
Kern Community College District
Administrative Procedure
Chapter 6 – Business and Fiscal Services

AP 6330 Purchasing

References:

Education Code Section 81656;
Public Contract Code Sections 20650 and 20651

Note: This procedure is **legally required**.

Procedures on purchasing may be maintained in a separate Purchasing Handbook, and if so the Chief Financial Officer may delegate responsibility and authority for the Handbook.

Supplies and Equipment

All requests concerning physical condition of rooms, routine, classroom office supplies and similar supplies or equipment may be requested from the College President or designee on forms provided for those various purposes.

Requests for supplies or equipment which concern instruction should be prepared on a Purchase order by the head of the department and approved by the College President or designee on a **Purchase Request** form. The approximate costs must be listed on all **Purchase Request** forms.

Standardization of Microcomputers

- 1) Requests for purchase of a District Standard microcomputer will be handled in the usual manner. If a request is received for a microcomputer other than a District Standard, that request must be accompanied by a justification for the purchase stating the factors, which make the purchase of the standard(s) inappropriate.
- 2) This justification should include the cost of maintenance for the proposed microcomputer and the account numbers, which will be used to cover the purchase price and the expenditures for maintenance or repairs.
- 3) This justification will be considered by the Microcomputer Purchase Committee consisting of one representative from each College and the District Office. If it is determined by the Committee that the intended function for the microcomputer ordered cannot be met by the District Standard microcomputer, the order will be processed. If the

committee does not approve the purchase, the reason for refusal and the requisition will be returned to the originator.

4) Remedial maintenance and installation of the District Standard Micros will be handled by a District data processing services technician.

See the Purchase Request Form and Instructions in the Appendix section.

Procedures related to procurement are contained in the District's Purchasing Manual.

Use of CAL-Cards Issued by Kern Community College District

1. DEFINITION

A State of California Purchasing Card Program, CAL-Card I.M.P.A.C. VISA, is a unique business card intended to simplify purchasing and payment for services, to reduce total processing costs, and to provide greater flexibility for its users.

2. GENERAL

1. The CAL-Card is to be used in accordance with these and all purchasing procedures found in the Kern Community College District Board Policy Manual. The Chief Financial Officer and the Director, Accounting Services have the authority to determine the issuance or continuance of cards. Proper accounting procedures must be followed. It is the responsibility of all Kern Community College District employees involved to utilize a CAL-Card in a responsible and accountable manner.
2. CAL-Cards will display both the cardholder's name and the Kern Community College District. This card is to be used only by the cardholder. No other employee, member of the cardholder's family, or anyone else may use this card. It is especially designed to avoid confusion with the cardholder's personal credit cards. THE CAL-CARD IS TO BE USED FOR OFFICIAL KERN COMMUNITY COLLEGE DISTRICT BUSINESS AND MAY NOT BE USED FOR PERSONAL PURCHASES.
3. The issuance of a CAL-Card in the cardholder's name does not allow the credit card company to check the cardholder's personal credit. The credit card company will not request any personal information from the cardholder, nor should any personal information be furnished.
4. Each single purchase may comprise multiple items, but the total cannot exceed the single purchase dollar limit on the cardholder's CAL-Card. Purchases may not be made to circumvent purchasing regulations per the Government Code or District Policy. When purchases exceed the limits established, normal purchasing procedures must be followed.
5. Use of the CAL-Card is not intended to replace effective procurement planning that enables volume discounts. Cardholders should always look for the lowest priced item that will meet specific needs.
6. Cardholders must be able to explain the nature of all purchases. If the cardholder cannot substantiate that the purchase was necessary and for official use, the

cardholder's supervisor will address the situation in accordance with established policies. These policies include, but are not limited to, seeking reimbursement, appropriate disciplinary action, and revocation of the cardholder's CAL-Card. Unauthorized or unsubstantiated purchases will result in a small claims filing to permit the District to recover the costs.

7. Every CAL-Cardholder will be assigned an Approving Official. The Approving Official, or designee, is responsible for receiving completed statements from all assigned cardholders; reviewing the statements; resolving questions that cardholders may have about the purchases; approving the statements; and delivering the completed statements with all attachments to the appropriate Business Office.

C. CARD RESTRICTIONS

1. The Purchase CAL-Card can be used for travel and to purchase supplies, materials, and equipment that do not exceed the single transaction limit. Each card will have its own unique restrictions based on the need of the cardholder. Other restrictions may apply as determined by the Approving Official, College Approving Authority and the Chief Financial Officer.
2. Maximum dollar amounts will be established for each single purchase made and for total purchases made with the cardholder's CAL-Card in a given month. Generally, the Kern Community College District limit is \$500 per transaction and \$3,000 per month. In special cases, the Approving Official, College Approving Authority, and the Chief Financial Officer may establish a higher limit.

D. PROHIBITED PURCHASES

1. Rental or lease of land or buildings
2. Purchase of telephone services except approved travel business- related telephone calls
3. Gambling, Betting
4. Securities, Insurance
5. Tax Payments (exclusive of sales or occupancy taxes).
6. Court Costs, Fines, Bail, and Bond Payments
7. Alcohol

E. PURCHASE PROCEDURES

1. CAL-Cards generally will only be issued to District and College Educational Administrators and Classified Managers when their job duties require the regular use of a credit card. CAL-Cards will be issued to non-managers only in cases where there is a compelling business reason and is approved by the College President or Chancellor, and will be limited to travel, supplies, or equipment.
2. Cal-Card applications will be completed prior to issuance by:
 - completing the Request for Purchase Card form [See Appendix].
 - obtaining approval from the CAL-Card applicant's supervisor.

- forwarding the completed form to the applicant's College Director of Administrative Services where it will be reviewed and forwarded to the applicant's College President or designee for approval and assignment of an Approving Official. The applicant's request will then be forwarded to the District Business Services Office for processing.
3. The District Business Services Office will notify the applicant when the CAL- Card is received. The CAL-Card will be issued when the applicant completes and signs a Receipt Acknowledgment form.
 4. To activate the CAL-Card account, the cardholder must phone Card Services at 1-800-344-5696. The cardholder must know the dollar limits assigned to the CAL-Card to complete the activation process.
 5. Use of the CAL-Card is subject to the limitations of the cardholder's particular card at any merchant that accepts VISA for payment of purchases.
 6. The cardholder must verify that budgeted funds are available prior to making any purchases.
 7. Over-the Counter Transactions

Once items have been selected for purchase, present the items and the CAL- Card to the merchant. The merchant will complete a credit card transaction receipt that includes the following information:

 - Imprint of the CAL-Card, including card number, expiration date, and cardholder's name
 - Date and amount of purchase
 - Brief description of item(s) purchased
 - Imprint of merchant name and identification number
 8. The merchant will obtain authorization for the transaction via telephone or direct telecommunication link to the VISA authorization network. The merchant will obtain an authorization number, which will also be included on the credit card transaction receipt.
 9. Occasionally, a transaction may be declined at the merchant location. The merchant is not provided a reason via the terminal display. When this happens, the cardholder should consider the following to resolve the denial.
 1. Is the transaction amount within the cardholder's single purchase limit?
 2. Will the transaction amount exceed the cardholder's 30-day limit or the Office limit of the Approving Official?
 3. Has the cardholder been authorized to make purchases at this type of supplier?
 10. The merchant will request that the cardholder sign the credit card transaction receipt. Before doing so, the cardholder must verify that the information, especially the dollar amount, is correct.
 11. The cardholder will be provided one copy of the signed credit card transaction receipt. Retain this copy as verification and back-up of the monthly Statement of Account; attach to the signed Statement of Account; forward to the Approving Official, or designee.

12. Mail or Telephone Order Purchases

When placing a telephone or mail order, the cardholder will be asked to provide name, card number, account expiration date, and billing address. The billing address is the cardholder's statement mailing address.

F. PAYMENT PROCEDURES

At the close of each billing cycle, the cardholder will receive a Statement of Account from Card Services. The Statement of Account will itemize each transaction that was posted to the CAL-Card account during the billing cycle. The Statement of Account prints at the close of business on the 22nd of every month. Upon receipt, the cardholder will complete each of the actions listed below within five working days. If the cardholder is unable to complete the following actions within five working days, the cardholder will forward all receipts to the Approving Official, or designee, for completion.

1. Review the Statement of Account for accuracy.
2. Provide a complete description of each item purchased on the Description line.
3. Indicate the FOAPAL for each transaction on the Accounting Code line. If charging to more than one FOAPAL per transaction, indicate the dollar amount to be applied to each FOAPAL.
4. Attach sales receipts, order blanks, packing slips/receipts, and copies of approved Absence/Travel Request/Reimbursement Claim forms to the Statement of Account.
5. Verify any credit vouchers received for returned items and attach to the Statement of Account on which the credit appears and indicate the FOAPAL to receive the credit.
6. If the cardholder is incorrectly charged for an item, the cardholder will contact the vendor first in an effort to resolve the problem. If the merchant agrees to process a credit voucher, the cardholder will indicate the FOAPAL for the charge on the current statement and will use the same FOAPAL for the credit voucher on the next statement. If the merchant refuses to issue a credit voucher, the cardholder must attach a complete explanation of the error to the Transaction Dispute form. Transaction Dispute forms can be obtained from District Accounting.
7. Sign the Statement of Account.
8. Retain copies of all statements and receipts in an appropriate file.
9. Promptly submit the completed Statement of Account to the Approving Official(s) or designee, for written approval of each item purchased.

G. PROCESSING STATEMENT OF ACCOUNT

Prompt receipt of the cardholder's Statement of Account within five working days is an essential part of the CAL-Card process.

1. If the District Accounting Office does not receive the cardholder's Statement of Account within five working days, the cardholder's name and the dollar amount outstanding will be

forwarded to the appropriate College President and Business Manager. District Office names will be forwarded to the Chancellor and the Chief Financial Officer.

2. After ten working days, the total outstanding charges from any Statement of Account will be applied to a FOAPAL maintained by the cardholder's College President or the Chancellor, and the District Accounting Office will make payment to CAL-Card.

3. To remove these charges from the College President's or Chancellor's FOAPAL, forward the CAL-Card Statement of Account, together with Expenditure Transfers for each item, through the College Business Office to the District Accounting Office for processing.

4. The CAL-Card may be suspended or revoked at the discretion of the cardholder's College President or the Chancellor for failure to forward the Statement of Account within five working days to the District Accounting Office.

H. LOST OR STOLEN CARDS

1. The cardholder will immediately notify Customer Service at 1-800-344-5696 and the District Accounting Office in the event a CAL-Card has been lost or stolen, or if the cardholder believes the account number has been compromised in a fraudulent manner. A new card will be mailed to the cardholder within two business days from the time it is reported as lost or stolen to Customer Service. A new account number will be assigned to the cardholder's new CAL-Card.
2. The cardholder must contact the District Accounting Office and be prepared to provide the following information: cardholder's complete name, the card number, the date the loss or theft occurred, the date Customer Service was notified, and any purchase(s) made on the day the card was lost or stolen.

9. CHANGE TO CARDHOLDER INFORMATION

Changes to a cardholder's name, address, organization, 30-day or single purchase limit, and type of merchant or supplier should be reported to the College Business Office by completing the Request for Changes to Cardholder Information form. [See Appendix]

10. CLOSURE OF ACCOUNT

1. If the cardholder transfers to another department, the cardholder must complete the Request to Close Account form. [See Appendix] and return the CAL-Card to the appropriate College Business Office. If the cardholder's new assignment requires a CAL-Card, a new Request for Purchasing Card form will be required.
2. On termination of employment, the cardholder must return the CAL-Card to the appropriate College Business Office before the cardholder's final check will be released.