

TEMPLE COLLEGE ADMINISTRATIVE REGULATIONS MANUAL

SUBJECT: *Procurement Card (P-Card)*

EFFECTIVE DATE: 3/11/2021

BOARD POLICY REFERENCE: CF

PURPOSE

The Procurement Card (P-Card) Program provides the 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 the procurement card.

WHERE APPLICABLE/GRANTS MAY REQUIRE ADDITIONAL PROCEDURES

This practice applies to all purchases with the exception of grant contract funding sources. Employees shall follow the College's purchasing policies and regulations when making purchases from special grants unless the governing document specifies alternate procedures.

TYPES OF CARDS

- Procurement Cards (P-Cards) are issued in the name of a full-time employee to be used for small dollar purchases. The P-Card allows cardholders to purchase goods and services on behalf of the 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. (*See the College's Purchasing Procedures*).

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 for his/her use. Cardholders will be held responsible for the charges on their P-Card.

SALES TAX

The College is exempt from Texas sales tax. A copy of the College's tax-exempt certificate is available from the Purchasing Department. The College Tax Identification Number is also listed on all P-Cards.

PROCUREMENT CARD RESTRICTIONS

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

- Liquor
- Cash Advances
- Independent Contractor Payments
- Personal Use (Financial Institutions, Securities, Timeshares, Gift Cards)
- Splitting purchases to avoid single procurement policy transaction limit
- Capitalized Equipment/Fixed Assets
- Computers, computer hardware, computer software, projectors, printers and scanners
- Office supplies, fax machines, cameras
- Furniture
- Printing

NOTE: Any print job (new or repeat order) or any purchased item with a Temple College Logo (institutional, athletic or departmental) or “Temple College” verbiage must have approval from the office of Marketing & Media Relations.

MISSING RECEIPTS

The cardholder **must** contact the vendor immediately regarding a missing receipt or invoice and request a duplicate. If the vendor is unable to reproduce a receipt 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 (3) occurrence, strike three (3) is administered resulting in cancellation of the P-Card. The cardholder may apply for a P-Card again one (1) year after cancellation and is **required** to attend a training session before a P-Card will be 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 the College, as well as civil and criminal prosecution to the extent permitted by law.

PROCUREMENT CARD RENEWAL

The Purchasing Department ensures that all P-Cards are re-issued prior to their scheduled expiration dates. Departments/Divisions 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.

SURRENDER OF PROCUREMENT CARD

Upon the resignation, retirement or termination of cardholder, Human Resources will notify the Purchasing Department. The Purchasing Department will then terminate the cardholder’s account. The P-Card **must** be returned to the Purchasing Department for disposal.

CHANGING P-CARD LIMITS & UPDATING CARDHOLDER INFORMATION

P-Card limits and updating cardholder information may be changed by the supervisor by forwarding a Purchasing Card Account Application Form to the Purchasing Department with the new information.

Authorization for a *temporary* increase in the transaction limit to facilitate specific purchases may be requested by the cardholder's supervisor by contacting the Purchasing Department. The following information must be provided:

- Cardholder's name
- Last eight digits of the P-Card number
- Merchant name
- Amount of purchase
- Description of purchase

PROCUREMENT CARD SUPPORT

Please contact the Purchasing Department for customer service issues or to report a lost or stolen P-Card. The cardholder **must** call the issuing bank immediately upon discovering that the P-Card has been lost or stolen. Instructions will be provided by the Purchasing Department to the cardholder upon notice. If the Purchasing Department is not available or it is after normal business hours the cardholder is to call the issuing bank's phone number.

Cardholders shall contact the Purchasing Department regarding most P-Card issues such as rejected or disputed transactions. The Purchasing Department provides assistance to cardholders, processes P-Card applications, updates cardholder information and conducts post-audit review of transactions for compliance with Purchasing Card Procedures and Purchasing Procedures.

OBTAINING A PROCUREMENT CARD

To obtain a P-Card, the employee shall complete the Purchasing Card Application Form using the instructions to fill out the application, have it approved by their supervisor and submit it to the Purchasing Department. The Purchasing Department will send the form's information to the P-Card's issuing bank for processing. After the cardholder acknowledges that they have read and understood the procurement card policy, a P-Card will be issued to the cardholder.

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 the 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 procurement card.
- Emphasize to the vendor that the 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. Goods are required to be shipped to the Mailroom.

3. *Purchases by Internet or Fax:*

- Follow the applicable instructions for making purchases in person, including shipping and delivery.
- 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.

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. This includes student organizations.
- 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** use the appropriate budget account(s) 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 **must** review the cardholder's transactions and verify the accurate coding of transactions. After reviewing transactions, the supervisor **must** initial the cardholder's monthly statement and send it to purchasing. 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 10th of each month.

PROCUREMENT CARD STATEMENT

The procurement card issuing bank generates a monthly statement that is sent to the cardholder. The cardholder submits their statement that has been reconciled to Purchasing. A master statement containing all monthly transactions is sent to Accounts Payable containing all monthly transactions.

The Purchasing Department audits the cardholders' statement for accuracy and completeness. Upon completion, the master statement report and cardholder statement reports, along with all receipts, are submitted to the Accounts Payable for posting to the general ledger.

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 **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.

DISPUTED TRANSACTIONS

Disputed transactions consist of two categories: the return of defective or incorrect goods and those related to discrepancies between the cardholder's records and the procurement card statement.

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 (such as defective merchandise), contact the Purchasing Department for assistance.