necessary for the continuance of critical daily operating functions or when an emergency condition exists involving public health, welfare, or safety. Failure to allow adequate lead-time does not constitute an emergency.



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Requests for exceptions shall be submitted via email to the Program Administrator. The request must state:

- i. Why the item(s)/service(s) is/are necessary;
- ii. Program impact;
- iii. Why the order/service had not been filled through normal ordering procedures.

If the Program Administrator grants approval, the cardholder must attach evidence of approval to his/her purchase requisition in Oracle, Cal Card expense item, and contract packet (if necessary).

The quantity of items purchased with the procurement card must only be enough to cover the immediate emergency.

Required Documentation

Purchases shall be supported by an itemized receipt/invoice AND all other supporting documents as required by District policies and procedures.

Choosing the procurement card as the method of payment shall not exempt the procurement cardholder from submitting all required documentation in accordance with District policies.

For example:

- Travel expenses charged to the procurement card may require a Travel/Conference Request & Claim Form, and a detailed conference agenda.
- Refreshments or meals served at a meeting/event may require a meeting agenda and a list of attendees.

Reconciliation of Procurement Card Expense Items

Procurement card expense items will be uploaded from U.S. Bank to the Cardholder's Oracle expense module within three days of the transaction. All credit card items must be reconciled using the Oracle system. As a reconciliation tool, each procurement cardholder shall receive a monthly billing statement via U.S. mail. The Cardholder can also set-up an online account with the bank and download his/her billing statement electronically, or request his/her billing statement from the Program Administrator.

Cardholders are required to reconcile each expense item within 40 days, but are encouraged to process their expense items and submit expense reports as soon as possible during the month.



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Expense items not processed and submitted as expense reports after 40 days will be considered late.

It is the procurement cardholder's responsibility to ensure that his or her expense report is complete and accurate. Late or incomplete expense reports will be considered a violation of the procurement card policy.

Non-Compliance & Disciplinary Action

The Cal-Card program provides an alternative manner in which to procure, but all SBCCD policies and procedures remain in full force and effect. Therefore, cardholders agree to have read and understand all SBCCD Board Policies and Administrative Procedures, including: **BP 2200 Board Duties & Responsibilities, AP 2710 Conflict of Interest, BP 2715 Code of Ethics, BP 2716 & AP 7370 Political Activity, AP 7371 Personal Use of Public Resources.** Trustees are bound by SBCCD BP 2715 Code of Ethics and any Cal Card violation deemed to be severe may invoke the ad hoc committee process for complaints of trustee misconduct.

Violations of the procurement card policy include, but are not limited to, the following:

- Personal purchases;
- Prohibited purchases;
- Untimely submission of an expense report;
- Incomplete documentation to support an expense report; and or
- Purchases made prior to the issuance of a purchase order.

Any violation of the procurement card procedures will require the submittal of an Audit Exception Memo to Business Services.

1. For a first violation, a warning notice will be sent to the procurement cardholder and the procurement cardholder will be required to submit an Audit Exception Memo to the Program Administrator.
2. For a second violation, a second warning notice will be sent to the procurement cardholder and the Chancellor and/or Board Executive Committee may be notified. The procurement cardholder will also be required to submit an Audit Exception Memo.
3. For a third violation, use of the procurement card may be suspended for up to six months depending on the nature of the violations. Notice will be given to the procurement cardholder and the Chancellor and/or Board Executive Committee.



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Any violation deemed serious enough may result in card cancellation. Trustees are bound by SBCCD BP 2715 Code of Ethics and any Cal Card violation deemed to be severe may invoke the ad hoc committee process for complaints of trustee misconduct.

Audit

Procurement card activity is subject to internal and external audits. Procurement card audits shall be conducted periodically by the District Internal Auditor or appointee. Audits conducted by third party auditors and inquiries subject to Government Code 6253 et seq can be requested at any time without notice. Audit reports, including program violations shall be reported to the Program Administrator, Executive Vice Chancellor, and applicable supervisors. Program noncompliance procedures and resultant disciplinary action shall be executed as outlined in the section above.