Texas A&M University-San Antonio
Procurement Card Program

Cardholder
GUIDE

Revised
Mar 2012
# Texas A&M University-San Antonio
## PURCHASING CARD PROGRAM GUIDE

### INDEX

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. OVERVIEW</td>
<td>4</td>
</tr>
<tr>
<td>A. Procurement Card Programs</td>
<td>4</td>
</tr>
<tr>
<td>B. Purchasing Card Program</td>
<td>4</td>
</tr>
<tr>
<td>C. Purchasing Card Contract</td>
<td>4</td>
</tr>
<tr>
<td>D. Purchasing Card Program Guide</td>
<td>4</td>
</tr>
<tr>
<td>E. Important Points of the Program</td>
<td>4</td>
</tr>
<tr>
<td>II. GENERAL INFORMATION</td>
<td>5</td>
</tr>
<tr>
<td>A. Duties and Responsibilities</td>
<td>5</td>
</tr>
<tr>
<td>1. Program Administrator</td>
<td>5</td>
</tr>
<tr>
<td>2. Program Coordinator</td>
<td>6</td>
</tr>
<tr>
<td>3. Division Head or Delegated Representative</td>
<td>6</td>
</tr>
<tr>
<td>4. Cardholder</td>
<td>6</td>
</tr>
<tr>
<td>B. Purchasing Card Controls</td>
<td>6</td>
</tr>
<tr>
<td>1. Credit Limits</td>
<td>6</td>
</tr>
<tr>
<td>2. Transaction Limits</td>
<td>7</td>
</tr>
<tr>
<td>C. Maintaining Your Purchasing Card</td>
<td>7</td>
</tr>
<tr>
<td>D. Sales and Use Tax</td>
<td>8</td>
</tr>
<tr>
<td>E. Security of the Purchasing Card</td>
<td>8</td>
</tr>
<tr>
<td>F. Employee Termination</td>
<td>8</td>
</tr>
<tr>
<td>G. Lost or Stolen Cards</td>
<td>9</td>
</tr>
<tr>
<td>III. PROCEDURES</td>
<td>9</td>
</tr>
<tr>
<td>A. Obtaining a Purchasing Card</td>
<td>9</td>
</tr>
<tr>
<td>B. About the Card</td>
<td>10</td>
</tr>
<tr>
<td>C. Purchasing Card Activation</td>
<td>10</td>
</tr>
<tr>
<td>D. Purchasing Guidelines</td>
<td>10</td>
</tr>
</tbody>
</table>
1. General Information ...............................................................................................10
2. Examples of Acceptable Purchases .................................................................11
3. Unacceptable Purchases .....................................................................................11
4. Restricted Purchases ..........................................................................................11

E. Receiving Supplies and Services .......................................................................12
F. Reconciliation .......................................................................................................12
G. Audit of Transactions ..........................................................................................12
H. Statement and Payment .......................................................................................13
I. Purchasing Card Payment ....................................................................................13
J. Returns, Credits and Disputed Charges .............................................................13
K. Card Termination ................................................................................................14

IV. KEY PROGRAM CONTACTS .............................................................................14
I. OVERVIEW

A. Procurement Card Programs

The Procurement Card Programs are comprised of the Procurement Card and the Travel Card. These are business to business credit cards that allow the purchase of goods, services and travel services directly from vendors. The program is designed to reduce cost, shorten the buying cycle and empower the employee. All purchases must be made within Texas A&M policies and regulations, Texas A&M University-San Antonio rules and procedures and the laws of the State of Texas.

B. Purchasing Card Program

The Purchasing Card Program is a fast, flexible purchasing method for processing orders with vendors who accept credit cards. The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method for handling purchases and payments within delegated dollar amounts. The Purchasing Card can be used with any vendor that accepts Master Card as a form of payment.

The Purchasing Card program is designed to allow the cardholder the opportunity to purchase authorized and approved goods and services. The Purchasing Card will enable you to purchase non-restricted commodities, priced at or below your delegated purchasing authority, directly from vendors without the issuance of purchase orders. Individuals who are assigned a Purchasing Card must have attended Procurement Card training and all purchases must be in compliance with the TAMU-SA rules and procedures, System policies and regulations, and applicable State statues.

C. Purchasing Card Contract

TPASS (Texas Procurement and Support Services) secured a contract with CITI Bank to provide charge card services for state agencies, universities, and eligible State of Texas CO-OP entities. TAMU-SA is utilizing the State of Texas contract for purchasing card services and will comply with all terms and conditions of the state contract.

D. Purchasing Card Program Guide

This Cardholder Guide provides guidelines for using the Purchasing Card. Please read it carefully. Your signature on the Procurement Cardholder Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

E. Important Points of the Program
• Your Purchasing Card is issued in your name. You are the only individual authorized to make purchases with your Purchasing Card. You are responsible for the security of the Purchasing Card and all transactions made with it. **If you do not follow the established guidelines when using the Purchasing Card, corrective disciplinary action may be taken, up to and including termination.**

• You can use the Purchasing Card with any vendor who accepts Master Card. It may be used for in-store purchases, as well as mail-order, internet, telephone and fax orders.

• You may use the Purchasing Card to purchase supplies within your delegated limits that have been approved by your delegated approving authority (this may or may not be you).

• Use must not exceed the monthly credit limit assigned to the Purchasing Card. Reconciliation of the monthly card activity is required.

• The Purchasing Card should not be used to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing procurement and accounts payable processes.

• The Purchasing Card is **not for personal use.**

• The Purchasing Card must be returned to the Program Coordinator upon your transfer to another department or termination of employment. When transferring to another department, please contact the program coordinator to discuss the continued use of the card.

• The cardholder is responsible for reconciling charges online and must attend training prior to use of the card or the software.

• You must ensure the department account has available funds to cover any expense incurred using the purchasing card.

II. GENERAL INFORMATION

A. Duties and Responsibilities

1. Program Administrator

The Program Administrator was designated by TAMU-SA to answer questions, address credit card issues and administer the program. The Administrator is knowledgeable on all procedures in the Purchasing Card Program Guide.

**TAMU-SA Program Administrator:**
Rick Trefzer
210-784-2002
rick.trefzer@tamusa.tamus.edu
2. **Program Coordinator**

The Program Coordinator is charged with keeping documentation for the Purchasing Card activities within TAMU-SA. The Coordinator is knowledgeable about the program, the guidelines and related forms. Cardholders should first contact the Coordinator, who will answer questions related to the program or resolve potential problems. The Coordinator may refer questions to the Program Administrator when necessary.

**TAMUSA Program Coordinator:**
J.J. McQuade
210-784-2030
james.mcquade@tamusa.tamus.edu

3. **Division Head or Delegated Representative**

The Division Head or Delegated Representative is responsible for approving who will be cardholders and approving monthly Purchasing Card statements of cardholders to ensure that purchases comply with TAMU-SA’s rules, procedures, and guidelines. The Division Head or Delegated Representative may also assist in assigning cardholder limits and establishing stricter departmental regulations, as well as designating an employee to have access to CitiDirect Global Card Management System to reallocate required transactions to the appropriate expenditure codes. The Program Coordinator will annually review the usage of the Purchasing Cards and request cancellation of cards based on non-usage.

4. **Cardholder**

The cardholder is designated by the Division Head or Delegated Representative to utilize the Purchasing Card to purchase small dollar products and services that have been approved for purchase by the delegated approving authority. The cardholder is responsible for following all TAMU-SA purchasing procedures and guidelines, including selection of vendors, maintaining security of the Purchasing Card and maintaining a transaction log for purchases made during the month. The cardholder is also responsible for allocating charges between departmental accounts and charging the appropriate object codes. All cardholders or designated representative must attend PCard reconciliation training.

**B. Purchasing Card Controls**

1. **Credit Limits**

All Purchasing Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator. Questions regarding the limits should be sent to the Program Coordinator. Review of the request and a response will be initiated by the Program Coordinator.
2. **Transaction Limits**

   In most cases a Purchasing Card has a single transaction limit of $500. This is the amount available on the Purchasing Card for a single purchase. A transaction includes the purchase price plus tax (out of state only if applicable), freight/delivery charges and installation. A department cardholder should not attempt to make a purchase greater than his/her approved amount or to make multiple purchases from the same vendor over a period of time to circumvent delegated purchasing limits. Changes to the transaction limit must be approved by the Program Coordinator. **Card holder purchases should not be split into two or more transactions with the same vendor to avoid the need to submit a purchase request to procurement.**

C. **Maintaining Your Purchasing Card**

   Use of the transaction log is required and provides a method for invoice and expenditure tracking while using the card. Be specific when listing items purchased. For example, list “pens, paper and pencil” and not just “office supplies.”

   TAMU-SA requires each cardholder to use a new log for each month’s purchases and that each purchase has signed approval from your Division Head or delegated approving authority prior to the purchase being made. Evidence of delegated approval authority must be attached and submitted with each month’s documentation. Entries should be made on the Transaction Log as each order/purchase is made, not at the end of the billing cycle. Use a detailed description of the item to recognize the purchase as an authorized one. For auditing purposes, use the "Delivery Date" column to verify that all purchases and documentation were received.

   A new log should be used for each monthly billing cycle. The following documentation must be retained and attached to the log:

   - Itemized invoices
   - Sales receipts
   - Packing slips
   - Credit card receipts/slips (screen prints are acceptable for internet orders)
   - Other information or correspondence related to the purchase
   - Documentation from your division head or delegated approving authority each purchase
   - PCard Audit Checklist

   To facilitate the record keeping and reconciliation process, the Purchasing Card Transaction Log must contain the following:

   - Card holder name and signature
   - Card number
   - Transaction or order date
   - Vendor name
   - Amount
   - Description
- Delivery date
- Account/code allocated to on CitiDirect Global Card Management System
- Returned, credited, or disputed item information (if any)
- Reconciliation date
- Name of person/persons that reconciled the statement
- Departmental approval
- Statement closing date

Always obtain an itemized invoice or receipt when using the Purchasing Card. It is every cardholder’s responsibility to ensure there is an itemized invoice for each purchase. All receipts/invoices must be kept with the Transaction Log. Screen prints are acceptable for internet orders and order forms are acceptable for fax/mail orders if a receipt/invoice is not provided by the vendor. If either of these two documents is used, they must show the price.

The log and the receipts will be each cardholder’s back-up for monthly Purchasing Card charges. Each month, the Program Coordinator will notify cardholders of the end of the billing cycle, which is around the 3rd of each month. The cardholder must reconcile the card activity with their Cardholder Transaction Log. Attach all documentation, note any additional information pertinent to the purchase, verify that all purchases are valid, complete and sign the PCard Audit Checklist and forward the package to the Division Head or delegated representative for review and approval.

Once reviewed and approved, the entire package must be forwarded to the Procurement Department where it will be maintained as TAMU-SA’s official, auditable record for these transactions. A copy of this package should be retained by the department as support for the transactions that are processed against their FAMIS accounts.

D. Sales and Use Tax

TAMU-SA, as a State of Texas agency, is tax exempt. The Purchasing Card identifies TAMU-SA as being tax exempt within the State of Texas. You should have a TAMU-SA tax exemption certificate (http://www.cpa.state.tx.us/taxinfo/taxforms/01-3392.pdf) in your possession whenever you plan to use the Purchasing Card.

E. Security of the Purchasing Card

You are responsible for the security of the Purchasing Card that has been issued to you. This card must be treated with the same level of care you would use with your own personal charge cards. Guard the card account number carefully. It should not be posted in a work area or left in a conspicuous place. It must be kept in an accessible, but secure location. Cardholders should avoid allowing vendors to place their card “on file” for future purchases.

F. Employee Termination

The Purchasing Card must be returned to the Program Coordinator upon your
termination.

G. Lost or Stolen Cards

If your Purchasing Card is lost or stolen, you must immediately contact CITI Bank Customer Service Center at 1-888-836-5011. After contacting CITI Bank, notify the Program Coordinator and your Division Head.

Prompt, immediate action is necessary to minimize TAMU-SA’s and your department’s liability for fraudulent use of the card. It is imperative that you contact CITI Bank immediately for suspension of your card because your department may be responsible for all charges made on the card until it has been cancelled by CITI Bank.

III. PROCEDURES

A. Obtaining a Purchasing Card

1. To obtain a Purchasing Card

   a. Obtain an Application/Approval form from the Program Coordinator. This application will provide TAMU-SA with necessary information about you (the cardholder), the budgeted FAMIS account/support account for default payment, and the Division Head or delegated representative’s approval of your application and subsequent designation of your delegated purchasing authority.

   b. Submit the completed and signed application/approval form to the Program Administrator.

   c. Upon receipt of all required signatures, the Program Coordinator will request issuance of the Purchasing Card from CITI Bank, which generally takes 2-3 weeks.

   d. The Program Coordinator schedules the applicant for Purchasing Card Training.

   e. The applicant attends training class (approximately 1 hour) and signs Procurement Cardholder Agreement.

   f. Purchasing Card is issued.

2. The following items will be provided to you, the cardholder, during training.

   a. Procurement Cardholder Agreement: This is an agreement between the cardholder and TAMU-SA which affirms that the cardholder has read and understands the policy and procedures for the Purchasing Card. This agreement is signed by the cardholder at the end of the training session.

   b. Purchasing Card Program Guide: This document outlines TAMU-SA’s
guidelines for use of the Purchasing Card. It also outlines examples of allowed and disallowed types of purchases.

c. Purchasing Card Transaction Log: The cardholder should use this form to record purchases and returns, as well as during the reconciliation process.

d. Purchasing Card: Upon signing the Procurement Cardholder Agreement the card will be issued to the cardholder.

B. About the Card

A Purchasing Card will be issued in your name with the wording "For Official Use Only" clearly indicated on the card. This card is for TAMU-SA business purposes only and may not be used for personal transactions. It is important to understand that you are personally responsible and accountable for this Purchasing Card.

Please Note:
- Your Purchasing Card has been linked to your department’s operating account.
- Charges can be reallocated to different departmental accounts and object codes can be changed to reflect actual usage.

C. Purchasing Card Activation

You must activate the Purchasing Card before using it. Upon receipt of the card, you should sign the back and keep it in a secure location.

D. Purchasing Guidelines

1. General Information

As a State institution, we are bound by certain State, Local and Federal guidelines and laws. All purchases must be in accordance with the laws of the State of Texas, A&M System purchasing procedures and TAMU-SA purchasing procedures. You are responsible for compliance and strict adherence to all purchasing guidelines within your departmental delegated authority.

Cardholders should promote and encourage positive interaction with suppliers. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders must follow these guidelines when using the Purchasing Card:

a) Determine if the transaction is an acceptable use of the card.

b) Determine if the anticipated purchase is within the cardholder's spending limit.

c) Identify the vendor and verify that the vendor is in good standing with the State on Franchise & Sales tax by visiting http://www.window.state.tx.us/procurement/cmbl/cmblhub.html.

d) Call, fax, mail or visit the vendor to place your order. You may also enter
your order through a secure internet connection.

e) Specify the cardholder name, company name, department name and shipping instructions. Also, specify the Purchasing Card number, expiration date and name as it appears on the card.

f) Confirm pricing and freight charges.

g) Request that a hard copy of the invoice with the pricing and freight be faxed to the cardholder and/or included with the shipment.

h) If a supplier requests a purchase order number, use a combination of initials and FAMIS account number (e.g. John Doe, FAMIS account number #521977 would be purchase order number JD-521977).

i) Request that the supplier include the cardholder’s name and the words "Purchasing Card" on all packing lists and box labels. This will enable the receiving department to facilitate delivery of your supplies.

2. Examples of Acceptable Purchases

All purchases must be made in accordance with applicable statutes and regulations, A&M System regulations and TAMU-SA rules. A state agency may not pay for goods before their delivery to the agency.

The Purchasing Card may be used for a variety of purchases, including:

- Tools/Hardware
- Books
- Medical supplies
- Janitorial supplies
- Office supplies
- Videos
- Business Meals (Transaction log must indicate who, what, where, when, and why)
- Rentals
- Subscriptions
- Registration fees for training courses, conferences and seminars
- Computer hardware*
- Computer software*
- Safety supplies
- Controlled equipment

*All I/T purchases must have I/T approval prior to placing an order

3. Unacceptable Purchases

The Purchasing Card may not be used for the following purchases:

- Items for personal use
- Capital equipment**
- Animals
- Travel or transportation and related expenses for staff
- Cash advances, money orders or refunds
- Services provided by a sole proprietor or partnership, consulting or other 1099 reportable services
- Controlled/hazardous/radioactive materials
- Fuel or auto parts for state owned vehicles
- Tuition and fees
- Prospective employee travel
- Social club dues

** Capital equipment is any individual equipment item with a cost of $5,000.00 or more.

4. Restricted Purchases
• Alcohol (on allowable accounts only)
• Food (if allowable on the account)- include IRS’s 5 W's on log
• Florist (only use university funds not state appropriated funds)

E. Receiving Supplies and Services

It is your responsibility to ensure receipt of goods and to follow up with vendors to resolve delivery problems, discrepancies and/or damaged goods. A copy of the charge slip, sales receipt or other information related to the purchase must be retained. Should you purchase an item that needs to be inventoried or tagged, please contact the Receiving Department for assistance.

Invoices without an amount due are the most optimal documentation since they itemize the purchases. A vendor’s entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made by mail or telephone, ask the vendor to include the receipt with the goods when the product is shipped.

F. Reconciliation

Upon receipt of the monthly email from the Program Coordinator regarding the end of the billing cycle, the cardholder/departmental personnel will reconcile the card activity to the Transaction Log. This reconciliation should reflect that all card activity for the billing cycle was on the log; any items that were on the log but not included in the billing cycle will be reconciling items. This reconciliation is separate from the transaction log and any reconciling items must be itemized. Each item in the billing cycle must match the transaction previously entered on the log. A Cardholder Audit Checklist must be completed and signed by the cardholder and turned in as part of the reconciliation package.

Each Transaction Log should include the last six digits of the credit card number, the statement end date, balance forward (the total of the unbilled items from the previous month), department approval by someone other than the cardholder who has signature authority on the accounts being charged, cardholder signature, reconciler’s signature and reconciled date.

Any discrepancies identified must be promptly investigated. Documentation of action taken must be included as an attachment to the log. It is the cardholder’s responsibility to resolve all discrepancies.

G. Audit of Transactions

Once approved by the Division Head or delegated representative, the entire package (reconciliation, original transaction log, printed copy of the Accounting Code Detail report, supporting documentation and the Cardholder Audit Checklist) must be forwarded to the TAMU-SA Procurement Department by the indicated deadline
where it will be retained as part of TAMU-SA’s official records in accordance with TAMU-SA’s Records Retention Schedule.

Purchasing Card records are subject to audit by anyone designated by the AVP for Finance and Admin or the VP for Finance and Admin, the Program Coordinator, Internal Audit, the State Comptroller, and other external entities (i.e. State Auditors Office, federal auditors, public accounting offices). A copy of this package should be retained by the department as support for the transactions that are processed against their FAMIS accounts. Monthly, the Procurement Department will audit a random sample of submitted reconciliation documents.

H. Statement and Payment

Each cardholder reconciles the card activity for each billing cycle. CITI Bank will provide a summary billing for TAMU-SA as a whole to the System Office of Budgets and Accounting, listing all transactions made by each cardholder during the period. The Accounting Department will pay the summary billing in full and will charge the accounts and expense codes identified on the CitiDirect Global Card Management System. The payment cycle ends on the 3rd of each month and payment must be made within 30 days to CITI Bank. Merchants/vendors are paid by CITI Bank within 24 to 48 hours of the placement of your order or of you picking up the merchandise.

I. Purchasing Card Payment

The program does not affect your credit rating in any way. The cardholder is not responsible for payment. The Purchasing Card program carries corporate and individual liability.

J. Returns, Credits and Disputed Charges

Should a problem arise with a purchased item or charge, every attempt must be made to first resolve the issue directly with the vendor. Review of future card activity is vital to ensure the account is properly credited for returns, credits and disputed charges. The returned, credited or disputed item must be noted on the Cardholder Transaction Log.

- **Returns:** If a cardholder needs to return an item to a vendor, contact the vendor and obtain instructions for return. Note that some vendors may charge a restocking or handling fee for returns. All returns should be indicated on the transaction log.

- **Credits:** If an item is accepted as a return by the vendor, a credit for this item should appear on the following month's activity. All expected credits should be indicated on the transaction log.

- **Disputed Charges:** If a cardholder finds a discrepancy, the cardholder should contact the vendor and attempt to resolve the problem directly. All disputed items should be indicated on the transaction log. A copy of the form and
letters must be attached to the form as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should contact the Program Coordinator, who will then contact CITI Bank. CITI will place the charge in a "Statement of Dispute" and the account may be given a provisional credit until the vendor presents documentation supporting the transaction. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the vendor is unable to provide valid documentation, or if the charge is suspected to be fraudulent, the card will be blocked immediately by CITI. Provisional credit, if issued, will remain in effect, and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If it is later determined that the charge is legitimate, the transaction will then post to the new account.

The Program Coordinator will assist, as needed, in any dispute resolution efforts.

K. Card Termination

When a cardholder terminates employment with TAMU-SA, the department has the specific obligation to reclaim the Purchasing Card from the cardholder and return it to the Program Coordinator for card cancellation prior to the employee’s termination date. The Purchasing Card must also be returned to the Program Coordinator if the cardholder transfers to another department or agency within The Texas A&M University System.

Non-adherence to these procedures will result in revocation of individual cardholder privileges and may result in revocation of all division or departmental Purchasing Cards. Departmental Purchasing Card privileges may also be revoked for the following reasons:

- Failure to notify the Program Coordinator of employee terminations requiring card cancellations.
- Multiple departmental notifications for insufficient budgets.
- Non-compliance with State and TAMU-SA purchasing procedures.

IV. KEY PROGRAM CONTACTS

Program Administrator: Rick Trefzer
210-784-2002

Program Coordinator: J.J. McQuade
210-784-2030

Billing & Reconciliation - Questions: Betty Ponce
210-784-2012