

PROCUREMENT CARDS (P-CARDS)

Overview

The Procurement Card (P-Card) Program provides Temple College with an efficient and cost effective purchasing and payment process of making small dollar purchases for goods and services. To make use of this process requires that existing guidelines for purchasing are followed and that purchases are made from vendors that accept MasterCard.

P-Cards are issued in the name of a full-time employee or department to be used for small dollar purchases. The P-Card allows cardholders to purchase goods and services on behalf of Temple College. Procurement of goods or services less than \$1,500.00 per transaction are not required to follow the requisition/purchase order method for purchases.

Procurement Card Security

The cardholder is responsible for the security of the P-Card. Cards must be kept in a secure location. The cardholder must use only his/her assigned P-Card. P-Cards or P-Card account numbers must not be loaned to another employee outside the division for his/her use. Cardholders will be held responsible for the charges on their P-Card.

Sales Tax

Temple College is exempt from Texas sales tax. A copy of the College's tax exempt certificate is available from the Purchasing Department.

Procurement Card Restrictions

Most P-Cards have a \$1,500.00 single transaction limit unless the cardholder's supervisor has established another limit. Certain Merchant Category Code (MCC) Groups are prohibited from P-Card use. This restriction will be automatically invoked, if applicable, during the purchase authorization process. Restrictions include, but are not limited to the following:

- Liquor
- Cash Advances
- Independent Contractor Payments
- Personal Use (financial institutions, securities, timeshares, gift cards)
- 1099 Reportable Expenses (an example could include payment of contract labor)
- Splitting purchases to avoid single transaction limit
- Capitalized Equipment/Fixed Assets
- Computers, computer hardware, computer software, projectors, printers and scanners
- Office supplies, fax machines, cameras
- Furniture
- Printing
- Gift Cards and/or Pre-Paid Credit Cards

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Missing Receipts

The cardholder must contact the vendor immediately regarding a missing receipt or invoice and request a duplicate. If the vendor takes no action, the cardholder should contact the Purchasing Department for assistance. In cases where the Purchasing Department cannot obtain a duplicate, a Procurement Card Missing Receipt Form shall be used. This form is to be used as documentation for missing receipts only if the vendor cannot produce a duplicate receipt. The form is to be completed by the cardholder and must be signed by the cardholder and the cardholder's supervisor. The form is then submitted with the other receipts.

Disciplinary Actions

Failure to abide by the guidelines for authorized purchases may result in disciplinary action. Consequences for violation of these guidelines are based on a "three-strike" system:

- First occurrence – Cardholder is given a warning;
- Second occurrence – Cardholder is given a three-month suspension of P-Card privileges and required to attend refresher training;
- Third occurrence – P-Card cancellation.

The cardholder meets with their supervisor regarding the first violation and is given one (1) strike. Upon a second occurrence, the cardholder is given a second (2) strike resulting in a three-month suspension of P-Card use. After the second strike, the cardholder must attend a refresher training session before their P-Card will be reactivated. The cardholder is informed that a third occurrence will result in the cancellation of the P-Card. Upon a third occurrence, strike three (3) is administered resulting in cancellation and cardholder is required to attend a training session before a P-Card will be re-issued. Strikes accumulate and are kept on record for a rolling one-year period, at which time the one-year period begins again.

Use of the P-Card for personal gain or willful unauthorized use will result in immediate termination of P-Card privileges and may result in disciplinary action, up to and including termination of employment at Temple College, as well as civil and criminal prosecution to the extent permitted by law.

Procurement Card Renewal

The Purchasing Department will insure that all P-Cards are re-issued prior to their scheduled expiration dates. Departments are encouraged to review the previous year's P-Card usage prior to renewal to determine if the P-Card is providing the service for which it was intended.

Changing P-Card Limits & Updating Cardholder Information

P-Card limits and updating cardholder information may only be changed by the Purchasing Department. Requests for such changes must be submitted in writing. Authorization for a

temporary increase in the transaction limit to facilitate specific purchases may be requested by the cardholder's supervisor or appropriate departmentally authorized person by contacting the Purchasing Department. The following information must be provided:

- Cardholder's name;
- P-Card number;
- Merchant name;
- Amount of purchase;
- Description of purchase.

Procurement Card Support

For customer service issues or to report a lost or stolen P-Card call 1-877-558-8814. The cardholder must call BBVA Compass Bank immediately upon discovering that the P-Card has been lost or stolen. Assistance is available 24 hours a day. After notifying BBVA Compass, the cardholder must notify the Purchasing Department.

Procurement Card Use

1. Purchases in Person:
 - Check to see the total amount includes shipping, handling, freight, etc. and does not exceed the cardholder's single transaction limit or monthly P-Card limit.
 - Advise the vendor that Temple College is tax exempt. A tax exempt certificate is available in the Purchasing Department for use of the P-Card. **Cardholders are responsible for making sure sales tax is not charged.** If sales tax is charged in error, the cardholder shall contact the vendor and request a credit.
 - Obtain an itemized receipt at the time of purchase identifying each item purchased.
 - Follow internal departmental instructions for recording the purchase, and keep all receipts in a secure place.
2. Purchases by Telephone:
 - Follow the applicable instructions for making purchases in person, including shipping, handling and freight.
 - Indicate to the vendor the purchase shall be on a MasterCard.
 - Emphasize to the vendor that Temple College is tax exempt. A tax exempt certificate is available in the Purchasing Department for use of the P-Card. **Cardholders are responsible for making sure sales tax is not charged.** If sales tax is charged in error, the cardholder shall contact the vendor and request a credit.
 - Check with the vendor regarding educational discounts or if they are members of a Purchasing Cooperative.
 - Record the name of the person taking the order, place the order, give the vendor the P-Card number, P-Card expiration date and request a confirmation number.
 - Give the vendor the cardholder's name, department name, phone number and complete delivery instructions.
3. Purchases by Internet or Fax:

- Follow the applicable instructions for making purchases in person, including shipping and delivery.
- Advise the vendor that Temple College is tax exempt. A tax exempt certificate is available in the Purchasing Department for use of the P-Card. **Cardholders are responsible for making sure sales tax is not charged.** The Purchasing Department will provide assistance if removing sales tax becomes problematic. If sales tax is charged in error, the cardholder shall contact the vendor and request a credit.
- Cardholder needs to check for a secure site prior to submitting their P-Card information. Look for https in the URL – the “s” stands for secure. Another check is to look for a padlock symbol at the bottom of the screen. If the padlock is not present or it is not an https site, do not key in the account number. Cardholder must print a confirmation for their records (e-mail confirmation, print order page).
- If the cardholder makes a purchase via fax, retain a copy of the order as faxed and request a fax confirmation or paid receipt from the vendor.

Returns, Damaged Goods, Credits

The cardholder shall work directly with the vendor regarding goods purchased that need to be returned. Guidelines regarding returns include:

- Cardholder needs to contact the vendor immediately regarding a problem with goods received.
- Always retain boxes, containers or special packaging until it is certain that the goods are going to be kept. Some items such as software cannot be returned without the original packaging materials.
- Read all enclosed instructions and check the packing slip for accuracy.
- Many vendors require a “Return Authorization Number” before accepting a return.
- In some cases there may be a restocking fee (usually a percentage of the purchase price not to exceed 15%).
- If a return is not authorized or if it is not properly credited, the cardholder needs to refer to the Disputed Transactions section of this manual for instructions on resolving the problem.

Review of Transactions

A three-step monthly review will be conducted for all transactions that include:

- Cardholders are responsible for reviewing all transactions to ensure appropriateness of purchases and completeness of documentation.
- The cardholder’s supervisor/responsible budget officer must review and approve (by signature), the cardholder’s transactions on a monthly basis.
- Periodic reviews of each cardholder’s records will be performed by the Purchasing Department and/or the cardholder’s supervisor.

General Reconciliation

The monthly reconciliation of P-Card transactions shall be the responsibility of the cardholder. Responsibilities regarding the reconciliation of cardholder's monthly statement include:

- A copy of the charge slip, itemized sales receipt or any information related to the purchase must be kept by the cardholder and attached to the monthly statement that is sent to Purchasing. If an itemized receipt is not available from the vendor, the cardholder is required to list the items that were purchased.
- The cardholder must provide a list of attendees when food/meals are purchased for any division and/or staff meetings, workshops or group presentations.
- The cardholder must contact the vendor immediately regarding a missing receipt or invoice and request a duplicate. In cases where the cardholder cannot obtain a duplicate, a Procurement Card Missing Receipt Form shall be used. The form is to be completed by the cardholder and must be signed by the cardholder and the cardholder's supervisor.
- Cardholder must document the appropriate budget account(s) in Smart Data Online (SDOL) for transactions that appear on their monthly statement. A summary of the statement must be printed and forwarded to the cardholder's supervisor/budget manager for approval.
- The cardholder's supervisor/responsible budget officer must review the cardholder's transactions and verify the accurate coding of transactions. After reviewing transactions, the supervisor/responsible budget officer must initial the cardholder's monthly statement and send it to Purchasing. Transactions that are charged to budget accounts other than those assigned to cardholder's supervisor/budget officer are required to be approved by the budget officer assigned those accounts. The approval can be accomplished via e-mail or initialing the transaction on the statement.
- Monthly statements must be received in the Purchasing Department no later than the 20th of each month.

Procurement Card Statement

BBVA Compass Bank generates a monthly statement that is mailed to the cardholder. The cardholder submits their statement that has been reconciled to Purchasing. A master statement containing all monthly transactions is sent to the Purchasing Department containing all monthly transactions.

The Purchasing Department audits the cardholders' statements for accuracy and completeness. Upon completion, the master statement report and cardholder statement reports, along with all receipts, are submitted to the Accounting Department for posting to the general ledger no later than the 30th of the month.

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Disputed Transactions

Disputed transactions typically consist of two categories: the return of defective or incorrect goods and discrepancies between the cardholder's records and the MasterCard statement.

Some of the most common reasons for disputed transactions are:

- Unauthorized charges
- Difference in amount authorized and amount charged
- Duplicate charges
- Failure to receive a credit
- Failure to receive the product
- Returned merchandise
- Defective merchandise
- Unrecognized charges

The cardholder shall make every effort to resolve a dispute with the vendor. If a cardholder has a problem resolving a dispute with a vendor, contact the Purchasing Department for assistance.