CCARDColorado

# Welcome to the State of Colorado Commercial Card Program!

The Department of Personnel and Administration (DPA) provides centralized human resources, information, tools, resources and materials needed for Colorado state government to function. The Department provides the infrastructure by which the rest of state government operates. The programs and services provided by DPA are vitally important to the efficient and effective operation of state government.

The Department believes success depends upon offering quality and value to customers and stakeholders by providing economically efficient and sound services, while adhering to the highest standards of integrity. The Department established the Commercial Card Program as an extension of these practices.

It is our pleasure to be offering to State Agencies, Institutions of Higher Education and Affiliates our Commercial Card program with our contractor Citibank. This program provides both procurement cards and travel cards through a single contract with Citibank. The State of Colorado has established that when used in compliance with State policies and procedures, both the State procurement card and travel card are efficient and effective in transacting the business of the State of Colorado.

This Commercial Card Manual has been developed for the benefit of Procurement and Travel Card program administrators, supervisors, and card holders. It is meant to be a resource guide as well as to stimulate movement toward best practices in administering and utilizing the program, to include *Minimum Standards, Requirements and Best Practices* to contribute to the success of your Commercial Card Program.

# CCARDColorado

# Commercial Card Manual

## Minimum Standards, Requirements

## And Best Practices

## March 30, 2016

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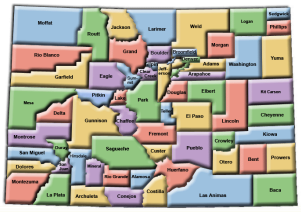

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# SECTION 1

## COMMERCIAL CARD PROGRAM OVERVIEW

## *Colorado State Capitol*

The Colorado State Capitol, located at 200 East Colfax Avenue in Denver, Colorado, is the home of the Colorado General Assembly and the offices of the Governor of Colorado and Lieutenant Governor of Colorado. The building is intentionally reminiscent of the United States Capitol. Designed by Elijah E. Myers, it was constructed during the 1890s from Colorado white granite, and opened for use during November 1894. The distinctive gold dome consists of real gold plate, first added during 1908, commemorating the Colorado Gold Rush.

# 1. COMMERCIAL CARD PROGRAM OVERVIEW

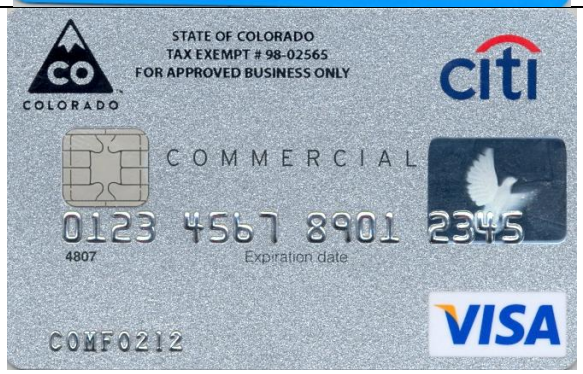
In 2010 the State of Colorado Department of Personnel and Administration, State Purchasing Office, issued a Request for Proposal (RFP), with the purpose of selecting a single qualified financial organization to provide corporate purchase cards, individual and corporate travel cards, as well as other types of integrated credit card services. The Purchasing and Travel cards have historically been provided by separate vendors and the decision was made to move to a more innovative approach to increase payment transparency, streamline processes, reduce costs, mitigate risk, enhance program compliance and simplify the reconciliation process. A team of seventeen (17) staff members representing state agencies, institutions of higher education, community colleges and local government dedicated their time and expertise to the overall RFP process and unanimously recommended the award be offered to Citibank, N.A., as the financial institution with the highest ranking proposal.

The State negotiated a cooperative contract on behalf of all Colorado governmental entities and the end result is an extremely beneficial program for all participants. Participation in the program is open to state agencies, departments, legislative and judicial branches, local governments (counties, school boards and districts, municipalities, or other public agencies or authorities), community colleges, institutions of higher education and other governmental entities. Entities not considered a State agency or governmental body within the State Procurement Code may participate as a Program Affiliate managing independent programs and receiving their portion of the rebate payment directly.

The contract term with Citibank is an initial five year term through 12/31/2015, with an additional three (3) one-year options to extend. The full term of the contract shall not exceed eight years.

State agencies and institutions of higher education participating in the Commercial Card Program must sign an Agency Participation Addendum [Master Contract Exhibit C] which ensures compliance with the master contract terms and conditions. Local governments participating in the Commercial Card Program must sign an Affiliate Participation Addendum [Master Contract Exhibit D] which ensures compliance with the master contract terms and conditions. These Participation Addendums can be found on the Commercial Card website (www.colorado.gov/dfp/ccard). *Contact the State Commercial Card Program Manager to initiate agency or affiliate participation.*

## 1.1 COMMERCIAL CARD OPTIONS

| | |
|---|---|
| **Purchasing Card – Centrally Billed** [19105]<br>Corporate Liability<br>• **Account Options**<br>○ Standard Point of Sale Cards<br>○ Ghost Cards<br>○ Declining Balance Cards<br>○ Departmental Cards<br>○ Emergency Cards<br>PURCHASING<br>FOR APPROVED BUSINESS USE ONLY | |
| **OneCard – Centrally Billed** [19094]<br>Corporate Liability<br>• **Account Options**<br>○ Standard Point of Sale Cards<br>○ Ghost Cards<br>○ Meeting/Event Cards<br>○ Declining Balance Cards<br>○ Departmental Cards<br>○ Emergency Cards<br>COMMERCIAL<br>FOR APPROVED BUSINESS USE ONLY |  |
| **Travel Card – Centrally Billed** [19150]<br>Corporate Liability<br>• **Account Options**<br>○ Standard Point of Sale Cards<br>○ Meeting/Event Cards<br>○ Declining Balance Cards<br>○ Departmental Cards<br>CORPORATE<br>FOR APPROVED BUSINESS USE ONLY | |
| **Travel Card – Individually Billed** [19149]<br>Joint/Several Liability<br>• **Account Options**<br>○ Standard Point of Sale Cards<br>CORPORATE<br>FOR APPROVED BUSINESS USE ONLY | |

| | |
|---|---|
| **Ghost Cards – Centrally Billed**<br>Corporate Liability<br>• **Account Options**<br>  ○ White plastic card is issued without a magnetic strip<br>  ○ Cannot be used for point of sale purchases<br>  ○ Card has verification code [CVV2] allowing for internet purchases<br>  ○ Account is established for use by a specific merchant | |

# SECTION 2
## COMMERCIAL CARD PROGRAMS

### Colorado State Flag

Adopted June 5, 1911. Embodied in the flag are the colors of the national flag, the blue of Colorado skies, the gold of her metal, the white of mountain snows, and red of soil. On August 1, 1876, Colorado became the 38th State to enter the Union under the flag of the United States.

# 2. COMMERCIAL CARD PROGRAMS

## 2.1 PROCUREMENT CARD

Colorado Revised Statute (C.R.S.), 24-102-207, STATEWIDE PROCUREMENT CARD AGREEMENT directs the Department of Personnel & Administration (DPA) to establish a statewide Procurement Card Program. Details are available online as provided by the Office of Legislative Legal Services:

http://www.lexisnexis.com/hottopics/colorado/

Use of the Procurement Card does not supersede any state, department, agency, institution or participating entity policy or procedure. Agencies are still required to comply with all applicable fiscal rules including but not limited to FISCAL RULE, CHAPTER 2: DISBURSEMENT RULE 2-10 PROCUREMENT CARD. This rule, and any subsequent modifications, can be found in its entirety on the Office of the State Controller website:

https://www.colorado.gov/pacific/osc/fiscalrules

Any unauthorized purchase can result in an employee being held personally responsible in accordance with the Colorado Revised Statute (C.R.S.), 24-109-404, LIABILITY OF PUBLIC EMPLOYEES:

*"IF ANY GOVERNMENTAL BODY PURCHASES ANY SUPPLIES, SERVICES OR CONSTRUCTION CONTRARY TO THE PROVISIONS OF THIS CODE OR THE RULES PROMULGATED PURSUANT THERETO, THE HEAD OF SUCH GOVERNMENTAL BODY AND THE PUBLIC EMPLOYEE, WHICH FOR THE PURPOSES OF THIS SECTION INCLUDES ELECTED OFFICIALS, ACTUALLY MAKING SUCH PURCHASE SHALL BE PERSONALLY LIABLE FOR THE COSTS THEREOF IF SUCH SUPPLIES, SERVICES, OR CONSTRUCTION ARE UNLAWFULLY PURCHASED AND PAID FOR WITH STATE MONEYS, THE AMOUNT THEREOF MAY BE RECOVERED IN THE NAME OF THE STATE IN AN APPROPRIATE CIVIL ACTION"*

### 2.11 PROCUREMENT CARD PROGRAM OVERVIEW

The State of Colorado Procurement Card allows State agencies, departments and institutions of higher education to purchase goods and services using a tax-exempt State credit card. The Visa® card issued through Citibank (Citi) has corporate liability and each participating entity is liable for use of, and payment for, the Procurement Cards issued to their employees. As a cardholder, the employee is responsible for the security and use of the Procurement Card at all times. An entity Program Administrator(s) and Approving Official(s) are involved to help control and monitor card usage and expense allocation. Procurement Card transactions will be monitored at the entity and state levels.

The Procurement Card was established to simplify the employee purchasing process for small purchases (under $5,000.00) of general merchandise and services as governed by state statute, procurement and fiscal rules. Procurement Card purchases are governed by the same statutes, procurement, personnel and fiscal rules, policies and procedures

that apply to any other purchase paid by state warrant or check. All purchases must also comply with agency policies and procedures. The Procurement Card is the appropriate method of payment for business related operating expenses.

Employees are encouraged to make their purchases from State Price Agreements where applicable. However the Procurement Card also allows employees to purchase from any vendor that accepts Visa®.

## 2.12 PROCUREMENT CARD PROGRAM OPTIONS

Based on individual program needs, agencies can use either the Purchasing (PCard) or OneCard with a variety of functionality to enhance your program. The Citibank Account Manager and the State Commercial Card Program Manager will assist with evaluating the entity procurement needs to determine the best Procurement Card option. The following are the available Procurement Card options:

**Purchasing Card – Centrally Billed:** A corporate liability, State tax-exempt card issued with the name of the Participating Entity and the name of the individual Cardholder on the card. This card cannot be used by anyone other than the person to whom the card has been assigned.

**OneCard – Centrally Billed:** The OneCard is a corporate liability, State tax-exempt card issued with the name of the Participating Entity and the name of the individual Cardholder on the card. The OneCard can provide efficiencies and ease of use for Cardholders with the use of one piece of plastic. This card cannot be used by anyone other than the person to whom the card has been assigned. The OneCard allows the combination of the Purchase and Travel Card (aka integrated card). The OneCard provides the functionality of the PCard and the variety of benefits associated with the Travel Card. Card use is managed by Program Administrators (PAs) through the Merchant Category Code (MCC) controls. MCC Group templates have been developed to assist with assigning MCCs by Cardholder use.

## 2.13 PROCUREMENT CARD PROGRAM MANAGEMENT

Effective management of the type of transactions accessible to each Cardholder will be determined by the MCC Group template(s) assigned. Specific Groups (as defined by Citibank) have been created as include MCCs, therefore the list of codes in each Group are those that are open for use by the cardholder. The groups have been developed to address the varied type of card users, type of standard purchases and business needs. Each card can have up to nine (9) MCC Groups assigned to the card and/or group of cards.

Participating Entities determine the MCC Groups assigned to each card by using the MCC Group templates already created for use or they can develop their own. Cardholders that are predominantly a Purchasing Card user would only have Purchasing Card related MCC Groups assigned to the card. Cardholders that require both Purchasing and Travel MCC groups on a OneCard can be easily accommodated by

proper MCC Group assignment. Only transactions associated with the MCC Groups assigned to each card would be accessible for purchases.

**NOTE:** Merchants may have assigned MCCs that do not accurately reflect their true merchant type thereby requiring a MCC to be temporarily allowed.

Management of all Commercial Card functionalities require compliance with, but not limited to, any relevant state, department, agency, institution or participating entity policy or procedure and the policies and procedures set forth in this manual.

Entities will have a maximum credit limit (velocity) that may be spent through the combined purchasing activity of all cardholders in the participating entity. Within that limit, agencies can control the following limits and restrictions for each cardholder:

- **Amount Per Transaction:** The maximum dollar amount for a single purchase
- **Amount Per Day:** The maximum dollar amount per day
- **Amount Per Cycle:** The maximum credit limit that will be authorized in a 30-day period
- **Transactions Per Day:** The maximum number of transactions that may be authorized in one day
- **Transactions Per Cycle:** The maximum number of transactions that may be posted in one cycle
- **Merchant Category Codes (MCC):** Every transaction processed by the card network (in this case Visa®) is assigned a merchant category code (MCC), a four-digit number that denotes the type of business. MCCs are used by card issuers to categorize, track or restrict certain types of purchases. The State of Colorado MCC templates have been created to facilitate appropriate controls for Program management.

## 2.2 TRAVEL CARD

The purpose of the State Travel Card (TCard) is to require all travel for official State of Colorado business be expensed with the state TCard. Statutory authority exists in Colorado Revised Statutes, 24-30-202, 24-50.3-104 and 24-102-101.

In addition, State agencies and institutions of higher education using the TCard must abide by Fiscal Rules which include, but are not limited to, the following:

Fiscal Rule, Chapter 2: DISBURSEMENT
Rule 2-1: PROPRIETY OF EXPENDITURES
Fiscal Rule, Chapter 5-1: TRAVEL

Program Affiliates are not bound by Fiscal Rules, however may use them as a resource for developing and maintaining entity specific program guidelines, policies and procedures.

Other rules and regulations that may impact State and Affiliate travel include, but are not limited to, the following:

- Fly America Act
- Patriot Act
- State Controller Technical Guidance - Taxability of State Travel Reimbursements
- State Controller Policy - Mileage Reimbursement
- Risk Management Vehicle Use Guide
- IRS Code - Taxability of Lodging
- FYI Government Purchases Exemptions – Sales 63

## 2.21 TRAVEL CARD PROGRAM OVERVIEW

The Travel Card is a streamlined method of payment and use does not supersede any state, department, agency or institution policy or procedure. Based on individual program needs, State agencies can implement the travel card type(s) to best facilitate their business needs. The Citibank Account Manager and the State Commercial Card Program Manager can assist with evaluating the entity needs to determine the best Travel Card option.

Be sure to check for current State Price Agreements for travel. The agreements provide a variety of terms and conditions to save valuable funds and provide Travel Card participants Collision Damage Waiver & Liability insurance and other negotiated benefits (view Price Agreements).

The TCard is managed by the different State agencies, institutions of higher education and political subdivisions participating in the program. Each participating entity is liable for the use of all types of Travel Card accounts issued to their employees. For Centrally Billed accounts, the Participating Entity is responsible for printing their central billing statements each month and processing central payments for those statements. For Individually Billed accounts, the cardholder is responsible for printing their statements each month and sending payment for those statements. The goal is to provide a Travel Card for State agencies, institutions of higher education and political subdivisions in order to maximize the efficiency of official government travel expenditures.

## 2.22 TRAVEL CARD PROGRAM OPTIONS

Based on individual program needs, agencies can participate in the Travel Card program using the OneCard, Centrally Billed Travel Card or Individually Billed Travel Card. The following are the available Commercial Card options:

**OneCard – Centrally Billed:** The OneCard is a corporate liability, State tax-exempt card issued with the name of the Participating Entity and the name of the individual Cardholder on the card. This card cannot be used by anyone other than the person to whom the card has been assigned. The OneCard program allows the combination of the Purchase and Travel Card (aka integrated card). The OneCard provides the functionality of the PCard and the

variety of benefits associated with the TCard. Card use is managed by PAs through the MCC controls. MCC Group templates have been developed to assist with assigning MCCs by Cardholder use.

**Travel Card – Centrally Billed:** The Centrally Billed Travel Card is a corporate liability, State tax-exempt, credit card issued with the name of the Participating Entity and the name of the individual Cardholder on the card. This card cannot be used by anyone other than the person to whom the card has been assigned. The Centrally Billed Travel Card is used for travel purchases (under $5,000.00) as governed by state statutes, state travel, procurement and fiscal rules. All purchases must comply with agency policies and procedures. The Centrally Billed Travel Card is the appropriate method of payment for business related travel expenses.

**Travel Card – Individually Billed:** The Individually Billed Travel Card is a joint/several liability card and is individually billed to the cardholder on a monthly basis. This account type allows 59 days to pay in order to provide sufficient time for expense reimbursement processing. As this account carries individual liability and is individually billed, each Participating Entity's Cardholder is liable for all transactions initiated on the account. The Participating Entity is liable for all unpaid charges and fees on this account type that are closed for any reason or are over 90 days past due.

## 2.23 TRAVEL CARD PROGRAM MANAGEMENT

Effective management of the type of transactions accessible to each Cardholder will be determined by the MCC Group template(s) assigned. Specific Groups (as defined by Citibank) have been created as include merchant category codes therefore, the list of codes in each Group are those that are open for use by the cardholder. The groups have been developed to address the varied type of card users, type of standard purchases and business needs. Each card can have up to nine (9) MCC Groups assigned to the card and/or group of cards.

Participating Entities determine the MCC Groups assigned to each card by using the MCC Group templates already created for use or they can develop their own. Cardholders that are predominantly travelers would be assigned the associated Travel related MCC Groups to meet their business needs. Cardholders that require both Purchasing and Travel MCC groups on a OneCard can be easily accommodated by proper MCC Group assignment. Only transactions associated with the MCC Groups assigned to each card would be accessible for purchases.

Management of all commercial card functionalities require compliance with, but not limited to, any relevant state, department, agency, institution or participating entity policy or procedure and the policies and procedures set forth in this manual.

# SECTION 3
## COMMERCIAL CARD FUNCTIONALITIES

# Colorado State Fossil

# Stegosaurus

Proclaimed by the Governor, 1982. A fourth-grade class campaigned across the state for two years to designate Stegosaurus a Colorado symbol. Their efforts culminated in an executive order by Governor Richard D. Lamm on April 28, 1982 making the Plated Dinosaur, Stegosaurus, the official state fossil.

# 3. COMMERCIAL CARD FUNCTIONALITIES

## 3.1 INDIVIDUALLY ASSIGNED CARD

An Individually Assigned Commercial Card is one that, in addition to including the name of the entity, contains the name of the individual cardholder on the card. The individual to whom the card is assigned provides a signature on the back of the card. The Individually Assigned card cannot be used by anyone other than the person to whom the card has been assigned. An Individually Assigned Commercial Card can be a OneCard, Purchasing Card or Centrally Billed Travel Card. Individually Assigned Cards do not include the Individually Billed (joint/several liability) Travel card.

## 3.2 DEPARTMENTAL CARD

A Departmental Card is issued to an individual (the Card Custodian) on behalf of a group, department, workgroup or division. Departmental Cards do not have employee names on them. Although only employees of the Participating Entity are permitted to use Departmental Cards, anyone with access to Departmental Cards will have the ability to use such cards. Departmental Cards are available as a OneCard, Purchasing Card or Centrally Billed Travel Card. The Card Custodian provides the card to Designees within their group as the need arises for them to make purchases. Departmental Cards are assigned a default accounting code in the Participating Entity's accounting system. Prohibited transactions are the same for Departmental Cards as they are for the OneCard, Purchasing Card or Centrally Billed Travel Card.

**NOTE:** *Departmental Cards have reduced transaction dispute rights as compared to transaction dispute rights for Individually Assigned cards. Agencies are advised that the bank's Departmental Card dispute right policies are subject to change.*

### 3.21 CARD NAMES

Card names are assigned by the authorized Participating Entity. In general, the name embossed on the first line of each card is a work group name, rather than an individual's name. Cards should be named for their functions or area – for example "Administration" or "Lab Supplies". If the Participating Entity name is not already a part of the card design, the Participating Entity name should be embossed on the second line.

### 3.22 SIGNATURE ON CARD

Although the card has a space for signature on the back, in general, an individual should not sign the Departmental Card. If signed by an individual, it would be difficult for any other staff member to use the card.

Instead, the Card Custodian should write either the department or workgroup name on the space provided so that it matches the front of the card. The Card Custodian may also consider writing "See Employee Identification" on the space provided.

### 3.23 ADMINISTRATIVE RECOMMENDATIONS

Recommended internal written controls and procedures in administering the use of a Departmental Card are:

1. Comply with all applicable existing State and Participating Entity business rules, policies and procedures that govern the use of the Commercial Card.
2. Create and maintain a current list of departments or workgroups that are approved to use the Departmental Card.
3. Create a transaction log to track who has checked out the card, when it was returned and what was purchased.
4. A Departmental Card Manager is optional, but can be assigned to manage Card Custodians to ensure compliance with Commercial Card policies & guidelines and administer & control the use of the Departmental cards within a Participating Entity.

## 3.3 EMERGENCY CARD

"Emergency Card" shall mean the Emergency Cards that Citi has the ability to issue directly to the Cardholder within 24 hours of official notification. These designated groups of cards will have single authorizations and be set up in a separate hierarchy to prevent any impact on the standard, ongoing Commercial Card program. The Emergency Card has a preset limit, can be loaded with preset controls as determined by the Participating Entity, and is delivered in an inactive state. Emergency Cards may also be issued in advance to Cardholders. The credit line for Emergency Cards is separate from the entity credit limit, however any emergency card limits that are assigned above $50,000.00 will be reviewed by Citi.

### 3.31 EMERGENCY CARD PROGRAM

Each of the card types (Purchasing/Centrally Billed Travel/OneCard) can be customized to meet an entities specific Emergency Card requirements. However, the OneCard is a recommended best practice for Emergency Cards to allow the most flexibility along with providing travel related insurance and benefits provided by VISA®.

Recommendation for setting up Emergency Cards

- Hierarchy / Reporting
  - Emergency Cards should be built separately within the Level 2 hierarchy to facilitate reporting and mass account updates (if applicable).
- Billing Accounts
  - Emergency Cards can be separate or combined with non-emergency cards
    - **Best Practice:** Establish a separate hierarchy level and billing account(s) for clear reporting and management
- Status
  - Emergency cards that are not available for use at all times should have the card limits set to $1 until they need to be used.
    - PA decides how much credit to allocate on an Emergency Card

        - Emergency Cards kept in a closed status require a PA approval before opening an account
        - Emergency Cards can be left inactivated for the life of the card, however the card will not renew and will eventually purge
    - New Account request
        - Emergency Card requests needed during the actual emergency period should be submitted via the Auto Enroll process. If rush processing is required, the word RUSH should be in address line 1 (column I). RUSH should also be the first word in the file name, i.e. RUSH SOC Auto Enroll.xls. The cards will be received within 2-3 business days. The cards must be delivered to a physical address and the package requires a signature at time of delivery.
        - Emergency Card requests outside of the emergency period can be requested using your entities typical card request process.
        - Recommended MCC Groups are State Temp 1, 2 and 3 or a custom MCC Group can be built by each entity.
    - Account Maintenance
        - Account maintenance can be performed quickly and efficiently within CitiManager – CCMS application.
            - Individual real time account maintenance
            - Bulk real time account maintenance for up to 100 accounts.
            - Bulk account maintenance for 101-3000 accounts is completed **within 24 hours**. Multiple bulk maintenance requests can be submitted to overcome the 100 account real time limitation.
        - Payments are to be sent and processed Business As Usual

## 3.32 CITI SYSTEM UPDATES

Citi uses a credit card processing platform (TSYS) as do many banks/card issuers. TSYS has planned down time each night between 9 pm – 12 am ET for system updates. All applications are not typically down each night yet certain functionality may be unavailable. Unfortunately, Citi cannot control/change this processing schedule and it affects all card issuers which utilize TSYS as their processing platform.

Here are some tips to help if an emergency situation arises:

- If possible, process the card update online via CCMS. The request would be processed real time if that application is not affected in that particular down time period. Otherwise, it will be processed as soon as the application becomes available.
- Provide Citi with the card and merchant details and request the merchant be allowed to *force* a charge through. The merchant may then contact Citi if they need specific instructions.

***Best Practice:***

- *Effective Use of Emergency Cards*
    - *Establish separate hierarchy level(s) and billing account(s) for clear reporting and management*
    - *Keep the emergency cards activated with a $1.00 balance;*
        - *Then when an emergency event occurs, the cards are ready to be used with a simple limit increase via phone, email, or online application;*
        - *This also ensures the emergency card will not purge but renews when the expiration date hits.*
    - *Emergencies do not always occur during work hours therefore, PAs should be prepared to:*
        - *activate Emergency Cards from any computer*
            - *have a list of Emergency cardholder names*
            - *have last 4 digits of the card*
            - *be sure to have the Citi website URL with you at all times*
        - *have your Administrator sign-on*
            - *information should be written down for easy access during an emergency,*
            - *be sure to maintain the information in a secure location*
        - *contact the bank, on-site as well as off-site*
        - *contact key personnel*
            - *have a list of all contact information for key personnel*
            - *contact entity's upper management/emergency management team*
- *Closely coordinate with card issuer:*
    - *How cards will be assigned and cardholder identified*
    - *Activation of non-traditional merchant categories*
    - *Card limits sufficient to accommodate occasional large purchases*
    - *Revisions to card security limits, e.g. number of transactions per day, to accommodate high numbers of transactions*
    - *Cards should be issued to a specific employee that is responsible for all transactions posted to this account*
- *In time of emergency:*
    - *Contact card issuing bank to activate emergency cards*
    - *Issue cards using a signed log showing receipt*

## 3.4 GHOST ACCOUNTS

Ghost Accounts are often used with strategic suppliers or for remote purchases on behalf of a specific agency, department, program and/or unit. Ghost accounts are not a point-of-sale [POS] card, therefore do not have a magnetic stripe. However, white plastic cards are issued that include: Account name, Card number, Expiration Date and CVV2. When a ghost account is assigned to a specific supplier, any purchase made with that supplier by someone in your entity will be charged to that account. Employees usually provide a cost center or some other budget identifier as their point-of-sale (POS) or customer code to ensure the transaction is posted to the appropriate department.

### 3.41 STRATEGIC SUPPLIERS

Participating Entities will need to work with their strategic suppliers to incorporate payment arrangements as a part of their supplier agreement, including supplier liability for any unrecognized charges on the ghost account. When a ghost account is assigned to a specific department, certain members of that department are authorized to use the ghost account number to make purchases.

## 3.5 DECLINING BALANCE CARD

Declining Balance cards do not require a pre-funded account. The spending limit and/or expiration date are established up-front, giving it a specific "shelf life" to accommodate a specific project budget, grant budget or spend allowance. The Declining Balance Card's pre-established credit limit is reduced by the amount of every purchase until the Card's purchase value is exhausted or supplemented. The declining balance functionality can be used with the Procurement Card, OneCard or Centrally Billed Travel Card.

The Declining Balance Card works well for situations that require pre-set limits such as:

- Per diem travel – credit limit equal to per diem amount for the length of a specific approved business trip
- Professors/Teachers who typically have a fixed amount to spend each term can use this functionality to manage their budget
- Projects with a set budget

# SECTION 4

## STANDARD ROLES AND RESPONSIBILITIES

# Colorado State Flower

# Rocky Mountain Columbine

The white and lavender Rocky Mountain Columbine was declared the official state flower on April 4, 1899. The law prohibits digging or uprooting the flower on public lands and limits the gathering of buds, blossoms and stems to 25 in one day.

# 4. STANDARD ROLES AND RESPONSIBILITIES

The following describe previously referenced critical roles for the Commercial Card programs with general responsibilities. Entities shall identify specific definitions in their handbook or manual.

## 4.1 Program Administrator

**Role:** Person who is responsible for the Participating Entity's policies, procedures, card issuance/cancellation, monitoring Approving Officials and Liaisons, management reporting, and development of the program. This individual is the primary interface with the State Commercial Card Program Manager and Citibank. An optional Travel Compliance Designee (TCD) may also be responsible for the Program Administrator (PA) duties.

**Responsibilities:**

- Interface with the Commercial Card Program Manager and the bank on all program matters
- Establish and update internal program policies and guidelines to meet the minimum requirements of statewide policies and guidelines
- Provide training to Cardholders, Approving Officials and Liaisons in the management and use of the Commercial Card
- Maintain current documentation of signed cardholder agreements
- Work closely with other department functions (accounting, procurement, management, etc.) to administer, develop and grow the Participating Entity's program
- Ensure cardholder records and other information are maintained in a secure manner
- Coordinate the maintenance of Commercial Cards including additions, deletions and changes
- Retain cards in a secure manner until issued to Cardholders
- Develop and issue periodic management reports to monitor the development of the program
- Conduct periodic reviews (audits) to ensure Cardholder, Approving Official, and Liaison activities are in compliance with program procedures and guidelines
- Report issues of noncompliance as appropriate to the appointing authority and executive director or chief executive officer
- Refer to "Liaison" role and responsibilities for additional duties if your entity does not have a Liaison

## 4.2 Travel Compliance Designee (TCD)

(Optional)

**Role:** Person who is responsible for ensuring the Participating Entity is in compliance with the travel fiscal rules and facilitating communication with the State Commercial Card Program Manager and Citibank for the Travel Card.

**Responsibilities:**

- Implement the travel fiscal rules in his or her Participating Entity
- Monitor compliance of travel related rules and statutes within

their entity
- Maintain current documentation of signed cardholder agreements
- Report issues of noncompliance as appropriate to their appointing authority and executive director or chief executive officer
- Submit completed Out of State Travel Authorization Form(s) as determined by current administration

### 4.3 Travel Coordinator
(Optional)

**Role:** Centrally Billed Travel cards are issued in the name of Travel Coordinators to facilitate travel reservations and transactions on behalf of infrequent travelers as assigned.

**Responsibilities:**
- Maintain security and custody of the card
- Use the card only for official state business
- Immediately report a lost or stolen card to Citibank and PA/TCD
- Make purchases in accordance with Participating Entity guidelines and applicable fiscal and travel rules
- Obtain and submit adequate supporting documentation for each transaction
- Reconcile and sign-off on the account statement for each cycle that has transactions
- Contact merchants to resolve disputes and complete the Transaction Dispute Form when necessary
- Ensure refunds/credits are posted to the same card account charged
- Ensure all transactions are charged to the proper coding
- Notify PA/TCD of changes in employment status such as transfer and termination

### 4.4 Approving Official

**Role:** Person assigned to review Cardholder transactions to ensure compliance with Commercial Card policies and guidelines.
- A Cardholder may not be his or her own Approving Official
- Best Practice is that the cardholder's supervisor is the Approving Official

**Responsibilities:**
- Review and sign-off on the monthly account statement for each Cardholder
- Ensure all statement reconciliation documentation is received and retained in accordance with department policies and procedures
- Ensure all expenditures are assigned to the correct account codes, if assigned this responsibility
- Monitor Cardholder activity for unusual patterns of use
- Document and report Cardholder violations in accordance with department guidelines
- Review transaction exception reports, if applicable, and take appropriate follow-up action

- Notify Liaisons or Program Administrators of changes in employment status, such as transfer and termination
- Refer to "Liaison" role and responsibilities for additional duties if your entity does not have a Liaison

### 4.5 Allocator or Reallocator

**Role:** Person responsible for allocating transactions from the default accounting code to the correct accounting code. This role is only needed if the cardholder does not allocate their own transactions.

**Responsibilities:** All cards will have a default accounting code assigned to it. Based on the Participating Entity's procedures, this person may accept the allocation or reallocate charges to other account codes. The Cardholder or a different person may fill this role.

### 4.6 Cardholder

**Role:** Person issued a Commercial Card to make purchases.

**Responsibilities:**

- Maintain security and custody of the card
- Use the card only for official state business
- Immediately report a lost or stolen card to Citibank
- Make purchases in accordance with Participating Entity guidelines and applicable fiscal and procurement rules
- Obtain and submit adequate supporting documentation for each purchase made
- Reconcile and sign-off on the account statement for each cycle that had transactions
- Contact merchants to resolve disputes and complete the Transaction Dispute Form when necessary
- Ensure refunds/credits are posted to the same card that was originally charged
- Ensure that all purchases are charged to the correct account codes, if assigned this responsibility
- Notify Approving Officials or Liaisons of changes in employment status such as transfer and termination

### 4.7 Liaison
(Optional)

**Role:** May be needed in large or decentralized organizations as an interface with the Program Administrator. For example, Liaisons may be at a division or at an off-site location.

**Responsibilities:**

- Ensure that Approving Officials and Cardholders have updated policies and procedures
- Assist in Cardholder account set-up and updates to account information
- Assist Cardholder with transaction disputes reported to the bank
- Notify the Program Administrator of lost/stolen cards and assist in their replacement
- Document and report Cardholder violations in accordance with

department guidelines

- Terminate Cardholder accounts due to job changes such as transfer, termination, lack of need, etc.
- Review transaction exception reports, if applicable, and take appropriate follow-up action
- Conduct periodic reviews (audits) to ensure Cardholder and Approving Official activities are in compliance with program procedure and guidelines

**NOTE:** If the Participating Entity does not use the "Liaison" level then these responsibilities belong to Approving Officials or the Program Administrator

### 4.8 Departmental Card Manager
(Optional)

**Role:** Person assigned to manage Card Custodians to ensure compliance with Commercial Card policies and guidelines. Administer and control the use of the Departmental Cards assigned to the Card Custodians within a Participating Entity.

**Responsibilities:**

- Create and maintain a list of individuals who are assigned as Card Custodians
- Instruct and train Card Custodians of their roles and responsibilities
- Provide guidance to resolve Card Custodian oversight issues
- Audit card statements and transaction documentation based on Participating Entity, program and funding requirements
- Notify Program Administrator of any personnel changes
- Communicate to PA any Card Custodian who has misused the card

### 4.9 Card Custodian
(Optional)

**Role:** Administer and control the use of Departmental Cards by authorized Designees within Card Custodian's workgroup.

**Responsibilities:**

- Create and maintain a list of individuals who are authorized to use the Departmental Card ("Designees")
- Instruct and train Designees on use of the Card
- Track Designee transactions
- Keep the card number secure
- Retain card statements and transaction documentation based on Participating Entity, program and funding requirements
- Verify transactions as soon as possible – recommend no later than **10** business days
- Notify Program Administrator of any personnel changes
- Withhold the Card from any Designee who has misused the card

### 4.10 Departmental Card Designee
(Optional)

**Role:** Authorized user of a Departmental Card

**Responsibilities:**

- Keep the card secure at all times
- When needed, request the card from Card Custodian
- Obtain receipts from merchant
- Immediately return card and receipts to Card Custodian
- Deal with the merchant directly on any return, dispute or credit
- Immediately report lost or stolen card to Card Custodian
- Complete the required transaction information on a log sheet
- Do not make unauthorized purchases

# SECTION 5
## REQUIREMENTS & MINIMUM STANDARDS

# Colorado State Tree

## Colorado Blue Spruce

The Colorado Blue Spruce was adopted as the official state tree on March 7, 1939. It was first discovered on Pikes Peak in 1862. This tree is known for its stately, majestic, symmetrical form, and it's beautiful silver-blue color. It grows at elevations of 6,000 to 11,000 feet.

# 5. REQUIREMENTS & MINIMUM STANDARDS

This section of the Commercial Card Manual provides the necessary details of the mandatory requirements and minimum standards for your Commercial Card Program. Incorporated within these expectations are *Best Practices* for consideration to assist with the success of your Program.

## 5.1 PAYMENT REQUIREMENTS

Centrally Billed OneCard, PCard and TCard payments must be made *promptly* (within thirty [30] calendar days) of the cycle end date. The Citibank standard cycle end date is the 25th of the month. If the cycle end date is a weekend or a bank holiday, the cycle ends the prior business day. The finance charge rate assessed for past due accounts vary by Participating Entity type as determined by the Participating Addendum executed. As part of the rebate structure, an additional 1 basis point will be added for every day early (prior to 30 days) payment is received, so it is beneficial to process payment as quickly as possible.

Payment on the Individually Billed Travel (joint/several liability) cards is the responsibility of the Participating Entity's Cardholder. This account type allows 59 days to pay in order to provide sufficient time for expense reimbursement processing. The cardholder is liable for all transactions initiated on the account. Additionally, the Participating Entity is liable for all charges and fees on the accounts that are closed for any reason or are over 91 days past due. The past due process for the Individually Billed Travel (joint/several liability) account is:

- At 91 days past due, the Client Account Services (CAS) or Collections manager will contact the State Commercial Card Program Manager with a list of the delinquent accounts
- The State Commercial Card Program Manager then contacts the Program Administrator for the cardholder with details of the past due payment
- Participating Entity Program Administrator then contacts their cardholder for payment
    - This process occurs weekly until the account is no longer delinquent

There will be a required mandatory payment by the Participating Entity for any amounts incurred on Individual Travel-joint/several liability Accounts that are not paid within 120 days after the billing statement date. The Participating Entity shall pay such amounts within 30 days, or 150 days after the billing statement date.

Payment Methods:

- State Agencies – US Dollar Check / Money Order
    - Important to include payment stub when mailing check.
    - Recommend including account number on check / money order.
    - Address: **Citibank, PO Box 183071, Columbus, OH 43218-3071**
- Participating Entities – US Dollar Check / Money Order
    - Important to include payment stub when mailing check.
    - Recommend including account number on check / money order.
    - Address: **Citibank, PO Box 183173, Columbus, OH 43218-3173**

- Exception payments – US Dollar Check / Money Order
  - These are payments remitted in check and list format (i.e. one check to pay several central bills)
  - Essential to include all account numbers and associated payment amounts on payment stub when mailing check.
  - Address: **Citibank, P.O. Box 183071, Columbus, OH 43218-3071**
- ACH payments (also known as EFTs)
- Payments via CitiManager from cardholder's Checking/Savings account (for Individually Billed Travel cards only)
- Payment by Phone
  - Convenience fee of $14.95 is incurred by a cardholder who makes a "check-by-phone" payment via the automated voice response unit (VRU).

Entities should also establish procedures for reconciling Billing Account statements with the actual amount remitted to the bank on at least a monthly basis.

**NOTE:** Payments should be made in a manner that ensures timely payment and avoids finance charges.

***Best Practice:***
*Take advantage of the **Early Payment Incentive** to maximize your Entity's Rebate:*

- ***Increment:*** *Citi will add **1 basis point** for every day early (prior to 30 days after the cycle end date) that the Participating Entity remits payment.*
- ***Decrement:*** *Citi will subtract **1.5 basis points** for every day late (more than 30 days after the cycle end date) that the Participating Entity remits payment up to day 60. Once payment is received after day 60 the spend volume will not qualify for a rebate for the Participating Entity.*
- *The Early Payment Incentive shall be calculated separately for each Participating Entity.*
- *Delays can impact your revenue share or rebate, so accuracy is a must!*
- *Payments are due regardless of pending documentation.*
- *Allow adequate time to process a payment to avoid suspended accounts & late fees.*
- *Accounts are not considered paid until payments have been received by the bank and posted to the appropriate account.*

## 5.2 RECONCILING THE STATEMENT

At the close of each cycle (25th of the month), the Cardholder will print their statement, listing purchases posted within the billing cycle. Purchases made near the end of the billing cycle may appear on the next statement.

**NOTE:** Entities may require more frequent reviews to validate transactions, reallocate charges, initiate the dispute process, etc. Entities may also require Program Administrators to print the statement for the central billing accounts to reconcile against what interfaces into their financial systems.

The Cardholder must review transactions for the following:

- Verify each listed charge is valid and matches the transaction documentation
- Ensure that account coding is accurate (unless the Participating Entity assigns this responsibility to others such as a Reallocator or Approving Official)
- Identify any charges to be disputed. Forward the completed *Transaction Dispute Form* to Citibank for any dispute that cannot be resolved directly with the merchant. Attach a copy of the *Transaction Dispute Form* to the statement
- Reconcile credits in the same manner as charge transactions
- Attach all supporting documentation (e.g. receipts, invoices, etc.) and a copy of the transaction log (if used) to the statement
- Sign the statement and forward it to the Approving Official for signature

**NOTE:** Disputed transactions must be reported to the bank within 60 calendar days from the date of the transaction in accordance with contract terms. However, it is recommended that agencies establish an earlier reporting cutoff such as 30 days.

***Best Practice:***

- *Require Cardholders, by written policy, to reconcile monthly statements to supporting documentation.*
- *Ensure all cardholders self-register to access CitiManager in order to download their monthly statement for reconciliation purposes.*
- *Require Program Administrators or Accounting staff to print the monthly central billing statement and reconcile it against what interfaces into their financial system.*

## 5.3 ALLOCATING / REALLOCATING TRANSACTIONS

**NOTE:** Section **5.3** applies to PCard, OneCard, and Centrally Billed TCard Programs only.

Entities shall develop a process for reallocating charges to the appropriate account codes. A default accounting string code (ASC) is established when a card is ordered. Transactions are initially posted to the default ASC, however Cardholders may determine that the charges should be posted to a different ASC if the default code does not apply. Currently, Participating Entities refer to this process as allocating or reallocating the transaction. This responsibility may be assigned to the Cardholder or another person, such as a Reallocator or Approving Official.

Cardholders will have the ability to review and reallocate their transactions online in the Citibank system. The Cardholder (or designated person) should complete this process during the current cycle.

**NOTE:** State agency reallocations must be completed within 10 business days after cycle close, as this is when statements will auto-close and the interface to the State's accounting system takes place.

***Best Practice:***

- *Assign default codes to each Cardholder based on his/her department.*
- *Reallocate transactions to the appropriate account codes to ensure proper expenditure coding.*

- *If allocations are being done in Citibank and interface to your financial system:*
  - *Perform allocations throughout the statement period – do not wait until cycle has closed.*
  - *Whoever is responsible for approving payment documents should verify correct coding has been used in Citibank prior to the interface. This will ensure the correct information interfaces to your financial system, resulting in much less work on the documents after the interface occurs.*

### 5.4 APPROVING OFFICIAL REVIEW (Mandatory Transaction Review)

Approving Officials must review and sign-off on (approve) each monthly account statement. The Approving Official should review each statement to ensure, at a minimum:

- Supporting documentation is attached for each transaction including *Transaction Dispute* or *Lost or Unavailable Transaction Information* forms, when necessary.
- Transactions are in accordance with guidelines and are not violations such as personal purchases, split or cash transactions, habitual lost documentation, etc.

Violations should be documented and reported to the Liaison or Program Administrator in accordance with Participating Entity guidelines. Also, in accordance with State of Colorado Fiscal Rule 2-10, all incidents of suspected fraud and abuse of the CCARD, along with any misuse of the CCARD, must be reported to the State Controller's Office annually.

***Best Practice:***

- *Approving Officials should review and approve Cardholder statements (individual transactions) every month.*
- *Approving Officials and/or Reallocators should reconcile statements to receipts to ensure adequate documentation is maintained and that purchases are for official state business only.*

### 5.5 TRANSACTION DOCUMENTATION

The Cardholder is responsible for ensuring that every transaction has valid supporting documentation. Valid supporting documentation includes:

- An itemized receipt from the vendor
- A signed delivery packing slip
- Order forms for dues, subscriptions, registrations, or similar documents
- Detailed invoice showing credit card payment
- Email confirmation from the merchant

Information contained in supporting documentation must include:

- Merchant name
- Date of purchase
- Description, price, and quantity of each item purchased
- Total cost of the order
- Cardholder name and/or card number
- Signature of Cardholder or Designee demonstrating receipt

- Official function form, if applicable
- Explanation of the reason for the purchase, if it appears unusual

*See the Colorado State Archives Record Management website to determine the minimum amount of time your agency is required to keep Commercial Card documents.*

***Best Practice:***

- *Establish written documentation policies*
- *Establish policies which indicate who must maintain documentation and for how long*
- *Thermo paper documents, because of their temporary nature, should be copied and the copies should contain the statement "original as received"*
- *Acronyms and non-standard abbreviations for programs or organizational units within an agency should not be used in the supporting documentation unless an explanation is also included*
- *Written justification or explanations on expenditures that are not representative of normal operations is required. These statements can be written on the invoice, receipt or other supporting documentation [e.g. Official Function form]*
- *Credits do not require a receipt, but an explanation must be documented on the transaction log or supporting documentation*

## 5.6 LOST OR UNAVAILABLE DOCUMENTATION

Contact the merchant directly if the original supporting documentation is lost or if the merchant did not provide it. If the merchant is unable to provide documentation, complete the *Documentation of Lost or Unavailable Transaction Information Form* and keep with the rest of the documentation for that month.

## 5.7 SALES TAX

The State is exempt from Colorado state sales tax and should not be charged sales tax on transactions using the PCard, OneCard or Centrally Billed Travel Card. All three card types may be used for purchases made in another state or foreign country, however, are not exempt from those state and local taxes. State tax-exempt numbers are generally hot-stamped on the front, left-hand corner of the Commercial Card. Merchants may require a copy of the State tax-exempt certificate to document the state tax-exempt status of the qualified card. In addition, some merchants may require additional card data that must comply with the *PCI Security Standards* as further detailed in Section 5.9 – Card and Data Security.

The Individually Billed Travel Cards do not qualify for State tax-exempt status. Therefore, the card should be charged appropriate taxes for purchases in the State of Colorado, other states and foreign countries. The hot-stamp for the Individual Travel Card is located on the front, left-hand corner of the credit card and will not have a tax-exempt number. The verbiage generally indicates: **Not State Tax Exempt.**

## 5.8 PROGRAM AUDITING

The Entities CCARD Program and transactions should be routinely reviewed and audited. The following items should be looked for when auditing cardholders:

- Cardholder signature and date on the card statement
- Approver signature and date on the card statement
- Supporting documentation is complete
- Any necessary prior approvals were obtained
- Official Function forms
- Account number concealed on ALL documentation
- Files are kept in a secure area
- Split transactions
- Sales tax
- Commercial Card transaction log is complete (if utilized)
- Purchase was allowable and authorized
- Commercial Card sharing or unauthorized use
- State awarded vendors are used when required
- Appropriate travel forms and authorizations

To assist with program auditing, CitiManager includes the **C**itibank **C**ustom **R**eporting **S**ystem (CCRS) and **P**rogram **A**udit **T**ool (PAT) which provides:

- Online access to consolidate cardholder data to simplify the audit processes
- Allows users to generate custom reports
- Automatically flags account/transaction violations by uncovering possible exceptions quickly and easily, ensuring that cardholders are adhering to organizational guidelines and policies
- Based on transaction activity criteria defined by your Program Administrator and audit specialists, the Program Audit Tool profiles card transactions and automatically flags exceptions
- Provides a complete snapshot of transaction activity across your card program

***Best Practice:***

- *Audit a specified number of Cardholders and Approving Officials each year.*
- *Have split purchase reports (as defined by CCRS report template) reviewed regularly by the Program Administrator and ensure that appropriate follow-up is conducted on questionable purchases.*
- *Identify and utilize different reports as part of transaction auditing.*
- *Involve internal audit in monitoring the program.*
- *Have the Program Administrator review Cardholder status and make appropriate changes on at least an annual basis (monitor how frequently each Cardholder is actively using their card, compare the Cardholder's frequency of use to their credit limit, etc.)*
- *Cancel cards with little or no activity – determine why the card is not being used.*
- *Institute processes that verify each transaction and random auditing by accounts payable staff as measures for reconciling the Commercial Card statement for payment.*

## 5.9 CARD AND DATA SECURITY

**Card Security:** Each cardholder is responsible for the security of their card, and therefore should:

- Never display their card account number around their work area
- Never give his or her card account number to co-workers
- Never email or fax full account numbers under any circumstances

***Best Practice:***

- *When running reports from CitiManager – Citi Custom Reporting System select the **short account number** attribute rather than the full account number in case the report is exported, printed or emailed.*

Cardholder must contact Citibank Commercial Card Customer Services immediately if their card is lost or stolen at 1-800-248-4553. They are also required to notify their Program Administrator.

**NOTE:**

- The Participating Entity liability is capped at $50 for any unauthorized charges made prior to the lost or stolen card being reported to the bank.
- When security breaches occur, Citi's practice is to assess the risk, increase their monitoring, and only close accounts if they determine there is substantial risk, as to minimize impact to the cardholder.

**Phishing:** Law enforcement officials use the word "phishing" to describe a type of fraud by which scammers use fake websites and e-mails to fish for valuable business and/or personal information. The fraudsters have no knowledge if you have a relationship with Citibank and they have no knowledge of your exact email address, but they try combinations of email addresses hoping to reach your inbox.

Once they reach your inbox, they are still solely reliant on your actions to gain any benefit. In the typical phishing scam, you receive an email that is allegedly from a company or financial institution. The e-mail describes a reason you must "verify" or "re-submit" confidential information - such as credit card numbers, passwords and personal identification numbers (PINs) - using a return e-mail, a form on a linked Web site, or a pop-up message with the name and even the logo of the company.

***Citibank never sends emails of this nature to you, and if you are ever in any doubt please contact the Citibank Commercial Cards Customer Service team to determine validity of emails. Do not respond to these emails.***

**Merchant Rules:** Cardholders should be aware of the VISA Merchant Rules designed to protect credit cards and cardholder data. The information below will assist cardholders with maintaining personal and card related data security. VISA Merchant Rules and Regulations include the following:

- The Merchant shall not impose a requirement on Cardholders to provide any personal information, such as a (i) home or business telephone number, (ii) home or business

address, (iii) driver's license number, (iv) photocopy of a driver's license or (v) photocopy of the Card, as a condition for honoring a Card unless such information is required (a) for mail order, telephone order, or delayed delivery transactions; (b) the transaction amount exceeds a predetermined dollar limit set by MPS; or (c) the information is required by the Card issuer. Except for the specific circumstances cited above, the Merchant shall not refuse to complete a sales transaction solely because a Cardholder who has complied with all of the conditions for presentment of a Card at the point-of-sale refuses to provide such additional personal information.

Merchants are required to meet the various audit requirements imposed on them by public entities therefore, it would be expected that limited information may be provided. An example would be providing a copy of the front of the credit card only while *ensuring* the complete card number is not exposed.

**VISA Fraud Prevention Tools:** Appropriate preventive action can help reduce fraudulent transactions and potential customer disputes. These tools and controls are to verify the legitimacy of the VISA cardholder and the card in every "card-not-present" transaction.

| Tool | Description |
|---|---|
| **Address Verification Service (AVS)** | Allows card-not present merchants to check a VISA cardholder's billing address with the card Issuer [Citi]. The merchant includes an AVS request as part of the authorization and receives a result code indicating whether the address given by the cardholder matches the address on file with the Issuer. |
| **Card Verification Value 2 (CVV2)** | Is a three-digit number imprinted on the signature panel of VISA cards to help card-not-present merchants verify that the customer has a legitimate card in hand at the time of the order. The merchant asks the customer for the CVV2 code and then sends it to the card Issuer as part of the authorization request. The card Issuer checks the CVV2 code to determine its validity, and then sends a CVV2 result back to the merchant along with the authorization. CVV2 is required on all VISA cards.<br>To protect CVV2 data from being compromised, VISA U.S.A. Inc. Operating Regulations prohibit merchants from keeping or storing CVV2 numbers once a transaction has been completed. |
| **Verified by VISA (VbV)** | Enables e-commerce merchants validation of cardholder's ownership of an account in real-time during an online VISA card transaction. When the cardholder clicks "buy" at the checkout of a participating merchant, the merchant server recognizes the registered VISA card and the "Verified by VISA" screen automatically appears on the cardholder's desktop. The cardholder enters a password to verify his or her identity and the VISA card. The Issuer then confirms the cardholder's identity. |

*Payment Card Industry (PCI) Security Standards* require the following regarding protecting credit card data:

| Security Controls and Processes for the PCI-DSS Requirements |
|---|
| The goal of the PCI Data Security Standard (PCI DSS) is to protect cardholder data wherever it is processed, stored or transmitted. The security controls and process required by PCI DSS are vital for protecting cardholder account data, including the primary account number [PAN] printed [or embossed] on the front of a payment card. Merchants and any other service providers involved with payment card processing must never store sensitive authentication data after authorization. This includes sensitive data that is printed on a card, or stored on a card's magnetic stripe or chip – and personal identification numbers entered by the cardholder [PIN for cash access]. |
| **The PCI Data Security Standard**<br>PCI DSS is the global data security standard adopted by the payment card brands for all entities that process, store or transmit cardholder data. It consists of common sense steps that mirror security best practices. |
| **Protect Cardholder Data** |
| Cardholder data refers to any information printed, processed, transmitted or stored in any form on a payment card. |

| |
|---|
| Entities accepting payment cards are expected to protect cardholder data and to prevent their unauthorized use – whether the data is printed or stored locally, or transmitted over a public network to a remote server or service provider. |
| **Protect stored cardholder data:**<br>In general, no cardholder data should ever be stored unless it's necessary to meet the needs of the business. Sensitive data on the magnetic stripe or chip must never be stored. If your organization stores PAN, it is crucial to render it unreadable. |
| • Limit cardholder data storage and retention time to that required for business, legal, and/or regulatory purposes, as documented in your data retention policy. Purge unnecessary stored data at least quarterly |
| • Do not store sensitive authentication data after authorization (even if encrypted). See guidelines in table below. Issuers and related entities may store sensitive authentication data if there is a business justification, and the data is stored securely. |
| • Mask PAN when displayed; the **first six** and **last four digits** are the maximum number of digits you may display. Not applicable for authorized people with a legitimate business need to see the full PAN. Does not supersede stricter requirements in place for displays of cardholder data such as on a point-of-sale receipt. |
| • Render PAN unreadable anywhere it is stored – including on portable digital media, backup media, in logs, and data received from or stored by wireless networks. Technology solutions for this requirement may include strong one-way hash functions of the entire PAN, truncation, index tokens with securely stored pads, or strong ***cryptography**. |
| • Protect any keys used for encryption of cardholder data from disclosure and misuse. |
| • Fully document and implement all appropriate key management processes and procedures for cryptographic keys used for encryption of cardholder data. |
| * **Cryptography** uses a mathematical formula to render plaintext data unreadable to people without special knowledge (called a "key"). Cryptography is applied to stored data as well as data transmitted of a network.<br>• **Encryption** changes plaintext into cipher text.<br>• **Decryption** changes cipher text back into plaintext. |

***Best Practice:***

- *Address PCI Compliance with Suppliers - All card-accepting merchants must comply with the various security-related requirements set forth within the Payment Card Industry Data Security Standard (PCI DSS).*
  - *End-users should consider:*
    - *Being familiar with these requirements*
    - *Routinely asking suppliers related questions*
    - *Include standard "PCI language" within supplier agreements*
  - *Examples of questions to ask suppliers include:*
    - *What procedures are you following to secure commercial card information?*
    - *Are you storing card account information? If yes, please explain.*
    - *Have you completed a self-assessment questionnaire (SAQ) to determine your compliance level with PCI?*
    - *Please share a copy of your letter of attestations demonstrating PCI compliance*

## 5.10 RESTRICTED CARD USE

In accordance with the State of Colorado Fiscal Rule 2-10, all state agencies and institutions of higher education eligible for the State of Colorado Commercial Card program shall enter into an agreement to participate in the program. State agencies and institutions of higher education may not enroll in other credit or debit card program agreements for purchases covered by the Commercial Card program.

## 5.11 TRAINING

Educating cardholders on Commercial Card policies and procedures is critical to the success of the program. Therefore, each Participating Entity shall develop and maintain a Commercial Card Program training curriculum, as well as have established procedures for training cardholders. All program participants are required to attend training and sign an agreement to follow Program policies and procedures prior to receiving their card.

To assist with training needs, Citi provides computer based training within the CitiManager system. To access the training, follow these steps: CitiManager User ID→ Under Web Tools → Citi Commercial Card Learning and System Support (CLASS). At a minimum, the Participating Entity's training curriculum should include:

- Program description (OneCard, PCard, Travel Card)
- Expectations for:
  - Cardholders
  - Card Custodians
  - Designees
  - Approving Officials
- Fraud, dispute, personal liability and card & data security
- Use of State price agreements
- Allowable purchases
- Prohibited purchases
- State Tax Exempt certificates and procedures
- Statement review, required documentation and reconciliation
- Attendee sign-in and evaluation of training

***Best Practice:***

- *Require successful completion of a written test after Cardholders and Approving Officials complete their mandatory training*
    - *Test results often reveal topics that may need more clarification and/or additional training*
- *Consider testing not only at the time of issuance but at the time of renewal or annually*
    - *Specify expectations (i.e. passing the test, consequences of not passing, taking the test at the time of renewal and/or in response to chronic non-compliance, etc.)*
- *Offer additional training, as needed, to Cardholders and Approving Officials.*
- *Send electronic reminders to Cardholders, Approving Officials and Reallocators outlining their program responsibilities.*
- *Develop in-depth guidance and make it available online to Cardholders, Approving Officials and Reallocators.*
- *Include a copy of and discuss the "State of Colorado Procurement Code and Code of Ethics" during training.*
- *Develop and maintain an agency CCARD website which includes a "Frequently Asked Questions" section.*
- *CCARD transactions may be subject to the Colorado Open Records Act (CORA). Therefore, transactions are limited to official business only.*
- *Training should be conducted periodically to ensure ongoing compliance.*

## 5.12 ENVIRONMENTALLY PREFERABLE PURCHASING (EPP)

Environmentally Preferable Products are defined as products or services that have a lesser or reduced adverse effect on human health and the environment when compared with competing products or services that serve the same purpose. Through a series of executive orders starting in 2003, Colorado State government has led by example in reducing energy consumption, increasing use of renewable energy, decreasing the environmental impact of State vehicles, and reducing greenhouse gas emissions. Executive Order (EO) D2015-013 (10/28/2015) establishes responsibility for environmental leadership in all State agencies and departments. The Executive Director of each agency and department shall support development and implementation of plans, programs, and policies that incorporate sustainability practices into daily agency decision-making and long term planning across all agency and department activities and functions. EO D2015-013 sets “one and five year goals in the areas of energy and water efficiency, petroleum reduction, greenhouse gas emissions reduction, and environmental preferable purchasing.” EO D2015-013 states “in FY 2017, at least 50% of white office paper collectively purchased by all executive State agencies and departments must contain a minimum of 30% post-consumer waste content, increasing annual purchases by 10% to at least 90% of paper purchases by FY 2020.” This Executive Order shall remain in effect unless or until a new Executive Order is issued.

The State of Colorado is striving to be a leader in the New Energy Economy, and encouraging EPP, by:

- Seeking innovative and cost effective solutions that focus purchasing considerations on reduction, reuse and recycling;

- Instituting practices that support the implementation of Executive Orders and Colorado Revised Statutes for reducing solid wastes, energy consumption, and environmental impacts from products purchased by all state agencies and institutions, and encouraging the same among all political subdivisions and other participating entities;
- Purchasing products that have a lesser or reduced adverse effect on human health and the environment, including those that minimize toxins, pollution, and hazards to workers, community safety, and the larger global society to the greatest extent practicable;
- Purchasing products that when compared with competing products serving the same purpose have reduced environmental impact and are economically feasible as allowed by statutory preference and life-cycle analysis;
- Purchasing products wherever practicable and economically feasible that: use recycled content, are durable and long-lasting, are produced locally in Colorado or regionally whenever possible, conserve energy and water, use agricultural fibers and residues, can be reused, reduce greenhouse gas emissions, use unbleached or chlorine-free manufacturing processes, are low volatile organic compound (VOC) or toxin free, use materials from renewable or sustainably managed points of origin.

All State of Colorado delegated Group I and Group II delegated agencies are required to adhere to the above when making purchases on the Commercial Card. Non-delegated agencies and other Participating Entities are strongly encouraged to follow this guidance to the extent practicable.

# SECTION 6
## PROGRAM MANAGEMENT

# Colorado State Bird

## Lark Bunting

The Lark Bunting, designated April 29, 1931, sings varied and pleasant song while in flight. The male bird is black with snowy white wing patches and edgings, tail coverts, and outer tail feathers. The female bird is gray brown above and white below with dusky streaks. Flocks arrive in April and inhabit the plains regions and areas up to 8,000 feet in elevation. They fly south again in September.

# 6. PROGRAM MANAGEMENT

This section of the Commercial Card Manual provides the necessary details for *Program Management* while providing the flexibility to meet the various needs of participating entities. For example, at a minimum, the Prohibited Transactions listed shall be enforced. However, entities may provide more stringent requirements for their cardholders. Incorporated within these expectations are *Best Practices* for consideration to assist with the success of your Program.

## 6.1 GUIDELINES, POLICIES AND PROCEDURES

The Participating Entity shall establish Commercial Card program policies, procedures and guidelines that meet the minimum requirements of the Statewide Commercial Card Program. The specific requirements of this manual should be incorporated into the participating entity written documentation. The participating entity may implement stronger restrictions and controls based on their internal procurement and accounting policies.

## 6.2 HANDBOOK OR MANUAL

The Participating Entity shall develop and maintain a handbook or manual for all program participants clearly outlining the program requirements and individual roles, responsibilities and procedures.

***Best Practice:***

- *A periodic review of procedures, compliance audit and adjustment of policy is advisable, especially as the program grows and changes.*

## 6.3 PROHIBITED TRANSACTIONS

The PCard may **NOT** be used for the following purposes:

- Purchase of goods and/or services for personal use or for the personal benefit of another individual
- Splitting a purchase to circumvent single purchase dollar limits or cardholder credit limits. It is a statutory violation to split a single purchase to circumvent limits and such action is subject to the provisions of the State Controller's policy entitled "Statutory Violations". State Fiscal Rules require a commitment voucher for single purchase needs over $5,000 (required for PCard, OneCard and TCard transactions). The set dollar threshold includes shipping and any other associated costs. A single purchase need identifies single or multiple items that are purchased from one vendor and that are all known to be needed at the time of the first transaction. Purchases cannot be split based on different funding sources, programs, different recipients, different delivery locations, differing functionality of the items, etc.
- Cash advances such as cash back with a purchase, cash credit returns, traveler's checks, money order, and ATM transactions
- Travel related transactions (e.g. airline travel, automobile rentals, lodging), the OneCard or TCard should be used instead
- Automobile related products and services, the State Fleet Card administered by State Fleet Management should be used instead

- Unauthorized purchases that may generally be considered legitimate but are disallowed or not approved by a Cardholder's supervisor or entity policies
- Unauthorized purchases as noted in the Merchant Category templates assigned by card

The TCard may **NOT** be used for the following purposes:

- Purchase of travel related transactions for personal use or for the personal benefit of another individual
- PCard related transactions (e.g. office supplies, computer hardware, etc.), the PCard or OneCard should be used instead
- Automobile related products and services, the State Fleet Card administered by State Fleet Management should be used instead
- Unauthorized purchases that may generally be considered legitimate but are disallowed or not approved by a Cardholder's supervisor or entity policies
- Unauthorized purchases as noted in the Merchant Category templates assigned by card

***Best Practice:***

- *Establish written policies regarding both types of purchases – allowable and prohibited*

## 6.4 MERCHANT FORCED TRANSACTIONS

Commercial Cards are accepted by a variety of merchants that process transactions, only if approved by their issuing bank, thereby abiding by the card controls in place. Transactions are processed as follows:

- Merchant transaction processing is typically a two step process:
    1. Merchant authorizes transactions against card controls (MCC, limits, exp date, etc.) and if approved receives an authorization number.
    2. Merchant submits the transactions for payment from the bank.
- In rare instances, merchants will circumvent the authorization process and only perform step 2 – forcing the transaction through without authorizing any of the card controls and not receiving authorization number.
    1. If this does happen, the merchant has forfeited all dispute rights and the transaction can be disputed. Unless the merchant can provide a valid authorization number, the dispute will be resolved in the cardholders favor.

## 6.5 MERCHANT CATEGORY CODE CONTROLS

Commercial Cards (PCards, OneCards and TCards) contain a feature that can block purchases made at specific types of merchants by using their designated Merchant Category Code (MCC). Effective management of the type of transactions accessible to each card type will be facilitated by the MCC Group (MCCG) template(s) assigned to the card. Specific Groups (as defined by Citibank) have been created as include merchant category codes therefore, the list of codes in each Group are those that are open for use by the cardholder. The groups have been developed to address the varied business needs of the cardholder and the type of card. Each card can have up to nine (9) MCCGs assigned to the card and/or group of cards.

Participating Entities can set up as many "Groups" as they want. However, the entity MCCGs cannot be modified online. Therefore, any modifications to an entity MCCG will require authorization by the Participating Entity Program Administrator and facilitated through the Citi Client Account Specialist. The State Commercial Card Program Manager is available to assist with facilitating these types of requests.

Each group can have up to 75 MCC's (a range of codes counts as two). Specific MCCGs have been developed to facilitate situations that may require special / temporary use.

The complete STATE OF COLORADO MCC GROUP TEMPLATES is available from the State Commercial Card Program Manager. The following table is a small sample of the SOC MCCG Templates:

| **STATE OF COLORADO MCC GROUP TEMPLATES [SAMPLE]** | | | | | |
|---|---|---|---|---|---|
| | | **TEMPLATE NAMES:** | **SOC1** | **SOC2** | **SOC3** |
| | | **Citi Build 'Bank' Access: (1411=ONE, 1412=Travel, 1413=Purchasing)** | **1411 1413** | **1411 1413** | **1411 1413** |
| | | **Primary Program Use: Purchase, Travel &/or OneCard:** | **ONE or Purchase** | **ONE or Purchase** | **ONE or Purchase** |
| **CITI High Risk 'SIN' Code Approval** | **MCC** | **MCC Description** | **General Supply & Retail** | **Other Operating** | **Prof/Office Services** |
| N/A | 7216 | DRY CLEANERS | | INCLUDE | |
| N/A | 7217 | CARPET AND UPHOLSTERY CLEANERS | | INCLUDE | |
| N/A | 7221 | PHOTOGRAPHIC SUPPLIES | INCLUDE | | |
| N/A | 7230 | BARBER AND BEAUTY SHOPS | | | INCLUDE |
| N/A | 7251 | HAT CLEANING, SHOE REPAIR AND SHOE SHINE | | INCLUDE | |
| N/A | 7261 | FUNERAL SERVICES AND CREMATORIES | | | |
| **Access Denied** | 7273 | DATING, ESCORT SERVICES | | | |

Additionally, a Credit Card Matrix was created to assist with your oversight of the purchases made dependant on card type. This matrix can be found in Appendix B – Resources.

## 6.6 VIOLATIONS AND CONSEQUENCES

It is the Participating Entity's responsibility to ensure that all cardholder purchases are only for items necessary to carry out their job requirements and comply with State Procurement Rules, Fiscal Rules, Personnel Rules, Code of Ethics, and Commercial Card Program requirements.

Program Administrators, in conjunction with their Human Resource organization, should consider developing and documenting guidelines that include disciplinary action for violations of rules and program guidelines. Violations can range from inadvertent or simple mistakes to negligence and/or fraudulent use of the Commercial Card. Program Administrators should ensure that Cardholders, Card Custodians, Designees, Approving Officials, TCDs, TCD Delegates and Liaisons are informed of rules and guidelines. Disciplinary actions should be uniformly and consistently applied throughout the Participating Entity. Violations, disciplinary action, etc. should be documented and maintained in a secure file.

Additionally, Fiscal Rule 2-10 states expectations on misuse reporting in regards to Procurement and OneCard use:

> *"All incidents of procurement card misuse that are recurring, significant, or in excess of $500 should be reported in writing to the State Controller at least annually. Reports shall be submitted to the State Controller's Office by November 1 each year. This report should include results of any investigation or follow-up including corrective measure implemented to prevent or reduce the likelihood of future occurrences.*
>
> *All incidents of procurement card suspected theft or embezzlement shall be reported according to Fiscal Rule 1-9."*

Contact the State Commercial Card Program Manager with reporting or compliance questions.

***Best Practice:***

- *Establish written policies outlining types of violations and their consequences.*
  - *Include Commercial Card program policy and procedure compliance as part of the Cardholder's job performance review.*
  - *Utilize card cancellations and other disciplinary actions for violations of program policy.*
- *Periodically review agency program policy to ensure that proper actions are taken when warranted.*
- *Ensure all cardholders sign the Commercial Card Cardholder Agreements that include payroll withholding language for Individually Billed Travel Cards and retain as indicated in Section 7.13 RECORD RETENTION.*

## 6.7 CITIMANAGER® REAL TIME ACCOUNT MANAGEMENT

The State and Participating Entities have access to the following real time capabilities using Citibank's Card Management system:

- Card Issuance / Re-issuance
- Card Deactivation / Suspension
- Credit Limit Adjustments
- Merchant Category Code Group Limits
- Manage cardholder information
- Assign cardholder default accounting codes
- View declined authorizations
- System User Additions & Deletions

## 6.8 CITIMANAGER® USER ENTITLEMENTS

Each user in CitiManager is set up with specific entitlements which determine what they can do in the system and what information they can view. The complete list of the CITIMANAGER® USER ENTITLEMENTS is available online via https://www.colorado.gov/dfp/ccard.

***Best Practice:***

- *Determine Electronic Processes*
  - *Most aspects of your Commercial Card Program can be facilitated through the use of electronic processing and automation:*
    - *Flow of Commercial Card data to the applicable accounting system*
    - *Payment processes*
    - *Card maintenance, including requesting new cards, maintenance of existing cards, and cancelations*
    - *Online transaction reconciliation*
    - *Audit reporting*
  - *Incorporating electronic processes into your Commercial Card Program will save time, increase efficiencies and minimize risk.*

# SECTION 7
## STANDARD PROGRAM PROCEDURES

# Colorado State Animal

## Rocky Mountain Big Horn Sheep

Rocky Mountain Big Horn Sheep, adopted May 1, 1961. Indigenous to Rocky Mountains and lives above timberline in rocky crags and high valleys. The bighorn sheep was named for its massive horns. On the ram, the horns can be as much as much as fifty inches in length.

# 7. STANDARD PROGRAM PROCEDURES

This section of the Commercial Card Manual provides the necessary details for participating entities to develop *Standard Program Procedures.* These procedures shall incorporate the Citi and State procedures provided herein, and may also be enhanced to meet the needs of participating entities. Incorporated within these expectations are *Best Practices* for consideration to assist with the success of your Program.

## 7.1 REQUESTING A CARD

All Participating Entity employees may be eligible to become Commercial Card cardholders. Supervisors must approve employees as Cardholders based on their job responsibilities and their need to travel and/or make purchases. Supervisors also are responsible for recommending card limits as discussed below. The Program Administrator then approves card limits when ordering the card.

The appropriate Cardholder Agreement form must be completed and retained by each Participating Entity.

New card requests are processed electronically through CitiManager. Each Participating Entity determines their preference with who initiates the card request in CitiManager and how the approvals are processed. CitiManager controls do not allow a cardholder to request a card and/or process a card without the electronic authorization by designated approvers. There are three options for initiating applications:

1. Program Administrator (PA) initiated applications
    a. PA enters all necessary information
2. Cardholder initiated applications → PA Approval
    a. Cardholder enters new account information
    b. Routed to PA for electronic approval
3. Cardholder initiated applications → Supervisor Approval → PA Approval
    a. Cardholder enters new account information
    b. Routed to Supervisor for electronic approval
    c. Routed to PA for electronic approval

For the Verification number on the application, an Employee ID or unique identifier should be used instead of the cardholder's social security number for all cards. The application requires the Cardholder information, reporting hierarchy, Cardholder controls (limits) and the default accounting code for transaction charges. The Cardholder's supervisor must approve the form and submit it to the Program Administrator, who reviews it for completeness. The Program Administrator approves the request and submits it to Citibank.

**CREDIT CARD FIELD SIZES**

- Account Number: 16 characters
- Expiration date line: 4 characters (MO/YR)
- Name line 1: 24 alpha-numeric characters (including spaces)
- Name line 2: 24 alpha-numeric characters (including spaces)
- 4th Line Embossing: 24 alpha-numeric characters (including spaces)

**Rush Cards:** These requests require a paper Citi Application be faxed to: **1-904-954-7700** or submit the Auto Enroll file via CitiManager → Library. Emergency card replacement within 24 hours must be received by 3:00PM EST. Rush cards are available at no cost.

**Renewed Cards:** Citi will provide the Cardholder with a new Card approximately 30 days prior to the expiration of their current card. The new card may be activated prior to the expiration date of the old card. The old card becomes inactive upon activation of the new card.

**Renewal Notices:** If a card is not renewed by Citi, the Entity or Cardholder will be notified approximately 30 days prior to the expiration date of their card.

***Best Practice:***

- *When the bank issues cards, mail them to the PA and not the cardholder.*
  - *The PA secures the card until it is provided to the Cardholder.*
  - *Cards are issued to Cardholders after mandatory training is completed and a Cardholder Agreement Form is signed.*
- *Avoid last minute card requests by providing clear guidance to employees in regards to the Participating Entity's card request policy.*

## 7.2 CREDIT LIMITS

Credit limits and other controls are established when the card is authorized and approved. Except as authorized in State of Colorado Fiscal Rule 2-10, at no time shall cards be used for single purchases costing more than $5,000. Agencies may establish lower single purchase limits based on the cardholder's business needs. Each card can have the following spending limits based on anticipated needs:

- Dollar Amount Per Single Transaction
- Number of Transactions Per Day
- Dollar Amount Per Day
- Number of transactions Per Cycle
- Total Amount Available Per Cycle
- Excluded Merchant Category Codes

### 7.21 PAYMENT IMPACT TO CREDIT LIMIT [Centrally-billed Accounts]

The Program Administrator establishes a credit limit (may be referred to as a cycle limit) on the account. Transactions reduce the available credit limit for the cardholder. The cardholder credit limit will refresh back to the full credit limit the first day of the new billing cycle (approximately the 26th of the month). Making payments has no impact to the cardholder credit limit.

***Example:*** Tony Smith has a credit limit of $15,000. He makes $5,000 worth of purchases; his available credit limit is then $10,000. If ENTITY submits a payment of $3,000, his available credit limit will still be $10,000. The credit limit will refresh back to $15,000 automatically the day after cycle close.

Although centrally billed accounts may be referenced as having a cycle limit, you will always complete the credit limit field on Citi forms/systems.

### 7.22 PAYMENT IMPACT TO CREDIT LIMIT [Individually Billed Accounts]

The Program Administrator establishes the credit limit on the Individually Billed Travel card account. Transactions reduce the available credit limit for the cardholder to make purchases. Only making payments can replenish the available credit limit on the account.

***Example:*** Tony Smith has a credit limit of $15,000. He makes $5,000 worth of purchases; his available credit limit is then $10,000. If he submits a payment of $3,000, his available credit limit will be $13,000.

## 7.3 CARD DISTRIBUTION, ACTIVATION AND CUSTODY

Cards are to be distributed upon satisfactory completion of training sessions or as soon as practical. The Cardholder must safeguard the card by signing it immediately upon receipt. Each card must be activated in accordance with the procedure explained on the card.

The Cardholder is responsible and accountable for the Commercial Card and its use at all times. The Cardholder's entity is liable and responsible for payment of all centrally-billed (corporate liability) transactions unless they are successfully disputed. The cardholder is responsible for payment on the Individually Billed Travel cards (joint/several liability). Only if an Individually Billed Travel card reaches 90 days past due will payment be required by the Cardholder's entity.

***Best Practice:***

- *Provide each Cardholder with a plastic or vinyl "credit card case" in which they are to keep their Commercial Card. Insert the card itself into one side of the case – on the other side of the case provide a list of unauthorized transactions, tax-exempt information, etc.*
- *Use of a "credit card case" will keep the Commercial Card separate from the Cardholder's personal credit cards and should help prevent the Cardholder from inadvertently using the Commercial Card for personal purchases.*
- *Remind cardholders that Commercial Card transactions may be subject to the Colorado Open Records Act (CORA). Therefore, transactions are limited to official business only.*

## 7.4 COMMERCIAL CARD USE - APPROVALS AND AUTHORIZATIONS

All purchases must comply with standard procurement rules, policies and procedures. Additionally, a Cardholder's supervisor will advise the Cardholder of any entity specific expectations on use of the card (including pre-approvals). For example, a Cardholder may have a single purchase limit of $500 for the card; however, a supervisor may want to be verbally informed of all single purchases over $250. In addition to the requirements of Fiscal Rule 2-1, if purchases are made against a grant or charged to a particular fund, the Cardholder is responsible for ensuring that the charges are allowable. Additional rules may apply to all entities that travel using grant funds, such as Federal grants which require compliance with the *Fly America Act*. Additionally, the following should always be considered before making a purchase:

- Are prior approvals required and if so, completed?
- Are appropriate travel authorization forms signed & approved?
- Are the goods or services available from a price agreement vendor?
    - Check the State Price Agreements for current information

## 7.5 PLACING AN ORDER

Orders may be placed in person, by phone, fax, e-mail, internet or mail. If the order is placed over the Internet, make sure it is a secure web site (e.g. "https:"). If the order is placed by fax, call the merchant and provide the card number instead of including it on the fax documentation. If the card number is provided over the telephone, the Cardholder should be aware of others in their surrounding area that may hear the card information.

When an order is placed, the following information may be required by the merchant:

- If the purchase is State tax exempt:
    - Merchants may require a copy of the State tax exempt certificate
    - State tax exempt number is generally provided on Commercial Cards
- The purchase is subject to all applicable discounts for the State of Colorado, any government discounts or price agreement pricing, if applicable
- Cardholder's name
- Delivery instructions
- Request documentation showing the details and pricing for each item ordered

**Colorado Correctional Industries (CCi):** The PCard or OneCard can be used for furniture purchases with CCi. Statute (Colorado Revised Statute 17-24-111 (1) (a)), requires all State agencies to procure all office furniture from CCi. If they cannot provide the furniture you require, then you must receive approval from CCi through a formal waiver request prior to purchasing furniture from a different vendor. See the CCi Price Agreement for more information. Any furniture purchases made on the PCard or OneCard outside of these guidelines may be subject to a purchasing violation and personal liability.

## 7.6 RESERVATIONS USING THE CENTRALLY BILLED TRAVEL CARD

Auto rental and/or lodging reservations can be made using the state tax-exempt Centrally Billed Travel Card for infrequent travelers. If making an auto rental reservation for another individual, using one of the State Price Agreements, the card being used must be registered with the awarded auto rental agency. This process allows rentals to be placed on a Centrally Billed Travel Card without having the card present at the time of rental, while ensuring all associated contract terms/conditions apply. The secure process of registering the Centrally Billed Travel Card varies by merchant.

Lodging reservations and subsequent charges using the Centrally Billed Travel Card are tax-exempt in the State of Colorado only. Travelers are required to provide a personal card at the time of check-in for incidentals (e.g. movie rentals, in-room snacks & beverages). Therefore, only lodging and associated out-of-state taxes should be charged on the Centrally Billed Travel Card. Acceptance of the Centrally Billed Travel Card for infrequent travelers requires proper documentation be provided to travelers and may require additional card information by the individual lodging property at the time of reservation (e.g. Credit Card Authorization form).

***Best Practice:***

- *Provide a copy of State Tax-exempt certificate to the traveler along with a copy of the lodging confirmation.*
- *Some pertinent card information may be required at the time of reservation.*
- *Be sure the information requested by the lodging property is in compliance with the PCI security standards.*

## 7.7 DECLINED TRANSACTIONS

Below are the most common reasons for a purchase being declined and what to do:

- You did not activate your card. Call the 800 number on your card and activate it.
- The vendor is entering the wrong expiration date (or CVV2 if an Internet, telephone or mail order transaction). Verify the merchant is entering the correct number(s).
- The transaction exceeds your per transaction or per cycle dollar limit. Check your limits and how much you have spent on the card
- The vendor is an excluded merchant. Contact your Program Administrator to see if the merchant's MCC can be included.
- You provided an incorrect or incomplete mailing address for Internet, telephone or mail order transaction. Provide the correct information.

Cardholders or Program Administrators can log into CitiManager to view the reason transactions are being declined. If the reason for decline still cannot be determined, contact Citi Customer Service at 1-800-248-4553 for an explanation.

## 7.8 CHANGES IN CARD INFORMATION OR PURCHASE LIMITS

Cardholders should contact the Liaison, Approving Official, Card Custodian or Program Administrator for any necessary changes. For example: card limit changes, address changes, assigned MCC changes, changes in default account codes, etc. The Cardholder's supervisor must approve all changes.

- When mail is returned due to an incorrect address, the card is put on hold. A block is placed on the account until the cardholder calls and updates the address. Cardholders can sign up for alerts in CitiManager notifying them of when mail is returned to prompt them to update their demographic information.

## 7.9 DISPUTED TRANSACTIONS

A dispute exists when a Cardholder determines that a charge is improper or inaccurate. Some examples of transactions that should be disputed include:

- Unauthorized charges
- Differences between the amount authorized and the amount charged
- Duplicate charges
- Non-receipt of goods
- Returned goods that were not credited
- Unrecognized charges

- Sales Tax charges that qualify for exemption

The Cardholder must first attempt to resolve the dispute directly with the merchant. Document the dates, time, and matters discussed with the merchant. If the matter cannot be resolved before the end of the billing cycle, the Cardholder needs to complete a Transaction Dispute form and submit it to Citibank. A copy of the Transaction Dispute form is also to be kept with the cardholder's monthly statement.

The Participating Entity has **60 calendar days** from the date of the transaction to dispute a questioned transaction in accordance with contract terms. As a result, any dispute not resolved directly with the merchant within 30 calendar days after the transaction date should be formally disputed with the bank.

The Cardholder may be asked to sign a letter acknowledging the dispute and the type of dispute (e.g. non-receipt of goods, fraud, forgery, etc.). Citi will then contact the merchant for authentication of the charge. If the merchant cannot provide documentation or does not respond, the issue is resolved in favor of the Cardholder.

## 7.10 CANCELING A CARD

The Commercial Card must be returned to the Approving Official or Program Administrator if a Cardholder or Card Custodian leaves employment with the State, or transfers to another division. Transfer within the same division may also require the return of the card depending on the Cardholder's job responsibilities. A Receipt of Returned Card Form needs to be completed, with a copy provided to the employee, and the original retained in the Approving Official's or Program Administrator's file.

***Best Practice:***

- *Establish procedure(s) with Human Resources to ensure timely closure and destruction of card, and issuance of the Returned Card Receipt Form for any Commercial Card account(s) affected by employee termination, retirement, transfer, etc.*
- *TEMPORARY ABSENCES*
  - *In the event of a temporary absence for maternity leave, military leave or other extended leave, single transaction limits should be lowered to one dollar. It is the responsibility of the supervisor or unit manager to notify their Commercial Card Administrator of an employee's prolonged temporary leave or absence.*

**NOTE:** To ensure liability protection, please see Section 7.14 for required steps if an employee is terminated and there is a suspected or actual card misuse.

## 7.11 LOST OR STOLEN CARDS

Cardholders are to report lost or stolen cards to the bank immediately. Call the bank directly at 1-800-248-4553. The Cardholder must also inform the Liaison or Program Administrator and request a replacement card. Additionally, Cardholders are to report cards that were ordered and never received. The Participating Entity liability is capped at $50 for any unauthorized charges made prior to the lost or stolen card being reported to the bank.

***Best Practice:***

- *Encourage the practice of cardholders entering the card issuer's customer service phone number into their cell phones upon card issuance. Doing so will allow them to quickly report a lost or stolen card.*
- *Set up a report within CCRS on a subscription basis that would list all card accounts that have a lost/stolen credit status.*

## 7.12 FRAUD PROCESS

Citi's Fraud Department monitors cards for suspicious activity and unusual patterns of use. If Citi has been pre-advised of the potential for unusual purchases, the transaction will not 'trigger' a fraud flag, nor will the cardholders experience difficulty using their card (e.g. account noted for an international trip).

An example of an unusual purchase pattern would be Jewelry and Pawn Stores. A temporary block will be added to the card until the fraud team makes contact with the cardholder and the charge is verified. Therefore, it is important to maintain accurate contact information within CitiManager. When the Fraud Department flags a suspected fraudulent transaction, the transaction should be reviewed within 30 minutes. The Fraud Department will attempt to contact the cardholder as follows:

- If there is a valid phone number on the account:
  - 1st attempt they will leave the cardholder a message
  - 2nd attempt they will call and leave the cardholder a message and send a letter
  - 3rd attempt they will call the PA
- If there is an invalid phone number:
  - 1st attempt they will send a letter and remove the invalid number
  - 2nd attempt they will call the PA
- Citi policy requires attempts to contact the cardholder every five (5) days

When a cardholder calls the bank to report fraudulent activity, the following steps will be taken:

- The Fraud Department will execute a close and transfer on the affected card. This means unbilled (mid-cycle) transactions will be transferred to the new card account. This will include the fraudulent transaction(s) so the cardholder can continue to identify transactions that are fraudulent. At this time, a fraud affidavit is mailed to the cardholder to complete.
- If an authorization, fraudulent or not, is obtained by the merchant, the transaction will post to the card account. It can take up to 7 business days for all authorized transactions to post to the card account. All transactions must be viewable by the cardholder to ensure they capture them for the affidavit.
- It is recommended to wait for cycle close to review all transactions to be all inclusive when submitting the affidavit. There is not a 30 or 60 day limit for sending in the affidavit.
- When the Fraud Department receives the completed affidavit, the fraudulent transactions will be removed from the card account.

***Best Practice:***

- *Encourage cardholders to maintain accurate contact information in CitiManager, which includes cell-phone numbers, to ensure Citi's Fraud Team can contact them as necessary.*
- *Contact Citi customer service to sign up to receive Fraud Early Warning (FEW) alerts.*

NOTE: Entities are liable for their employee's fraudulent charges.

## 7.13 RECORD RETENTION

Commercial Card records must be retained in accordance with the timeline prescribed in the Department of Personnel & Administration's Financial Record Retention Guidelines, except as defined by grant requirements or other external parties requirements. Records include itemized receipts or bills of sale detailing the description, quantity and price of items purchased, and the accounting code the transaction was posted to. All records must be available for review or audit.

## 7.14 VISA® LIABLITY WAIVER PROGRAM

The Visa® Liability Waiver Program is set up to provide protection for employee misuse of credit card privileges up to $100,000 per cardholder provided that all program requirements are met. Program requirements include notifying the employee in writing of the cancellation of the card and terminating the Cardholder from employment. There are no deductibles to the company for the Visa® Liability Waiver Program. The *Affidavit Waiver of Claim Form* must be signed & submitted to Citibank along with the *Notification of Termination Letter* within 90 days of the employee's termination date. Other conditions may apply.

Program Administrators, Liaisons, Card Custodians and Approving Officials should be knowledgeable about the Visa® Liability Waiver Program requirements before an incident occurs. This is because coverage is affected by the timing of the agency's actions at every stage of the process.

**NOTE:** If a Participating Entity fails to notify the bank, retrieve and cancel a terminated employee's credit card, there is NO liability protection whatsoever for Employee misuse.

## 7.15 PERSONAL SERVICES AND 1099 REPORTING

The IRS issued final regulations in August 2010 addressing new IRC section 6050W which eliminated 1099 reporting by end-user organizations (e.g. State of Colorado) effective 2011. Non-card payments (e.g., check, ACH) are still subject to 1099 reporting.

For more information: http://www.irs.gov/govt/fslg/index.html

**Personal Services** are currently subject to: *CRS 8-17.5-101, 102 (HB06-1343, HB07-1073, SB08-193)* [e.g. unauthorized immigrants]. For current status please visit: www.colorado.gov/dpa/osc

**NOTE:** This Section is provided for general guidance only. Program Administrators, Liaisons, and Cardholders should contact their department controller or chief fiscal officer of each institution of higher education for specific information.

## 7.16 PURGE PROCESS

The purge time frame for all accounts in the Citibank system is approximately 18 months, based on systematic flags. Accounts will automatically flag for purge form the system when the following criteria have been met (with the exception of accounts in Bank 3353):

- Account has a zero balance (a memo balance, a real dollar balance owing or a credit balance would fail this piece of the criteria.)
- Account has a negative credit rating: (B3, B4, B5, B6, B7, B8, B9, CC, F1, FA, T1, T3, T4, T5, T7, V8, V9, M9, CA, CO)
- Account is inactive (no financial activity) for 6 months or more.

## 7.17 CASH ADVANCES

Entities are able to authorize cash advance functionality on certain cards. This functionality must be approved at the entity level prior to enabling this option for a specific card. The ability for cash advances is available for Individually Billed (joint/several liability) Travel cards only.

To facilitate these requests cardholders are required to document their need for the cash advance functionality being enabled. Entities may choose to require Supervisors approval prior to submission to Participating Entity's Program Administrator or Travel Compliance Designee [TCD]. Once approved by the PA or TCD, the request shall be submitted to the State Commercial Card Program Manager. This authorization process ensures the Program provides appropriate controls are in place for providing cash advances to a cardholder. Therefore, it would not be feasible for a cardholder to have cash enabled without proper internal authorization. The amount of cash available to a cardholder is managed by Cash Access Controls based on a percentage (%) of the credit limit, cash access limit amount, number of cash transactions limit, etc.

Once Cash Access has been authorized, Citi will provide the cardholder with a personal identification number (PIN) in order for cardholders to obtain cash at an ATM. Cardholders may also receive cash advances from financial institutions (bank teller) that honor Citi cards, however this type of cash access may be subject to local restrictions and the amount of the cardholder's available cash. Additional fees do apply for each cash advance transaction obtained through an ATM. Additional fees may apply when getting a cash advance at a bank or other financial institution (without using an ATM).

PINs are obtained by calling the service phone number on the back of the credit card. The cardholder can call the voice response unit (VRU) and set the PIN themselves. The VRU will ask for the last four [4] digits of the SSN or Employee ID. If the cardholder is unable to verify, they will be asked to verify two of the following: business phone, home phone, statement address, last four [4] of the SSN or Employee ID.

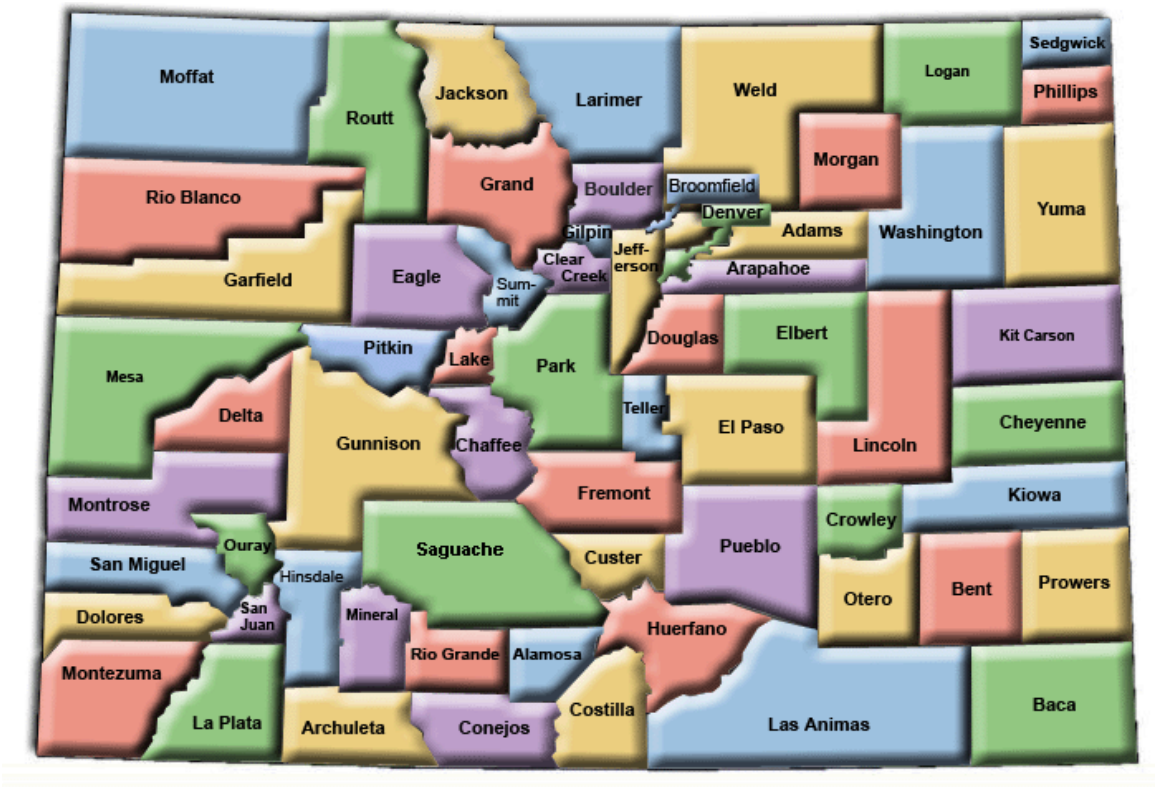
## 7.18 CREDIT REFUNDS

Should a cardholder overpay or submit a duplicate payment on an Individually Billed Travel Card, causing a credit balance on their card account, they may request a credit balance refund by contacting their Program Administrator.

Refund requests will only be processed subsequent to a Program Administrator contacting Customer Service or the Client Account Specialist. Credit Refunds apply to the Individually Billed Travel (joint/several liability) cards ONLY.

# SECTION 8
## PROGRAM ENHANCEMENT

# State of Colorado Counties




The State of Colorado is encompassed by sixty-four [64] counties. Two of these counties, the City and County of Denver and the City and County of Broomfield, have consolidated city and county governments. Prior to statehood in 1876, the Colorado Territory was divided into seventeen [17] counties as established in 1861. The following counties were created as one of the 17 original; Arapahoe, Boulder, Clear Creek, Guadalupe [renamed 6 days later to Conejos], Costilla, Douglas, El Paso, Fremont, Gilpin, Huerfano, Jefferson, Lake, Larimer, Park, Pueblo, Summit, Weld.

# 8. PROGRAM ENHANCEMENT

## 8.1 LARGE TICKET TRANSACTIONS

The large ticket programs created by Visa® and MasterCard® are designed to encourage suppliers to accept commercial cards for higher dollar transactions. Below are the requirements of Visa's® program:

- Purchase and OneCards only (Business to Business, not travel)
- Merchant must submit Level II and Level III data
- Non-travel services MCC
- Transaction value greater than $4,100
- Merchant must register for Visa's® program through their merchant bank

The merchant and/or transaction must meet all requirements in order for the transaction to be considered a large ticket transaction.

Large ticket transactions are identified by the card associations (Visa® and MasterCard®) within Citi's records and flagged for review during rebate analysis. Any transactions that qualify as large ticket earn a rebate of 40 basis points (.40%).

For reconciliation purposes, Citi provides a list of those transactions classified by Visa® as large ticket as part of the rebate analysis, calculation and payment of an entity rebate.

Large Ticket Sales Volume rebate shall be calculated separately for each Participating Entity based on the Large Ticket Sales Volume, as noted by the bank card association network, for each Participating Entity.

In rebate calculation, the Aggregate Annual Sales Volume means the sum of purchases less returns, credits, cash advances, Large Ticket Transactions and Convenience Checks for each Participating Entity.

The merchant and/or transaction may have to meet additional requirements as determined by Visa®.

## 8.2 VIRTUAL CARD ACCOUNTS

Virtual Card Accounts (VCAs) are a next generation payment tool. VCAs increase transaction security and control over Entity expenses by enabling Participating Entities to generate unique virtual card numbers based on specific purchasing needs. It provides secure, single use card processing, without having to engage merchants in a separate sign up or processing plan. VCA numbers also minimize exposure to fraud. Participating Entities can customize and pre-set authorization parameters as needed for each transaction to manage spend more effectively, pre-approve every purchase by setting hierarchy approvals to reduce unauthorized transactions and use 30 user-defined fields to customize data and simplify the reconciliation process. Pricing and qualification for participation in this solution is subject to individual Entity negotiations.

VCA sales rebate will be calculated at the rate for sales volumes of Point of Sale (POS) cards less 15 basis points (-15%.) For example, if POS volume is $75 million and VCA sales volume is $25 million, the combined volume is $100 million. The $75 million of POS sales volume qualifies for

138 basis points (1.38%) and the VCA sales volume qualifies for 138-15 basis points, which equals 123 basis points (1.23%.) All sales volumes are subject to qualification. Qualifying Large Ticket Sales Volume rebate will be 25 basis points (.25%) for VCA transactions.

## 8.3 CITI® PROGRAM OPTIMIZATION

**Increase Efficiency, Reduce Costs, Increase Rebates**

Citi's Card Program Optimization can help your organization achieve greater benefits from your Commercial Card program. Citi's consultative service will identify ways to enhance program performance and maximize card use to:

- Increase efficiencies by maximizing the use of your organization's Commercial Card program
- Reduce costs by decreasing the number of purchase orders and check payments issued
- Increase rebates with more frequent use of your Citi® Commercial Card

Participating in Citi's Card Program Optimization review is easy. Your organization simply provides an accounts payables data file. From there, Citi will:

- Conduct analysis of A/P file for spend analysis and supplier matching
- Identify opportunities for expanding Commercial Card volume
- Deliver Analysis Results

Throughout the process, Citi will work closely with you to evaluate your organization's operations and provide recommendations tailored to your needs and objectives. You will receive information in easy-to-understand reports, and we will assist in formulating an action plan to help you realize the benefits of recommended improvements.

If you would like more information on this program and to get started, please contact the Citi Account Manager for the State of Colorado, MaryKay Casey at marykay.casey@citi.com or 303-308-3166.

# SECTION 9

## COMMERCIAL CARD PROGRAM CONTACT INFORMATION

*Colorado State Seal*

Adopted by the 1st Territorial Assembly, November 6, 1861. It contains the eye of God, a Roman fasces, a bundle of birch or elm rods with a battle ax and a band of red, white, and blue upon which appears "Union and Constitution." The state motto, "Nil Sine Numine," is Latin for "nothing without Providence." The figures 1876 indicate the year Colorado came into statehood.

## KEY CONTACT INFORMATION

| | |
|---|---|
| **Cardholder Support** (report lost or stolen) | 1-800-248-4553 |
| **Dispute Charges** | 1-800-248-4553 |
| **Fraud Department** | 1-800-248-4553 |
| **Collections/Charge-off Department** | 1-800-248-4553 |
| **CitiManager Technical Support** | 1-800-248-4553 (Option #1)<br>CCJAXL1HelpDesk@citi.com |
| **E-Payment Technical Support** | 1-800-248-4553 |
| **Automated Card Activation** | 1-877-905-1861 |
| **VISA Emergency Assistance**<br>Includes various travel, medical and legal services | 1-800-VISA-911<br>(1-800-847-2911)<br>Or call collect if outside of the US<br>1-303-967-1096 |
| **E-mail Notices** (forward emails to verify they are legitimate) | spoof@citicorp.com |
| **Citibank Internet Security Specialist**<br>Review Citibank email safety information at:<br>If you have responded to an email you suspect is fraudulent, or if you have specific questions about any online security issues, please contact an Internet Security Specialist at: | http://citi.com/domain/spoof/learn.htm<br><br>1-888-285-9696 |
| **State of Colorado – Commercial Card Program (CCARD)**<br>Point of contact for all CCARD (Purchase, OneCard and Travel) programs, overall administration of the State's master contract with Citibank | **Brooke Dunn – State Commercial Card Program Manager**<br>303-866-6147<br>Brooke.Dunn@state.co.us |
| **Citibank – Account Manager**<br>Point of contact for CCARD program design, growth strategies, enhancements and overall client satisfaction | **MaryKay Casey – Account Manager**<br>303-308-3166<br>MaryKay.Casey@citi.com |
| **Citibank – Client Account Services**<br>Point of contact for program administration, changes, operational questions and support for the daily needs of Program Administrators | **Jenny Calderon – Client Service Officer**<br>1-855-241-0728, option 2, option 1, extension 9541110<br>COMMERCIALCARDCSO@citi.com |
| **Citibank – Technical Assistance**<br>Point of contact for assistance with data file transfers, file content, file delivery, system access or assistance with CitiManager | 1-800-790-7206 |
| **CitiManager**<br>Online management tool for Citibank Visa data exchange, card creation and maintenance, report generation, web based training and payment options | https://home.cards.citidirect.com |
| **Payment Address** | Citibank<br>P.O. Box 183173<br>Columbus, OH 43218-3173 |

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|---|---|
| **Wire/ACH Payment Account Information** | **Bank Name:** Citibank N.A.<br>**Routing & Transit Number:** 091409571<br>**Pay To Account Number:** 16-digit billing account # |
| **Overnight Payment Delivery** | Citibank – Payments Department<br>1500 Boltonfield Street<br>Columbus, OH 43228 |
| **Rush Card Processing** | Fax paper application: 1-904-954-7700 |
| **Payment Exceptions**<br>Checks remitted to Citi in check and list format (one check to pay several central bills). The payment list must be attached to the check. | Citibank<br>P.O. Box 183071<br>Columbus, OH 43218-3071 |

## COMMERCIAL CARD FEES AND CHARGES

| | |
|---|---|
| **ATM Cash Advance Fee** | $5.00 |
| **Cash Advance from Teller Fee** | 2% of withdrawl |
| **Return Check Fee** | $10.00 |
| **Late Payment Fee** | Individually Billed cards- 2.5%<br>Agency Centrally Billed cards-CRS 24-30-202(24)(a)<br>Affiliate Centrally Billed cards- Prime +2% |
| **Foreign Transaction Fee** | 1.5% of transaction |

# Appendix A

# FORMS

The following forms are templates for agencies to use in the administration of their Commercial Card Program. Agencies shall incorporate applicable forms into their Commercial Card Program and are encouraged to develop forms with their specific agency information and requirements. These forms are posted on the CCARD website for ease of access and use.

**CITIBANK FORMS:**

- Commercial Card Corporate Liability Application [PCard, OneCard or Centrally Billed Travel Card]
- Commercial Card Joint/Several Liability Travel Application [Individually Billed Travel Card]
- New Central Billing Account Setup Form
- Auto-Enroll Spreadsheet [for 10 cards or more]
- New Program Administrator Form
- Transaction Dispute Form
- Add / Change Authorized to Inquire (ATI) Form

**STATE FORMS:**

- Centrally Billed Cardholder Agreement [PCard, OneCard or Centrally Billed Travel Card]
- Individually Billed Cardholder Agreement [Individually Billed Travel Card]
- Approving Official Agreement [OneCard & PCard]
- Travel Compliance Designee Agreement
- Departmental Card Manager Agreement
- Card Custodian Agreement [Departmental Card]
- Documentation of Lost/Unavailable Transaction Form [All Card Options]
- Commercial Card Violation Warning Form [All Card Options]
- Returned Commercial Card Receipt Form [All Card Options]
- Commercial Card Transaction Log [Sample for the OneCard, PCard, Centrally Billed Travel Card]

# Appendix B

# RESOURCES

The Commercial Card Program has incorporated a variety of *Resources* to assist with the management of your entity's Commercial Card Program. These tools are posted on the CCARD website for ease of access and use.

**MANAGEMENT RESOURCES:**

- Commercial Card Matrix
- Citi Account Status Codes
- MCC Group Templates
- MCCs in Numeric Order
- Citi Monthly Delinquency Invoice Sample
- Citi Auto-Enroll Guide
- Cardholder Self-Registration Guide
- Citi Sample Statement
- Reporting Hierarchy Sample
- VISA® Benefits Brochure
- VISA® Liability Waiver
- CCRS Reports Template List
- CCRS Data Dictionary
- CCRS Quick Reference Guide

# Appendix C

# PRESENTATIONS

The Commercial Card program has incorporated a variety of *Presentations* to assist with the set-up and growth of your entity's Commercial Card Program. These tools are posted on the CCARD website for ease of access and use.

**PRESENTATIONS:**

- Apply for a New Card
- Getting Started with CitiManager
- Introduction to Program Audit Tool
- Program Audit Tool Rule Definition Training Aid
- Citi Virtual Card Accounts

# Appendix D

# ACRONYMS
# &
# GLOSSARY of TERMS

| ACRONYMS | |
|---|---|
| **CAS** | **C**lient **A**ccount **S**ervices |
| **CBT** | **C**omputer **B**ased **T**raining through CitiManager |
| **CCRS** | **C**itibank® **C**ustom **R**eporting **S**ystem |
| **CERS** | **C**itibank® **E**lectronic **R**eporting **S**ystem |
| **CORA** | **C**olorado **O**pen **R**ecords **A**ct, CRS §24-72-101 [Master Contract Section 10.] |
| **CSU** | Citibank's **C**ustomer **S**ervice **U**nit 24/7 resource for Cardholders. |
| **CTA** | **C**entral **T**ravel **A**ccount-Ghost account assigned to awarded vendor to purchase airfare on behalf of a Participating Entity. |
| **EDI** | **E**lectronic **D**ata **I**nterface to feed data into the Participating Entity accounting system. |
| **GDR** | **G**lobal **D**ata **R**epository provided to consolidate data for reporting and file delivery from many countries. |
| **MFA** | **M**ulti**f**actor **A**uthentication requires online users to enter a unique user ID and password along with establishing an authentication question. Passwords are required to be changed periodically. |
| **PAT** | **P**rogram **A**udit **T**ool feature offered in CitiManager that evaluates transactions against a series of predefined business rules identifying possible exceptions and violations. |
| **PCI** | **P**ayment **C**ard **I**ndustry standards provide expectations on securing credit card data and personal information. |
| **PII** | **P**ersonal **I**dentifiable **I**nformation data refers to information such as name, address, employee ID/SSN fields. |
| **POS** | **P**oint **O**f **S**ale physical credit card |
| **TBR** | **T**otal **B**usiness **R**eports provided by Citibank in hard copy or electronic format |
| **TCD** | **T**ravel **C**ompliance **D**esignee |
| **TSYS** | **T**otal **Sy**stem **S**ervices, Inc., card processor for Citibank Commercial Cards issued in North America |
| **VIM** | **V**ISA **I**nformation **M**anagement system provides merchant-specific information, such as business legal name, incorporation status and Tax Identification Number [TIN]. |
| **VRU** | **V**oice **R**ecognition **U**nit- Citi's automated system cardholders use to activate an account. |

| GLOSSARY OF TERMS | |
|---|---|
| **1099 Reporting** | A U.S. federal tax law that obligates organizations (i.e., payors) to report certain payments. It is a means for the Internal Revenue Service (IRS) to ensure applicable suppliers are reporting income. A 1099 could be viewed as the equivalent to a supplier's W-2. In addition to federal requirements, states may impose 1099 reporting requirements as well. |
| **Accountability** | The understanding and acceptance that one is answerable and responsible for one's actions and activities. |
| **Acquisition** | A purchase (of goods and/or services). |
| **Administrator (Program)** | The agency employee who is responsible for overall administration of the program including program policies, procedures, card issuance/cancellation, monitoring Approving Officials/Liaisons, reporting, training, setting up on-line Cardholder access for CitiManager and development of the program. The primary interface with the State Commercial Card Program Manager and Citibank. |
| **Agency Participation Addendum** | **Exhibit C** of the Master Contract between the State of Colorado and Citibank, N.A. addendum to be used by State Agencies and Institutions of Higher Education [that have not elected to be excluded from the meaning of "Governmental Body"]. |
| **Affiliate Participation Addendum** | **Exhibit D** of the Master Contract between the State of Colorado and Citibank, N.A. addendum to be used by Political subdivisions and Institutions of Higher Education [that have elected to be excluded from the meaning of "Governmental Body"]. |
| **Allocator** | Person who prepares the journal voucher, maintains all original documentation, and allocates expenditures in the accounting system. **See**: "Reallocation". |
| **Approving Official** | A department employee responsible for reviewing and approving purchases of designated Cardholders. This included verifying that purchases are reasonable, in compliance with guidelines, etc. and within budget spending authority. Cardholders may not be their own approving authority. |
| **Authorized Purchases** | Purchases made in compliance with applicable law and rule, program parameters, purchasing policies and procedures and within approved budget spending authority. |
| **Billing Cycle End Date** | The monthly billing cycle ending on the same calendar day each month, or, if that day is a Saturday, Sunday or federal holiday, typically the prior Business Day. |
| **Business Line** | A group of charge card activities with common functional characteristics (i.e., PCards, Travel & Event Cards, or Integrated Cards). |

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| **Buyer Initiated Purchasing Card** | Citi's Buyer Initiated Purchasing Card Solution that is an innovative, electronic buyer-initiated approach to purchasing, enabling participating entities to replace time consuming, and paper-based processes with a straight through automated process. The client has complete control over vendor payments, deciding who to pay and when to pay. Pricing and qualification for participation in this solution is subject to individual Entity negotiations. |
| **Card Custodian** | An individual assigned to administer and control the use of Departmental Cards by authorized Designees within Card Custodian's workgroup. |
| **Cardholder** | Each eligible employee, partner, officer or contractor of the State Parties, or the respective agents and sub-contractors of any of them expressly designated by the Program Administrator to receive an Account or a Card. |
| **Cardholder Statement** | The statement listing all credit card transactions for the Cardholder within the billing cycle. |
| **Card Verification Value 2 [CVV2]** | A three-digit number imprinted on the signature panel of VISA cards to help card-not-present merchants verify that the customer has a legitimate card in hand at the time of the order. The merchant asks the customer for the CVV2 code and then sends it to the card Issuer as part of the authorization request. The card Issuer checks the CVV2 code to determine its validity, and then sends a CVV2 result back to the merchant along with the authorization. CVV2 is required on all VISA cards. |
| **Central Billed Accounts** | Not actual card accounts, and cannot have transactions post directly against them. The Central Billed Account is used to roll up all Cardholder spend to provide the Participating Entity with a corporate bill at the end of each Billing Cycle. Card account charges are billed to a central account and "memo" posted to card account statements. Activity statements are sent to cardholders or the Program Administrator for advisement and expense reconciliation purposes. Your central account will receive an invoice of aggregate transaction volume from which to pay Citibank. |
| **Central Travel Account [CTA]** | An Account with Corporate Liability that can be used for the payment of booked air or transportation travel expenses incurred by individuals permitted by the Participating Entity to use such Account. The Ghost Accounts established are vendor specific to an awarded travel agency for use and accountability to Program participants. |
| **Citibank** | The bank issuing the Visa™ Commercial Cards for the State of Colorado. |
| **Client Account Service Manager [CAS]** | The dedicated CAS Manager, will serve as the primary contact for the State or Participating Entities on an ongoing basis. This contact is responsible for responding to any questions that arise, including in such areas as: billing inquiries, special report requests, Account setup/closure, and Cardholder profile changes. |

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| **Collision Damage Waiver [CDW]** | Visa Auto Rental Collision Damage Waiver Program provides—at no additional charge—coverage on a 24-hour basis for damage due to collision or theft up to the actual cash value of most rental vehicles when certain terms and conditions are met. |
| **Commercial Card Program** | The management of PCard, OneCard or Travel Card use by employees within a participating entity. Most card types carry entity liability and are for the purpose of making payments for various goods, services and business expenses. The Individually Billed (joint/several liability) requires entities be invoiced for outstanding balances at 91 days. |
| **Corporate Card** | A card used by organizations and their employees for travel and entertainment (T&E) expenses. Also referred to as a Travel Card. |
| **Corporate Liability** | An *obligation* of the Participating Entity issuing commercial card(s) for business use. |
| **Credit** | A transaction reversing previous charges resulting from the return of goods or resolution of a dispute. |
| **Cycle Date** | The cycle date is Citibank's cutoff date for all monthly transactions (**25th** of every month). If the billing cycle date is a Saturday, Sunday, or a bank holiday the payment is due the **prior** business day. |
| **Cycle Spending Limit** | The maximum dollar-spending limit a Cardholder may charge during a monthly billing cycle. |
| **Declining Balance Card** | A Card [PCard, OneCard, Travel Card] that has a pre-established credit limit, which limit is reduced by the amount of every purchase until the Card's purchase value is exhausted or supplemented. |
| **Default Account Code** | The account selected by the department for a Cardholder to whom all purchases are charged. The default account code is included in the Cardholder's setup information. **See**: Allocator, Reallocation |
| **Departmental Card** | A PCard, OneCard or Centrally Billed Travel Card, which may or may not be in the name of an individual, intended to be used by a department or division within the State and/or Participating Entity(ies) for such department's or division's expenses incurred in the ordinary course of business. |
| **Emergency Card** | The Emergency Cards that Citi has the ability to issue directly to the Cardholder within 24 hours of official notification. These designated groups of Cards will have single authorizations and be set up in a separate hierarchy to prevent any impact on the standard, ongoing commercial cards program. The Card has a preset limit, can be loaded with preset controls as determined by the Entity, and is delivered in an inactive state. Emergency Cards may also be issued in advance to Cardholders. |
| **Dispute** | Any transaction appearing on the monthly transaction statement that a Cardholder believes is invalid. |
| **File Turn** | Speed of payment by an end-user organization to the card issuer; also considered the average collection period. Sometimes referred to as days receivables outstanding or client-held days |

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|---|---|
| **Fraud** | Any act of corruption or attempt to cheat or corrupt the governmental entity, including but not limited to, the use of government charge Cards to transact business that is not sanctioned, not authorized, not in one's official government capacity, not for the purpose for which the Card was issued, or not as part of official government business. |
| **Ghost Card** | A type of card account whereby an account number is issued or provided to a specific supplier or supplier type for the payment of purchases made by an organization's employees. Also referred to as Ghost Account. A "white-card" will be issued to the Entity. |
| **Governmental Body** | A department, commission, council, board, bureau, committee, institution of higher education, agency, government corporation, or other establishment or official, other than an elected official, of the executive branch of state government in the State of Colorado as defined in CRS §24-101-301 (10). |
| **Hierarchy** | The organizational structure of the charge Card program within the Participating Entity which may be composed of multiple levels from the Cardholder to the top level of the Participating Entity. |
| **Individually Assigned Card** | A card that is assigned to an individual – the individual to whom the card is assigned is the only person who may use the card. |
| **Integrated Card** | A single "One" Card with two or more Business Lines whose processes are combined on the front end (e.g., account maintenance and customer service), or the back end (e.g., reconciliation, reporting, and invoicing), or both; may be a single Card or multiple Cards. Cardholders may be authorized for only one Business Line (i.e. Purchasing Cards or Travel & Event Cards) or multiple Business Lines. |
| **Inter-Agency / Inter-Governmental Agreements** | An Inter-Governmental Agreement [IGA] or Inter-Agency Agreement [IGA] shall be established between the STMP and any Political Subdivision or Institution of Higher Education [that have "opted-out" of Procurement and Fiscal Rules] interested in using the State Price Agreements for Travel. This agreement is to ensure the expectations and needs of both parties are met. |
| **Internal Controls** | The systems that management uses to regulate and guide operations, ensure accountability, and achieve program objectives. |
| **Joint/Several Travel Card** | This card type is individually-billed, individual liability in which the Cardholder is responsible for payment. Business expenses are submitted for reimbursement as governed by Fiscal Rule 5-1. Participating Entity liable for accounts that are closed or are 91 days past due. |
| **Liaison** | A person needed in large or decentralized organizations to be the primary local contact and the interface with the Program Administrator. For example, a Liaison may be at the division level or at an off-site location. |

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|---|---|
| **Mapper** | The electronic file of transaction data originating from the issuer and interfaced with an organization's financial management system. Also referred to as the statement billing file (SBF) or interface file. |
| **Merchant Category Code (MCC)** | A system of four-digit codes used to identify a merchant's principal trade, profession or line of business; an MCC is assigned to a merchant by the merchant or merchant acquirer [Also referred to as a supplier's bank]. Certain MCCs may be prohibited and will be declined. |
| **MCC Group** | A designated group or template of Merchant Category Codes (MCC) as established by the Contractor, State or Participating Entity and used to enforce policies governing the allowable use of Cards. |
| **Memo Statement** | Card account activity statement when program is centrally billed. Includes posted transactions during each billing cycle and a zero balance in the payment due section of the statement. Used by the cardholder or Program Administrator to reconcile and match purchase receipts |
| **Meeting Card** | Means the Citi Meeting Card solution that will assist in managing an Entity's meeting expenses which may be separated from other travel and procurement expenses. With the Meeting Card, all meeting related expenses can be directly billed to a separate Card, with one consolidated monthly statement. |
| **One Card** | The Citi OneCard, which is established with Corporate Liability that provides the functionality of two or more Commercial Card offerings (the functionality of both a PCard and a Centrally Billed Travel Card) in a single Card with one Account number, allowing Participating Entities to enhance efficiency, manage costs and eliminate the need to carry two separate cards. |
| **Participating Entity** | Any governmental entity participating in this Master Contract as an Agency or Affiliate. |
| **Political Subdivision** | Counties, local district school boards and districts, municipalities, or other public agencies or authorities. |
| **Procurement Card** | Means a Card intended to be used for purchasing goods and services in the ordinary course of business. [aka PCard or Purchasing Card] |
| **Prohibited Purchase** | Purchases that are not made in compliance with applicable law, program parameters, purchasing policies and procedures and within approved budgetary authority. |
| **Reallocation** | Process used to change the default account code string.<br>**See**: Allocator and Default Account Code. |
| **Single Purchase Limit** | The maximum spending (dollar) limit a Cardholder is authorized to charge in a single transaction. |
| **Special Use Account** | MasterCard Account assigned to a supplier or suppliers under the Buyer Initiated Purchasing Card program. |

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| **State Travel Payment Program** | Refers to one or more of the following three forms of payment with the Travel Payment Program Provider [Citibank]:<br>• **"CTA"** refers to the centrally billed airfare accounts;<br>• **"Central Travel Card"** refers to the centrally billed corporate liability cards; and<br>• **"Individual Card"** refers to the individual joint/several liability cards in which the traveler bears the responsibility for payment within 90 days or the balance becomes the liability of the participating entity. |
| **Travel Accident Insurance** | As a Citi Travel Cardholder* or Authorized Traveler* on a Citi Central Travel Account (CTA) ghost account, you, your accompanying spouse and your accompanying dependent children and any Authorized Users of the account ("Insured Person(s)"), will be automatically insured traveling worldwide while on the business of your employer (designated organization), against an accident or injury that is the sole cause of loss of life, limb, sight, speech or hearing while riding as a passenger in, entering or exiting any Common Carrier, if you charge the entire cost of the Common Carrier passenger fare(s), less redeemable certificates, vouchers or coupons, to your Citi commercial account or a Citi CTA ghost account. |
| **Travel Payment Program Provider** | The commercial travel vendor [Citi] that furnishes the travel payment program to the State. |
| **Split Transaction** | When a Cardholder deliberately separates (splits) a single transaction into more than one authorized transaction in order to circumvent individual transaction limits, single transaction limits or requirements set by the Participating Entity. It is a statutory violation to split a single purchase to circumvent limits and such action is subject to the provisions of the State Controller's policy entitled "Statutory Violations". |
| **State Price Agreements [SPA]** | The State of Colorado procures many services and commodities under State Commodity & Service Agreements. These contracts generally do not have a set amount. As State Agencies need something, they contact the awarded vendor. Agreements generally run for a year, with the possibility of renewal for a set period after the year is over. |
| **Systematic Controls** | An automated means for controlling the purchases made with a card (e.g., spend and velocity limits, MCC restrictions, etc.). Also referred to as card controls. |
| **Technical Help Desk** | Is in place to support and assist with any online access issues. This Help Desk is operational 6:30 a.m. to 11:00 p.m. (ET) with escalation and after-hours emergency contacts. The internet-based reporting account management and information reporting tools are available 24 hours a day, seven days a week, except for off-hours scheduled maintenance. |
| **Transaction (Statement)** | This is the monthly (cycle date) statement of summarizing transactions attributable to a credit card. |

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| **Transaction Authorization** | The authorization that the vendor received from Visa™ to accept or decline a purchase. |
| **Transaction Number Limits** | The number of individual purchases authorized per day for each Cardholder. |
| **Travel Compliance Designee (TCD)** | An employee that may be designated to ensure travel rules are adhered to. |
| **Travel & Event (T&E)** | The Citi Travel Corporate Card that provides Participating Entities with access to the most comprehensive and flexible information available, including consolidated global data that allows an Entity to look beyond the details. It streamlines transaction and accounting processes and reduces the paperwork and costs related to processing travel expenses. It can be established with Corporate Liability, Individual Liability, or Joint and Several Liability and it may be a Centrally Billed Account or Individually Billed Account and billing options may vary by each Participating Entity. |
| **Velocity** | A limit to the dollar value or number of authorized transactions a cardholder can complete in one day, week, month or cycle. |
| **VISA®** | Visa provides financial institutions with Visa-branded payment system products that are used to offer credit, debit, prepaid and cash-access programs to their customers. Visa does not issue cards, extend credit or set rates and fees which is handled by the issuing bank [Citi]. |
| **White Card** | The white plastic card is issued without a magnetic stripe and cannot be used for point of sale purchases; however, the card does include a verification code [CVV2] on the back which allows for Internet purchases. The account is established for use by a specific merchant and held internally by each entity. |