



## BINGHAMTON UNIVERSITY AND THE STATE OF NEW YORK CITIBANK VISA PROCUREMENT CARD: POLICIES AND PROCEDURES

### Overview

The New York State Citibank Visa Procurement Card (P-Card) offers Binghamton University departments an alternative method of making small dollar purchases as well as the opportunity to streamline procedures or controls for procuring goods and services. The Procurement card program also reduces the volume of accounts payable transactions and the associated administrative costs by streamlining payments to vendors. All vendors who accept Visa accept the New York State Citibank Visa procurement card.

### Policy

The current P-Card purchase limit is \$2,500 per transaction. Departmental cardholders can be liable for unauthorized charges made using the card when the card is lost and not reported in a timely manner. Procurement cards must be used for official SUNY purchases only. Use of the card for personal items, cash advances and business travel expenses is not permitted.

Do not use the card to circumvent state policies requiring you to seek state preferred vendors. You should use vendors on state contracts whenever possible and economical.

If you have questions on the appropriate use of the purchasing card, please contact the Program Administrator.

The Procurement Charge Card is a privilege and may be revoked for any violation of the procedures.

### ***Use the card for...***

- Items on a centralized commodity ("p") contract
- Maintenance/repairs of equipment
- Service Contracts for equipment
- Supplies and materials
- Equipment
- Printing
- Conferences/seminars
- Freight (You may exceed per transaction limits by the amount of the freight costs).

#### **Note:**

For computer related equipment, all purchases over \$500 should be reported to Physical Facilities.

Purchases of any equipment over \$1500 must be registered and bar coded by Physical Facilities.

### ***The Procurement Charge Card Campus Program Administrator Provides:***

- Outreach to Departments
- Trains potential Cardholders;
- Issues cards;
- Cancels cards;
- Communicates to the Citibank Visa representative to make corrections, receive monthly billings, obtain replacement cards;
- Monitors compliance with state and SUNY regulations;
- Promote M/WBE participation through the Procurement Card Program.

### **Enrolling in the P-Card Program**

### **Eligibility**

Any department with a *state purchase function account*, *IFR* or other acceptable accounts is eligible for procurement cards. One department may have several cards, each card in a different department member's name.

### **Application**

Procurement card services must be obtained through participation in the statewide contract administered by the State of New York, Office of General Services, Division of Standards and Purchases. The campus Program Administrator will contact Citibank Visa to begin your participation in the purchasing card program and will provide the necessary literature and training to your department.

Procurement cards will be issued to individuals who are designated by the appropriate department authority and requested in writing or in an email. The cards are issued with the name of the cardholder, Binghamton University and State of New York embossed on the card. Cardholder must sign an agreement form prior to obtaining the Procurement Card.

Upon completion of the state required training, cardholder will be given a copy of the Campus *Users Policy & Procedure Manual*, and a password and description of the process for certifying charges online on the SUNY-Central system.

### **Restrictions**

Use of the purchasing card is limited to transactions totaling \$2500 per transaction with a negotiable monthly limit. In cases where postage or freight sends the amount over \$2500, departments will have discretion in how to handle the overage.

It is preferred that the card is to be used to purchase a commodity supplied by a preferred source as defined by New York State Finance Law, Corrections and Handicapped Law. The cardholder may, however use the card where ever it is accepted.

New York State and Citibank Visa created a template which automatically excludes certain types of expenditures at point of sale. Airline, lodging and car rental p-card transactions are blocked at point of sale.

Cardholders must return the Procurement card to the campus Program Administrator immediately upon request or upon termination of employment.

Authorized use of the Procurement card is limited to the person whose name appears on the face of the card. The Procurement card **must not** be loaned to another person. If the cardholder is going to be absent from work for an extended period of time, a separate card may be issued to a different person with procurement authority for the duration of the absence.

The Procurement Card should be kept in an accessible but secure location, accessible only to the cardholder. The Citibank Visa account number on the Procurement card should not be posted or left in a conspicuous place.

### **Don't use the card for...**

- Personal use
- Travel/entertainment (i.e. airline, car rental, lodging, lodging reservations, restaurant)
- Gasoline purchases
- Medical services
- Non-employee compensation (payments for any personal services)
- Cash advances
- Cash back on purchases
- Cash refunds
- Gift certificates for gift purposes
- Savings bonds
- Food items and/or beverages that will become part of the state's resale inventory
- Alcoholic beverages
- Payments on formal contracts approved by OSC other than OGS Standards and Purchase Commodity Contracts
- Materials on a restricted list, such as radioactive samples

## Using the Card

If the Procurement card is lost or stolen, it is the cardholder's responsibility to **immediately** notify Citibank Visa, then the Program Administrator.

The campus Program Administrator should be contacted when changes need to be made to existing Procurement cards. If a new Procurement card needs to be issued, the cardholder should receive the replacement card in 7-10 business days.

The card holder's department is liable for the use of the Procurement card by authorized users, provided that use is within the single per transaction dollar limit not exceeding \$2500, and within the state established purchasing guidelines. The department will not be liable for the following:

- Expenditures on Citibank Visa procurement cards which are fraudulent
- Purchases made with stolen or lost cards provided the loss is reported within 24 hours after discovery and reported to Program Administrator and Citibank Visa.

Individual cardholders will be accountable and responsible for fraudulent or unauthorized charges. To reduce the risk of fraudulent charges, the cardholder should NEVER email card data to any vendor or to another Binghamton University Campus Department. Further, cardholders should avoid sending card data through interoffice mail. Please use the telephone where necessary.

## How to Place an Order

### Placing an Order

1. Check the state contracted vendors.
2. Check your desired vendors and ask if they accept Visa.
3. Ensure that purchase is within the parameters of the New York State Procurement card program.
4. Ensure there are funds in your account to pay for the item.
5. Order online, via telephone or go to the vendor's place of business and place the order. Inform the vendor that the purchase is made on a **GOVERNMENT PROCUREMENT CARD**, and that it is a **TAX EXEMPT PURCHASE**.
6. If item delivery will be by Express Service, please provide complete detailed shipping information including: Department, Room number, contact, Bldg., transaction number if any.
7. Give the vendor your Citibank Visa card number and expiration date. (The vendor will verify the account number with Citibank Visa. The spending limit and spending limitations will be checked electronically for compliance with applicable limits).
8. Retain **all** documentation pertaining to the purchase. When the vendor delivers the order, documentation of the purchase (such as a sales receipt or packing slip) should accompany the order. At the end of the billing cycle, originals of this documentation must be sent to the Program Administrator in the Purchasing Office along with a certification signed by the cardholder and supervisor.

## Returns, Credits, and Disputed Items

In most cases, disputes will be resolved directly between the cardholder and the vendor that provided the goods or services. The cardholder must use the following guidelines when returning an item:

- If an item needs to be returned for any reason, the cardholder will contact the supplying vendor, arrange for the item(s) return. At the time a return is made, the vendor should assign a Return Material Authorization Number. If not available, secure your contact's name and telephone number.
- The vendor should issue a credit for items that are returned. This credit will appear on a subsequent VISA charge card statement.
- Keep all documentation of the return. All documentation pertaining to returns must be kept on file for reconciliation to the charge card statement. Cardholders must reference the original transaction control number to track the transaction.
- If the cardholder and the vendor cannot resolve an issue, the cardholder should:
  - 1) Initiate a dispute with VISA by calling the VISA Customer Service at 1-800-790-7206, **Option 2 (7:00 am.-8:00 p.m.) Monday Through Friday within 60 calendar days of purchase**. VISA will investigate the dispute on the card holder's behalf and assist in the resolution. VISA will issue a temporary credit pending final resolution. Contact the Program Administrator. The Program Administrator will investigate the dispute on the card holder's behalf and assist in its resolution.
- Returned items may be dropped off at the campus Post Office. If the return warrants, Central Receiving will pick up the item and deliver it to the campus Post Office.

It is the card holder's responsibility to resolve disputes.

## Reconciliation of Charge Card Statement

The cardholder is responsible for retaining copies of documentation of purchases and returns and reconciling them online on the SUNY-Central system within 10 business days of being notified to do so by the administrator or as soon as practicable. These reports must then be sent to the campus Program Administrator.

After 10 business days, cardholders will receive a reminder to turn in all applicable paperwork. If paperwork is not turned in within 5 more business days, the cardholder's supervisor will be copied on another reminder. If there is a further delay, the final step will be a phone call to the cardholder and/or supervisor. If no immediate response after this final step, the cardholder's access to the p-card will be terminated.

The following guidelines are recommended for reconciliation:

**The campus Program Administrator has access to monthly charge card statements generated online by Citibank Visa. All original copies of documentation pertaining to purchases and returns should be on file with the Business Office. Remember that this information will remain on file for not less than seven years after purchase.**

### Payment of the Charge Card Statements

When a cardholder purchases with the Procurement Card, the vendor requests payment from Citibank Visa. The campus's Accounts Payable unit is responsible for recording departmental charges to the SUNY Central master payment system. The following guidelines must be observed when processing payments:

- Individual Cardholder Billing Statements will be online at Citibank Visa for each campus cardholder and Program Administrator following the billing cycle cutoff.
- The payment due date is established by the terms of the contract with Citibank Visa. Usually, the vendor will receive their payment within three working days.
- At the end of the billing cycle the department cardholders should print and sign the online SUNY-Central **Certification**, have their supervisor sign it, attach originals of the necessary documentation, and forward it to the Business Office. It is recommended that the department make any necessary photocopies for their record.
- Remember, the state reserves the right to audit individual department cardholder accounts at any time, so keep good records of your spending activity.
- Upon receipt of the cardholder Certification and receipts, Accounts Payable audits the statements and certifies the expenditures for the period to SUNY Central, who deducts the expenditure from the departments' budget.

## Reporting

### Records

#### Cardholders

All card-holding departments will be subject to audit reviews to be held periodically. Final responsibility for use of the card rests with the card holding department. Necessary elements for a successful audit include the following:

- Photocopies of all packing slips, invoices, billing statements from vendors, and other documentation of transactions.
- Any other internal information related to tracking of purchases (i.e. return of merchandise memos, receipt and disbursement of items).
- Following acceptable purchasing practices according to existing SUNY and state regulations.

#### Liability

New York State will be initially liable for all charges to the Purchasing Card account except for fraudulent use of the card by a vendor and/or an employee, those in excess of the single per-transaction limits, and any other limits imposed by participating state agencies.

While New York State will be responsible to VISA for all employee charges associated with the Purchasing Card, the cardholders themselves will be responsible to reimburse the State of New York for any charges incurred as a result of misuse of fraudulent use of the card.

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 Purchasing Cards to VISA.

Failure to comply with this notification process may result in the cardholder becoming personally liable for the fraudulent use of the card.

### **Suspension of Purchasing Card Privileges**

Improper use of the card by the cardholder will lead to suspension of all Purchasing Card privileges by the Program Administrator. The Office of the State Comptroller, VISA, or OGS may also request suspension of Purchasing Card privileges.

#### **A. MISUSE OR ABUSE OF THE CARD**

The term "misuse or abuse" as used herein, shall mean the willful use of the Purchasing Card outside of the employee's authorized parameter (e.g. charges in excess of the permitted limit for any period; purchases of items of a type other than those allowed). Depending on the severity of the violation and their department's discretion, the following actions may be taken:

**1<sup>st</sup> Offense:** The Program Administrator will notify the cardholder of the infraction. The cardholder will be advised to use the card for official purposes only within the parameters established by NYS and VISA. The cardholder will also be advised that all Purchasing Card privileges will be suspended if further violations occur. If the department requests, the cardholder can be personally responsible for reimbursing the state for unauthorized purchases.

**2<sup>nd</sup> Offense:** The Program Administrator will suspend Purchasing Card privileges for a period of three (3) months. At the end of the three-month period, the cardholder may be by the Program Administrator. The cardholder can be held personally responsible for reimbursing the state for any unauthorized purchases.

**3<sup>rd</sup> Offense:** Use of the Purchasing Card will be suspended permanently. The cardholder will be personally responsible for reimbursing the state for any unauthorized purchases.

**NOTE:** This process can be adjusted at cardholder, department and/or campus level.

#### **B. FRAUDULENT USE OF THE CARD**

The term "fraudulent use", as used herein, shall mean the use of the Purchasing card with a **deliberately-planned** purpose and intent to deceive and thereby gain a wrongful advantage for oneself or anyone else other than the State of New York. The following actions will be taken:

Immediate suspension of card privileges;

Removal of cardholder's purchasing authority;

Mandate employee reimbursement to the state; and

Formal disciplinary action which may result in termination of employment pursuant to applicable contract provisions or, for Management/Confidential designated employees, in accordance with the provisions of Section 75 of the Civil Service Law.

#### **C. EMPLOYEE TERMINATION**

The Program Administrator will direct Citibank Visa to cancel all Purchasing Card privileges for any cardholder that leaves state service for any reason.

The state will continue to be liable for any charges incurred by the cardholder until CITIBANK VISA is directed by the Program Administrator to cancel the Purchasing Card.

#### **D. NYS FISCAL YEAR**

If the budget for the next immediate fiscal year has not been adopted, all Purchasing Card privileges will be suspended, effective Close of Business (COB) of the concluding year (June 30).

**NOTE:** In past years, the state has passed weekly budget extensions, which have included the Procurement Card Program.

#### **➤ Time Limit Policies**

➤ When notified of unreconciled purchases, log on and certify within 10 working days or as soon as practicable. After 10 working days, the following will occur:

- Email reminder to return documentation within 5 business days
- Contact cardholder supervisor

- Revoke card access if not turned in within 5 more days after contacting the supervisor
- Report lost or stolen cards within 24 hours
- **Immediately** notify the Program Administrator of change of status of cardholder, including their reassignment, and leaving the department's or university's employment.

### Useful URL's

**SUNY BINGHAMTON PURCHASING WEBSITE:**

<http://www2.binghamton.edu/purchasing/vendor-related-info/index.html>

**SUNY-CENTRALPROCUREMENT CARD GUIDELINES -- *NOTE-SUNY-CENTRAL IS UPDATING THIS MANUAL FOR CITIBANK VISA***

<http://www.sysadm.suny.edu/Controller/amex/form.pdf>

**NEW YORK STATE OFFICE OF GENERAL SERVICES BULLETIN ON PCARD LIABILITY**

<http://www.osc.state.ny.us/agencies/travel/citibank/empliable.htm>

**Useful Phone Numbers**

Program Card Administrators: Meghan Dold : 607-777-3556

John Gallent: 607-777-2036

**Citibank VISA CUSTOMER SUPPORT:**

- Help Desk: 1-800-790-7206, option 2
- Reporting Cancelled, Lost Or Stolen Cards: 1-800-248-4553

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