SUNY COBLESKILL
PROCUREMENT CARD POLICY

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.

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.

CARDHOLDER RESPONSIBILITIES

By signing for and activating the purchasing card, the employee agrees to participate in the State University purchasing card program and assumes responsibility in accordance with program guidelines. Failure to abide by these terms may be viewed as 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 or business travel and entertainment purposes.
- Purchase items from M/WBE vendors or small businesses when possible.
- Understand the agency’s accounting procedures concerning the availability of funds to cover the expense.
- Be able to substantiate the reasonableness of price for purchased items.
- Purchase only the number of items, at the quantity and quality needed for appropriate State use.
- Ensure the vendor knows the purchase is a Sales Tax Exempt purchase. If sales tax is charged, the cardholder is responsible for contacting the vendor directly and requesting a refund of the sales tax. If required by the vendor, the cardholder will be responsible to forward the SUNY Tax Exemption letter to the vendor.
- Be knowledgeable about individual card limits and do not attempt to make purchases in excess of the single transaction limit.
- 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 the campus. Therefore, the cardholder’s credit rating is not affected by participating in the New York State purchasing card program. On a monthly basis, the cardholder will receive 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 are required to produce statements and receipts to verify appropriate use.
- Policies and procedures related to the purchasing 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 Campus management.
- Misuse or fraudulent use of the card may result in disciplinary action and may be grounds for dismissal.
- The purchasing card will be used to buy business related goods and services that are within the guidelines of New York State’s purchasing card program.

**Items To Be Purchased With The Procurement Card – All items purchased with a Procurement Card become the Property of SUNY Cobleskill, and New York State. This property MAY NOT be given away.**

You may use the card for:
- Items from Preferred Sources
- Items on an Office of General Services’ statewide contract
- Maintenance/repairs of equipment
- Supplies and materials
- Equipment
- Printing
- Conferences/seminars
- Freight
- Personal Services

**Items Prohibited From Procurement Card Use**

Items you cannot use the procurement card for include:
- Personal use
- Gift Cards, gifts for any occasion, greeting card, etc.
- Flowers, floral arrangements, or gift baskets to send to employees, students and families.
- IT Purchases (Computers, IpadS, Tablets, etc. are handled through ITS)
- Furniture (Purchasing must purchase all furniture)
- Alcoholic Beverages
- Gasoline Purchases
- Weapons
- Memberships at Warehouse Clubs
- Charitable donations or political contributions
- Travel/entertainment (i.e. airline, car rental, lodging)
- Rent
- Cash advances
- Cash refunds
- Formal contracts
It is important to note the Citibank Procurement Card is different from the Citibank Travel Card. Travel related expenses such as meals, lodging, airfare, and car rentals should be charged on the Citibank Travel Card, not the Citibank Procurement Card. Catered meals for a group such as at a conference are allowable on the procurement card. Conference room rental fees are also allowed on the procurement card.

The procurement card may not be used for payments on formal contracts or purchase orders approved by the Office of the State Comptroller (OSC), other than statewide Office of General Services (OGS) contracts (P-contracts). OSC requires agencies always show available funding for a contract by encumbering all expenses against contract records in the Central Accounting System.

If you have questions regarding the appropriate use of the purchasing card, contact Laura Gross, Controller, Knapp 132, ext. 5626.

**MAKING A PURCHASE**

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

All purchases made using the purchasing 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.

**Purchases Requiring Prior Approval**

Agency policy and subsequent approval procedures may vary and it is the cardholders’ responsibility to adhere to agency requirements.

In addition, cardholders should:
- Not split an order when the total purchase exceeds the per transaction limit.
- Not give their card or account number to anyone else other than the vendor from whom they are making the purchase.
- Use the card only for legitimate State business purposes.
- Maintain the card in a secure location at all times.
- Not accept cash in lieu of a credit.
- Immediately notify Citibank and the program administrator of a lost or stolen card.
- Return the card to the program administrator upon terminating employment.
- Ensure credits for reported disputed items or billing errors appear on a subsequent statement.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Citibank if the dispute or billing error is not satisfactorily resolved.
- Obtain all required documentation for reconciliation and forward to the finance office in a timely manner. The documentation should support authorization of the purchase, the purchase price of the item and the receipt of the item. Examples of documentation include invoices, Citibank statements, printed Internet confirmations, credit card receipts, receiving acknowledgments and a procurement log.

**Account Reconciliation**

Each month, Citibank will deliver to the Office of Business Affairs, a document referred to as the cardholder activity statement, which is then sent to each cardholder. 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

The cardholder should review the monthly Citibank statement for accuracy and reconcile each charge transaction to the vendor receipts and/or invoices. The cardholder should also ensure all items are received in satisfactory condition and dispute any times not received thusly.

The cardholder review should include the following questions:

1. Did I purchase all items appearing on the statement?
2. Are there any items I purchased that do not appear on the Statement? Keep documentation associated with these purchases until the following Statement. If the charge still does not appear, contact the vendor.
3. Does the amount quoted to me by the vendor match the amount I was charged for each item? Was I charged any tax or freight of which I was not aware?
4. Did I receive all items ordered in satisfactory condition? If not, the cardholder should ensure the items are received in satisfactory condition within the 60-day dispute window or dispute the charge.
5. Do credits appear on the statement in the proper amount for any returns?
6. Have I retained a copy of my transaction documents for my records?

**Disputed Items**

Agencies are responsible for paying the Citibank bill in full, including any disputable charges, within 30 days of receipt of the invoice. The cardholder should review his/her statement each month for accuracy of charges. If the cardholder identifies a disputable charge on his/her statement, the cardholder should attempt to resolve the dispute with the vendor. If the cardholder cannot resolve a dispute with a vendor or there is a charge that is unauthorized or unrecognized on the cardholder’s Citibank statement, the cardholder or program administrator may dispute the charge using CitiDirect. After filling out an online form, CitiDirect will prompt the user to print a form and fax it to Citibank. All forms should be returned to Citibank immediately.

**Lost or Stolen Credit Cards**

Any lost and/or stolen procurement card must be reported immediately to Citibank by calling 1-800-248-4553. The cardholder should be prepared to give their name exactly as it appears on the face of the card, the account number, the card’s expiration date, and a brief explanation surrounding the loss. Immediately following this notification, the cardholder must notify the agency’s procurement card program administrator.
State Liability

The procurement cardholder will not be billed directly for the charges, but will be able to access a monthly statement of transaction information. The State of New York will be liable for all appropriate charges made using the procurement card. Employees who complete an application for the Citibank procurement card will not be subject to a credit check. All authorized and appropriate charges incurred using the procurement card are paid by the State of New York.

New York State will be liable for all charges to the procurement card account except for fraudulent use of the card by a vendor and/or an employee, those in excess of the single transaction or monthly limits and any other limits imposed by participating State agencies and accepted by Citibank. Employees will be responsible for reimbursing the State of New York for any charges incurred as a result of their misuse of the card. The employee may also be subject to other disciplinary action. New York State will not be liable for any charges incurred by non-employees. Therefore, it is important to report immediately any lost and/or stolen procurement cards or unauthorized use of the card to Citibank.

Citibank uses the last four digits of a cardholder’s social security number for identification purposes when a cardholder contacts them for account information and card activation. The full social security number is not required.

Audit Responsibility

The agency issuing the card should establish a program to audit the procurement card transactions. At a minimum this audit should be done monthly. This audit function may rest in the Business Affairs office, the internal auditor’s office or other appropriate office with staff possessing the skills to effectively audit these transactions.

The Office of the State Comptroller may elect to audit any and all procurement cardholder accounts. These OSC audits do not require advance notice. It is important that all entities using the procurement card retain accurate records of all transactions made. These records must be made available to the Office of the State Comptroller upon request.