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1.0 POLICY, PURPOSE AND SCOPE

It is the policy of SUNY Old Westbury (College) to use state-owned credit cards in conducting the business of the State University of New York (SUNY). This policy provides guidelines to employees regarding the appropriate use, accounting and monitoring of state-owned credit cards. The intended use of these cards is to facilitate purchases and expedite payments to vendors rather than circumvent established New York State (NYS), SUNY or College purchasing guidelines.

Employees using the cards (Cardholders) must comply with this policy and procedure. The Cardholder is entrusted with making financial commitments on behalf of the State and therefore must strive to obtain the best value for the state by following established purchasing policies as appropriate.

2.0 RESPONSIBILITIES

2.1 **Cardholders** are responsible for obtaining the necessary authorization to use a state-owned credit card and reconciling balances in a timely manner. Cardholders must follow the policies and procedures established by NYS, SUNY and the College. Failure to do so may result in revocation of Cardholder privileges and other disciplinary action, which could include termination of employment.

If a Cardholder uses the card for personal, restricted or fraudulent use, the employee will be personally liable for those expenses charged to the card. The state-owned credit cards are not for personal use.

2.2 **Citibank** administers the credit card program for NY State. Citibank requires a Personal Identification Number (PIN) be used to further identify the Cardholder at purchase as an added layer of protection from fraud. Cardholders will need to remember this PIN when requested by the vendor.

There are no credit checks of State employees. The State's contract with Citibank calls for the State of New York to be responsible for paying the credit card bill in the name of a State employee. With this arrangement, Citibank does not need to, nor does it, do credit checks on the individual named on the card. State employees do not have any liability for payments of the credit card bill for charges incurred for legitimate State business purposes. Even if the State is late in paying the bill, it will not be reported to any credit reporting bureau.

2.3 The College's **Associate Vice President for Business Compliance**, or designee, is the designated Program Administrator (PA). The PA is responsible for coordinating and overseeing the credit card program. Based on business concerns the PA may prevent any employee from obtaining or using a card.

2.4 A **Supervisor** is the person responsible for approving the Cardholder receiving a credit card and for monitoring and approving its usage. In addition, the Supervisor is responsible for taking action(s) necessary should a card not be used appropriately and notifying the PA as soon as discovered.

3.0 TYPES OF STATE-OWNED CREDIT CARDS

The College employs Citibank Visa credit cards as a more efficient, cost effective method of purchasing and paying for small dollar purchases. Basically there are three different types of cards (listed below). Acceptable purchases for each card are shown in the Acceptable and Not Acceptable Use Table (*Exhibit 1*).

- 3.1 **Procurement Card (P-card):** This card is used to *purchase goods and services only*. There is a certification process that needs to be completed specifically for this card.
- 3.2 **Travel Card (T-card):** This card is used for expenses related to an individual employee's *travel only*. If an individual Cardholder wants to travel, they need to obtain a card before they pay for travel arrangements. Although the College has historically utilized a T-card centrally, NYS now requires each individual to have their own card, therefore central purchasing of travel is discontinued.
- 3.3 **Non-Employee Travel Card (NET-card):** This card was developed to better track non-NYS employee expenses. This card is to be used for spending on travel expenses for other-than-employees (usually students). Examples of purchases include an athletic team traveling expenses such as food, hotel, train, bus and airfare.

Each of the cards has two default limits: a per transaction limit of \$500 and a total monthly limit of \$2,500. Transaction limits can be adjusted upon supervisory approval and concurrence by the PA. The change can be either temporary, for a specific time period or permanent. Changes can be made by email to the PA from the Cardholder's supervisor. Transaction limits include all charges. Splitting orders to avoid the limits is prohibited.

4.0 PROCEDURES

- 4.1 **How to Apply** - The credit card program is set-up and managed by the PA. The employee requesting a card must realize that they are making a financial commitment on behalf of NYS and must receive supervisory approval to do so. The SUNY Old Westbury Procurement/Travel/Non-Employee Travel Card Application (*Exhibit 3*) must be completed and approved by the employee's division head or supervisor, and forwarded to the PA. The PA will return any applications not completed.

The employee will be notified by the PA via email when the card is ready. The process may take three weeks so please do not wait until you need the card. Since the card's actual processing is with Citibank, there is no way for the College to expedite the request.

- 4.2 **Training** - Once the cards are received from Citibank, the Cardholder will be required to attend a mandatory training program and will be provided this policy. Included in the training are instructions on the appropriate use of the card, how to reconcile purchases, how to handle disputed charges, how to use the NYS Financial Management System for P-card users, and what to do if the card is lost or stolen. Once training is finished, the Cardholder completes the bottom portion of the Card Training Receipt & Acknowledgement Form (*Exhibit 4*) which will be kept on record by the PA.

4.3 Card Usage – All Cards

- 4.3.1 Cardholder must register new cards immediately to receive statements at: <https://home.cards.citidirect.com/CommercialCard/ux/index.html#/> .
- 4.3.2 Cardholder must call the listed phone number to activate the card and establish a PIN.
- 4.3.3 The Credit Card Log (*Exhibit 2*) is required to be completed when any purchase is made. This Log will help the Cardholder track purchases and is to be submitted to the PA's office once the account statement is reconciled.
- 4.3.4 Transaction records (receipts) need to be attached to the Log when being submitted. If a receipt is lost, a Cardholder must contact the vendor for a copy. If no copy is

available, an Unavailable Document Form (*Exhibit 5*) must be completed by the Cardholder, approved by their Supervisor and attached to the Log.

- 4.3.5 The Log and required documents must be submitted to the PA within five (5) business days of the statement release date.
- 4.3.6 The Cardholder should always use the tax exempt letter (<https://www.oldwestbury.edu/business/purchasing/tax-exempt-forms>) when making official College purchases to avoid such charges. If New York State sales tax amounts are being charged on a Cardholder's credit card, the Cardholder is required to go back to the vendors/merchants for the return of the sales tax amount by credit to the account.

4.4 Card-Specific Usage

- 4.4.1 P-card Specifics - Unlike the NET and T-cards, the Cardholder will need access to the NYS Financial Management System (FMS) to participate in the P-card program. This system will allow the Cardholder to complete the monthly electronic reconciliation of their transactions.

To obtain security access to the FMS system the Cardholder should contact the Associate Vice President for Business Affairs and Controller in Suite 310, Campus Center Building. Should there be a problem with the actual web site access the Cardholder should contact the College's Information Technology Services (ITS).

Training on the FMS system is separate from the initial, mandatory training. This training should be scheduled with the PA immediately after receiving the card. Certification is complete when the certification page is printed and signed by cardholder and supervisor. (See sample certification in *Exhibit 6*).

Monthly activity statements for the P-card begin the 7th day of each month and end the 6th day of the following month.

- 4.4.2 T-card & NET-card Specifics - Lodging and meals (including gratuities) shall be limited to actual cost up to a maximum Per Diem allowance. Per Diem rates can be found on the SUNY Old Westbury Accounts Payable website: <http://www.oldwestbury.edu/business/accounts-payable/resources-accounts-payable>.

An itemized receipt for meal purchases is required. Alcoholic beverages should not be purchased with the card.

For individual travelers, if meals are provided or paid for by another source related to the scheduled event, the traveler will *not* be reimbursed.

If the traveler opts to claim reimbursement at the full per diem meal allowance, then the card cannot be used to meals. The decision to use the T-card or request the full per diem should be discussed with the supervisor in advance of the travel. Monthly activity statements for the NET- card begin the 7th day of each month and end the sixth (6th) day of the following month. Monthly statements for the T-card begin the 23rd day of each month and end the 22nd of the following month.

For T-card and NET- card purchases, the Cardholder must prepare a miscellaneous requisition form (which can be accessed through the SUNY Portal), have it approved by his/her supervisor, and forward it to the Purchasing Office for final completion. The miscellaneous requisition number must be written clearly on the log upon submission to the PA. At no time should a purchase be made if there are not enough funds to cover a purchase.

4.5 Making a Purchase:

- 4.5.1 Notify the vendor you are using the Citibank NYS corporate card and verify they will accept it.
- 4.5.2 Identify yourself as a NYS/SUNY employee.
- 4.5.3 Notify the vendor that the purchase is tax exempt and provide the NYS tax exempt number which can be found on the Purchasing Office's webpage (see 4.3.6 above).
- 4.5.4 Identify the *exact item(s)* you want to purchase to minimize erroneous orders. Accuracy of the order is extremely important.
- 4.5.5 Give the vendor your card information.
- 4.5.6 Provide shipping information. At no time should an item be shipped to the Cardholder's home.
- 4.5.7 Request the information needed for the Log including confirmation number, total cost (including freight) expected delivery or travel date.
- 4.5.8 Obtain receipt(s) or other necessary documents.

4.6 Use of Appropriate Vendors:

When making purchases with any state-owned credit card, the Cardholder should:

- 4.6.1 Use NYS Certified Preferred Sources when an item is available from them. A list of these vendors can be found at:
<http://www.ogs.state.ny.us/procurecounc/pdfdoc/pslist.pdf>.
- 4.6.2 Purchase items from NYS Certified Minority or Women Owned Businesses (MWBE), Service Disabled Veteran-Owned Business (SDVOB) or small businesses when possible. A helpful link or directory of MWBEs can be found at:
<https://ny.newnycontracts.com/FrontEnd/VendorSearchPublic.asp?TN=ny&XID=4687>
- 4.6.3. Purchase the item from an Office of General Services' contract vendor when the item is available on statewide contract. To determine if a desired item is available on a state contract, you may request help from the Purchasing Department.

4.7 Problems with Orders or Vendors:

- 4.7.1 Returning Merchandise
 - a) Promptly notify the vendor that a return is necessary.
 - b) Provide Cardholder's name, card number, phone number, and confirmation number of the original order.
 - c) Obtain the return receipt or documents, where possible.
 - d) Obtain a return authorization number from the vendor.
 - e) Note return on your Log.
- 4.7.2 Credit for Return
 - a) Credit must be requested for the card used in the original purchase.
 - b) The vendor should issue a credit to document the return of the merchandise.
 - c) Provided the vendor has authorized a credit to the account, it should appear on the next statement received by the Cardholder. Monthly charges from

Citibank must be paid in full. During the reconciliation process, do not reduce the billing statements by the amount of any anticipated credit.

4.7.3 Inappropriate Charges on the Statement

- a) Contact vendor directly to resolve the disputed charges.
- b) A Declaration of Unauthorized Use Form must be completed and forwarded to Citibank by Cardholder, with the original sent to the PA within ten calendar days of receipt of the campus invoice. Contact Citibank Customer Service, 1 - (800) 248-4553 for the form. Cardholder should keep a copy of the form. (Phone number is on back of card).
- c) Cardholder will need to reconcile credit on log when it appears on the statement.

4.7.4 Dispute Charge Investigation

Once Citibank Customer Service has received the Declaration of Unauthorized Use form about the disputed charge (that cannot be resolved directly by the Cardholder and vendor) the following will occur:

- a) Citibank will open a charge investigation.
- b) The Cardholder's account will receive a temporary credit.
- c) Upon completion of the investigation, the Cardholder will receive a determination letter from Citibank. If they determine that the charge is invalid, a permanent credit will be applied to the Cardholder's account. Otherwise, the temporary credit will be reversed.
- d) When determining your available balance in your account, treat the funds for any disputed charges as committed and unavailable, until a permanent credit is received.

4.8 **Statement Reconciliation:**

P-card and NET-card statements are ready by the 7th of each month; T-cards ready by the 23rd. Citibank will also issue a monthly summary report electronically to each participating Cardholder for expenses incurred during that particular billing cycle. Cardholder can access the Citibank website at www.citimanager.com/login.

- 4.8.1 The Cardholder is required to reconcile their account(s) on a monthly basis. When reconciling the charges at the end of the month, the account charged can be adjusted on a per transaction basis to accurately charge the appropriate account(s). If a P-card is used, the account also needs to be certified in FMS.
- 4.8.2 The Cardholder should review the Citibank statement for accuracy and reconcile each transaction with the vendor receipts and/or invoices.
- 4.8.3 The Cardholder's Supervisor must review the monthly card statement and receipts and sign the Log before it is sent to the PA's office. The Supervisor must ensure that all transactions are for the official duties of the Cardholder and are in accordance with NYS/Citibank and SUNY Old Westbury procurement and credit card guidelines.
- 4.8.4 The following original documentation must be submitted by the Cardholder for each transaction. The documentation will be used to (1) verify all purchases; (2) audit a specific card; (3) reconcile reported billing discrepancies; and (4) document purchase authority.
- 4.8.5 Documents include:
 - a) Itemized Vendor Invoice indicating credit card payment or Itemized Register Receipt and credit card transaction slip.
 - b) Detailed Packing Slip indicating items shipped (if appropriate).

- c) Order Form for subscriptions, memberships, and conference registrations.
- d) Detailed Order Confirmation email for internet transaction.

4.9 Card Security:

Credit cards should be kept in a secure location. *Lending cards to staff and others is strictly prohibited.* Safeguard card numbers at all times. Instruct vendors not to place card numbers on address labels or other open areas.

4.10 Lost or Stolen Card:

Report these cards immediately to Citibank Customer Service at 1-800-248-4553.

- 4.10.1 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.
- 4.10.2 Immediately following this verbal notification, the Cardholder must notify the PA at 516-876-3193/3167. Leave message if not immediately available.
- 4.10.3 It is important to *report immediately* any lost and or stolen cards or unauthorized use of the card to Citibank. Cardholders can be held personally liable for charges occurring after the loss or theft of the card, if the above notifications do not occur or do not occur in a timely manner.
- 4.10.4 If you have questions about your Citibank® account contact: Citibank® Customer Service, Phone: 1 800 248-4553. This number is available twenty-four hours per day, seven days a week.
- 4.10.5 For assistance logging in to the Citibank Card Management Web site contact: CitiDirect Help Desk, Phone: 1-800 790-7206, option 2.
- 4.10.6 For campus assistance contact the PA at 516-876-3193/3167.

4.11 Upon Termination or Transfer to Another Department:

If leaving the College or transferring to another department, the Cardholder must provide the following to the Supervisor of the account(s) for which their card(s) were issued:

- 4.11.1 Their credit card(s);
- 4.11.2 All copies of the Cardholder statements and supporting documentation pertaining to the card; and
- 4.11.3 All documents pertaining to the current month's card(s) transactions so that the monthly statement can be reconciled and/or certified at the appropriate time.

The Cardholder's Supervisor must:

- 4.11.4 Notify the PA immediately of employee status change.
- 4.11.5 Return the card to the PA who will direct Citibank to cancel all card privileges for any Cardholder that transfers to another department or leaves the College for any reason.
- 4.11.6 Designate a new Cardholder (if appropriate) and ensure a card application is submitted for that individual.
- 4.11.7 Reconcile the purchases of former Cardholder on SUNY system if not completed by the Cardholder.

5.0 AUDITS & REVIEWS

Cardholder accounts may be subject to periodic internal reviews and external NYS or SUNY audits. By accepting the card, the Cardholder agrees to comply with these reviews and audits.

Internal reviews are periodically conducted by the College's Internal Control Officer and are intended to ensure card guidelines are being followed. The focus of these reviews will include, but not be limited to, the following inappropriate activities:

- 5.1 Personal Purchases
- 5.2 Unallowable (Not Acceptable) Purchases
- 5.3 Split Purchases (more than one purchase to the same vendor)
- 5.4 Over-reliance on Unavailable Document Justification
- 5.5 Cardholders Allowing Others to Use Their Card
- 5.6 Lack of Supporting Documentation for Transactions
- 5.7 Failure to Timely Certify Monthly P-card Charges
- 5.8 Paying New York State Sales Tax

Internal Control Review results will be formally communicated to the Cardholder, their Supervisor, and the Senior Vice President of Business & Finance and Chief Financial Officer who will advise the College's President of significant improprieties.

Periodically, the Associate Vice President for Business Compliance will issue policy bulletins regarding new requirements and reminders related to compliance with this policy. Copies can be found in the Purchasing Office's webpage under Resources – NYS Credit Card.

External audits of Cardholder activity are conducted periodically by the NYS Office of State Comptroller (OSC) and SUNY. OSC auditors do NOT provide advance notice to the College of a pending audit. It is very important that a Credit Card Log and documentation be complete and promptly forwarded to the PA's Office.

In addition to the Cardholder completing a Credit Card Log (*Exhibit 2*), auditors will look for the following documentation in support of a transaction:

P-card:

- Information on the justification of price paid and the selection of the vendor
- a) Internal approval to make the purchase
- b) Purchase Requisitions
- c) Receipts/Invoices
- d) Sign-in sheet for person(s) receiving services or items (if appropriate)
- e) Approved Certification page

T-card:

- a) Receipt(s)
- b) Expense report that references the transaction
- c) Any internal approvals permitting travel

NET-card:

- a) Receipt(s)
- b) Sign-in sheet for person(s) receiving services or items
- c) Business justification

The more information provided on the Credit Card Log, with all receipts and other additional documentation, the more streamlined the process for all parties. Any deviation from a normal, regular purchase should be noted on the Log. Partial information on unusual purchases will delay their audit without such explanations.

6.0 REFERENCES

- 6.1 Office of General Services (OGS) Bulletin "Citibank Procurement Card Guidelines"
www.ogs.state.ny.us/purchase/pdfdocument/creditcardguidelines.pdf
- 6.2 New York State Purchasing Guidelines:
<http://www.ogs.state.ny.us/procurecounc/PDFdoc/Guidelines.pdf>
- 6.3 SUNY Purchasing & Contracting Procedures; Document 7553:
http://www.suny.edu/sunypp/documents.cfm?doc_id=428
- 6.4. SUNY Procurement Card Policy and Guidelines; Document 7558:
https://www.suny.edu/sunypp/documents.cfm?doc_id=644

7.0 APPROVALS

This policy was prepared by the Division of Business & Finance in consultation with the College's Internal Control Officer; Purchasing Director; Associate Vice President for Business Affairs and Controller; Associate Vice President for Business Compliance; and the Assistant to the President for Administration. It was reviewed by the President's Cabinet, prior to approval by the President.