

POLICY: PURCHASING CARD  
SECTION: ACCOUNTS PAYABLE

POLICY No. PC 205  
EFFECTIVE: 01/31/2023

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PC-205.A Purchasing Card Application Form

PC-205.B Cardholder Agreement – Purchasing Card

## PC 205.1 Policy

The Purchasing Card is a tool designed to complement UAS's purchasing and payables processes and is used to make small dollar purchases for goods required to conduct UAS official business. This card can also be used for conference registration, hotel (lodging), airfare, and rental car services. Airfare may be purchased through travel agencies, direct from airlines and the Internet. The card also allows users to obtain certain items faster and easier. Issuance of a Purchasing Card is a privilege and every reasonable effort must be made to ensure that funds are used responsibly and in a manner consistent with UAS's and the University's mission, applicable laws and ethical practices. The card **CANNOT** be used for personal expenditures.

## PC 205.2 Authorized Use and Restrictions

The card is allowed for the UAS General Fund, Commercial Operations, Grants & Contracts, and Sponsored Programs such as the UEE. This card cannot be used for campus programs operations. There are four types of Purchasing Cards available to eligible members:

### 1. Administration

This card is restricted to purchases associated with office supplies, store purchases, and miscellaneous repairs.

### 2. Travel

This card is restricted to travel purchases such as airfare & rail tickets, conference fees, rental car expenses, lodging, business lunches, and other associated travel expenses. Pre-approved authorization is required.

### 3. Automotive

This card is restricted to purchases related to repairs for automobiles and vehicles owned by the UAS.

## PC 205.3 Authorized Use and Restrictions

The cardholder will be responsible for maintaining documentation on every purchase made using the card. Purchases must be made in accordance with established UAS and University policies for expenses associated with official business that directly benefit UAS and the University. No purchases of a personal nature may be made using the Purchasing Card. Any such purchases must be immediately reimbursed to UAS by the Cardholder and may result in the revocation of card privileges.

## 1. Prohibited Purchases/Transactions

The Purchasing Card may not be used for the following:

- All services including independent contractors.
- Purchases restricted by the Grants or Contracts.
- Cash advances, gift cards, money orders, wire transfers, or other cash equivalent items.
- Public relations (unless the expense has an approved Hospitality form).
- Personal purchases (including personal expenses when on a business trip).
- Goods that require the purchaser to sign a contract or document that requires administrative review.
- Furniture (with any room design or installation service).
- Fines, late fees, penalties, interest, and finance charges.
- Splitting purchases to circumvent the transaction limits (Note: A split purchase is defined as one item, or set of items sold as a set, that has been split by the merchant to look like two separate purchases).
- Purchases which result in a conflict of interest for the user, resulting in personal gain, or which violate UAS, Cal State LA, or CSU policies or procedures.
- Narcotics/Controlled Substances.
- Raffle or Prizes.

## 2. Conflict of Interest

- a. Cardholders are delegated limited purchasing authority on behalf of UAS and, as such, have the responsibility to ensure that purchases made on their P-Card do not fall within the definitions of a conflict of interest. "Conflict of Interest" is defined as follows: No public employee at any level of state or local government shall make, participate in making, or in any way attempt to use his/her official position to influence a governmental [CSU] decision in which he/she knows, or has reason to know, that he/she has a financial interest.
- b. Gifts, gratuities, rebates (not issued in the name of UAS), kickbacks, rewards points/credits, or other incentives provided to a cardholder which influence or appear to influence the decision to make a purchase from a vendor is considered a conflict of interest purchase. Conflict of interest purchases may subject the cardholder to suspension or revocation of the P-Card and will result in the reporting of the conflict of interest violation to management for review.

## PC 205.4 Area of Responsibility

### 1. Cardholder Responsibilities

Cardholder must ensure that the Purchasing Card is used in accordance with the Purchasing Card Policies and Procedures, and must ensure that all purchases are in compliance with UAS's overall policies and procedures.

### 2. Card Security

Purchasing Cards must always be stored in a secure place. Cardholder must ensure the appropriate use of the Purchasing Card. The Purchasing Card may be used only by the approved cardholder. Use by anyone other than the cardholder is prohibited as the card is NOT transferable.

### 3. Lost or Stolen Cards

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, immediately report this information to Wells Fargo Bank Business Purchasing Service Center (BPSC) at 800-932-0036. Immediately after reporting to the BPSC, you must inform UAS accounting office. **In order to avoid company liability for fraudulent transactions, it is extremely important to act promptly in the event of a lost or stolen card.** As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

### 4. Reconciliation

At the end of a statement period, the cardholder will be notified via email that it is time to review the card statement. The cardholder will access the Commercial Card Expense Reporting tool portal to review the statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. Cardholders are responsible for the following:

- Retaining all receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made by the cardholder on behalf UAS.

#### **Supporting Documents and Receipt Retention:**

It is a requirement of the program that the cardholder keep all receipts for goods and services purchased. **For orders placed via phone, fax, mail, or online, cardholder must request that a receipt, detailing merchandise price, sales/use tax, freight, etc., be included with the goods mailed/shipped. (Note: a merchant should not reject this request as it is a Visa policy).** It is extremely important to request and retain purchase receipts as this is the only original documentation that shows whether sales tax has been paid.

**Reconciling Purchases:**

It is the cardholder's responsibility, immediately upon receipt of statement, to: (1) check the statement to ensure all the transactions posted are legitimate transactions; (2) mark transactions for which receipts will be attached; and (3) attach line item detailed point of sale receipts or delivery invoices. Other optional functions such as adding descriptions and reclassifying expenses can be performed using the Purchasing Card Expense Reporting tool. All the available functions can be referenced in the Cardholder Quick Reference Guide. If everything is in order, cardholder will mark the statement as reviewed. Once your statement has been marked as reviewed an email will be issued to the cardholder's manager for his/her approval. Cardholder should forward all receipts to the cardholder's designated Approving Official. Please make copies for your records.

**5. Disputed or Fraudulent Charges**

If there is any discrepancy between the record log and statement it is imperative that the issue be addressed immediately. Depending on the type of discrepancy, cardholder will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

If the merchant has charged you incorrectly or if there is an outstanding quality or service issue, cardholder must first contact the merchant and try to resolve the error or problem. If the issue is resolved with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on the next statement. Note: The item should be highlighted on your record log as a reminder to verify that the correct credit has been received.

If the merchant disagrees that an adjustment is necessary, the cardholder will complete an online dispute form. The details of the disputed transaction will be entered online and followed up on by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the company's account for the disputed transaction.

Any fraudulent charge (i.e., a charge appearing which was not authorized by you) must be reported immediately to the UAS Accounting Office. Prompt reporting of any such charge will help to prevent the company from being held responsible.

**PC 205.5 Billing Cycle**

The billing cycle generally runs from the 1st of the month until the end of the month. Per transaction and at the end of each month, the cardholder will receive a reminder that he/she needs to reconcile the Purchasing Card within the 3<sup>rd</sup> business day of the preceding month. This can be done online through Wells One Commercial.

The Cardholder must review all expenses for accuracy and reconcile them to the vendor receipts/invoices. The Cardholder is responsible for reviewing each transaction and assigning

the appropriate project and object entries, and the appropriate description of the purchase for each transaction. The Cardholder is responsible for contacting Wells Fargo regarding questionable or disputed items. The Cardholder transactions will then, be forward to the designated Approving Official to review and approve. Approvers will receive weekly email alerts of pending transactions that require approval.

The entire expense log report packet, receipts/invoices, corresponding documents and the signed approval form are due, on the **10<sup>th</sup>** day of each month (for the prior month's transactions).

### **PC 205.6 Approving Official Responsibilities**

The Approving Official is the administrator who oversees the Cardholder or has been delegated the authority to certify that the purchases made by the Cardholder are appropriate. The Approving Official is responsible for the following:

- Review and approve all charges.
- Ensure that all purchases are appropriate.
- Ensure that no prohibited items have been purchased.
- Ensure that proper documentation is attached.
- Ensure that a Hospitality form, signed by the Division Head or designee, has been submitted attached, if applicable.
- Certify that all purchases are to be, or have been, used to benefit UAS and Cal State LA.
- Ensure that all purchases are following Grant's allowable expense.

### **PC 205.7 Purchasing Card Policy Violations**

Pursuant to Executive Order No. 760, the Accounts Payable Supervisor is responsible for conducting post-audits to ensure compliance with Purchasing Card policies and procedures. Failure to comply with Purchasing Card policies may result in suspension or revocation of the Purchasing Card.

### **PC 208.8 Purchasing Card Processes**

New Cardholders must complete a Purchasing Card Application Form (EXHIBIT A) and submit it, with the appropriate signatures, to the Accounting Office at The Golden Eagle Building GE 314. Incomplete applications will delay processing of the application. The program administrators will evaluate the cardholder's budget, necessity, and needs to approve or deny the application. If the application is accepted, an appropriate credit limit will be assigned to the card. The Accounts Payable Specialist will notify Cardholders once their card is received. Upon receiving the card, the Cardholder must sign the Cardholder Agreement – Purchasing Card (EXHIBIT B) acknowledging that they have read, understood, and agreed to comply with the terms and conditions of the Purchasing Card Policy.

### **1. Change of Cardholder Position**

When a Cardholder leaves the position the Purchasing Card must be surrendered to the Card holder administrator or Human Recourses. All account activity must be cleared and reconciled. If a Cardholder transfers to another department, the Accounting Office must be notified in writing.

### **2. Spending Limits**

Monthly spending limits are set at the time of card issuance. The monthly limit may be changed by an email from the supervisor explaining the reason for the change. Such email should include the requested monthly limit amount and should state whether the change is permanent or temporary. All changes must be approved by the Executive Director.

### **3. Card Changes / Updates**

A change to the Cardholder's last name or telephone number may be requested by an email from the Approving Official or by submitting a Revision Request Form signed by the Approving Official. To change an Approving Official, a signed memo by the new Approving Official and the Division Head, College Dean or their Designee must be submitted to the UAS Accounts Payable Department.

A Purchasing Card may be cancelled by an email request sent from the Approving Official. The cancelled Purchasing Card must be sent to the UAS Accounting Office to be destroyed. A Revision Request Form may also be submitted along with the destroyed Purchasing Card. The Approving Official is responsible for ensuring that all documents are submitted to the UAS accounting office.

**EXHIBIT A**

**Purchasing Card Application/ Approval Form**

Applicant's Name: \_\_\_\_\_

Department Name: \_\_\_\_\_ Bldg. Room# \_\_\_\_\_

Department Mailing Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

Campus Wide Identification Number (CWID #): \_\_\_\_\_

Default project(s) to be charged: \_\_\_\_\_

Reason for the card (required) \_\_\_\_\_

Monthly \$ Limit Request (\$1,000 Maximum): \_\_\_\_\_ Single purchase Limit Request: \_\_\_\_\_

Award Period (For Grants and contracts projects number) \_\_\_\_\_

Max. Transactions Per Month: \_\_\_\_\_ Max. Transactions Per Day: \_\_\_\_\_

Department contact for Audit/Reconciliation:  
Name \_\_\_\_\_ Phone \_\_\_\_\_ E-mail \_\_\_\_\_

SAMPLE USE DO NOT

I agree to adhere to the UAS policies and procedures and to sign the Cardholder Purchasing Card Agreement before a Purchasing Card will be issued. Upon the issuance of a card, I understand that I will be personally responsible for any abuse, misuse or purchases of prohibited items. I also understand that failure to submit all required documents in compliance with purchasing card policy deadlines may result in revocation of my card.

\_\_\_\_\_  
Applicant Name (Print/Type)      \_\_\_\_\_  
Applicant Signature      \_\_\_\_\_  
Date

I hereby approve the applicant, listed above, for issuance of an UAS Purchasing Card. I assure that the monthly reconciliation of all statements will be done, as required, and all documentation retained. I understand that the improper use of this card by this individual may result in revocation of the card.

\_\_\_\_\_  
Department Head/Supervisor Name (Print/Type)      \_\_\_\_\_  
Department Head or Supervisor Signature      \_\_\_\_\_  
Date

\_\_\_\_\_  
Division Head or Designee (Print/Type)      \_\_\_\_\_  
Division Head or Designee Signature      \_\_\_\_\_  
Date

Approved:  
\_\_\_\_\_  
UAS Executive Director

UAS Office Administrator \_\_\_\_\_ By \_\_\_\_\_

**EXHIBIT B**



**CARDHOLDER AGREEMENT – PURCHASING CARD**

I, \_\_\_\_\_, hereby acknowledge receipt of the UAS Wells Fargo Purchasing Card. As a cardholder, I acknowledge that I have read, understand and agree to comply with the terms and conditions of this Agreement and the Purchasing Card policies and procedures.

I understand that the Cal State LA Auxiliary Services is liable to Wells Fargo for all purchasing card charges.

I agree to use this card for UAS approved purchases only and agree not to charge personal purchases. I understand that the UAS will audit the use of this card and report any discrepancies. I agree to repay the UAS for any amounts personally owed by me, even if I am no longer employed by the UAS at the University.

I agree to follow the established procedures for use of the Purchasing Card and to submit my statement, with all receipts attached, to my Authorized Representative within the time frame set forth in the policies and procedures. Failure to do so may result in revocation of my Purchasing Card.

I understand that the card is the property of the UAS, I further understand that the UAS may terminate my right to use this card at any time and for any reason. I agree to return the card to the UAS Accounting Office immediately upon the termination of employment.

Cardholder: Card #: \_\_\_\_\_

\_\_\_\_\_  
Cardholder Name                      Cardholder Signature                      Date

UAS Use only

Card released  
(HR Staff)                      \_\_\_\_\_                      \_\_\_\_\_  
Name    Signature