

# Procurement Card Manual

Rev 10/2016



MEMBER THE TEXAS STATE UNIVERSITY SYSTEM

<b>P-Card Program.....</b>	<b>3</b>
<b>Section 1: P-Card Policies.....</b>	<b>4</b>
<b>Section 2: P-Card Responsibilities.....</b>	<b>4</b>
<b>Cardholder .....</b>	<b>4</b>
<b>Account Manager .....</b>	<b>5</b>
<b>Section 3: Spending Controls.....</b>	<b>6</b>
<b>The P-Card Cannot be Used for Purchasing.....</b>	<b>6</b>
<b>The P-Card May be Used for Purchasing .....</b>	<b>6</b>
<b>Credit Limits.....</b>	<b>7</b>
<b>Waivers.....</b>	<b>7</b>
<b>Memorandum Of Understanding.....</b>	<b>7</b>
<b>Delegated Authorization .....</b>	<b>8</b>
<b>Sales Tax.....</b>	<b>8</b>
<b>Alcohol, Awards, Flowers, Food or Refreshments Purchases.....</b>	<b>8</b>
<b>Allowable Food Purchases.....</b>	<b>8</b>
<b>Unallowable Food Purchases.....</b>	<b>9</b>
<b>Section 4: Obtaining a P-Card.....</b>	<b>10</b>
<b>Section 5: Receipt of Materials .....</b>	<b>10</b>
<b>Section 6: Record Keeping.....</b>	<b>11</b>
<b>Section 7: Returns, Credits and Disputing a Transaction .....</b>	<b>13</b>
<b>Section 8: Lost, Stolen, Cancellations, and Terminations.....</b>	<b>13</b>
<b>Section 9: P-Card Training Requirements .....</b>	<b>14</b>
<b>Section 10: Transaction Compliance Reviews .....</b>	<b>14</b>
<b>Section 11: Non-compliance Notice Program.....</b>	<b>15</b>
<b>Section 12: Sponsored Program (Grants and Contract) Accounts.....</b>	<b>16</b>
<b>Section 13: Frequently Asked Questions.....</b>	<b>17</b>
<b>Exhibit A: Restricted Purchases .....</b>	<b>20</b>
<b>Exhibit B: Prohibited Purchases.....</b>	<b>21</b>
<b>Exhibit C: Disallowed Vendors/Prohibited Merchant Category Codes.....</b>	<b>22</b>
<b>Exhibit D: Controlled Property (but not capitalized) .....</b>	<b>23</b>
<b>Exhibit E: P-Card Program Contacts .....</b>	<b>24</b>

## P-Card Program

### Introduction

The Texas State Procurement Card (P-Card) Program is established through a contract by the State of Texas with a P-Card Provider and administered by the Texas State Office of Procurement and Strategic Sourcing. The Texas State Office of Procurement and Strategic Sourcing has authorized P-Card holders limited purchasing authority as outlined in this Manual.

The purpose of the Texas State P-Card Program is to establish a more efficient, cost-effective method of purchasing and paying for emergencies and small dollar transactions. If used to its potential, the Cardholder is able to purchase non-restricted goods in accordance with these policies and procedures directly from Vendors without the need of preparing a purchase requisition, obtaining approvals and a purchase order from the Office of Procurement and Strategic Sourcing.

**IF YOU SUSPECT FRAUDULENT, WASTEFUL OR ABUSIVE BEHAVIOR BY A P-CARD HOLDER, OR KNOW OF IMPROPER P-CARD USAGE, PLEASE CONTACT:**

**Office of Audits and Analysis  
512.245.1707**

**Texas State University System  
Hotline 866.294.0987**

**File a report at:  
[www.ethicspoint.com](http://www.ethicspoint.com)**

*All tips can be made anonymously.*

For the purpose of this Manual, the Principle Investigator (on grant accounts) will be included in the Account Manager reference.

## Section 1: P-Card Policies:

This Procurement Card Manual provides guidelines for using the P-Card, please read it carefully. A Cardholder's signature on the Cardholder Agreement form when a P-Card is issued indicates that the Cardholder understands the intent of the program and agrees to follow the established guidelines.

The P-Card is for official University business purposes only and all purchases must have a business purpose and support the mission of the University. **The P-Card cannot be used for any purchases that violate any University policy.** The P-Card may not be used for personal transactions. Improper use, or abuse, of the P-Card may result in suspension of the Cardholder's P-Card(s); disciplinary action consistent with University policies, up to and including termination; and possible prosecution.

## Section 2: P-Card Responsibilities:

### Cardholder:

- The Cardholder is responsible for ensuring that the most recent approved transaction log template is adequately prepared and maintained. The form can be found at <http://www.txstate.edu/gao/procurement/forms.html>.
- The Cardholder is responsible for verifying all purchases and transactions listed on the billing statement provided by the P-Card Provider with the P-Card transaction log. This verification must occur by the 15<sup>th</sup> of each month to avoid a disputed transaction being disallowed by the P-Card Provider.
- The Cardholder has the sole responsibility for the use and control of their P-Card(s) and must follow University Policy and Procedure Statements (UPPS) and Finance and Support Services Policy and Procedure Statements (FSS/PPS).
- The Cardholder is responsible for the notification of lost P-Card(s) and the dispute process for a questionable charge.
  - The Cardholder is responsible for verifying that a potential vendor is not on "Vendor Hold" with the State of Texas for all purchases over \$500, before the purchase is made, excluding emergency purchases. The website for verification is <https://mycpa.cpa.state.tx.us/coa/>.
- The Cardholder is responsible for the Safeguarding of the P-Card.
- **The Cardholder is responsible for complying with UPPS 02.02.10, Embargoes and Export Laws and Regulations. Prior to shipping anything outside of the United States, the Cardholder should contact the Office of Research Integrity and Compliance (ORIC) at 5-2314 to ensure the necessary steps required to comply with the above mentioned laws, policies and procedures have been adhered to prior to shipping items out of the country.**

P-Cards are issued to an Employee (Cardholder) rather than an office or a department.

The Cardholder's name and Texas State University are imprinted on the front of the P-Card. **The Cardholder is the only person authorized to use any P-Card assigned to**

**them unless an original signed Delegation Authorization form is attached as part of the documentation for each transaction that is delegated.**

The Cardholder must keep all P-Card order forms or applications, packing slips, cashier's receipt, on-line/web receipts or confirmations, and any other related information to all P-Card transactions.

### **Account Manager:**

- The Account Manager is responsible for the approval of charges incurred against the P-Card.
- The Account Manager is responsible for the approval and signing the P-Card transaction logs to ensure completion of the log and verification of transactions.
- The Account Manager is responsible for clearing any account, in accordance with UPPS 03.01.09 "Fiscal Responsibility of Account Managers", that has insufficient funds to cover P-Card purchases.

All purchases **MUST** comply with UPPS and FSS/PPS policies and procedures.

The Account Manager may be held personally liable for any inappropriate purchases by a Cardholder they supervise.

Use of the P-Card will result in charges that must be paid, but will not have been encumbered prior to the purchase. The Account Manager must monitor transaction activity of their Cardholders to ensure that the account designated to pay the P-Card transactions has sufficient funds to pay for any outstanding charges and is not over-expended (Ref: UPPS 03.01.09 "Fiscal Responsibilities Of Account Managers").

Repetitive use of the incorrect P-Card account will result in a review of the use of the P-Card. Findings may result in the suspension of the P-Card.

All Cardholder billing statements will be paid according to the State of Texas and P-Card Provider contract terms. The Accounts Payable Office will pay all billings from the departmental account designated by the Account Manager for payment of a P-Card's charges.

The Account Manager **MUST** request that the P-Card be immediately canceled when a Cardholder is terminated from the University by using the Cancellation/Suspension Request form and sending the P-Card and the form to the P-Card Program Administrator. In addition, the Account Manager is to request that a P-Card be canceled if the Cardholder assumes different duties that do not require the use of the P-Card, or transfers to another department. The department canceling the P-Card must cut the Card in half and return it to the P-Card Program Administrator. If the P-Card cannot be located, the Account Manager must notify the P-Card Program Administrator so that the P-Card Provider can be notified and the Card disabled. Account Managers are required to complete P-Card training if P-Cards are issued on accounts they are responsible for even if the Account Manager does not personally have a P-Card. If the on-line course is not completed, all cards associated with your account(s)/grant(s) will be suspended until such time as the course has been taken, passed and a certificate received.

When the Account Manager and the Cardholder is the same, the transaction logs must be approved by his or her immediate supervisor. (UPPS 03.01.09 "Fiscal Responsibilities of Account Managers") (Section 03.02 - The Account Manager's signature (whether electronic or manual) denotes approval for the expenditure of funds and must appear on all invoices, purchase requisitions, Non Purchase Order payments (NPO), personnel actions, etc. The Account Manager, if a Cardholder, cannot sign P-Card reconciliations

as approver. An additional person may be delegated by the Account Manager's supervisor to approve P-Card reconciliations for the Account Manager. An Account Manager's designee must have necessary security for approving through workflow.

### Section 3: Spending Controls:

The P-Card may be used for purchases within the spending limits specified that are not otherwise restricted, prohibited or controlled.

The total purchase price for a single purchase, (including freight and any other charges) must be within the P-Card's established spending limit.

**Orders/charges must not be split into multiple transactions, or multiple P-Cards, to pay for a single purchase, in order to keep each transaction under the maximum spending limits of the P-Card used. A SPLIT TRANSACTION IS MULTIPLE PURCHASES TO THE SAME VENDOR WITHIN A SEVEN-DAY PERIOD.**

To request any permanent limit changes on a card, the Account Manager is required to submit a written request to the P-Card Program Administrator. The P-Card Program Administrator will review the information and, if approved, will increase the limit and notify the Account Manager and the Cardholder.

Requests for a one-time one-transaction increase on any limit on a card will be reviewed on a case-by-case basis and must be requested on a waiver form. After the transaction has posted, any limit increased will revert to its original limits.

#### The P-Card CANNOT be used for purchasing:

- Prohibited (reference Exhibit B), Controlled but not capitalized (reference Exhibit D) items. The University's threshold for requiring equipment to be tagged and inventoried is \$5,000. Certain items with a value of less than \$5,000 are identified as "controlled" and are required to be tracked by the University. For these purchases, an asset record must be created in SAP through the creation of a purchase requisition and the issuance of a purchase order.
- From certain disallowed Vendor types or categories including Vendors prohibited from doing business with the State of Texas. Any P-Card charge will be rejected at the point-of-sale (See Exhibit C – "Disallowed Vendors/Prohibited MCC's (Merchant Category Codes)).
- The P-Card **does not allow purchases for typical business related travel and entertainment expenses (airline tickets, restaurants, car rentals, hotels, etc.).** If the Cardholder attempts to use the P-Card for payment of business related travel and entertainment expenses, the authorization request will be declined. If a purchase is declined due to Merchant Category Code exclusion, and there is reason to believe that it should not have been, please contact the P-Card Program Administrator.

#### The P-Card may be used for purchasing:

- Restricted items (reference Exhibit A), **ONLY** when approval by the Office of Procurement and Strategic Sourcing has been obtained **48 HOURS PRIOR** to the purchase.
- Purchases of **ANY** technology related items (not considered Prohibited or Controlled but not capitalized, reference Exhibit D) **MUST** go through Information Technology

Assistance Center (ITAC). If ITAC is unable to obtain the item, they will give approval to purchase the item(s) via a P-Card. A waiver must be prepared, signed by an ITAC representative and forwarded to the Office of Procurement and Strategic Sourcing for approval **48 HOURS PRIOR** to making the purchase.

**FOR ANY CONTROLLED OR CAPITALIZED ITEM QUESTIONS CONTACT TEXAS STATE MATERIALS MANAGEMENT AND LOGISTICS DEPARTMENT (x2294) FOR CLARIFICATION.**

<http://www.materialsmgt.txstate.edu/>

### **Credit Limits**

- All P-Cards have a per cycle credit limit. The standard credit limit is \$5,000.
- The standard single transaction limit is \$1,000. This is the amount available on the P-Card for any single transaction.
- A transaction cost includes the purchase price, freight charges and any additional charges.

### **Waivers**

The University may approve certain exceptions to the purchasing responsibility to the Cardholder in order to meet specific University business requirements. Examples of such exceptions are food, raising dollar thresholds, or unexpected emergencies. Cardholder must obtain **PRIOR** written approval from the Account Manager and the request must state the reason for the exception, including the date of the event, the nature of the event and (if applicable) the names of the participants in the event. The request must be submitted to the P-Card Program Administrator a minimum of forty-eight (48) hours **PRIOR** to the purchase for final approval. The waiver request **MUST** be signed by the Cardholder and the Account Manager. If the Cardholder and the Account Manager is the same individual, the Account Manager's immediate supervisor **MUST** sign in the Account Manager's stead. If a waiver request is received with the same signature in both areas, it will be returned for proper approval.

A waiver request must be submitted for each event. **There are no "blanket" waivers.**

If the funding source on the requested waiver involves a grant, the waiver **MUST** be routed through the Office of Sponsored Programs (OSP) for approval **BEFORE** being submitted to the P-Card Program Administrator. The waiver form can be downloaded at <http://www.txstate.edu/gao/procurement/procurementcard>

### **Memorandum of Understanding**

FSS/PPS 03.08.01 establishes procedures for the Office of Procurement and Strategic Sourcing to enter into a Memorandum of Understanding (MOU) with departments, divisions or individual P-Card holders for the exemption of the P-Card Waiver requirements when purchasing awards, flowers, food or refreshments related to business purposes.

The Office of Procurement and Strategic Sourcing will strategically select and recommend offices that need an MOU based on usage and prior history.

## Delegated Authorization

- The Delegated Authorization form is used whenever someone other than the Cardholder is making a P-Card purchase. This includes physically taking the P-Card to a place of business or making a telephone or internet purchase.
- A Delegation Authorization form should accompany the delegate so that Vendors will accept their signature for the charges. A copy of the Delegation Authorization form for each affected transaction must be retained with the transaction log as supporting documentation.

Delegation should be to another full time Texas State Faculty or Staff.

**\*\*Exception: Students** may make purchases using the P-Card but not without prior authorization from the Office of Procurement and Strategic Sourcing.

**A Delegated Authorization form with justification MUST be completed and on file at the Office of Procurement and Strategic Sourcing for any Student using a P-Card.**

The Delegation Authorization form may be downloaded from the Office of Procurement and Strategic Sourcing's website at

<http://www.txstate.edu/gao/procurement/procurementcard>

## Sales Tax

**All purchases made with the P-Card are exempt from State of Texas sales tax.** The Cardholder should inform the Vendor of our tax-exempt status **prior** to placing the order. Upon request, a Tax Exemption Certificate may be completed by the Cardholder and submitted to the Vendor. If sales tax is charged, contact the Vendor to request a credit of the sales tax back to the P-Card. Sales tax cannot be resolved using the P-Card dispute process. A copy of the Sales Tax Exemption Certificate may be downloaded at <http://www.txstate.edu/gao/ap/forms.html>. The Cardholder is responsible for reversing any sales taxes charged to their Card.

## Alcohol, Awards, Flowers, Food or Refreshments Purchases

**ALCOHOL CANNOT BE PURCHASED USING A P-CARD.** (Refer to UPPS 03.01.18 – Purchase of Alcohol)

Delegation for the purchase of Awards, Flowers, Food or Refreshments using the P-Card, **MUST** be approved by the appropriate Division Vice President and or the Provost, Office of Sponsored Projects if grant related, and the Office of Procurement and Strategic Sourcing.

## Allowable Food Purchases

Two university policies address allowable food purchases:

1. UPPS 03.01.03 Purchase of Awards, Flowers, Food or Refreshments
2. FSS/PPS 03.01.14 Business Meals

Purchase must have a clear business purpose and support the mission of the university.

Food generally should not be paid from state appropriated (E&G) funds. These are fund numbers that start with a "1".

Other sources of funding for food are generally permissible but may be subject to additional rules:



1. Grant funds (begin with “8”) must be in accordance with grant requirements and require OSP approval
2. Restricted Gifts (begin with a “4”) should be in accordance with donor’s intent
3. Fee accounts (certain “2” funds and certain “3” funds) should be in accordance with the purpose of the fee assessed

### **Examples of Allowable Food Purchases**

1. Support of a continuing education program sponsored by Texas State.
2. Representation of the university to significant external constituents by one of such offices charged with such activities (i.e. President’s Office, Cabinet Officers, etc.– see UPPS 03.01.03 for detailed list)
3. Food used in academic laboratories
4. Food purchased for resale
5. Food for consumption by animals
6. Food for athletes or athletic recruits
7. Food for the operations of the Texas State Child Development Center
8. Food for camps, continuing education, professional development conferences, seminars and short courses if covered by registration fees
9. Student events sponsored by the Division of Student Affairs
10. Purchases of bottled water
11. Allowable Business Meals

### **Allowable Business Meals**

- **Business Meals are defined as:**
  1. An activity, which supports the business and educational mission of the university and the consumption of food, is **incidental** to the meeting. The presence of faculty and staff at the business meal must be integral to the purpose of the meeting.
- **Business meals are generally allowable if the meal:**
  1. Assists in carrying out the educational function of the university
  2. Promotes education
  3. Provides an important public purpose
  4. Is incidental to the purpose of the meeting
  5. Includes one or more external participants
- **Other Allowable Business Meals include:**
  1. Meals served in conjunction with events such as training workshops, strategic planning retreats, and student, faculty or staff award ceremonies
  2. These may or may not include one or more external (non-Texas State faculty or staff) participants

### **Unallowable Food Purchases**

- **Business meals and events where only employees and their relatives are present**
- **Meals provided to a spouse, family member or other personal acquaintance of a university employee or a non-employee.** (These meals may be permitted when there is a substantial and bona fide business reason for that person’s attendance. An explanation is required.)

- **Purchases for routine staff meetings, even if some type of “training” will occur.** (Training workshops should be longer in duration than regular staff meetings or annual procedure reviews. Workshops are more involved than routine staff meetings)

#### **Section 4: Obtaining a P-Card:**

- An Account Manager using a Local (Non-Treasury) account may request a P-Card.
- An Account Manager with only State (Treasury) funding (i.e. HEAF and Coordinating Board funded accounts) **CANNOT** request a P-Card.
- Only full-time Texas State Employees with the approval of their Account Manager may be issued a P-Card.
- At the time a Cardholder applies for a card, the Cardholder will indicate to which account the charges will be posted. If the account is a grant account, the Office of Sponsored Programs will also need to approve the application.
- All Cardholder billing statements will be paid according to the State of Texas and P-Card Provider contract terms. The Accounts Payable Office will pay all billings from the departmental account designated by the Account Manager on the P-Card Application and Change Request form.
- You may download the P-Card application form from the Office of Procurement and Strategic Sourcing’s website at <http://www.txstate.edu/gao/procurement/procurementcard>. Upon receipt of your completed application form, signed by the responsible Account Manager, the P-Card Program Administrator will review, approve and forward the necessary documentation to the P-Card Provider for processing. The P-Card Provider will send the P-Card(s) to the P-Card Program Administrator. This process normally takes about seven to ten days after the application is entered into the P-Card Provider's system.
- Upon receipt of the P-Card, the individual who requested the P-Card will be contacted by the P-Card Program Administrator. All Cardholders will be required to access the on-line training program and be required to score 90% or above in order to secure and/or maintain his or her P-Card.
- Upon receipt of the card, the Cardholder signs the back of the card. Prior to the initial use of the P-Card, the Cardholder must call the number on the front of the card in order to activate the P-Card. If, after thirty (30) days of notification that the P-Card is ready for pick up, the card has not been picked up from the Office of Procurement and Strategic Sourcing, it will be cancelled and a new application will be required.

#### **Section 5: Receipt of Materials:**

- It is the Cardholder’s responsibility to ensure receipt of goods and follow up with Vendors to resolve any problems with delivery, discrepancies and/or damaged goods.
- All P-Card purchases requiring shipping should be shipped to the University Distribution Center or an authorized Academic/Administrative Department.
- The Cardholder will need to retain supporting documentation of all purchases for compliance reviews. If the Cardholder orders by phone, the Vendor must be informed that an itemized sales receipt or pro-forma invoice must be included in the package.

- To ensure proper internal control, it is required that someone in the department, other than the Cardholder or account manager, verifies the receipt of the items ordered by dating and legibly signing the P-Card log when the goods are received. (this is not required for food, registrations, etc.)
- Any P-Card purchase shipment routed through the University's Central Distribution Center needs to be clearly identified as a P-Card purchase as noted below, as there is no PO number against which the shipment may be received. The Cardholder is to instruct the Vendor that the following must be clearly labeled on the outside of the package to avoid delay in identifying that the shipment was made with a University P-Card and delivered to the Central Distribution Center:

**"P-CARD PURCHASE"**  
**CARDHOLDER'S NAME:** \_\_\_\_\_  
**DEPARTMENT NAME:** \_\_\_\_\_

## Section 6: Record Keeping

The Cardholder must keep all P-Card itemized sales receipts, packing slips, on-line/web receipts/confirmations, applicable waivers, Delegation Authorization forms, and other related information for all P-Card transactions. A credit card charge slip, with total amount only, is not adequate documentation. Every billing cycle, the Cardholder will receive from the P-Card Provider a P-Card billing statement showing their charges for the billing cycle along with the total amount charged to the account specified.

A Vendor's entry system usually prints an automatic invoice with the processed order. The Cardholder should instruct the Vendor to send the invoice to them and not to the Accounts Payable Department. If a purchase is done via mail or phone, ask the Vendor to include the receipt with the goods when shipping the product. The receipt is the only original documentation specifying if tax was charged to the purchase. If the Cardholder receives a receipt from a Vendor that does not have a descriptive itemization of the products purchased, they must list on the receipt a description of all items. If the receipt does not have the space to list the itemization, attach a separate paper with a detailed list of all products.

The State of Texas, the University and the Office of Procurement and Strategic Sourcing requires Cardholders to verify a vendor's hold status for all purchases over \$500, excluding emergency purchases. This verification is to be conducted prior to the purchase, excluding emergency purchases. The website for verification is <https://mycpa.cpa.state.tx.us/coa/>. If the Vendor is on vendor hold, the purchase cannot be made. A print out of the search page is to be placed with the receipt and any other documentation on the purchase.

A transaction log is to be kept by the Cardholder for record keeping and statement reconciliation purposes. The purpose of this log is to give a simple, easy to use method of keeping track of expenditures made with the P-Card. A copy of the log may be downloaded from the Office of Procurement and Strategic Sourcing's website located at <http://www.txstate.edu/gao/procurement/procurementcard>. Use a new log for each month's purchases. Record in the log each time a purchase is made. You must use the most recent approved transaction log template to record your transactions. The form can be found at <http://www.txstate.edu/gao/procurement/forms.html>. A detailed description of the item(s) should be recorded in order for the Cardholder, Account Manager and the P-Card Program Administrator to recognize the purchase(s) as being authorized. Attach all

documents related to the purchases to the corresponding log sheet. The log and receipts will be the back up to any P-Card charge recorded and this documentation will be used for audit and compliance purposes.

**At a minimum, the Transaction Log should contain:**

- A Clear business purpose
- Copy of an order form or application, when applicable;
- Packing slip, if received, for goods from Vendor/Supplier;
- Cashier receipt or Vendor/Supplier invoice;
- A print out of the vendor hold search page for all purchases over \$500, excluding emergency purchases;
- Online/Web Orders should be documented with an Order Confirmation/Receipt containing the minimum of:
  1. Vendor Name
  2. Date of Purchase
  3. Total Price with Shipping
  4. Description of Purchase/Part or Model Number
- Department order form, if applicable (this may be prepared according to departmental guidelines, but must be signed by the appropriate departmental official to document approval of the transaction
- Any applicable approved waivers
- Any Delegation Authorization forms
- Food, flowers, plants, and entertainment purchases should be documented with names of attendees/recipients, purpose of the event/purchase and date and time of the event, invitations, RSVP's, etc.
- ALL documentation must be attached to the corresponding log.

After the Cardholder reconciles the statement with the transaction log, the Account Manager is to review and approve that the purchases are appropriate by signing the transaction log. If the Cardholder is also the Account Manager, the Account Manager cannot sign as the Cardholder and the Account Manager. The Account Manager's immediate supervisor must sign in the Account Manager stead. (UPPS 03.01.09 "Fiscal Responsibilities of Account Managers") Section 03.02 - The Account Manager's signature (whether electronic or manual) denotes approval for the expenditure of funds and must appear on all invoices, purchase requisitions, Non Purchase Order payments (NPO), personnel actions, etc. The Account Manager, if a P-Card holder, cannot purchase and sign P-Card reconciliations. An additional person must be delegated to approve P-Card reconciliations for the Account Manager. An Account Manager's designee must have necessary security for approving through workflow.

When the Cardholder has verified all the charges shown are correct, obtained approval of the reconciled statement by the Account Manager and no changes are required, no further action is necessary.

The reconciled log along with the supporting documentation is filed. For audit and compliance purposes, the documentation must be retained in accordance with the

University's retention schedule for the Cardholder's department for a minimum of four (4) fiscal years (current fiscal year + three (3)).

Transactions may be subject to reviews and investigations by various entities including but not limited to the following:

1. P-Card Program Administrator
2. Office of Audits and Analysis
3. State Auditor's Office
4. Federal and State Agency and Third Party Auditors
5. Public Open Records Act Requests
6. University Police Department

***Failure to keep required documentation WILL be subject to the Non-compliant Notice Program***

Purchase history may be viewed on-line through the P-Card Provider (currently Citibank) just like a personal account for real-time transactions. To sign up visit the link at <https://home.cards.citidirect.com/CommercialCard/Cards.html>.

## **Section 7: Returns, Credits and Disputing a Transaction**

Any charge on the billing statement may be disputed by the Cardholder if it is questionable or an error. If there is a charge that is not recognized, or it appears to be incorrect, first contact the Vendor and try to resolve the dispute. This includes sales tax. Sales tax disputes should be handled with the Vendor and not with the P-Card Provider.

Should a problem arise with a purchased item, or with billing, every attempt should be made to resolve the issue directly with the Vendor. Review of future statements is vital to ensure that the account is properly credited for returns, credits and disputed charges. If an item is returned for any reason, the return must be credited back to the P-Card. Under no circumstances should a cash refund or gift card be accepted in place of the credit. All returns, credits, or disputes should be noted on the monthly transaction log. If the Cardholder is unable to come to an agreement with the Vendor regarding a purchase made with the P-Card, they should contact the current P-Card Provider within sixty (60) days from the closing date of the statement on which the transaction appeared to dispute.

**NOTE:** Failure to take immediate and appropriate action may result in a loss to departmental funds and charging privileges could be revoked.

## **Section 8: Lost, Stolen, Cancellations, and Terminations**

When a P-Card is lost or stolen, notify the current P-Card Provider immediately. Representatives of the current P-Card Provider are available 24 hours a day, 7 days a week. When reporting a P-Card lost or stolen, inform the P-Card Provider's representative the last date the P-Card was used, the amount of any charges you made on that date, and the name of the Vendor(s) from whom the purchase(s) were made.

After notifying the P-Card Provider, complete a Request for Cancellation/Suspension form and forward it to the P-Card Program Administrator. The form may be downloaded from the Office of Procurement and Strategic Sourcing's website at <http://www.txstate.edu/gao/procurement/procurementcard>. The P-Card will be cancelled by the P-Card Provider to stop additional charges from being made, and a replacement

P-Card will be issued by the P-Card Provider and sent to the P-Card Program Administrator who will forward it to the Cardholder.

## **Cancellations and Terminations**

The Account Manager is responsible for retrieving the P-Card from the Cardholder before the Cardholder transfers to a different department or terminates from the University, and returning it with a completed Procurement Card Cancellation/Suspension Request form, to the P-Card Program Administrator. Failure to do so may result in cancellation of all department/unit P-Card privileges. If a terminated employee continues to use the P-Card, the department will be liable for all charges. If transferring to another department, the Cardholder will need to re-apply for another card under the new department's management and attend the P-Card training.

If a Cardholder has not used the P-Card for an extended period, the card may be cancelled, at the discretion of the P-Card Program Administrator. The P-Card Program Administrator will contact the Cardholder requesting an explanation for non-use of the P-Card prior to cancellation.

Multiple contacts by the Accounting Office to a single department/unit for insufficient funds may result in the cancellation of all department/unit P-Cards.

The purchase of unallowable items on any Grant account may result in the immediate revocation of Cardholder privileges.

The Procurement Card Cancellation/Suspension Request can be downloaded from the Office of Procurement and Strategic Sourcing's website at <http://www.txstate.edu/gao/procurement/procurementcard>.

## **Section 9: P-Card Training Requirements**

Annual P-Card training is required for all Cardholders and Account Managers that have a P-Card that is tied to an account they manage whether or not they have a P-Card in their name. If the on-line course is not completed, all applicable cards will be suspended until such time as the course has been taken, passed and a certificate received.

## **Section 10: Transaction Compliance Reviews**

### **Compliance Reviews**

Compliance Reviews of transactions will be done by the P-Card Program Administrator. These reviews are driven by data. If there is not an approved waiver in place or an email notification of a potential non-compliant transaction, the Non-compliant Notice Program **WILL** be initiated.

### **Comprehensive Field Compliance Reviews**

If a Cardholder or Department is selected for a comprehensive field compliance review, they will be notified of the period being reviewed, the date and time of the field review and the documents that will be reviewed. The Cardholder or Department will have all requested documents ready at the date and time specified. The Cardholder or Department will provide adequate working space for the reviewer(s) to perform a review of the documents and be available for any questions.

Within sixty (60) days of the field review, the P-Card Program Administrator will issue a report of the findings and submit the report to the Cardholder, Account Manager or the Account Manager's immediate supervisor, the Department Head, and the Vice President.

## Section 11: Non-compliant Notice Program

Non-compliant P-Card transactions will be subject to disciplinary action up to and including cancellation of P-Card privileges.

The First Non-compliant Transaction: the Cardholder, the Account Manager and Vice President will receive notification of the non-compliant transaction(s) and that upon a second non-compliant transaction(s); the P-Card privileges for that P-Card will be suspended for thirty days.

The Second Non-compliant Transaction(s): if a second non-compliant notification is received within a six-month period, the Cardholder, the Account Manager and the Vice President will receive notification of the non-compliant transaction(s) and the P-Card privileges for that P-Card will be suspended for thirty days.

The Cardholder, Account Manager, Director, Dean/Chair, and Vice President will receive notification that upon a third non-compliant transaction(s), the P-Card privileges for that P-Card will be cancelled.

The Third Non-compliant Transaction(s): if a third non-compliant notification is received within a six-month period, the Cardholder, the Account Manager, Director, Dean/Chair, Vice President, and Associate Vice President for Finance will receive notification of the non-compliant transaction(s) and the P-Card privileges for that P-Card will be cancelled.

The Cardholder, Account Manager, Director, Dean/Chair, and Vice President will receive notification of all non-compliant transaction(s) and that the P-Card privileges for that P-Card was cancelled.

While these are the consequences of Texas State non-compliant P-Card transactions, we will continue to collaborate with department Account Managers to determine appropriate consequences, and within reason will flex with campus department needs. Texas State must maintain compliance with all applicable policies and procedures.

Types of non-compliant transactions include but are not limited to:

- Payment of Sales tax if credit is not received
- Purchase from Disallowed Vendor
- Transaction over \$1,000 without pre-approved waiver
- Use of P-Card by person other than Cardholder without a Delegation Authorization form
- Personal Charge
- Purchase of Restricted Item without pre-approved waiver from Office of Procurement and Strategic Sourcing
- Gratuity greater than 20%
- Lost receipt
- Not keeping list of attendees and/or name of event with food/flower purchase
- Purchase of office supplies without pre-approval from the Office of Procurement and Strategic Sourcing, emergency justification or while in travel status
- Splitting a single transaction to avoid P-Card limit or bidding requirements
- No Transaction Log
- Transaction log missing Account Manager review and signature.
- Non-attendance of Mandatory P-Card Training



- Allowing a student to use P-Card without an approved waiver
- Purchase of Controlled Property
- Fraud (No renewal available and/or possible termination)

**The Texas State University P-Card is a privilege to expedite small dollar purchases and is not an employee entitlement. Texas State reserves the right to withhold issuance, as well as suspension or cancellation, of P-Card privileges.**

**Vendors that intentionally split orders to avoid the \$1,000 single transaction limit and/or bidding requirements or repeatedly charge Texas State sales tax may be blocked from doing business with Texas State University.**

## **Section 12: Sponsored Program (Grants and Contract) Accounts**

Issuance of a P-Card on a Sponsored Program (Grant/Contract) account requires prior review and concurrence by the Office of Sponsored Programs. In addition to any restrictions of the funding agency, P-Card use by Sponsored Program Accounts shall follow all applicable Texas State P-Card Policies and Procedures. When the grant expires or funding cancelled, a Cancellation/Suspension Request form together with the P-Card must be sent to the P-Card Program Administrator. Using the P-Card with Sponsored Research funds requires additional diligence and oversight by the Account Manager and his or her staff and must follow all P-Card policies and procedures.

### **Special conditions for P-Card use by Sponsored Program Accounts**

- A copy of the statement, transaction log and receipts must be sent to Office of Sponsored Program within five (5) business days after reconciliation and approval by the Account Manager. Failure to comply with this provision may result in termination of P-Card account privileges.
- A default account will be provided by the department with the issuance of P-Card requests.
- It is the responsibility of the **Account Manager** to adhere to P-Card, Texas State's policies and procedures, to the applicable Federal and State regulations, and any terms or conditions specific to the contract or grant award rules and regulations. Any charge found to be in violation of ANY of these policies or restrictions will be charged back to the default account if not redirected by the department timely.
- It is the responsibility of the **Account Manager** not to exceed the awarded budget categories. Charges exceeding the awarded budget will be redirected to the default account if not transferred by the department timely.
- The Cardholder and/or Account Manager is responsible for ensuring that purchases are allowable under the terms of the award.
- The Cardholder and/or Account Manager will ensure that all charges fall within the project period and the project budget.
- The Account Manager is responsible for proper distribution of expenditures. OSP will utilize the default account as a recursive action of disallowed or exceeded charges.
- When the Account Manager and the Cardholder is the same, all documents requiring signature must be by his or her immediate supervisor.



**IMPORTANT: If you have questions as to whether or not a purchase is allowable or to which SAP Internal Order a transaction should be properly assigned, consult your Sponsored Program Accountant.**

## **Section 13: Frequently Asked Questions**

### **Who can request waivers for food and flowers?**

Cardholder may submit a waiver for food or flowers **IF** the designated account allows such a purchase. Refer to UPPS 03.01.03 "Purchase of Awards, Flowers, Food, or Refreshments" for further information on what funds may be used to purchase food, refreshment and achievement awards. The Account Manager must sign the waiver request prior to submittal of the waiver to the P-Card Program Administrator for approval. If the Account Manager is also the Cardholder, the Account Manager's immediate supervisor must sign the waiver.

### **How often does the waiver need to be requested?**

A new P-Card waiver must be submitted for each event, signed by the Account Manager, and approved by the P-Card Program Administrator prior to the purchase being made. **There are no "blanket" waivers.**

### **Does a copy of the waiver need to accompany the documentation with each purchase, when reconciling monthly?**

Yes.

### **What documentation is required each month when reconciling the P-Card statement?**

In the P-Card Policy and Procedures Manual it states "P-Card itemized sales receipts, packing slips, on-line/web receipts/confirmations, and other related information for all P-Card transactions, applicable waivers, and other related information for all P-Card transactions. Every billing cycle, the Cardholder will receive a billing statement of their charges with the total amount to be charged to the account specified on the Cardholder's Application.

- Copy of an order form or application, when applicable;
- Packing slip, if received, for goods from Vendor/Supplier;
- A print out of the vendor hold search page for any purchase over \$500;
- Cashier receipt or Vendor/Supplier invoice;
- Online/Web Orders should be documented with an Order Confirmation/Receipt containing the minimum of:
  1. Vendor Name
  2. Date of Purchase
  3. Total Price with Shipping
  4. Description of Purchase/Part or Model Number
- Department order form, if applicable (this may be prepared according to departmental guidelines, but must be signed by the appropriate departmental official to document approval of the transaction)
- Any applicable approved waivers

- Awards, Flowers, Food or Refreshments purchases should be documented with names of attendees/recipients, purpose of the event/purchase and date and time of the event, invitations, RSVP's, etc.

### **How do you distinguish between gifts and awards?**

Refer to UPPS 03.01.03 "Purchase of Awards, Flowers, Food, or Refreshments" for further information.

### **When is it appropriate to use a Delegated Authorization Form?**

Anytime someone other than the Cardholder makes a P-Card purchase. The Cardholder is still ultimately responsible for all charges made on their P-Card.

### **May gratuity be added to a P-Card purchase?**

Yes, gratuity or "tips" may be added to a P-Card transaction. The maximum allowable gratuity/tip is 20%. Any tip larger than 20% will be payable by the employee and must use another payment method such as cash, personal check or personal credit Card. (FSS 03.05.01 and UPPS 03.01.03)

### **How often are guidelines/restrictions updated and how are P-Card holders notified?**

Guidelines and restrictions are constantly updated. The changes are sent out via our P-Card distribution list and published to the Purchasing Office's website: <http://www.txstate.edu/gao/procurement/procurementcard>. It is recommended that the Cardholder periodically check to verify that their copy of the P-Card manual is up-to-date.

### **Is payment for Fed-Ex packages considered postage?**

No. It is considered freight charges. UPS and DHL are also allowed Vendors.

### **Is Texas State sales tax exempt?**

Yes, but only the State of Texas sales tax. No tax-exempt number is required for sales tax exemption.

### **Is registration for conferences allowed on the P-Card?**

Yes, it is allowed. Registration over \$1,000 must be approved by Account Manager and P-Card Program Administrator via a waiver.

### **If memberships are included with registration cost, are they allowed?**

Yes, only if they are included in a registration fee.

### **When using Delegated Authorization form, how often can someone else use my Card?**

Your P-Card may be used by another as many times as needed during the time specified by the Delegated Authorization form. It is recommend that if another person uses your P-Card routinely, that person should apply for his or her own P-Card. Ultimate responsibility for purchases made on your Card belongs to the Cardholder.

### **What can I purchase with the P-Card?**

The P-Card may be used for purchases of goods under \$1,000 (except those identified as prohibited. Some restricted items may be purchased with an approved waiver. If the total purchase price, including freight and any other charges is greater than \$1,000, a Texas

State purchase order must be used to make the purchase unless a waiver has been approved by the Office of Procurement and Strategic Sourcing **PRIOR** to the purchase.

### **What can I NOT purchase with the P-Card?**

Some of the prohibited P-Card purchases include but are not limited to:

Any travel related expenses, hotels, airline tickets, meals, etc.

Memberships or dues unless paid with and at the same time as event registration

Controlled items (reference Exhibit D)

Prohibited items (reference Exhibit B)

Restricted items without a prior approved waiver (reference Exhibit A)

Any one purchase over the daily transaction limit (unless prior approval is obtained via a waiver and the limit temporarily lifted).

## Exhibit A: Restricted Purchases

***Waivers will be approved dependent on account funding and situation.***

**Computer Software, Licenses and Maintenance \***

**Food** (Groceries, Meals, etc.)\*\*

**Foreign Vendors**\*\*\*

**Memberships or Dues** (waiver not required if combined with event registration),

**Refreshments**\*\*

**Recreational Events (Sea World, Six Flags, Movies, etc.)**

**Office Supplies** (Paper, Pens, etc. no waiver needed while in travel status)

**Plants, Flowers** (Gifts, Decoration, artificial plants and flowers)\*\*

**Rentals** (Trailers, equipment)

\*All computer software and license purchases must go through Supported Desktop Software Initiative (SDSI). If SDSI determines that the product can only be purchased via a P-Card, they will approve the waiver before it is submitted to the Office of Procurement and Strategic Sourcing.

Any software that is purchased using the P-Card that has not been approved by SDSI and the Office of Procurement and Strategic Sourcing will be subject to the cancellation of P-Card privileges.

\*All technology related items must go through ITAC. If ITAC determines that the product can only be purchased via a P-Card, they will approve the waiver before it is submitted to the Office of Procurement and Strategic Sourcing.

**\*\*Awards, Flowers, Food or Refreshments purchases must be documented with the names of attendees, recipients, purpose of event/purchase, date and time of event, invitations, RSVP's, etc.**

\*\*\*Payments to foreign vendors may have tax implications and must have the approval of the Debbie Jones, Director of Payroll and Tax Compliance. Purchases from foreign vendors are subject to requiring a W8-BEN-E. The tax compliance office will determine if the form is required prior to the purchase.

## Exhibit B: Prohibited Purchases

**Waivers WILL NOT be approved on the following items.**

**Alcoholic Beverages (Beer, Wine, etc.)**

**Animals, Live** (Pets, Fish)

**Capital Equipment** (\$5,000 or greater)

**Cash Advances**

**Cell Phone / Telephones** (Personal/Business Communication Devices, Services, and Accessories)

**Chemicals/Hazardous Materials\***

**Consulting Services** (Consultant, Paid Advisor)

**Controlled Items** (\$500-\$4,999.99) (reference Exhibit D)

**Employment Service** (Temp Agencies)

**Gases, Cylinder** (Oxygen)

**Gases, Liquefied** (Medical Gases)

**Gasoline** (Fuel)

**Gift Cards** (Rewards)

**Lasers**

**Leases** (Rental of Land, Space, Equipment)

**Moving Expenses** (Relocation Expenses)

**Personal Services**

**Pharmaceuticals** (Drugs)

**Professional Services**

**Radioactive Materials\*\***

**Telephone Services** (Internet Services)

**Time or Installment Purchases** (Splitting Of Total Amount)

**Travel/Lodging** (Hotels, Motels)

**Tuition** (Instruction Fees)

**Used Equipment** (Refurbished, Previously Owned)

**Weapons**

*\*Please contact Environmental Health, Safety & Risk Mgt for clarification.*

## Exhibit C: Disallowed Vendors/Prohibited Merchant Category Codes

### What is a "Merchant Category Code"?

The Merchant Category Code (MCC) is a four-digit code used by the Bankcard industry to classify a Merchant's primary business. The MCC describes a Merchant's product, service, or nature of business. In cases where a Merchant is engaged in more than one type of business, the MCC will reflect the Merchant's primary line of business.

While some MCCs refer to general Merchant and transaction types (e.g., motor home dealers, costume rental, garden supply stores), others identify specific Merchants (i.e., certain travel and entertainment Merchants). Major Travel and Entertainment (T and E) Merchants have been designated unique Merchant-specific MCCs (e.g., 3640 = Hyatt Hotels).

The following is a list of the MCC codes that are disallowed. If a purchase is made with a disallowed Vendor, the transaction will be rejected at the point of sale.

#### **3000 - 3299**

All Airlines (Delta, United Airlines, etc.)

#### **3351 – 3440**

All Rental Agencies (Vehicle rentals, Box trucks, etc.)

#### **3501 – 3744**

All Hotels and Motels

#### **4121**

Taxicabs and Limousines (Cabs, Transportation)

#### **4131**

Bus Lines (Transportation)

#### **4411**

Cruise Lines (Boat Rentals)

#### **4722**

Travel Agencies and Tour Operations (Travel Arrangements)

#### **5541 – 5542**

Fuel Service Stations (Gas Stations)

#### **5812**

Bars, Cocktail Lounges (Alcohol Sales)

#### **5921**

Package Stores, Beer, Wine, Liquor (Liquor Store)

#### **6010 – 6300**

Financial Institutional (Banks, Credit Unions)

#### **7011**

Lodging Hotels, Motels, Resorts (Overnight Stays)

#### **7012**

Timeshares (Housing Rentals)

#### **7261**

Funeral Services and Crematories

#### **7273**

Dating and Escort Services

#### **7276**

Tax Preparation Service (Tax Returns)

#### **7297**

Massage Parlors (Spas)

**Exhibit D: Controlled Property (but not capitalized)**

**Controlled (\$500 - \$4,999.99)**

***Waivers WILL NOT be approved on the following items.***

**Camcorder  
Cameras  
Laserdisc Player  
Stereo Systems  
Desktop Computers  
Laptop Computers  
Projectors (Video projector)  
Television  
Video Tape Recorders  
IPads, Tablets  
Smart Phones  
Hand Guns [controlled at any cost]  
Rifles**

***NOTE: Printers over \$500 are no longer a controlled item. However, it is still a requirement to go through ITAC to purchase.***

## Exhibit F: P-Card Program Contacts

### Texas State University:

Judi Nicholson  
Office of Procurement and Strategic Sourcing  
512-245-2521 voice  
512-245-2393 fax  
purchasing@txstate.edu

### Citibank (P-Card Provider):

To Report a Lost or Stolen Card:  
Citibank – Customer Service  
1-800-248-4553

To Dispute a Transaction:  
CitiPhone Banking  
1-800-627-3999