



COLORADO SCHOOL OF MINES
EARTH • ENERGY • ENVIRONMENT

COLORADO SCHOOL OF MINES
CONTROLLER'S OFFICE



PROCUREMENT CARD HANDBOOK

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Introduction

Procurement is a daily occurrence at Colorado School of Mines. The CSM corporate credit card, known as the *Procurement Card* or *P-Card*, is one of the convenient ways that we have to help you make the purchases that help you do your job.

The School has a contract with US Bank for Procurement Cards which serves as the preferred method for all purchases \$4,500 or less [\[CSM Purchasing Rules VI.B.1.a\]](#).

There are many benefits to using the P-Card over any other methods of purchasing at Mines:

- There is less paperwork involved in P-Card
- Allocations of transactions are simple
- It is the preferred method of purchasing items under \$4,500

If you have any questions, concerns, or input please do not hesitate to contact the Procurement Card Administrator:

Cathy Daniels

Procurement Card Administrator

Phone: 303-273-3264

1500 Illinois St, Golden, CO 80401

cdaniels@mines.edu

To report fraudulent transactions or a lost or stolen card, immediately contact US Bank:

US Bank

Fraudulent Transactions or Lost or Stolen Cards: 800-344-5696

Who Can Participate in the Procurement Card Program?

Up to the discretion of Department Heads, Vice Presidents, or Directors, Procurement Cards are issued by the Procurement Card Administrator to those who are eligible [\[CSM Purchasing Rules VI.B.1.a.i\]](#) based on the following requirements:

Colorado School of Mines employee – faculty or staff (Application Form)

- Have authorization from his/her *approving official*¹
- Agree to abide by the P-Card procedures and guidelines from Mines and the State of Colorado as outlined in this handbook.
- Complete a training course given by the Procurement Card Administrator pertaining to the use of the P-Card, transaction *reallocation*², and documentation requirements.

Graduate Students/Persons of Interest (Student Application Form)

Graduate Students and Persons of Interest may also be given a Procurement Card at the discretion of the Vice President, Department Head or Director on a case by case basis.

Additional information that will be gathered for Persons of Interest are:

- Employment contract start and end date
 - If the POI will be off campus for an extended period during those active dates (including summer breaks) please indicate those dates for a temporary suspension.
- Faculty or Staff (Primary Investigator, PI, when working under a grant) members' approval that has signature authority on the Index to be used
 - This person will be required reallocate all transactions made by the cardholder

Any Graduate Student or Student Employee is be issued a card will need to fill out the "Student Application Form".

¹ Approving Official: The cardholders Vice President, Department Head, Director who approves applications, requests changes, approves transactions, and ensures the compliance of the cardholder.

² Reallocation: The process by which a person decides which FOAP or Banner Index and Account the transaction will be paid from.

Responsibilities

Cardholder Responsibilities

- Complete mandatory Procurement Cardholder Training before activating the P-Card (and any additional training mandated by State Auditors), and sign the acknowledgement of training and the agreement to adhere to the P-Card Handbook
- Use the P-Card for only appropriate purchases that follow the School's policies including but not limited to: Financial Policies, Procurement Rules, and Direct Charging Policies (applicable to sponsored grants and contracts). [\[Please see CSM Financial Policies and Propriety of Expenditure Appendix D: Example of Appropriate & Inappropriate Expenditures\]](#)
- Protect the card at all times to prevent unauthorized use and take immediate action if the P-Card is compromised in any way. This includes **not** sharing your card with others and calling US Bank **immediately** if the card is lost or stolen (800.344.5696).
- Obtaining and retaining proper documentation for each transaction made along with submitting them within the appropriate time.
- Review transactions in Access Online³ within 10 days of the transaction post date for accuracy and to make sure the transactions are legitimate. Reallocate all transactions to the correct Index with a detailed description.
- Identify any transactions that need to be disputed and contact the merchant to resolve the dispute directly.
- Notify the Procurement Card Administrator about terminations, transfers, or account changes.
- Assure that the purchase is under the School's tax exempt status.

Approving Official/Supervisor Responsibilities

- Monitor Cardholder's transactions, reallocations, and documentation to ensure compliance.
- Sign Cardholder's monthly statements after reviewing their transactions.
- Issue Violation Notifications when applicable and contact the Procurement Card Administrator regarding all violations.
- Request and authorize changes to the P-Card as needed.
- Track disputed items to ensure proper credit has been received.
- Inform the Procurement Card Administrator of terminations and/or transfers of cardholders and obtain the P-Card plastic before they leave.

Liability

The department is liable for all charges made on Procurement Cards assigned to their Cardholders under their supervision. If it is determined that a charge is made on the Procurement Card that is against School Financial Policies the Cardholder may be liable for that charge. [\[CSM Purchasing Rules VI.B.1.a.iv\]](#)

- **Charges on Lost or Stolen Cards:** The department is liable for all transactions made on a lost or stolen card before it is reported lost or stolen to the issuing bank. (These transactions must be disputed with US Bank within 59 days of the posting date of fraudulent transactions. **Please Note:** Reporting does not guarantee the Bank will assume liability.)
- **Sponsored Project Charges:** The department is liable for all transactions reallocated to sponsored program funds, including any charges that are unallowable according to the terms of the specific grant/award.

Acceptable and Prohibited Procurement Card Purchases

The Procurement Card is used by the Colorado School of Mines as a convenient way for faculty and staff to purchase many of the items they need to perform their job. It may be used for non-capital equipment, supplies, and services costing less than \$4,500 (including any applicable tax and shipping) when not prohibited.

As a Procurement Card holder you are responsible for following CSM policies and procedures including but not limited to the ones found in the:

- Colorado School of Mines Financial Policies http://inside.mines.edu/Financial_policies
- Procurement Rules http://inside.mines.edu/Financial_policies
- Direct Charge Policies (for purchases related to Sponsored Projects) http://inside.mines.edu/Research_policies

³ Access Online: The online program purchased to aid in transaction reallocation

Examples of Allowable Purchases

- Office Supplies
- Lab Supplies
- Reference Materials
- Conference Registrations
- Software
- Services

When making a purchase ask yourself:

- Is the purchase for official School business?
- Is the purchase reasonable?
- Is it in the best interest of the School?
- Is it the most effective way to accomplish the business?
- Is it in compliance with policies?
- Do we have the available resources for this purchase?
- Is it directly beneficial to the department?
- Is it in compliance with the School's Conflict of Interest Provisions?

[Financial Policies Disbursements Procedure 2-1, Propriety of Expenditures]

Sensitive Purchases

There are some purchases that are allowed on the P-Card under certain circumstances. Pay close attention to purchases and their propriety. [Propriety of Expenditures Policy]

Examples of Sensitive Purchases

- Official Functions, Training Functions, Student Activity, Recruiting
- Break Room equipment
- Conferences
- Donations
- Employee appreciation events and gifts
- Employee food and related consumables
- Flowers and fruit baskets
- Gifts or tokens
- Fund raising expenses
- Parking
- Retirement parties
- Tickets to events (Entertainment)

As a part of the Colorado School of Mines Procurement Rules and the Mines' Financial Policies there are several types of purchases that are not allowed on the Procurement Card.

Cash or Cash-Type Transactions

This includes (but not limited to) gift cards, traveler's checks and money orders. Cardholders are also not allowed to receive cash as a credit for the return of an item.

Telecom Purchases

The purchase of telephone calls is prohibited where there is no billing available from the merchant itemizing the calls. The payment of cell phones and data plans are also prohibited on the P-Card. [Cell Phone Allowance Policy]

Exceptions: The Procurement Card may be used for telecom payments for required departmental phones.

Travel and Travel-Related Expenses

The purchase of most travel-related expenses for School employees are prohibited on the Procurement Card. This includes but not limited to:

- Airfare
- Meals while in travel status
- Car Rental
- Lodging
- Parking
- Cabs/Taxi Services

Exceptions:

- Cardholders may use the Procurement Card to pay for conference/event registration fees as long as lodging is not a part of the registration.
- Cardholders may use the Procurement Card for travel and hotels if:
 - The person traveling is a non-CSM employee or student
 - The total single purchase amount is under \$4,500
 - Cardholder has a Travel Exception on their Procurement Card
- Cardholders may use the Procurement Card for restaurants:
 - The meal is a part of an Official Function/Student Function/Etc. AND
 - Cardholder has a Restaurant Exception on their Procurement Card

Liquor Purchases

Cardholders cannot use the Procurement Card to purchase alcohol. [\[Institutional Alcohol Policy\]](#)

Sponsored Projects

The purchase of goods and services for sponsored projects must comply with:

- The overall intent of the award
- The specific detail of the sponsor's regulations
- Colorado School of Mines policies and procedures
- Direct Charges must be related to specific actions supported by a grant

Additional guidance for sponsored project expenditures is provided by the Office of Research Administration and Fiscal Services. Please also see the Direct Charging Policy for more information. [\[Direct Charging Policy\]](#)

Non-Mandatory Price Agreement Vendor

Office furniture is covered by a mandatory price agreement per Colorado statute requiring all state agencies, which includes the School, to purchase all office furniture from Colorado Correctional Industries (CCI). [\[Colorado Revised Statutes - CRS 17-24-111\(1\)\(a\)\]](#)

Exception: Office furniture from a different vendor may be purchased **only** if a written waiver has been obtained from CCI by the School's Purchasing Agent prior to the purchase. **Please note:** you can be personally liable for any furniture purchases that do not follow this State Statute.

Personal Purchases

Cardholders must report any inadvertent personal purchase to their Approving Officials immediately and must either reimburse the School or arrange for a credit transaction from the merchant. Documentation must include proof of merchant credit or reimbursement by employee.

Card abuse/employee fraud: Personal purchases not reported by Cardholders may be considered Suspected Fiscal Misconduct. Any suspected fiscal misconduct or abuse of the card for personal purchases must be reported immediately to both the Controller and the CSM Internal Auditor.

Examples of fraud include but are not limited to:

- Intentional personal use (including float)
- Multiple reimbursements for the same expense (voucher and P-Card)
- Not applying credits for returned items to the P-Card

Contracts without an Authorized Signature

Contracts that require an authorized signature must be routed through Procurement Services for appropriate signature(s) prior to making the purchase. Cardholders do not have signature authority on behalf of the School. This includes any purchase where the School is obligated to a vendor's set of Terms & Conditions.

Split Purchases

Under the School's Procurement Rules it is prohibited to split a purchase in order to circumvent Procurement Card limits. A split purchase is defined as:

- The purchase of a single item costing over the cardholders single transaction limit, not to exceed \$4,500, (including shipping) with the purchase being divided (split) into more than one transaction by the cardholder or divided amongst several cardholders; or,
- A single purchase transaction totaling over \$4,500 (including shipping), where the cardholder has instructed the vendor to divide up the payments to get authorization through the bank system; or,
- The purchase of a group of items totaling over the cardholders single transaction limit, not to exceed \$4,500, (including shipping) for a single purchase need that has been requisitioned into smaller individual orders to get around the single transaction limit, whether the ordering occurred over a few days or several transaction authorizations were within a single day.

Exception: Multiple conference registrations are not considered to be violations under the split purchases policy. Rather, event registration fees are considered to be the total of the *individual* registration fee. *For example:* It is acceptable for a Cardholder to register six people (six individual registrations), at \$1,000 per registration, using six different transactions.

Tax Exemption

Since Cardholders are purchasing on behalf of Colorado School of Mines, these purchases are tax exempt in the State of Colorado. Cardholders are required to inform each merchant of the School's status as a tax-exempt organization. The School's Tax Exemption number can be found on the front of the P-Card.

Things to Note:

- The Controller's Office has the Tax Exempt Certificate on file and on their website. It can be faxed to merchants upon request.
- If taxed, the Cardholder is expected to work with the vendor for a refund.
- Paying taxes will result in violations against the Cardholder unless the tax is refunded.

Required Documentation

Every transaction must have a detailed receipt that includes the following: [\[CSM Purchasing Rules VI.B.1.a.iii\]](#)

- Description of items purchased
- Quantity and price of items purchased
- Total amount of transaction
- Date of purchase
- Transaction ID
- Vendor Name
- Any applicable fees and shipping

Please Note: Combinations of documentation are allowed in order to complete these requirements.

Along with the receipt you are also required to provide any additional forms that may be applicable to the transaction which could include the Appropriateness of Expenditure form, CCI furniture waivers, and Official Function Authorizations.

Missing a receipt? If you are missing a receipt for any reason first contact the vendor to see if you can obtain another copy. If receipt cannot be obtained fill out the **Unavailable Documentation Form**. This form *cannot* be used to substitute for other required forms such as the Official Function Authorization.

Every billing cycle the Approving Official must review and approve the Cardholder's billing statement or an official Transaction Report downloaded from Access Online. Failure to have the cycle transactions reviewed and approved will result in a Violation Notification.

P-Card Purchasing Process

Obtaining a Procurement Card

- Fill out the Procurement Card Application and have your Approving Official sign it (**Note:** Applications for students require a Student Application Form).
- Send or email the signed Application to the Procurement Card Administrator (GH 224).
- The Procurement Card Administrator will contact you when the card has arrived from the Bank to set up training.
- Participate in the P-Card Training.
- Activate and start using your card.

Activating your Procurement Card

- Call the phone number on the face of your card: 800-344-5696.
- Enter in Card Number.
- Enter in the billing zip code: 80401.
- When asked for your Social Security Number – enter the *last four digits of your CWID*.
- Enter your Phone #.

NOTE: The bank does *not* have your Social Security Number on file. When asked for it, give them the **last 4-digits of your CWID**. Any time the bank asks for your SSN, give them your CWID instead.

Selecting the Merchant

The following questions should be asked before selecting the merchant:

- Does Colorado School of Mines or the State have an established vendor for use in procuring the needed good or service? Visit the Purchasing website to find out about standing Agreements. (<http://inside.mines.edu/Contracts-Price-Agreements>).
- If there isn't an established Price Agreement, does the vendor offer a discount to the School or to higher education facilities?
- Is the vendor providing a service that is 1099 reportable? If so, the use of the P-Card is prohibited.

Placing an Order A purchase or an order can be done in person, by phone, via fax, by mail, or via the internet. If the internet is used, make sure it is a secure site or place the order by phone.

When placing an order, make sure:

- The purchase is tax exempt.
- You check to see if merchant gives any applicable discounts.
- You request documentation showing description and cost of each item.

Note: Your billing address can be found on the cardholders monthly statement mailed from the bank.

Obtaining Documentation

Keep all receipts and documentation – or give it to the person who is designated to reallocate your transactions for you.

Reallocating Transactions

Colorado School of Mines uses the Access Online System to reallocate (change) financial information for each transaction. This is done by changing the default Banner Index and Account Code given for the Cardholder. There is also the opportunity to add a description of the transaction in Access Online to be shown in Banner. **Each transaction must be reallocated within 10 days of the transaction being posted in Access Online.** If this deadline is missed any changes that need to be made will have to be completed with a JE.

Note: The Description appears in Banner!!!



Statement and Filing

At the end of each billing cycle the Cardholder will receive a mailed statement from US Bank. The Cardholder may also print off their own statement that will include reallocation information in Access Online. When filing your information please always include the following:

- US Bank Statement
- Receipts and other Required Documentation

Useful Tip: An easy way to do this is to create a folder for each month's transactions and place any receipts into the folder whenever you make a purchase. By the time your statement cycle comes in the mail you'll know where all of your receipts are for that billing cycle.

All receipts must be kept on file for 3 years unless they apply to purchases that were reallocated to a Sponsored Project. All Sponsored Project transaction receipts must be kept on file for 10 years. (Per State Financial Records Retention Guidelines)

Declines, Disputes, and Returns

Declined Transactions

If an attempted purchase is declined contact the Procurement Card Administrator or US Bank Customer Service.

Common Reasons Transactions are Declined:

- Merchant's MCC Code is blocked on the Cardholder's P-Card
- Transaction would exceed one of the Cardholder's transaction limits
- Billing address and/or Expiration Date typo

Disputes

If the Cardholder thinks they have been charged incorrectly they need to dispute the charge. First, attempt to contact the merchant directly to see if they will help remedy the situation. If a credit is unobtainable a formal dispute can be recorded with the bank in the following scenarios:

- Unauthorized charges, including unauthorized phone or mail order charges
- Difference in dollar amount authorized as opposed to amount charged
- Duplicate charges
- Account not yet credited in the Access Online System but where the vendor has issued a credit voucher, or said that they will.
- Merchandise not received
- Merchandise returned
- Defective merchandise
- Unrecognized charges (If fraud is suspected, immediately call the Bank to report the charge. Then call Procurement Card Administrator)
- Altered charges

Bank Dispute Process

- The disputed charge must be placed in dispute status in Access Online System.
- The bank immediately issues a credit for the dispute, pending correspondence with the merchant.
- Both the charge and the credit need to be reallocated in Access Online System.

Returns

Arrangements need to be made directly with the merchant before shipping an item for return. If a replacement item is sent, the merchant should credit the returned item and charge a new transaction, unless there is an exchange of like items, e.g. exchange of different colors. ***Cash should never be refunded – that would be a merchant.***

If there is a problem with an order or goods are returned or exchanged, keep sufficient documentation of the transaction, including names, dates and all correspondence. This information may be needed for a formal dispute.

Procurement Card Violations

Violations are monitored on a point based system. Violations are issued on a weighted system (from 15-150 points per violation). If a cardholder receives 150 points within two fiscal years, the card will be suspended for a minimum of 6 months pending completion of P-Card re-training.

Violation Notifications are issued to Cardholders who misuse the P-Card. P-Card violations can be reported by anyone including reallocators, Approving Officials, the P-Card Administrator, or whoever audits the P-Card. The Violation Notification must be signed by the Cardholder and the Approving Official and then returned to Procurement Card Administrator.

Continued misuse of the P-Card beyond a two year period of time may result in the P-Card being revoked at the discretion of the Director of Financial Planning and Business Operations. [\[CSM Purchasing Rules VI.B.1.a.i\]](#)

The following transactions and circumstances are considered Violations:

- **Purchasing Violations**
 - Card Abuse/Employee Fraud – **150 Points**
 - Contract without authorized signature – **75 Points**
 - Inappropriate purchase – **50 Points**
 - Non-Mandatory Price Agreement Vendor – **25 Points**
 - Taxes Charged – **15 Points**
- **P-Card Specific Violations**
 - Split Purchases – **75 Points**
 - Cash or Cash-Like Transactions – **75 Points**
 - Liquor Purchase – **50 Points**
 - Travel/Travel-Related Expenses – **50 Points**
 - Sharing Credit Card/Number – **25 Points**
 - Documentation Failure – **15 Points**
 - Services from a 1099 Reportable Entity – **15 Points**
 - Inadvertent personal purchase – **15 points**

Built in P-Card Controls

Each of the P-Cards have several controls that allow the purchasing flow of the card. These controls are set based on the discretion of the Department Head, Vice President or Director. [\[CSM Purchasing Rules VI.B.1.a.i\]](#)

- **Single Purchase Limit:** This limit determines the maximum dollar amount that can be spent on a single transaction. This limit is set by your department and can be set to a maximum of \$4,500.
- **Cycle Limit:** This limit determines how much money you are allotted during the card cycle. This cycle lasts approx. 30 days, beginning on the 11th of each month and ending the 10th of the following month. This limit is set by the department and can be set to a maximum of \$20,000.
- **Merchant Category Codes (MCC):** This is a four-digit number assigned to a vendor to help classify the business by the type of goods or services it provides. Each Procurement Card is further set up to exclude specific Merchant Category Codes.

Exception Requests

Some Cardholders might have extenuating circumstances that may allow their P-Card for purchases normally blocked. If this is the case please fill out one of the Exception Waivers with a brief explanation as to why this is needed.

- **Restaurant Exception:** Generally requested if the Cardholder frequently takes students and/or visiting guests out for meals. All food purchases must be in compliance with the Appropriateness of Expenditures Policy.
- **Travel Exception:** Generally requested if Cardholder frequently helps bring guests onto campus such as speakers, visiting faculty, or other one time visits to campus. This exception is **NOT** to be used for Employee travel.
- **General Exception:** For any other exceptions that might be necessary please fill out the General Exception request form. These exceptions might include telecom, fleet, and cycle limits over \$20,000.

Please Note: All Exception Waivers must be signed by the Controller.

Lost or Stolen Cards

If your card is lost or stolen *immediately* US Bank: 1-800-344-5696

Then notify the P-Card Administrator: 303-273-3264

Termination of Employment

When terminating employment at the Colorado School of Mines or transferring departments the Cardholder or Approving Official must contact the Procurement Card Administrator to close or transfer the P-Card appropriately. Cardholders are responsible for all charges until P-Card is cancelled.