

# Procurement Card Guidelines and Procedures Manual

February 2021



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## Introduction:

The purpose of the Texas State University (TXST) Procurement Card (P-Card) Program is to establish a more efficient, cost-effective method for paying for purchases and to delegate authority and capability to make these purchases to the Cardholders/Department Card Custodians (Custodian) in amounts not exceeding single transaction and monthly limits. This program is intended to complement existing procurement processes and designed to empower the departments to make needed purchases without a delay and with minimal paperwork. **Travel expenses are NOT allowed with the P-Card. The P-Card is not intended to avoid or bypass existing procurement and bidding procedures or requirements.** All items available through a TXST preferred contract/supplier in The TSUS Marketplace should be utilized first before going outside the Marketplace and using the P-Card. Using the P-Card is acceptable for purchases with a TXST preferred contract/supplier in The TSUS Marketplace **under \$500** without a waiver or otherwise prohibited. The P-Card Program will be administered in accordance with the terms of the State of Texas contract for procurement cards and the University Procurement and Strategic Sourcing Policies and Procedures. **When TXST Policies and Procedures contradict Procurement Card Guidelines, TXST policy prevails.**

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

<b>Office of Audits and Analysis</b> <b>512.245.1707</b>	<b>Texas State University System Hotline</b> <b>866.294.0987</b>
<b>File a report at:</b> <b><a href="http://www.ethicspoint.com">www.ethicspoint.com</a></b>	
<i>All tips can be made anonymously.</i>	

## Section 1: P-Card Guidelines and Procedures:

These Procurement Card Guidelines and Procedures provides information required for obtaining and using a P-Card; please read them carefully. A Cardholder's/Custodian's signature on the Cardholder Agreement form when a P-Card is issued indicates that the Cardholder/Custodian understands the intent of the program and agrees to follow the established guidelines and procedures.

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 University policies, nor may it be used for personal transactions.** Improper use or abuse of the P-Card may result in suspension of the Cardholder's/Custodian's P-Card(s), disciplinary action consistent with University policies, up to and including termination, and possible prosecution.

## Section 2: Card Issuance

The P-Card is issued with the TXST Logo and the wording "Official Use Only" clearly indicated on the card.

**The Cardholder's name or Department name and Texas State University are imprinted on the front of the P- Card.** The Cardholder/Custodian is the only person authorized to use any P-Card assigned to them unless an approved [Delegated Authorization Form](#) is attached as part of the documentation for each transaction that is delegated.

The Cardholder/Custodian must bring his/her photo I.D to the Procurement and Strategic Sourcing office when picking up a P-Card. The P-Card will only be released to an assigned Cardholder/Custodian who has taken and passed the P-Card on-line training certification course. Students are not allowed to pick up the P-Card for the Cardholder/Custodian. The Cardholder/Custodian will sign the P-Card Agreement, which will be kept on file in the Procurement and Strategic Sourcing office. The Cardholder/Custodian will receive a copy of the P-Card Agreement and their P-Card.

## Cardholder/Custodian Responsibilities:

### The Cardholder's/Custodian's Responsibilities:

- Follow all P-Card procedures and guidelines outlined in the P-Card Guidelines and Procedures Manual.
- Ensure that the most recent approved transaction log template is adequately prepared and maintained. The form can be found at- <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>.
- Verify 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 20<sup>th</sup> of each month to avoid a disputed transaction being disallowed by the P-Card provider.
- Responsible 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).
- Responsible for the notification of lost P-Card(s) and the dispute process for a questionable charge.

- Verify 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://fmcpa.cpa.state.tx.us/tpis/servlet/TPISReports?step=1> .
- Responsible for the Safeguarding of the P-Card(s).
- Responsible for complying with [UPPS 02.02.10](#), Export Control Laws and Regulations. Prior to shipping anything outside of the United States, the Cardholder/Custodian is required to 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.

### **Account Manager Responsibilities:**

- Approve monthly P-Card transaction documentation to ensure purchases are within TXST and P-Card Policies and Procedures. [UPPS 03.01.09](#) "Fiscal Responsibilities of Account Managers", Section 04.02 states "The account manager's signature (whether electronic or manual) denotes approval for the expenditure of funds."
- Approval and signing the P-Card transaction logs, within five days after the Cardholder/Custodian completes the reconciliation, to ensure completion of the log and verification of transactions.
- Clearing any account, in accordance with [UPPS 03.01.09](#) "Fiscal Responsibility of Account Managers at Texas State", that has insufficient funds to cover P-Card purchases.
- Account Manager or designee will be responsible for any re-allocation of funds within GCMS.
- Designate Department Delegates for departmental cards
- Determine spending limits within P-Card policy limits
- Ensure all employees understand the department budget constraints under which cards are to be used
- Monitor all accounts being used to ensure sufficient funds are available.

The Account Manager may be held personally liable for any inappropriate purchases by a Cardholder /Custodian from funds for which he or she is responsible.

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/Custodians 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/Custodian 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 P-Card's charges.

The Account Manager **MUST** request that the P-Card be immediately canceled when a Cardholder is separated from the University, assumes different duties that do not require the use of the P-Card, or transfers to another department by using the

[Cancellation/Suspension Request](#) form and sending the P-Card (cut in half) and the form to the P-Card Program Administrator. When a Custodian separates from the University, assumes different duties that do not require the use of the P-Card, or transfers to another department the Account Manager must assign a new custodian and notify the Procurement and Strategic Office who the new custodian is, or cancel the card. 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.

It is recommended, but not required, that Account Managers take the P-Card training if P-Cards are issued on accounts for which they are responsible.

When the Account Manager and the Cardholder/Custodian is the same, the transaction logs must be approved by his or her immediate supervisor. An additional person may be delegated by the Account Manager's supervisor to approve P-Card reconciliations for the Account Manager by submitting the Delegated Authorization from located at <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>.

## Section 3: Spending Controls:

### Credit Limits

- All P-Cards have a per cycle credit limit. The standard cycle limit is \$10,000.
- The standard single transaction limit is \$2,000. This is the amount available on the P-Card for any single transaction.
- All P-Cards will have departmental spending limits as approved by the Account Manager. A **Request for P-Card Card Limit Increase Form** is required if you need an increase in your spending limit. The form can be found at <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. Purchases in excess of these limits will be denied at the point of sale.
- Payment Cycle Limits will limit the dollar amount available toward purchases during a single reporting cycle. The department should request a Payment Cycle Limit consistent with the anticipated use of the card, up to a **maximum** limit of \$25,000 **per department**, subject to change upon review. Any request for a monthly credit limit increase over \$15,000 will require approval by the Associate or Assistant Vice President or Dean **and** the Director of Procurement and Strategic Sourcing or designee
- Raising your limit over the \$15,000 monthly limit increases TXST's liability for fraudulent charges and this liability will ultimately be the responsibility of the department and departmental M&O funds should it be determined that negligence was involved in any fraudulent activity.
- Transaction spending limits will limit the total dollar amount available toward a single purchase. The Per-Transaction Limit allowed is \$2,000 with the ability to increase the limit up to and including \$5,000 as determined by the Account Manager. The total purchase price for a single purchase, (including freight and any other charges) must be within the P-Card's established spending limit
- The P-Card may be used for purchases within the spending limits specified that are not otherwise restricted, prohibited or controlled.
- Orders/charges must not be split into multiple transactions, or multiple P-Cards, to pay for a single purchase, 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.

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

- Prohibited ([reference Exhibit D](#)), Controlled but not capitalized ([reference Exhibit C](#)) 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 through the creation of a purchase requisition and the issuance of a purchase order.
- The P-Card **does not allow purchases for typical business travel related expenses (airline tickets, car rentals, hotels, etc.)**. If the Cardholder/Custodian 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 B](#)), **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 C](#)) **MUST** go through the 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 and include the email from ITAC and forwarded to the Office of Procurement and Strategic Sourcing for approval **48 HOURS PRIOR** to making the purchase.

### Waivers

The University may approve certain exceptions to the purchasing responsibility to the Cardholder/Custodian to meet specific University business requirements. Examples of such exceptions are food, or unexpected emergencies.

Cardholder/Custodian must obtain **PRIOR** written approval from the Account Manager and the request must state the business purpose, 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 hours **PRIOR** to the purchase for final approval. The waiver request **MUST** be signed by the Cardholder/Custodian and the Account Manager. If the Cardholder/Custodian and the Account Manager is the same individual, the Account Manager's immediate supervisor **MUST** sign in the Account Manager's place. If a waiver request is received with the same signature in both areas, it will be returned for proper approval.

If the waiver is for Awards/Food/Flowers/Refreshments, an AP-12 form is also required. The AP-12 form can be downloaded at <https://www.txstate.edu/gao/ap/forms.html>.

- If the waiver is for an increase of the spending limit, you will need to submit a **Request for P-Card Card Limit Increase Form** The form can be found at <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. This form will take the place of a waiver. If the limit increase is for Awards/Food/Flowers/Refreshments, an AP-12 form is also required. The AP-12 form can be downloaded at <https://www.txstate.edu/gao/ap/forms.html>.

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 <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>.

### Memorandum of Understanding

[FSS/PPS 05.01](#) 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 a MOU based on usage and prior history.

### Delegated Authorization

- **Account Manager delegations** for P-Card waiver, logs and other documentation must follow [UPPS 03.01.09 –Fiscal Responsibilities of Account Managers at Texas State](#). These delegations must be in writing and attached to the documents that are being delegated.
- The [Delegated Authorization Form](#) is used whenever someone other than the Cardholder/Custodian 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 Delegated Authorization form should accompany the delegate so that Vendors will accept their signature for the charges. A copy of the Delegated 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 Delegated Authorization form may be downloaded from the Office of Procurement and Strategic Sourcing's website at <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>

### Sales Tax

**All purchases made with the P-Card are exempt from State of Texas sales tax. TXST is not exempt from other states sales tax.** The Cardholder/Custodian 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/Custodian 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/Custodian 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](#) Allowable Purchases of Awards and Flowers
2. [FSS/PPS 03.11](#) Business Meals and Food Purchases

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:**

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., Higher Education Funds (HEF) and Coordinating Board funded accounts) **CANNOT** request a P-Card.
- Departments and full-time Texas State Employees with the approval of their Account Manager may be issued a P-Card.
- At the time a Cardholder/Custodian applies for a card, the Cardholder/Custodian 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/Custodian 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 or Change Request form.
- You may download the P-Card application form from the Office of Procurement and Strategic Sourcing's website at <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>
- Upon receipt of your completed application form, signed by the responsible Account Manager and or OSP, the P-Card Program Administrator will review, approve, and enter into the P-Card Provider system. The P-Card Provider will send the P-Card(s) to the P-Card Program Administrator. This process normally takes about seven to ten business 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/Custodians will be required to

take and pass the on-line P-Card certification training course and receive a certificate. The P-Card certification training course is required to be taken each year before the expiration of the certificate. If the certification is not completed, all cards issued to the Cardholder/Custodian will be suspended until such time as the course has been taken, passed and a certificate received

- Upon receipt of the card, the Cardholder/Custodian signs the back of the card. Prior to the initial use of the P-Card, the Cardholder/Custodian must call the number on the front of the card 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/Custodian'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/Custodian will need to retain supporting documentation of all purchases for compliance reviews. If the Cardholder/Custodian 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/Custodian 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/Custodian 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><b>"P-CARD PURCHASE"</b> <b>CARDHOLDER'S NAME:</b> _____ <b>DEPARTMENT NAME:</b> _____</p>
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## Section 6: Record Keeping

The Cardholder/Custodian must keep all P-Card itemized sales receipts, packing slips, on-line/web receipts/confirmations, applicable waivers, Delegated 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/Custodian 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 point-of-sale system usually prints an automatic receipt with the processed

order. This receipt should be e-mailed or postal mailed to you. If you cannot receive an itemized receipt via e-mail, 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/Custodian 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/Custodians to verify a vendor's hold status for all purchases \$500 and over, excluding emergency purchases. This verification is to be conducted prior to the purchase, excluding emergency purchases. The website for verification is <https://fmcpa.cpa.state.tx.us/tpis/servlet/TPISReports?step=1>. If the Vendor is on vendor hold, the purchase cannot be made. A printout 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/Custodian 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 <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. 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 <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. A detailed description of the item(s) should be recorded for the Cardholder/Custodian, 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:**

- Clear business purpose/s
- Copy of an order form or application, when applicable
- Packing slip, if received, for goods from Vendor/Supplier
- Cashier receipt or Vendor/Supplier itemized receipt
- A printout of the vendor hold search page for all purchases \$500 and over
- 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

- Any Request for P-Card Card Limit Increase 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., and AP-12 forms.
- ALL documentation must be attached to the corresponding log.

After the Cardholder/Custodian 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 within five days after the reconciliation. If the Cardholder/Custodian is also the Account Manager, the Account Manager cannot sign as the Cardholder/Custodian and the Account Manager. The Account Manager's immediate supervisor must sign in the Account Manager place. ([UPPS 03.01.09](#) "Fiscal Responsibilities of Account Managers at Texas State")

When the Cardholder/Custodian 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/Custodian'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 (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/Custodian 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/Custodian is unable to come to an agreement with the Vendor regarding a purchase made with the P-Card, they should contact the 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 of departmental funds and P-Card privileges may be terminated.

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

When a P-Card is lost or stolen, notify the P-Card Provider immediately. Representatives of the 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 <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. The P-Card will be cancelled by the P-Card Provider to stop additional charges from being made, and a replacement card will be issued by the P-Card Provider and sent to the P-Card Program Administrator who will forward it to the Cardholder/Custodian.

### **Transfers and Separations**

The Account Manager is responsible for retrieving the P-Card from the Cardholder/Custodian before the Cardholder/Custodian transfers to a different department or separates 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 separated employee continues to use the P-Card, the department will be liable for all charges. If transferring to another department, the Cardholder/Custodian will need to re-apply for another card under the new department's management and take the P-Card on-line certification training.

If a Cardholder/Custodian has not used the P-Card for over a year, the card may be cancelled, at the discretion of the P-Card Program Administrator. The P-Card Program Administrator will contact the Cardholder/Custodian 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/Custodian privileges.

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

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

Annual on-line P-Card training is required for all Cardholders/Custodians. It is recommended, but not required, that Account Managers take the P-Card training if P-Cards are issued on accounts for which they are responsible. 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.

### P-Card Log Reviews

All P-Cardholders and Custodians must submit their monthly transaction log via email to [p\\_card@txstate.edu](mailto:p_card@txstate.edu), only when there have been charges, by the last business day of the month. The logs will be used in conjunction with the Card Integrity Report to verify compliance.

## 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/Custodian and Account Manager 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/Custodian, the Account Manager, and the Director/Dean/Chair 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 Third Non-Compliant Transaction(s): if a third non-compliant notification is received within a six-month period, the Cardholder/Custodian, 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.

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
- Single transaction over \$2,000 without pre-approved waiver
- Use of P-Card by person other than Cardholder/Custodian without a Delegation Authorization form
- Personal Charge

- Purchase of Restricted Item without pre-approved waiver from appropriate departments and the Office of Procurement and Strategic Sourcing
- Gratuity greater than 20%
- 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, unless it is an emergency 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.
- 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 \$2,000 single transaction limit and/or bidding requirements or repeatedly charges 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 using Sponsored Program Accounts shall follow all applicable Texas State 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/or Principal Investigator (PI) and his or her staff.

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

- A copy of the statement, transaction log and receipts must be sent to the Office of Sponsored Programs within five (5) business days after reconciliation and approval by the Account Manager and/or PI. 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 P-Card application.
- It is the responsibility of the **Account Manager and/or PI** to adhere to P-Card Guidelines and Procedures, Texas State's Policies and Procedure Statements, 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 department account if not redirected by the department in a timely manner.
- It is the responsibility of the **Account Manager and/or PI** not to exceed the awarded budget categories. Charges exceeding the awarded budget will be redirected to the department account if not transferred by the department in a timely manner.



- The Cardholder/Custodian, Account Manager and/or PI are responsible for ensuring that purchases are allowable under the terms of the award.
- The Cardholder/Custodian, Account Manager and/or PI will ensure that all charges fall within the project period and the project budget.
- The Account Manager and/or PI is responsible for proper distribution of expenditures. OSP will utilize the department account as a recursive action of disallowed or exceeded charges.
- When the Account Manager and/or PI and the Cardholder/Custodian is the same, all documents requiring signature must be by his or her immediate supervisor.

**IMPORTANT: If you have questions as to whether 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 awards/food/flowers/refreshments?

Cardholder/Custodian may submit a waiver, along with an AP-12 form, for food/flowers/refreshments **IF** the designated account allows such a purchase. Refer to [UPPS 03.01.03](#) "Allowable Purchases of Awards and Flowers" 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/Custodian, 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 Guidelines 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/Custodian will receive a billing statement of their charges with the total amount to be charged to the account specified on the Cardholder's/Custodian's Application.

- Copy of an order form or application, when applicable
- Packing slip, if received, for goods from Vendor/Supplier
- A printout of the vendor hold search page for any purchase over \$500
- Cashier receipt or Vendor/Supplier itemized receipt
- 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 and Flowers" for further information.

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

Anytime someone other than the Cardholder/Custodian makes a P-Card purchase. The Cardholder/Custodian 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 03.11](#) 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: <https://www.txstate.edu/procurement/howtopurchase/procurementcard.html>. In addition, changes are announced via the RSS feed.

It is recommended that the Cardholder/Custodian periodically check to verify that their copy of the P-Card manual is up to date. Updates will also be distributed via RSS feeds, instructions on signing up can be found here: <https://gato-docs.its.txstate.edu/jcr:98b79cab-cbae-4137-83bf-29df6e11dab8/Purchasing%20RSS%20Feed%20Instructions.pdf>

### **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 \$2,000 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 on the Delegated Authorization form. It is recommended 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/Custodian.

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

The P-Card may be used for purchases of goods up to \$2,000 (except those identified as controlled or 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 \$2,000, 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 48 hours 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, etc.
- Memberships or dues unless paid with and at the same time as event registration
- Controlled items (reference [Exhibit C](#))
- Prohibited items (reference [Exhibit D](#))
- Any one purchase over the daily transaction limit (unless prior approval is obtained via a waiver and the limit temporarily lifted).

## **Exhibit A: Acceptable Purchases**

Include but not limited to:

**Advertisement:** Personnel Advertisement is allowed on the P-Card ONLY if the Cardholder/Custodian or Delegate has proper approval from the Human Resources Department.

**Awards:** with proper approval per [UPPS 03.01.03 Allowable Purchases of Awards and Flowers.](#) [Awards](#) require the [AP-12 Form](#) signed by the appropriate individual. The AP-12 form can be downloaded at <https://www.txstate.edu/gao/ap/forms.html>.

**University Bookstore:** Purchases are acceptable, unless otherwise prohibited.

### **Books/ DVDs, Educational Films and Reference Materials**

**Computer and Computer supplies:** See [UPPS 05.02.06 Acquisition of Information Technology Products and Services](#)

**Criminal/ Civil Investigations:** University Police Department only.

**Decorations:** For University sponsored events only.

### **Fabric/ Linens/ Uniforms**

**Fertilizer:** for small applications only, not for large agricultural use.

**Flowers:** with proper approval per [UPPS 03.01.03 Allowable Purchases of Awards and Flowers.](#) Flowers require the [AP-12 Form](#) signed by the appropriate individual. The AP-12 form can be downloaded at <https://www.txstate.edu/gao/ap/forms.html>.

**Food or Non-alcoholic beverages:** with proper approval per [FSS/PSS 03.11 Business Meals and Food Purchases.](#)

**Freight:** only when it is with a freight carrier. For example: Fed Ex. UPS, etc.

**Furniture:** below \$5,000 (non-inventoried) and not otherwise prohibited.

**Gifts:** only in accordance with [UPPS 04.03.02 Gifts from University Funds](#)

**Gratuity:** Local Funds only, up to 20% is allowable. State Funds, NO GRATUITIY OF ANY KIND IS ALLOWED ON STATE FUNDS.

### **Cleaning Supplies**

**Membership dues:** only if approved in accordance with [UPPS 06.04.01 Memberships in Professional Organizations](#)

### **Plants and Landscape Supplies**

### **Promotional Items**

**Registration:** for conferences, seminars, webinars, rental of booths, etc.

**Rentals:** (If a signed contract and/or agreement is required, then contract and/or agreement must be entered into TCM as a contract request and approved prior to purchase)

**Restaurants:** only in accordance with FSS/PPS 03.11 Business Meals and Food Purchases. Requires an AP-12 Form signed by the appropriate individual. NO ALCOHOL OF ANY KIND MAY BE PURCHASED USING THE P-CARD. The AP-12 form can be downloaded at <https://www.txstate.edu/gao/ap/forms.html>.

### **Safety Supplies**

**Services:** Maximum dollar amount of \$499.99; if \$500 or greater, a Purchase Order or e-NPO must be created.

**Small Equipment:** (not capital or controlled; see below)

**Subscriptions/ Publications:** when the subscription/periodical is shown to be beneficial to the University. Certain online subscriptions may require **prior** IT approval.

**Tools/ Hardware:** (not capital or controlled; see below)

## Exhibit B: Restricted Purchases

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

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

**Food** (Groceries, Meals, etc.), with AP-12\*\*

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

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

**Refreshments**, with AP-12\*\*

**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), with AP-12\*\*

\*All computer software and license, including Software as a Service (SAS), purchases must go through IT Business services, [ITBusiness@txstate.edu](mailto:ITBusiness@txstate.edu) or 245-2447. If IT Business Services 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. Visit <https://doit.txstate.edu/services/software-license.html> for guidelines in purchasing software and licenses.

Any software that is purchased using the P-Card that has not been approved by IT Business Services 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 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 C: Controlled Property (but not capitalized)**

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

***Waivers WILL NOT be approved on the following items except in emergency situations.***

**Sound Systems and Other Audio Equipment**

**Camera – Portable – Digital, SLR**

**TVs, Video Players/Recorders**

**Computers, Desktop**

**Computers, Laptop**

**Data Projectors**

**Smartphones, Tablets & Other Handheld Devices**

**Unmanned Aerial Vehicle (UAV) Drones**

### **CONTROLLED AT ANY COST**

**Handguns**

**Rifles & Shotguns**

## **Exhibit D: Prohibited Purchases**

Waivers WILL NOT be approved on the following items

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

**Ammunition**

**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\*\***

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

**Employment Service** (Temp Agencies)

**Fines and Penalties**

**Gases, Cylinder (Oxygen)**

**Gases, Liquefied (Medical Gases)**

**Gasoline (Fuel)**

**Gift Cards (Rewards)**

**Insurance Premiums**

**Lasers**

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

**Moving Expenses** (Relocation Expenses)

**Personal use items**

**Pharmaceuticals (Drugs)**

**Phone Cards**

**Radioactive Materials\*\***

**Services \$500 and greater**

**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 E: P-Card Program Contacts**

Texas State University:

Office of Procurement and Strategic Sourcing 512-245-2521 voice  
512-245-2393 fax  
p\_card@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