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SB 2015-2016:22

*The policies of the Associated Students Incorporated are in compliance with the regulations of California State Polytechnic University, Pomona, the CSU Chancellor and the CSU Board of Trustees as well as all applicable state and federal laws.*

**Policy Category:**

General Accounting

**Subject:**

Procurement Cards (ASI Liability Credit Cards)

**Objective:**

It is the policy of the Associated Students, Inc. (ASI) that procurement cards be used to improve the efficiency, flexibility and convenience related to the purchase, and payment for goods and approved services.

**References:**

Integrated California State University Administrative Manual (ICSUAM) Section 3103.03 Procurement Cards (University Liability Credit Cards).

**Definitions**

For purposes of this policy, the following definitions apply.

Administrator: An individual who is responsible for the day-to-day management and operation of the procurement card program for ASI.

Cardholder: The named individual to whom the procurement card is issued and whose name appears on the card.

Approver: An individual(s) at a supervisory level who is responsible for reviewing and/or approving purchases made by the Cardholder. Approvers may not be in a subordinate relationship to the cardholder. Approvers may not delegate the responsibility for reviewing and/or approving purchases made by the Cardholder.

**Policy Statement:**

Procurement cards provide an alternative procurement method of effecting purchases without the direct involvement of ASI Financial Services. A procurement card is an ASI liability credit card that may be used for certain business related purchases. Procurement cards provide benefits that:

- Streamline the processes for small dollar orders, reduces invoices and payments;
- Enable employees to be more efficient and focus on their core missions;
- Reduce paperwork and processing time in the employee's department as well as Financial Services;
- Provide cost savings through consolidated payments to the procurement card company; and
- Enable faster payments to ASI vendors.

A single procurement card contract and related program will be administered by ASI Financial Services.

## **General**

ASI is held to a high degree of scrutiny and accountability for its business practices. In operating a procurement card program, every reasonable effort must be made to ensure that the program and card use is managed in a manner consistent with the mission of ASI and the CSU, campus and ASI policies, applicable laws, ethical and risk reduction practices.

## **Authority and Responsibilities**

The authority to set and enforce purchasing card policies and procedures lies with the procurement card Administrator and Director of Financial Services. The Director of Financial Services must designate a single procurement card Administrator responsible for the ASI procurement card program. The Financial Services Department must also create and maintain a procurement card procedures manual. The content of a procurement card operations manual must minimally include the limitations and program requirements established in this policy and the specific responsibilities of the Cardholder and Approver, as provided below.

## **General Program Requirements**

- The use of procurement cards cannot avoid or circumvent any ASI policies or limits.
- Procurement cards are to be used within the same statutes, rules, limits, policies, and procedures as purchases using any other means of payment.
- Procurement cards may only be used for approved ASI expenditures.
- The use of a procurement card for any form of personal purchases (regardless of any intent to repay the ASI for a purchase) is expressly forbidden, with misuse leading to employee disciplinary actions.
- The procurement card program may also include use in procuring travel related goods and services. All travel related use of the procurement card will be governed by this policy and all other ASI travel related policies and procedures.

- The procurement card Administrator or designee must train Cardholders in related procurement and procurement card policy and procedures, and actively monitor the acceptable use of issued procurement cards.
- The procurement card Administrator or designee shall train designated Approvers in related procurement and procurement card policy and the specific responsibilities and procedures of being an Approver.
- The procurement card Administrator, in consultation with the Director of Financial Services, shall establish and adjust procurement card spending limits reasonably consistent with the anticipated expenditures of the individual Cardholder. Setting reasonable procurement card spending limits reduces the financial exposure of the ASI.
- Cardholders must sign documentation that specifically acknowledges agreement to comply with the policy established by the ASI Senate and procedures created by ASI Financial Services, the procurement card issuing bank and conditions for return of the card. Cardholders must also sign a document serving as confirmation that training was provided on applicable policies, procedures and acceptable use.

### Cardholder Responsibilities

The role of a Cardholder is to make purchases in accordance with the policies and procedures established by ASI and to ensure fairness and ethical treatment of vendors. ASI authorized cardholders shall:

- Agree to all card program requirements established and as amended by ASI Financial Services;
- Complete and acknowledge the required procurement card cardholder training;
- Ensure that ASI policies and procedures of the procurement card program are integrated into the individual's use of procurement card;
- Protect the card at all times to prevent unauthorized use;
- Not share or authorize others (subordinates or otherwise) to use the card;
- Immediately report a lost or stolen card to the procurement card Administrator and bank and actively follow the banks rules and instructions in doing so; and
- Immediately report fraudulent or suspected fraudulent charges to the procurement card Administrator and bank and actively follow banks rules and instructions to clear the charges.

### Approver Responsibilities

The Approver is the individual assigned to a Cardholder to ensure compliance with procurement card policies, procedures and by reviewing the transactions on no less than a monthly basis. A Cardholder cannot function as their own Approver. The authorized ASI approver shall:

- Complete and acknowledge required procurement card Approver training;
- Monitor transactions of assigned Cardholder(s) for appropriateness of purchase;

- Ensure adequate transaction documentation exists as established by ASI Financial Services;
- Identify possible violations of assigned Cardholder(s) and taking appropriate action if violations are found; and
- Notify the procurement card Administrator of changes in departmental program participants.

### **Delegation of Administrative Duties**

Generally, the delegation of certain duties in the procurement card program is a necessity to maintain administrative flow and efficiency. In certain circumstances, however, the delegation of duties is prohibited.

All delegations shall be in writing.

- The procurement card Administrator may have one or more “backups” or “designees” that are authorized to administer the procurement card program in conjunction with the Administrator or in the Administrator’s absence. The delegation may be in whole or in part as best suits ASI Financial Services’ operation.
- Cardholders may have subordinates or other individuals assist in the administration of the card accounts, but the Cardholder may not delegate the authority of the use of the card or signing periodic card reconciliation documents.
- Approvers may have subordinates or other individuals assist in the administration of their Approver responsibilities. The Approver may delegate the authority of approving Cardholder transactions consistent with the Approver’s department expenditure authority. The delegation of such authority to any Cardholder is prohibited.

### **Conflict of Interest Reporting**

In some instances, Conflict of Interest reporting may be required of procurement card program participants (Cardholders and/or Approvers).

Each employee is required to exercise their authority in good faith and with a view of the interest of the corporation, therefore subordinating individual and private interests to their duty with ASI, whenever the two parties conflict.

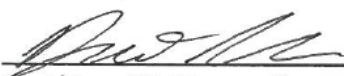
Employment at ASI carries with it a responsibility to be constantly aware of the importance of ethical conduct. Each employee shall refrain from taking part in or exerting influence in a transaction in which their own interests may conflict with the best interests of ASI.



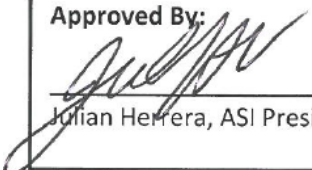
**FOR ASI USE ONLY:**

**ASI Executive Committee Approval Date:** June 10, 2016

**Verified By:**

 6/10/16  
David Lee, ASI Attorney General Date

**Approved By:**

 6/14/16  
Julian Herrera, ASI President Date