

**FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT**  
**Business Services PROCUREMENT CARD POLICIES AND PROCEDURES**  
**REVISED: May 2013**

The Board of Trustees authorized the use of procurement cards (procard) at their meeting in December, 2003. This authority is granted under Ed Code Section 81656. This purchasing process is used to expedite the purchase and accounting of low cost and frequently needed items or whenever there is sufficient benefit to the District. An application for a District procard must be approved by the authorizing manager.

**Unauthorized charges or inappropriate use of the procard will result in immediate revocation of the card**

1. All procards shall be reauthorized every September by the authorizing manager. Business Services will issue a list of current cardholders, the authorizing manager, and the dollar and transaction limits on each card. If a card is not reauthorized by September 30, it shall be terminated. All approved cardholders shall be required to sign a new agreement each September.
2. Every cardholder shall be a **full-time employee** of the Foothill-De Anza Community College District and shall agree to all terms and conditions as follows established for the issuance of a District Procurement Card.
3. Every cardholder shall sign the card in the presence of a designated district issuer immediately upon taking possession of the card.
4. The cardholder shall be responsible for submitting all receipts to the authorizing manager at the end of each month whether or not he/she is audited by Business Services. **The authorizing manager shall be responsible for maintaining the audit backup for a period of five years.**
5. The authorizing manager shall be responsible for complying with all procard audits requested by Business Services. If the requested audit is not submitted to Business Services by the requested due date, the procard holder will be given a second notice and a two-week extension to submit the audit. If the audit is not received within the two-week extension, the procard will be cancelled.
6. Business Services shall prepare a quarterly summary of audits completed on procard accounts and any corrective actions implemented. The summary shall be presented to the Audit and Finance committee as part of the internal auditing system.
7. The cardholder shall be personally liable for inappropriate charges and shall be personally responsible for the settlement of any dispute on any purchase with a vendor. Any inappropriate use of the procard shall result in immediate termination of the card and appropriate disciplinary action shall be taken in accordance with appropriate contractual and statutory processes.
8. **Under no circumstances can public funds be used for the purchase of alcohol.**
9. **The Procurement Card cannot be used to purchase meals, food, or beverages,** with the **exception** of:
  - Food products, which are required to meet program requirements—**NOT** to be purchased for personal consumption or expense reimbursement.

**10. The procard cannot be used to purchase services of any type, including labor services and independent contractor services, with the exception of:**

- District owned vehicle maintenance/cleaning
- District owned student-employee uniform maintenance/cleaning
- eCommerce services under \$5,000 (Online marketing/advertising, i.e. Facebook, etc.)
- Incorporated business services (Phone or cable fees from Verizon Wireless, AT&T, etc.)

11. The procard cannot be used to purchase gas for a personal vehicle; instead, the cardholder should submit a Mileage Voucher or Trip Voucher for reimbursement.
12. High cost, infrequently needed items and equipment that are subject to the district's capitalization policy and technology items (such as computers, printers, servers, network equipment including wireless, and multi-function copiers) which will require the installation and support of ETS, department technical staff, or Plant Services, shall **not** be purchased with the procurement card, but **shall be processed through District Purchasing**.
13. **A procard will be revoked for any of the following reasons:**
  - The card is used for personal or unauthorized purchases
  - The card is used to purchase food, alcoholic beverages or any substance, material, or service which violates policy, law, or regulation pertaining to the District
  - The cardholder allows the card to be used by another individual
  - The cardholder splits a purchase to circumvent a purchase limit assigned to the card
  - The cardholder uses another cardholder's card to circumvent a purchase limit assigned to either cardholder
  - The cardholder purchases equipment requiring capitalization
  - The cardholder accepts a personal gratuity from a vendor
  - **The cardholder uses the card to purchase gratuities or gifts**
  - The cardholder fails to provide the Vice Chancellor, Business Services with information about any specific purchase
  - The cardholder fails to provide accounting with expense transfer documentation that may be necessary to record a purchase appropriately
  - The cardholder does not adhere to any of the Procurement Card policies and procedures
14. Each procard will be assigned specific purchase limits and restrictions. Cardholders shall adhere to these limits and restrictions.
15. The cardholder is personally responsible for guaranteeing that all charges are for appropriate District expenses, that purchases are within budget limits, and that the purchase does not violate any other law, regulation, or policy of the Board of Trustees. Neither the Bank nor the District assumes responsibility for non-District purchases. The cardholder shall be liable to the District and to the Bank for any non-District purchase.
16. The cardholder shall immediately notify Business Services if the procard is lost, stolen, or in the possession of an unauthorized person. A written follow-up, including pertinent information on the cause of the *Procurement Card* loss or use by an unauthorized person, shall be forwarded to the Vice Chancellor of Business Services in a timely manner.
17. Payment for charges made against the procard shall be processed as follows:

- When the statements are transmitted or otherwise received by the District, the charges against each card shall be charged to that card's designated budget account.
- Statements shall be forwarded to the employee's supervisor at each college or Central Services for review and approval.
- Random and scheduled audits are performed each month. Upon request of the Vice Chancellor, Business Services, a cardholder shall provide in a timely manner the following:
  - The monthly procard statement for the audited month (found on MyPortal), with both the cardholder and supervisor's signatures.
  - The original receipts and other documentation to support monthly charges.

18. All charges on the bank statement shall be passed on to the designated cardholder account, including any transaction or annual fees.

19. The Procurement Card is the property of the bank, and the bank may at any time revoke card privileges under the provisions of its policies and procedures.

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I \_\_\_\_\_ (Print Name) have read the District's Procurement Card Policy and Procedures and agree to abide by them upon acceptance of a Procurement Card issued to me, and that revocation of card authorization will have no effect on obligations outstanding as of the date of revocation.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Last 4-Digits of Procard:* \_\_\_\_\_

### **Recommended Practices for Use of the Procurement Card**

Every cardholder shall take reasonable precautions with the Procurement Card. These include, but are not limited to, the following:

1. Keep the card in view after you give it to a clerk. Get it back promptly after they have imprinted it or it has been swiped.
2. Avoid signing a blank receipt. Draw a line through blank spaces above the total when you sign.
3. Destroy all carbons and voided (when a mistake was made) receipts. If the clerk has to keep a voided receipt for the store's accounting system, be sure to get a copy.
4. Save all procard receipts. Upon receiving your monthly accounting report check your receipts and payments against the statement.
5. Immediately call Business Services to report any questionable charges on your statement.
6. Never lend your card to anyone.
7. Never leave your card, receipts, or carbons where anyone can pick them up.
8. Never put a card number on a postcard or on the outside of an envelope.
9. Never give your card number over the phone unless you are dealing with a company you are sure is legitimate.
10. Whenever possible, use those vendors identified by the purchasing department.

## **PROCARD FREQUENTLY ASKED QUESTIONS REGARDING DISTRICT EXPENDITURES**

### ***1. CAN I USE THE PROCARD TO PURCHASE FOOD, MEALS, OR BEVERAGES?***

- **NO.** Reimbursements for food, meals, or beverages must be requested using a Direct Pay form or Travel Reimbursement form.
- **Please note:** Food products, which are required to meet program requirements—**NOT** to be purchased for personal consumption or expense reimbursement.

### ***2. CAN I USE THE PROCARD TO BUY A TANK OF GAS FOR MY PERSONAL CAR WHEN TRAVELING ON DISTRICT BUSINESS?***

- **NO.** You must submit a mileage claim form and be reimbursed on a per mile basis.

### ***3. CAN I USE THE PROCARD OR SUBMIT A CHECK REQUEST TO BUY A GIFT FOR AN EMPLOYEE OR STUDENT?***

- **NO.** Public funds cannot be used to buy gifts for employees or students.
- In some instances, the purchase of “service awards” such as plaques, certificates of appreciation or other such recognition awards for exemplary service can be purchased with public funds, but the test of reasonableness must be applied.

### ***4. CAN I HAVE ORDERS PAID BY THE PROCARD DELIVERED TO A HOME ADDRESS?***

- **NO.** Items charged to your Procard must be delivered to a District or campus address.

## **QUESTIONS TO ASK YOURSELF REGARDING A TRANSACTION**

- ✓ *Would I be comfortable submitting this request for reimbursement to the Board of Trustees for approval?*
- ✓ *Could I defend this expenditure to a group of reporters, the district attorney, or the Audit and Finance Committee?*
- ✓ *Is this an “actual and necessary” use of public funds?*
  - Remember that “public funds” includes all of General Fund 14, funds 15, 21, 22, 76 Campus Center, Bookstores, etc. These are all the funds we manage with the exception of the Foothill De Anza Foundation