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**PROCUREMENT
CARD
PROGRAM
MANUAL**

I. PROGRAM OVERVIEW

The purpose of the Citibank Procurement Card (*Visa*) is to establish an efficient cost effective method of purchasing and payment for small dollar purchases. The Procurement Card will enable cardholders to make authorized purchases directly from approved suppliers without processing the *traditional paperwork*. Cardholders will be able to make purchases of \$2,500 or less per transaction with the Procurement Card.

II. RECEIVES A PROCUREMENT CARD

Department Heads will identify the employees who are to receive a Procurement Card. Cards are issued to individuals. It is mandatory to ensure that each person receiving a Procurement Card is familiar with State procurement procedures and policies.

Each cardholder will be responsible for verifying all charges associated with the department's specific account number. No unauthorized purchases will be permitted. Any employee making unauthorized purchases will be subject to appropriate disciplinary action (*see list on page 4*).

III. APPLICATION PROCESS

To obtain a procurement card, an Authorization Form must be completed and approved by your Department Head and forwarded to Contracts & Procurement Management Department. Upon receipt of the Authorization Form, potential cardholders will be contacted for additional information related to the Procurement Card Application. Cards will take approximately two (2) weeks to arrive.

IV. PURCHASING WITH THE CARD

A. Dollar Limits

An individual transaction cannot exceed \$2,500. However, additional freight charges can be incurred. **Orders can not be split in order to facilitate use of this card.** Each department may impose lower monetary limits on the card at their discretion.

B. Responsibility of Procurement Cardholders

The individual cardholder completes an approved Purchase Requisition each time they make a purchase using the Procurement Card.

It is mandatory that each Procurement cardholder use a Purchase Requisition to ensure consistency with the documentation associated with the use of the Procurement Card. This

documentation is used to (1) verify all purchases; (2) audit a specific card; (3) reconcile a reported billing discrepancy; and (4) document purchase authority.

1. Required Purchasing Practices:

- Funds **must** be available at the time of purchase.
- Use of this card is strictly limited to the purchase of commodities for Official State Use. Do not use this card for personal charges. Such improper use may subject employee to disciplinary action.
- If the item is available on state contract, it should be purchased from the identified supplier, or Preferred Source/MWBE. This information is available by calling Contracts and Procurement Management Department at 1-718-270-1133.

2. Placing Your Order:

Orders may be placed by phone, fax, online or in person.

- Complete a Purchase Requisition.
- Identify yourself as a New York State employee.
- Notify the supplier you will be using the Citibank Visa Procurement Card and verify that they accept it.
- Notify suppliers that the purchase is tax exempt and provide the NYS Tax Exempt Number (1474002615).
- Identify the item and supply complete description. If available, use the item number as shown in the catalog, manufacturer's name, and/or model number.
 - a. Provide the exact quantity you are interested in purchasing.
 - b. Ask for the full dollar amount of each item and enter this in the "Unit Price" column on the Purchase Requisition.
 - c. Ask if there will be any additional charges for shipping. If so, add additional charges to the Purchase Requisition.
 - d. Total the amount of the purchase.
- Give the supplier your name as it appears on the card, the account number, and the card expiration date.
- All merchandise should be shipped directly to Central Receiving, referencing the Purchase Requisition number CC preceding using this format (*example: CC00-000-000*).
- Receipt of merchandise should be documented on the Purchase Requisition.
- Attach original receipts/packing slip to the back of the Purchase Requisition.

NOTE: If making your purchase in person:

Obtain an itemized receipt, in addition to the credit card receipt and check the credit card receipt to insure accuracy before signing.

C. Example of Authorized Purchases (up to \$2,500)

- Items on centralized commodity (“P”) contract
- Books
- Supplies and materials
- Equipment
- Film processing
- Printing
- Registration for conferences and seminars
- Subscriptions
- Memberships
- Shipping charges (*UPS, Federal Express, Airborne, etc.*)

D. Restricted Items:

- Personal use
- Alcoholic beverages, coffee service, etc.
- Orders exceeding the \$2,500 per transaction limit
- Items purchased separately that when purchased together would exceed the \$2,500 limit (*split ordering*)
- Gasoline
- Medical services
- Cash advances
- Cash back on purchases
- Cash refunds on returns
- Controlled substances (*e.g., narcotics and prescription drugs*)
- Live animals
- Radioactive materials
- Specialty gases/cylinder rentals
- When a written agreement needs to be signed by a representative of the SUNY Downstate (*e.g., software license*)
- Contracted services from an individual
- Leases, insurance
- Travel/entertainment (*i.e., airline, car rental, lodging, restaurant, etc.*)

F. Fiscal Year Restrictions

Before placing any order, insure funds are available in your account.

NOTE: Procurement Card will be suspended at the beginning of SUNY’s fiscal year if a budget is not in place.

We advise the cardholder to use the Procurement Card judiciously as the end of the fiscal year approaches. Funding will not be available to cover any charges appearing in a new fiscal year until a budget has been passed. In accordance with the terms of the contract, in the event we are not able to pay promptly, SUNY Downstate will have to pay interest for those charges that appear on the account after card suspension has been enacted.

G. Payment or Account Reconciliation

Citibank will issue a monthly summary report on their website (www.cards.citidirect.com) to each participating cardholder for expenses incurred during that particular billing cycle.

The cardholder should review the Citibank statement for accuracy and reconcile each transaction with the Purchase Requisition and the supplier receipts and/or invoices. Verification of each transaction should be reconciled against the Citibank online statement. After completing hard copy reconciliation, electronic reconciliation must be completed on the SUNY/AEPC system by the 21st of the month.

Your review should include the following:

- Receipts are attached to the back of the Purchase Requisition.
- If multiple receipts are issued for one transaction, all associated receipts should be stapled together and filed with the corresponding Purchase Requisition. The original transaction total should equal the cumulative total contained on the invoices.
- Cardholders should only accept charges for goods and/or services that the supplier has delivered.
- Any charges for sales tax are identified as a credit pending.
- Credits appear on the Citibank statement for any returns.
- Payment on Account Reconciliation will take place electronically monthly and can be viewed on the SMRT System.

H. Steps for Electronic Reconciliation:

1. Sign on to Albany System using AMEX-C as job function.
2. Clear screen and enter AEPC.
3. On the main menu screen, change the date to the month that is being reconciled.
4. On main menu, tab to VIO2 and enter (*Reconciliation/ Certification*). List of transactions will appear. Verify all changes.
5. Tab to FA in lower right corner and type the letters XC to complete transaction.
6. Computer will forward to certification screen, type CR.
7. Reconciliation/Certification is complete. Print and attach to file forward to Department Head.
8. Accounts Payable will retain all original receipts and statements for a minimum period of six (6) years plus the current year.

I. Monthly Transaction Report

Cardholder will supply a hard copy of the monthly transaction report to the designated Department Head. The Department Head will review transactions for proper state expenditures and Department Head will log into SUNY/AEPC and follow the steps above. This signed copy to Contracts and Procurement Department to file with the certified monthly statement.

If the Department Head does not agree with the monthly statement, the cardholder should be asked to verify the documents and explain the reason for any discrepancy.

V. QUESTIONED ITEMS & RETURNS

A. Cardholder Responsibilities

Whenever an item purchased with the card is returned to the supplier, if sales tax is charged by the supplier, or if a credit is due, the cardholder must request that the supplier issue a Citibank credit. Under no circumstances will cash be accepted to resolve a credit situation.

1. Sales Tax

SUNY Downstate campus is tax exempt. If a charge for sales tax appears on the Citibank statement, the cardholder should contact the supplier directly to arrange to have this charge reversed. Ask the supplier to credit your account for sales tax charged. *(And fill out the credit pending section of the Credit Pending/Disputed Item Form.)*

Tax exempt certification can be obtained from the Procurement Department.

2. Returns and Credits

To make a return, contact the supplier directly to determine the proper return procedures. Any credits issued will appear on a subsequent Citibank statement.

If you have returned an item you purchased and a credit for this item does not appear on the Citibank statement, you must notify Citibank.

3. Items Not Received

If a charge appears on your Citibank statement for an item ordered but not received, contact the supplier to resolve the matter. Suppliers should not submit charges to Citibank until goods have been shipped.

If you cannot resolve any of the above matters with the supplier, follow the process for disputes, on page 8.

Disputes

If the cardholder cannot resolve a dispute with a supplier or there is a charge that is unauthorized or unrecognized on the cardholder's Citibank statement, the cardholder must initiate a dispute with Citibank by calling the Citibank Customer Service Help Desk.

Citibank will investigate the dispute on the cardholder's behalf and assist in the resolution. Citibank will issue a temporary credit pending final resolution.

Place a check (✓) next to the specific item(s) in question on the Citibank statement and provide a complete explanation of the dispute and send to the Procurement Card Administrator.

If the dispute cannot be resolved, contact the Procurement Card Administrator. The agency Procurement Card Administrator will review each dispute received and initiate any appropriate action necessary.

B. Citibank Responsibility

Citibank will issue a temporary credit to the cardholder's account when notified of a questioned item. This credit will appear on the cardholder's Citibank statement the month following Citibank's notification. The credit amount will be subtracted from the new balance. Citibank will issue a permanent credit to the cardholder's account and process the appropriate chargeback for all questioned items resolved in favor of the state agency.

VI. LOST OR STOLEN PROCUREMENT CARD

A. Cardholder Responsibility

Any lost or stolen Procurement Cards must be reported immediately to Citibank _____. 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.

Immediately following this verbal notification, the cardholder must notify the Procurement Card Administrator at 1-718-270-1133 or 1-718-270-7280.

B. Citibank Responsibility

Citibank will take immediate action to cancel the card reported lost or stolen. Citibank will initiate steps to issue a replacement card within 48 hours. The replacement card will be sent to the Procurement Card Administrator.

VII. LIABILITY

New York State will be initially liable for all charges to the Procurement Card except for fraudulent use of the card by a supplier 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 Citibank for all employee charges associated with the Procurement Card, the cardholders themselves will be responsible to reimburse the State of New York for any charges incurred as a result of misuse or 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 or stolen Procurement Cards to Citibank and

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

VIII. SUSPENSION OF PROCUREMENT CARD PRIVILEGES

Improper use of the card by the cardholder may lead to suspension of all Procurement Card privileges. Card usage may be audited at any time.

The Procurement Card Administrator authorizes all requests for suspension.

A. Misuse or Abuse of the Card

The term “misuse or abuse” means the use of the Procurement Card out-side the employee’s authorized parameters (*e.g., charges in excess of the permitted limit; purchases of items of a type other than those allowed*). Depending on the severity of the violation, the following actions may be taken:

1st Offense:

Both the cardholder and the cardholder’s supervisor will be notified of the infraction. The cardholder will be advised to use the card for official purposes only and within the parameters established by NYS and Citibank. The cardholder will also be advised that all Procurement Card privileges will be suspended if further violations occur. The cardholder will be personally responsible for reimbursing the state for unauthorized purchases.

2nd Offense:

All Procurement Card privileges will be suspended for a period of three (3) months. The cardholder’s supervisor and the Director of Contracts and Procurement will be notified of this violation and subsequent suspension of privileges. At the end of the three month period, the cardholder’s supervisor may elect to reinstate the cardholder’s privileges, with the approval of the Procurement Card Administrator. The cardholder will be personally responsible for reimbursing the state for any unauthorized purchases.

3rd Offense:

Use of the Procurement Card will be suspended permanently. The cardholder will be personally responsible for reimbursing the state for any unauthorized purchases.

NOTE: Departments may implement further departmental disciplinary action.

B. Fraudulent Use of the Card

The term “fraudulent use” means the use of the Procurement 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 Managerial/Confidential designated employees, in accordance with the provisions of Section 75 of the Civil Service Law.

C. Employee Separation

If the cardholder leaves the SUNY Downstate, the Department Head will send the card to the Procurement Card Administrator. The Procurement Card Administrator will direct Citibank to cancel all Procurement Card privileges for any cardholder that leaves SUNY Downstate service for any reason.

The state will continue to be liable for any charges incurred by the cardholder until Citibank is directed to cancel the Procurement Card.

IX. AUDITS OF INDIVIDUAL ACCOUNTS

It is important to note that the agency issuing the card, or the Office of the State Comptroller, may elect to audit any and all Procurement Card accounts at any time. Performance of these audits does not require advance notice. Therefore, it is extremely important that all departments retain accurate records of all transactions made using their assigned Procurement Card.

SUMMARY REVIEW

- Procurement Cards are issued to individuals and not departments.
- Cards will take approximately two (2) weeks to arrive.
- An individual transaction cannot exceed \$2,500.
- Orders can not be split in order to facilitate use of this card.
- Individual cardholder completes a Purchase Requisition each time they make a purchase.
- Procurement Card is strictly limited to the purchase of commodities.
- Do not use this card for personal charges.
- The cardholder must review the Citibank statement for accuracy and reconcile each transaction with the Purchase Requisition and the supplier receipts and/or invoices monthly.
- SUNY Downstate or the Office of the State Comptroller, may elect to audit any and all Procurement Card accounts at any time.

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