

Citibank

## PROCUREMENT CARD GUIDELINES

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# Background

The State's procurement card program is designed to be an efficient and cost effective way to expedite small dollar purchases. There are, however, certain inherent risks associated with a procurement card program. Specifically, purchases are completed before supervision and oversight activities can occur. These risks can be overcome if agencies ensure adequate detection controls are in place to identify instances of inappropriate or questionable purchases. These guidelines are minimum standards to help State agency managers administer the State's procurement card program. Participating agencies should develop their own internal procedures to assure appropriate control and accountability over its credit card transactions. Agency officials should consider this a higher risk activity that requires appropriate internal control considering the State Comptroller's [Standards for Internal Control in New York State Government](#).

## **Items To Be Purchased With The Procurement Card**

You may use the card for:

- Items from Preferred Sources
- Items on an Office of General Services' statewide contract
- Maintenance/repairs of equipment
- Supplies and materials
- Equipment
- Printing
- Conferences/seminars
- Freight
- Personal Services<sup>1</sup>

## Items Prohibited From Procurement Card Use

Items you cannot use the procurement card for include:

- Personal use
- Travel/entertainment (i.e. airline, car rental, lodging) <sup>1</sup>
- Rent
- Cash advances
- Cash refunds
- Formal contracts<sup>2</sup>

<sup>1</sup> It is important to note the Citibank Procurement Card is different from the Citibank Travel Card. Travel related expenses such as meals, lodging, airfare, and car rentals should be charged on the Citibank Travel Card, not the Citibank Procurement Card. Catered meals for a group such as at a conference are allowable on the procurement card. Conference room rental fees are also allowed on the procurement card.

<sup>2</sup> The procurement card may not be used for payments on formal contracts or purchase orders approved by the Office of the State Comptroller (OSC), other than statewide Office of General Services (OGS) contracts (P-contracts). OSC requires agencies always show available funding for a contract by encumbering all expenses against contract records in the Central Accounting System.

Additionally, documents related to contracts must be retained for significantly longer than those for the procurement card. There is no way to ensure proper retention if contract payments are made with the card.

# Citibank Responsibilities

## **Establishing Accounts**

Citibank will set up the accounts for the New York State procurement card system. This will include establishing a unique account number for each card issued. Each agency can define different attributes associated with each card number to collect agency specific purchasing information such as cost centers and object codes. Citibank will provide any materials and instruction necessary to help agencies define these attributes. Additionally, Citibank will be responsible for obtaining this information directly from each participating agency before cards can be delivered.

## **Maintaining Accounts**

Citibank is responsible for maintaining a master account file for each participating agency and an account for each cardholder.

## **Providing Authorization**

Citibank will be available to authorize purchases twenty-four (24) hours a day, 365 days a year.

## **Monthly Summary Statements**

After the close of each billing cycle (on or about the 6<sup>th</sup> of the month), Citibank will electronically provide each agency a bill, which will include all individual charges by the agency's cardholders, incurred on the account. Citibank will also electronically provide each cardholder a monthly statement of charges incurred during the billing cycle. The procurement card statements will be electronically available on Citibank's website a few days after the cycle closes.

## **Information**

Citibank provides customized reporting tools to help agencies and cardholders electronically monitor transactions.

## Citibank Web Tools

1. Citidirect:

<http://www.cards.citidirect.com>

- Manage cardholder maintenance online
- Add or delete cardholders
- Review transactions and cardholder statements
- View/edit hierarchy
- View dispute log and create dispute forms

2. Citibank Electronic Reporting System (CERS):

Sign up: [CERS - Reporting System](#)

View canned reports – a listing of these reports can be found at

[CERS Canned Reports](#)

3. Citibank Custom Reporting System (CCRS):

- Create custom reports showing:
  - Cardholder information
  - Transaction Information
  - Hierarchy

## Training

Citibank will provide materials and instruction to each agency's procurement card program administrator that will cover agency account hierarchy and setup, policy and procedures, program maintenance, card distribution and implementation, and cardholder training.

## Cardholder Responsibilities

When making purchases with the procurement card, the cardholder should:

- Understand the State's procurement guidelines:  
[Procurement Laws, Guidelines and Procedures](#)
- Use preferred sources when an item is available from them.

- Purchase the item from an Office of General Services' contract vendor when the item is available on statewide contract.
- Purchase items from M/WBE vendors or small businesses when possible.
- Understand the agency's accounting procedures concerning the availability of funds to cover the expense.
- Be able to substantiate the reasonableness of price for purchased items.
- Purchase only the number of items, at the quantity and quality needed for appropriate State use.
- Be knowledgeable about individual card limits and do not attempt to make purchases in excess of the single transaction limit.

### **Purchases Requiring Prior Approval**

Agency policy and subsequent approval procedures may vary and it is the cardholders' responsibility to adhere to agency requirements.

In addition, cardholders should:

- Not split an order just to use the procurement card when the purchase price will exceed the per transaction limit.
- Not give their card or account number to any one else other than the vendor from whom they are making the purchase.
- Use the card only for legitimate State business purposes.
- Maintain the card in a secure location at all times.
- Not accept cash in lieu of a credit.
- Immediately notify Citibank and the program administrator of a lost or stolen card.
- Return the card to the program administrator upon terminating employment.
- Ensure credits for reported disputed items or billing errors appear on a subsequent statement.
- Attempt to resolve disputes or billing errors directly with the vendor and notify Citibank if the dispute or billing error is not satisfactorily resolved.
- Obtain all required documentation for reconciliation and forward to the finance office in a timely manner. The documentation should support authorization of the purchase, the purchase price of the item and the receipt of the item. Examples of documentation include invoices, Citibank statements, printed Internet confirmations, credit card receipts, receiving acknowledgments and a procurement log.

### **Cardholder Review**

Cardholders can view their statements on CitiDirect at the end of each billing cycle or periodically throughout the month.

The cardholder should review the monthly Citibank statement for accuracy and reconcile each charge transaction to the vendor receipts and/or invoices. The cardholder should also ensure all items are received in satisfactory condition and dispute any times not received thusly.

The cardholder review should include the following questions:

1. Did I purchase all items appearing on the statement?
2. Are there any items I purchased that do not appear on the Statement? Keep documentation associated with these purchases until the following Statement. If the charge still does not appear, contact the vendor.
3. Does the amount quoted to me by the vendor match the amount I was charged for each item? Was I charged any tax or freight I was not aware of?
4. Did I receive all items ordered in satisfactory condition? If not, the cardholder should ensure the items are received in satisfactory condition within the 60-day dispute window or dispute the charge.
5. Do credits appear on the statement in the proper amount for any returns?
6. Have I retained a copy of my transaction documents for my records?

### **Disputed Items**

Agencies are responsible for paying the Citibank bill in full, including any disputable charges, within 30 days of receipt of the invoice. The cardholder should review his/her statement each month for accuracy of charges. If the cardholder identifies a disputable charge on his/her statement, the cardholder should attempt to resolve the dispute with the vendor. If the cardholder cannot resolve a dispute with a vendor or there is a charge that is unauthorized or unrecognized on the cardholder's Citibank statement, the cardholder or program administrator may dispute the charge using CitiDirect. After filling out an online form, CitiDirect will prompt the user to print a form and fax it to Citibank. All forms should be faxed directly to (605) 357-2019.

Dispute forms can be filled out manually if the Cardholder is not using CitiDirect. A copy of the Citibank dispute form is available for download from the OGS web site at:

[Citibank dispute form](#)

If the dispute was entered online, cardholders and program administrators can check on the status of the dispute by going to Citidirect and viewing the dispute log.

**Contract terms require disputed items be submitted to Citibank within 60 days from receipt of invoice, so it is important for the cardholder or program administrator to review charges each month upon receipt of the statement. If the cardholder or program administrator fails to dispute the charge with 60 days, the agency may lose the ability to dispute the charge and as a result, pay for a fraudulent charge.**

### **Lost or Stolen Credit Cards**

Any lost and/or stolen procurement card must be reported immediately to Citibank by calling 1-800-248-4553. 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 notification, the cardholder must notify the agency's procurement card program administrator.

### **State Liability**

The procurement cardholder will not be billed directly for the charges, but will be able to access a monthly statement of transaction information. The State of New York will be liable for all appropriate charges made using the procurement card. Employees who complete an application for the Citibank procurement card will not be subject to a credit check. All authorized and appropriate charges incurred using the procurement card are paid by the State of New York.

New York State will be liable for all charges to the procurement card account except for fraudulent use of the card by a vendor and/or an employee, those in excess of the single transaction or monthly limits and any other limits imposed by participating State agencies and accepted by Citibank. Employees will be responsible for reimbursing the State of New York for any charges incurred as a result of their misuse of the card. The employee may also be subject to other disciplinary action. 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 procurement cards or unauthorized use of the card to Citibank.

Citibank uses the last four digits of a cardholder's social security number for identification purposes when a cardholder contacts them for account information and card activation. The full social security number is not required.

# Agency Management Responsibilities

## Authorized Users

The purpose of the procurement card is to enable State employees to do their work more efficiently. It is also designed to reduce the cost to purchase needed items of a small dollar value. The program administrator will help to identify the employees who are to receive a procurement card. These cards should not be limited to employees working in the agency's purchasing unit. Rather, the cards should be assigned to program staff who need to make purchases to carry out agency operations. It may be appropriate for the card to be assigned to the support staff responsible for ordering goods and/or services.

## Credit Limit

Generally, the maximum single transaction limit for any New York State cardholder is equal to his agency's Quick Pay threshold. Agency managers can set lower limits for specific employees to meet purchasing or budgetary needs.

When establishing spending and transaction limits, agencies should consider local purchasing rules or regulations as well as the duties of the employee assigned the procurement card. Purchasing professional staff may require higher limits than employees who will infrequently use the card or who are not well versed in purchasing laws, rules and regulations.

## Card Controls

The procurement card has specific merchant category codes (MCCs) that are excluded from purchase. The card can, at the request of the agency program administrator's request, be further restricted to prevent certain purchases such as:

- Crystal and glassware
- Cameras and photography
- Games, toys and hobbies
- Clocks, jewelry and watches
- Clothing and apparel
- Pet shops

The procurement card can have a temporary or permanent MCC change. Contact the Citibank client account manager for permanent changes. Contact Citibank Customer Service (1-800-790-7206 option 1) for temporary changes.

In addition, agencies can control activity on the card by setting the following limits:

- Single Transaction Dollar Limit **(Required)** - Maximum amount of a single purchase type transaction permitted on the account (whole dollars)
- Cycle Credit Limit **(Required)** - Maximum amount of credit that is permissible in a month
- Number of Transactions per Cycle - Maximum number of transactions permitted in a month
- Number of Transactions per Day - Maximum number of transactions that can be authorized in a given day

## **Program Cards**

The program card is established for a department or program and is under a “department name.” Any authorized staff at the agency can use the card. These are higher risk cards because it is more difficult to establish accountability for purchases. Because of this increased risk, program cards require more detection control by agency officials. The verification ID (on the auto-enroll worksheet or in CitiDirect) will be the first four digits of the agency code.

Agencies must submit an Acceptance of Risk form to the Office of the State Comptroller when requesting these cards. You can download this form from the OGS website at:

### **[Acceptance of risk form](#)**

Fax the form to:

Office of the State Comptroller

Bureau of State Expenditures

Attn: Credit Card Team

(518) 473-4392

## **Processing Payments**

Program administrators can register for Citibank Online Statements at <https://www.onlinestatements.cards.citidirect.com>

The statement can also be viewed on Citidirect, however the agency should make payment to Citibank based on the balance due on Online Statements. After registering for online statements, the program administrator can then choose other agency officials, including accounts payable staff, to have access to the statement as well.

The statement is available approximately 2 days after the cycle cut (cycle normally cuts on the 6<sup>th</sup>, so the statement is available around the 8<sup>th</sup>). Citibank sends e-mail reminders when the statement is ready to view.

In order to avoid paying interest charges as specified by the Prompt Payment Law, all Citibank bills, including any disputed amounts, must be paid in full within 25 days of receipt of invoice. Agencies can submit the voucher to the Office of the State Comptroller for payment or use quick pay. The Office of the State Comptroller does not require a copy of the bill with the voucher. Disputed items resolved in the agency's favor will be credited on a later statement.

It is important all voucher information is correct because Citibank payments are made electronically using ACH. Payments sent in with incorrectly formatted information may not be applied correctly. Please refer to OSC bulletin A-543 for guidance on proper processing of Citibank payments (<http://www.osc.state.ny.us/agencies/abulls/a543.htm>).

## Program Administrator/Fiscal Officer Responsibilities

- Serves as a liaison to both Citibank and the Office of General Services.
- Manages and evaluates the agency's procurement card program.
- Administers and maintains the procurement card accounts using CitiDirect at <http://www.cards.citidirect.com>
- Coordinates issuing cards consistent with budget and accounting requirements.
- Receives and distributes cards.
- Ensures cardholders sign acknowledgement form before distributing the card. [Acknowledgement form](#)
- Helps decide monthly and transaction limits for each card.
- Assigns a single transactions dollar limit and cycle credit limit for each card.
- Helps identify who will receive, review and approve monthly reports.
- Helps establish an internal process to review, approve and file monthly statements.
- Coordinates employee training on the procurement card program.
- Trains agency personnel about the State Comptroller's Standards for Internal Control in New York State Government. These guidelines can be found on the Office of the State Comptroller's website at: [OSC Internal Control Guidelines](#)
- Develops a procedure for the cardholder to ensure funds are available to cover the purchase.
- Monitors card activity and closes inactive card accounts.
- Directs Citibank to cancel all procurement card privileges for any

cardholder that either leaves agency service for any reason or whose duties no longer include a purchasing function.

- Establishes internal procedures for accounting, auditing, controlling and monitoring card use and processing payments to Citibank.
- Completes a program administrator setup form to add, delete or change any program administrator information. You can download this form from the OGS website at: [Program Administrator Setup](#)

Fax the form to:

Dan Deal

Citibank Client Account Manager

(904) 954-7700

- Ensures the Citibank bill is processed within 30 days of receipt.

## Audit Responsibility

The agency issuing the card should establish a program to audit the procurement card transactions. At a minimum this audit should be done monthly. This audit function may rest in the Fiscal Office, the internal auditor's office or other appropriate office with staff possessing the skills to effectively audit these transactions.

The Office of the State Comptroller may elect to audit any and all procurement cardholder accounts. These OSC audits do not require advance notice. It is important that all entities using the procurement card retain accurate records of all transactions made. These records must be made available to the Office of the State Comptroller upon request.

# Contacts for the Procurement Card Program

## **Citibank**

<http://www.cards.citidirect.com/welcome.asp>

Dan Deal – New York State Client Account Manager

1-888-836-5011 option 3 ext 20039

1-904-954-7700, fax

[daniel.w.deal@citi.com](mailto:daniel.w.deal@citi.com)

## **Office of General Services**

Contract Information for State Agencies:

[OGS Citibank Contract Information](#)

Contact email address:

[creditcard@ogs.state.ny.us](mailto:creditcard@ogs.state.ny.us)

Rosalind M. Yezzi

518-402-5220

## **Office of the State Comptroller**

Information for State Agencies:

[OSC Information for State Agencies](#)

Contact email address:

[creditcard@osc.state.ny.us](mailto:creditcard@osc.state.ny.us)

518-473-4392 fax

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