

Sam Houston State University

P-CARD POLICY/GUIDE

INTRODUCTION

The purpose of the Sam Houston State University Procurement Card (P-Card) Program is to establish a more efficient, cost-effective method for paying for orders and to delegate the authority and capability to make these purchases to the end-user in amounts not exceeding transaction daily and monthly limits. This program is intended to complement existing processes. The P-Card program will be administered in accordance with the terms of the State of Texas contract and University Procurement and Business Services Policy\Guide. **The P-Card is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements.** In addition to internal policies and procedures, Sam Houston will comply with the terms and conditions of the State contract. **When SHSU Policy contradicts Procurement Card Policy, SHSU Policy prevails.** This program is designed to empower the cardholder to make needed purchases without a delay and with minimal paperwork.

THE PROCUREMENT CARD

The P-Card is issued in the employee's name with the SHSU Logo and the wording 'Official Use Only' clearly indicated on the card. The P-Card will be issued in a pocket style sleeve identified with the SHSU logo to help distinguish the University P-Card from other credit cards. **The P-Card is to be used for official University business purposes only and may not be used for any personal transactions.** The monthly bill is paid by the University, not the employee. The cardholder is responsible and accountable for the security and documentation associated with the use of the SHSU Procurement Card and for complying with all policies and procedures related to the P-Card program. Documentation shall include providing transaction detail information for each transaction through the JP Morgan Chase Smart Data Online (SDOL) and keeping documentation of all transactions including returns, credits, and disputed charges as required.

P-CARD ISSUANCE

Cardholders must bring their photo I.D. to the Program Coordinator located on the fourth floor at Suite 452 (Procurement and Business Services) within the CHSS Building, before the P-Cards will be issued. P-Cards will only be issued to the cardholders. Students are **not** allowed to pick up P-Cards for the cardholders. The cardholder will sign the Cardholder P-Card Agreement which will be kept on file in the Program Coordinator's office along with a copy of their P-Card. The cardholder will receive a signed copy of the Cardholder P-Card Agreement and their P-Card. The Procurement Card Program Policy/Guide provides the guidelines for using the Procurement Card. Please read it carefully. Your signature on the Cardholder Procurement Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

ACTIVATING THE PROCUREMENT CARD

The cardholder must call the number on the card to activate the procurement card before using it. Upon receipt of the card, the cardholder must sign the back of the procurement card and always keep the card and card number in a secure place. **Please call from a Sam Houston State University phone to activate the card. Do not call from a personal phone.** This will provide an additional level of security and tracking.

SECURITY OF THE PROCUREMENT CARD

The cardholder is responsible for the security of the card and card number. This card shall be treated with the same level of care as the cardholder would use his/her own personal charge cards. Guard the P-Card account number carefully. It should not be posted in a work area or left in a conspicuous place. It must be kept in a secure location.

CARD USE BY SOMEONE OTHER THAN THE CARDHOLDERS

If the cardholder wants to allow another University employee or a student to use his/her P-Card, the cardholder **MUST** complete a P-Card Use Form and file it with the Program Coordinator in the Procurement Office. The P-Card Use Form will identify by name those individual(s) that will be approved to use the cardholder's card; i.e., named employees or students. The P-Card Use Form must be updated to reflect any changes to department heads, employees, and students that will be using the P-Card. A copy of the updated form must be sent to the P-Card Coordinator. The cardholder is responsible to ensure that the individual using the card is aware of appropriate uses for the card and the need to return the card and associated documentation immediately after making the purchase. Please note that vendors may question a different person signing the card and may choose to refuse the sale.

P-Card Use Form can be found at: http://www.shsu.edu/~pur_www/pcard/index.html

Card Use by Another Employee

It is the cardholder's option to allow another University employee within the cardholder's department to use the card. Failure to document another employee's use of the card prior to the purchase or to allow inappropriate use of the card will result in point's accumulation toward deactivation or cancellation of the card as provided by Procurement and Business Services Procurement Card Policy/Guide.

P-CARD TRAINING

All department heads are recommended to attend training and sign the Cardholder Application/Approval Form before any cards will be issued to employees within the department. All employees will be required to attend training and sign a Cardholder Agreement before being issued a card. All cardholders will be required to complete refresher training either in person or online with testing every 2 years.

POINTS OF CONTACT- RESPONSIBILITIES

Program Administrator/Coordinator Responsibilities: Administration of the program

- Establishing University policies related to the program.
- Issuing Cards
- Cardholder training
- Monitoring and maintaining documentation of P-Card activities
- Determining compliance with University policies and procedures through periodic auditing of cardholders
- Answering day to day questions
- Establishing and updating restricted Merchant Category Codes

AP Coordinator Responsibilities: (Assigned Accounts Payable Staff Member)

- Receive statements from JP Morgan
- Receives approved P-Card reconciliation and all documentation from departments
- Audit account on detail and corrects, if necessary; notes corrections to department

Account Manager Responsibilities: (Chair, Director, Other)

- Designating cardholders
- Determining spending limits
- Approving each cardholder's monthly P-Card documentation to ensure purchases are within SHSU Policies and Procedures
- Ensuring that all employees issued a card understand the department budget constraints under which cards are to be used. Monitor all accounts being used by cardholder to ensure sufficient funds are available.
- Notify P-Card Coordinator by email when employees terminate employment or transfer if the employee is an authorized user on the Procurement Card.
- Designate an appropriate employee to review and sign monthly Expense Reports if department/division head is unavailable to sign. (Designee should have the title of Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator/Manager.)

Cardholder Responsibilities: (Individual whose name is on the P-Card)

- Following all P-Card policies, procedures, rules, and guidelines outlined in the Procurement and Business Services Procurement Card Policy/Guide.
- Must attend a training class.
- Agree to buy within the delegated limits approved.
- Secure the card in a safe place.
- Submit monthly expense report to Accounts Payable.
- Maintaining the necessary documentation related to purchases made with the P-Card

JP Morgan Chase Customer Service

- Available 24 hours a day, 7 days a week
- Assists the cardholder with general questions about the P-Card account
- If a P-Card is lost or stolen, Customer Service should be notified immediately: 1-800-890-0669

PROCUREMENT CARD CONTROLS

Credit Limits

- All P-Cards will have cardholder spending limits as approved by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator and/or Manager. (A form has been provided for approval of same. Please see: Request for Procurement Card Credit Limit Increases.) 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 billing cycle. The department should request a Payment Cycle Limit consistent with the anticipated use of the card, up to a *maximum* limit of \$50,000 *per department*, subject to change upon review. Any requests for a monthly credit limit increase over \$15,000 will require approval by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator and/or Manager. A *Request for P-Card Credit Limit Increases* can be found at: http://www.shsu.edu/~pur_www/pcard/index.html

Department Head and/or Vice President approval:

Raising your limit over \$15,000 increases SHSU's liability in the case of fraudulent charges and this liability will ultimately be the responsibility of the account holder and the account designated, so protect yourself and don't ask for more credit than you reasonably think you will need each month.

Daily Spending Limits:

Will limit the dollar amount available toward purchases in a 24-hour period.

Transaction Spending Limits:

Will limit the total dollar amount available toward a single purchase. The Transaction Limit allowed is \$2,000 with the ability to increase the limit up to and including \$5,000 as determined by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator/Manager.

A transaction includes the purchase price, plus freight and installation.

A *Request for P-Card Credit Limit Increases* can be found at:

http://www.shsu.edu/~pur_www/pcard/index.html

Restricted Vendors

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The P-Card program is restricted from use with certain types of suppliers and merchants. If the P-Card is presented for payment to these vendors, the authorization request will be declined. If this happens and the purchase is within other guidelines, call the Program Coordinator while still at the vendor's place of business. The change allowing the purchase to be completed may be made by phone. If this is not possible, the Program Coordinator will advise what steps to take to complete the purchase. The cardholder may be required to return to the office and submit a requisition.

Please note that many vendors who operate within acceptable Merchant Category Codes may sell some items that are restricted from purchase on the P-Card. **Just because the vendor sells it does not mean the cardholder can buy it.** See *Acceptable and Unacceptable Purchases*.

LOST OR STOLEN CARDS

If a P-Card is lost or stolen, immediately contact JP Morgan Chase Customer Service at 1-800-890-0669.

After contacting JP Morgan Chase, notify the University Police Department, the Program Coordinator, and your Department Head. Prompt, immediate action will reduce the possibility of fraudulent activity. It is imperative that the cardholder contact the bank immediately to report a card lost or stolen. The cardholder may be required to reimburse the University for any charges resulting from failure of the cardholder to immediately report the loss or theft of a card. The department may be subject to suspension or termination of all departmental cards for failure to report lost or stolen cards. Any fraudulent charges made on a lost or stolen card should be reported to the University Police Department and the Program Coordinator. The Program Coordinator will report fraudulent activity to the Office of Audits and Analysis. Keep in mind that the department may have to pay the full amount of card charges and work through the legal system to receive reimbursement.

EMPLOYEE TRANSFER/TERMINATION

It is imperative that in either of the following cases the Department Head or his/her designee ensure that the Procurement Card is returned to the Program Coordinator.

- upon employee transfer to another University Department
- upon employee termination from University employment

The Department Head is responsible for determining the account number for any outstanding charges. Any fraudulent charges made after an employee's termination from employment at the University should be reported to the University Police Department and the Program Coordinator. The Program Coordinator will report fraudulent activity to the Office of Audits and Analysis. The department may be subject to suspension or termination of all departmental cards for failure to secure and return cards from employees transferred or terminated.

REFRESHER TRAINING

All cardholders will be required to complete refresher training in person or electronically every two years.

CARD TERMINATION

Privilege does not come without responsibility. Use of the credit card is a privilege that carries a great deal of responsibility, but one that will be worth it due to the ease with which purchases can be made. If any one cardholder is allowed to abuse the use of the P-Card, the whole program is impacted. Therefore, abuse of the P-Card can result in immediate consequences with no appeal.

Certain P-Card rule violations will result in immediate deactivation or cancellation for all of a cardholder's cards as noted herein and in Procurement and Business Services Policy/Guide 'Procurement Card'. Other violations will be tracked on a point's basis accumulated by cardholder. Every 6 months, accumulated points will be reviewed and appropriate action taken as noted herein and in Procurement and Business Services Policy/Guide 'Procurement Card'. Points will not carry over from one 6-month period to another. Note the actions and subsequent consequences outlined herein or in the Policy/Guide should not be considered all inclusive. Points may be

accumulated during any transaction review, research or audit by either the P-Card Coordinator or the Office of Audits and Analysis.

Occasionally, exceptions to the P-Card rules may be approved by the P-Card Coordinator prior to the transaction taking place. If so approved, the cardholder and P-Card Coordinator will have an Exception Form on file with the transaction, and card cancellation, deactivation, or points will be waived.

P-Card Exception Approval Form can be found at: http://www.shsu.edu/~pur_www/pcard/index.html

Immediate Card Cancellation - results in cancellation of all cards with no option to ever receive another card

- Items purchased for personal use when determined to be intentional abuse or fraud
- Use of the P-Card to secure a cash advance
- 2nd Lost or Stolen Card within 3 years after the 1st lost or stolen card

Immediate Card Deactivation – results in a waiting period of 3 months for re-activation.

- JP Morgan Chase Expense Reports not posted by the required date for 3 consecutive months or 3 months during a 6 month period
- Splitting purchases to avoid purchasing procedures (2nd offense)
- Failure to provide documentation within the requested timeframe for an audit

Points Schedule

Points will accumulate as noted below against each cardholder. An accumulation of points over a 6-month period will result in the following actions:

4 points accumulated within the first 4 months of a 6-month period will trigger a need for a full audit of 3 months worth of transactions.

6 points accumulated with a 6-month period will cause all of cardholder's cards to be deactivated for a minimum of 3 months. Before any cards will be reactivated, the employee will be required to attend training.

10 points accumulated within a 6-month period will cause all of cardholder's cards to be deactivated for a minimum of one 6-month period. The card will only be activated after the 6-month waiting period and only upon completion of training.

Points will accumulate per instance as noted below when the following unacceptable purchases are made, procedures are not followed, or documentation is not produced:

1.....Not using TIBH (www.tibh.org) as a vendor for items available when using state funds

1.....Purchase of controlled, hazardous, or radioactive materials

1.....Purchase of postage

1.....Fuel for automobiles

1.....Failure to get the appropriate approval for Membership Dues prior to purchase

1.....Charitable donations

1.....Cell phones

1.....Phone Cards

1.....Professional and Consulting Services

1...Purchase of services over the \$100 maximum allowed

1.....Problem resolution/documentation form

1.....Tax charged/no credit received

1.....Failure to document the name of another employee or student using the P-Card

1...Failure to get the proper approval for the purchase of Gifts per policy:

<http://www.shsu.edu/intranet/policies/finop/documents/FO-19-Food%20and%20Beverage%20Purchasing.pdf>

- 2.....Failure to get the proper approval for the purchase of Awards per policy:
http://www.shsu.edu/administrative/policies/finop/purchasing/documents/PUR-19_Achievement_of_Awards.pdf
- 2.....Alcoholic Beverages
- 2.....Travel related expenditures
- 2.....Items for personal use – when determined to be accidental
- 2.....Purchase of “Controlled Equipment”
- 2.....Exceeding a card’s daily or monthly transaction credit limit
- 2.....HUBs not being utilized
- 2.....Card use by another employee or student without a P-Card Use Form on file

- 3.....Violation of Finance & Operations Information Resources Policy FO-IR-12, SHSU Technology Acquisition Oversight:
http://www.shsu.edu/administrative/policies/finop/information_resources/documents/foir12TechnologyAcquisitionOversight_000.pdf
- 3.....Unable to produce verification of purchase upon request; e.g., receipts, invoices, credit receipts, printed internet or email confirmations, etc.
- 3.....Splitting purchases to avoid purchasing procedures (1st offense)
- 3.....Not keeping the card number secured. Card number posted in a public area, cards left laying around or not kept in a secure location
- 3.....Accepting Free Gifts with purchases and/or in lieu of receiving available discount.
- 3.....Failure to obtain approval on the Food/Beverage/Award/Flowers/Promotional Items Request Form FO-19A prior to the purchase of food and beverages (non-alcohol), flowers for non-University sponsored events, and promotional items.
- 3.....Failure to complete online reconciliation by due date; failure to provide reconciled Expense Report by due date.

Other Card Cancellations and Actions

Non-Use - If the cardholder has not used the procurement card within one year, the P-Card will be cancelled. To receive a new card, the cardholder will be required to submit a P-Card Application/Approval Form and attend training.

Termination of University Employment - When a cardholder terminates employment with the University, the department has specific obligation to reclaim the P-Card and return it to the Program Coordinator prior to the employee termination date. Failure to reclaim or dispose of cards as designated may result in the department being responsible for payment of any fraudulent charges and revocation of all department card privileges. Notification to return the P-Cards to the Procurement and Business Services Department will be included in the employee’s exit process with Human Resources. Any fraudulent charges made by a terminated employee after the employee’s termination will be reported to the University Police Department. The terminated employee will be expected to reimburse the University.

Transfer to a Different University Department - When a cardholder changes employment from one University department to another, the department has specific obligation to reclaim the P-Card and return it to the Program Coordinator prior to the effective date of change. Failure to reclaim or dispose of cards as designated may result in revocation of all department card privileges.

Failure To Promptly Report A Lost or Stolen Card - If a cardholder fails to make a report of a lost or stolen card immediately upon discovery, the cardholder may be required to reimburse the University for any fraudulent charges made on the card until it has been cancelled. The University will pay the charges and the employee will be required to reimburse the University. The cardholder will be subject to a minimum 3-month waiting period before a new card will be issued and will be required to attend training again. If a 2nd

card is lost or stolen within 3 years after the 1st lost or stolen card, all of cardholder's cards will be cancelled with no option to ever receive another card.

Failure to Complete the Required Refresher Training - Any cardholder who fails to complete the required refresher training every 2 years will have all cards deactivated until the refresher training is complete. If the refresher training is not completed within 6 months of card deactivation, all cards will be cancelled, and the employee will be required to submit a P-Card Application/Approval Form and attend training before receiving new cards.

Administrative Authority - The Department Head or supervising Dean, Vice President, or President has the authority to request that the Program Administrator deactivate or cancel an employee's cards at any time for any reason. Any cards so deactivated or cancelled may be reactivated or new cards issued with approval by the position that originally requested the deactivation or cancellation. The P-Card Coordinator, Office of Audits and Analysis, or General Counsel's Office has the authority to request that the Program Administrator deactivate an employee's card while transactions are being researched or investigated, or an audit is being conducted. At the conclusion of the research, investigation or audit, the cards will be reactivated and/or appropriate action taken as specified herein and in policy.

USING THE PROCUREMENT CARD

The cardholder is responsible to ensure that he/she is following the latest policies, procedures, rules, and guidelines each time a purchase is made. All cardholders are automatically subscribed to an electronic mail list for the purpose of insuring that all cardholders receive notice of changes and updates to the P-Card Program.

MAKING A PURCHASE

- Determine if the transaction is an acceptable use of the card.
 - a) Items available through TIBH must be considered when using **'State & local' funds**. Products by Persons with Disabilities – A preference shall be given to manufactured products of workshops, organizations, or corporations whose primary purpose is training and employing persons with mental or physical disabilities, if the products or services meet State specifications as to quantity, quality, and price. Competitive bids are not required for purchases of blind-made goods or services offered as a result of efforts by The Texas Council for Purchasing from People with Disabilities – TIBH. When employing treasury funds, and the purchase(s) or service(s) can be provided by TIBH, they will be purchased through TIBH or justify in writing the reason for the rejection and forward the rejection letter to Procurement and Business Services. http://www.shsu.edu/~pur_www/forms/tibh_exceptions.pdf
 - b) Splitting purchases to avoid purchasing procedures or bidding requirements is not allowed
 - c) Consider available contracts for best value: State Contracts, TX-MAS Contracts, DIR Contracts, Tex-An Contracts, and Cooperative Contracts
 - d) Always consider Recycled Products
 - e) Accepting Free Gifts with purchases is strictly prohibited with the P-Card
 - f) See examples of Acceptable and Unacceptable Purchases

- Determine if the transaction is within the cardholder's spending limit. A transaction includes the purchase price, plus freight and installation and excluding tax.
 - ~ NEVER split purchases to stay within the cardholder's spending limit.
 - ~ **Sales Tax should never be charged. SHSU is a tax exempt agency. Sales tax is not a disputable item with JP Morgan Chase. If tax is charged, it must be paid and the department will be responsible for obtaining a credit from the vendor charging the tax.**

- Identify the vendor.

State law mandates, on both state and local accounts, that SHSU make a good faith effort to increase business with **Historically Underutilized Businesses (HUBs)**. Contact the HUB Coordinator, Program

Coordinator or your purchaser for help identifying certified HUB vendors. Remember that SHSU's percentage of business with HUBs is considered during the biennial budget allocation process. HUBs may be searched at the State of Texas CMBL search site: <http://www.window.state.tx.us/procurement/prog/cmb/>

- Prior to the commitment of funds, **state law mandates that the cardholder verify the vendor's warrant hold status FOR ANY PURCHASE EXCEEDING \$150.** Verification can be made at the following Comptroller website: <https://ourcpa.cpa.state.tx.us/coa/Index.html>
- Call or fax the order, visit the vendor, or place the order over the internet if you feel that the site is secure. Confirm pricing including shipping and installation and excluding tax.

*The P-Card identifies Sam Houston State University as being a **tax exempt** entity of the State of Texas but does not automatically result in the charge being tax exempt. **Stress to the vendor that SHSU is tax exempt.***

- Provide detailed shipping instructions including the building and room number where delivery is to be made. P-Card deliveries **should not come through Central Receiving.** Request that the cardholder's name, delivery address, and purchase order number, if applicable, appear on all packing lists and box labels. This will help ensure that the shipment gets to the right person. Please be advised that the cardholder's University mailbox number is the billing address used for the procurement card. This is the box number you listed on the JP Morgan Chase Purchase Cardholder Account Application Form.

Secure a receipt or invoice, and/or P-Card Documentation/Problem Resolution Form to fully document the purchase and if applicable, any problems associated with the purchase. Screen prints are acceptable for internet orders as long as pricing is reflected on the print out. Always instruct the vendor to send the receipt/invoice directly to the cardholder, **not to Accounts Payable.** A state agency may not pay for goods before their delivery to the agency. Vendors should only charge the account when goods are shipped. Back orders should not be charged until the goods are shipped. All receipts/invoices or online printouts must reflect pricing.

- Ensure receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.

ACCEPTABLE AND UNACCEPTABLE PURCHASES

ACCEPTABLE PURCHASES-EXAMPLES (This list is not all inclusive.)

The P-Card may be used for a wide variety of purchases of goods and services with a maximum single transaction limit of \$2,000 with the ability to increase the limit up to and including \$5,000 as determined by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator/Manager. (A form has been provided for approval of same. Please see: Request for Procurement Card Credit Limit Increases.) A transaction includes the purchase price, plus freight and installation. Examples include but are not limited to:

Buy from a certified HUB when possible.

- Tools/Hardware
- Safety Supplies
- Books/Dvds Educational, Film and Reference (No purchase of textbooks for students are allowable.)
- Purchase of food or non-alcoholic beverages - See **Policy FO-19**:
<http://www.shsu.edu/intranet/policies/finop/documents/FO-19-Food%20and%20Beverage%20Purchasing.pdf>
- **Aramark Food Services** (including attendant, linen and china fees)
Food/ Beverage/Award/Flowers/Promotional Items Request **Form FO-19A** must be attached:
<http://www.shsu.edu/administrative/policies/finop/documents/FO-19AFoodandBeverageForm-NEW.pdf>
- **Restaurants** (Requires the Food/ Beverage/Award/Flowers/Promotional Items Request form signed by the appropriate individual prior to purchase.) No alcohol of any kind may be purchased. (Local Accounts - Gratuity up to 20% is allowable.
NO GRATUITY OF ANY KIND IS ALLOWED ON STATE ACCOUNTS.) **REMINDER: THE PROCUREMENT CARD CANNOT BE USED FOR TRAVEL OR RELATED EXPENSES OF ANY KIND.**
- Janitorial Supplies
- **Building Supplies and Materials** (Description of purpose for same must be attached to receipt.)
- **Decorations** (For University sponsored events only)
- **Flowers** (Flowers for non-University Sponsored Events require the Food/ Beverage/Flowers/Promotional Items Request form signed by the appropriate individual prior to purchase.)
- Lab Supplies
- Medical Supplies (No prescriptions/or controlled substances are allowed)
- **Memberships Dues** Memberships Dues are accepted only if prior approval was obtained.
See **Policy FO-36**: <http://www.shsu.edu/administrative/policies/finop/documents/FO-36Memberships-Professional.pdf>.
- Office Supplies
- Computer Supplies – See Policy FO-IR-12 and IT@Sam Streamlines Technology Purchasing Process links noted below:
http://www.shsu.edu/administrative/policies/finop/information_resources/documents/foir12TechnologyAcquisitionOversight_000.pdf
IT@Sam Streamlines Technology Purchasing Process:
http://www.shsu.edu/~ucs_www/newsletter/May_2011/purchases.html
- Registration for conferences, seminars, webinars, rental of booths, etc.
- Small Equipment (not capital or controlled; see below)
- Purchases from the Barnes & Noble Bookstore, unless otherwise prohibited below
- Rentals (Rentals are accepted on the P-Card only if the rental does not require an agreement or contract to be signed for use of the equipment and/or space.)
- Advertisements for non-personnel related ads
- **Advertisement for personnel related ads** - Personnel Advertisement is allowed on the P-Card **ONLY** if the cardholder has proper approval from the Human Resources Department.
- **Subscriptions/Periodicals** - when the subscription/periodical is shown to be beneficial to the University. Electronic subscriptions are allowed with prior approval from Information Resources.
- **Promotional Items** (Require the Food/Beverage/Award/Flowers/Promotional/Gift Items Request form signed by the appropriate individual prior to purchase.) See Policy FO-19:
<http://www.shsu.edu/intranet/policies/finop/documents/FO-19-Food%20and%20Beverage%20Purchasing.pdf>
- **Fertilizer**
- **Pesticides** (non-hazardous)
- **Plants/Landscaping Supplies**
- **Fabric/Linens/Uniforms**
- **Furniture** (non-inventoried)
- **Criminal/Civil Investigation** (University Police Department and Teacher Education only)
- **Services** (Maximum Dollar Amount of \$100.)
- Gifts per policy:
<http://www.shsu.edu/intranet/policies/finop/documents/FO-19-Food%20and%20Beverage%20Purchasing.pdf>
- Awards with proper approval per policy:
http://www.shsu.edu/administrative/policies/finop/purchasing/documents/PUR-19_Achievement_of_Awards.pdf
- Freight (to return items purchased with the P-Card)

UNACCEPTABLE PURCHASES

The P-Card **MUST NOT BE USED** for the following purchases:

- Items for Personal Use
- Ammunition (Acceptable purchase for University Police Only)
- Insurance Premiums
- Fines and Penalties
- Leases
- Sam's Club (Items purchased from this vendor are direct billed to the University. Please contact Procurement and Business Services to set up an account.)
- Items purchased with State funds from another source other than TIBH when the same item is available from TIBH
- Printing
- Animals that are required to be reported on the Annual Financial Report (**Note:** Consumable animals, such as lab rats, are acceptable purchases.)
- Travel and related expenses (**Note:** Registration is no longer considered a travel expense.)
- Cash Advances or cash refunds
- Gift Cards/awards - See **Policy PUR-19:** <http://www.shsu.edu/administrative/policies/finop/purchasing/>
- Controlled, hazardous, or radioactive materials
- Fuel for automobiles (Comdata cards must be used.)
- Charitable Donations
- Alcoholic beverages
- Professional and Consulting Services
- Cellular phones
- Phone Cards
- Postage, including freight charges via Federal Express or United Parcel Service
- Prescription Drugs/Controlled Substances
- Accepting Free Gifts with purchases and/or in lieu of receiving available discount
- **STATE DEFINED CONTROLLED EQUIPMENT:** Equipment with a single unit value from \$500 to \$4999.99 and identified as any one of the following:
 - Stereo Systems
 - Cameras
 - TV's, VCR/DVD Players
 - Two-Way Radios
 - Camcorders
 - Microscopes
 - Microcomputers, Servers and Laptops
 - Printers
 - Data Projectors
 - GPS
 - UPS Battery Backup
 - Scanners
 - Monitors

Finance & Operations Information Resources Policy FO-IR-12, SHSU Technology Acquisition Oversight

http://www.shsu.edu/administrative/policies/finop/information_resources/documents/foir12TechnologyAcquisitionOversight_000.pdf
(All IT related equipment per above IT policy regardless of funding source or dollar amount.)

HIGH RISK ITEMS CONTROLLED BY SHSU (Regardless of value):

- Firearms
- Historical Treasures and Works of Art

RETURNS, CREDITS, AND DISPUTED CHARGES

Should a problem arise with a purchased item or charge, the cardholder shall make every attempt to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. Returned, credited or disputed charges must be documented on a *P-Card Documentation/Problem Resolution Form*. **Sales tax is not a disputable charge through JP Morgan Chase.**

Returns and Credits

If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns must be recorded on the P-Card Documentation/Problem Resolution Form. If an item is accepted as a return by the supplier, a credit for this item may appear on the same statement on which the original charge is posted. If not, the charge will have to be disputed or paid until the credit is posted or other resolution is reached. *P-Card Documentation/Problem Resolution Form* can be found at:

http://www.shsu.edu/~pur_www/pcard/index.html

Disputed Charges

If a cardholder finds a charge on a monthly statement that is inaccurate the cardholder may choose to dispute payment by disputing the charge on a JP Morgan Chase Disputed Item form. All disputed charges must be detailed in the JP Morgan Chase System according to instructions. The *Dispute Form* is to be faxed to JP Morgan Chase, to the number indicated on the form. ***The Dispute Form MUST also be faxed to Accounts Payable, and the Program Coordinator.***

If a charge appears for which a credit is pending, the charge can be disputed until the credit is posted, or the charge can be paid and the credit utilized against future charges. The JP Morgan Chase *Dispute Form* may be downloaded from the Procurement and Business Services website at:

http://www.shsu.edu/~pur_www/pcard/index.html

If disputed, JP Morgan Chase will place the charge in a 'State of Dispute' and the account may be given a provisional credit until receipt of adequate documentation from the vendor is provided. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked. An investigation of the charge will continue and a provisional credit will be issued. A new card will then be re-issued to the cardholder, if appropriate. If, after the investigation, the disputed charge appears to be legitimate, the transaction will then post to the new account.

REQUIRED DOCUMENTATION

PROCUREMENT CARD TRANSACTION DETAIL AND DOCUMENTATION

Each cardholder is responsible to retain documentation on each purchase and make or appoint a staff member to make transaction detail entries into the JP Morgan Chase Smart Data Online (SDOL) System. Each individual purchase must be detailed electronically, showing a detailed description, the object code(s) to which the charges apply, the associated amounts and if vendor is HUB certified or not.

Acceptable paper documentation for each transaction may include but is not limited to:

- ✓ Sales Receipts/Invoices or printed internet or email confirmation (**always required**) All documents, printed internet or email confirmations must reflect pricing on the printout.
- ✓ Packing Slips
- ✓ Credit Receipts/Slips/Invoices must reflect pricing.
- ✓ P-Card Documentation/Problem Resolution Forms
- ✓ JP Morgan Chase Disputed Item Form
- ✓ Other information or correspondence related to the purchase
- ✓ Issuance of a P-Card on a Grant/Contract account requires prior review and concurrence by the Office of Research Administration. In addition to any restrictions of the funding agency, P-Card use by Grant/Contract Accounts shall follow all applicable SHSU P-Card Policies and Procedures. It is the responsibility of the Account Manager/PI to adhere to P-Card and SHSU Policy and also to the applicable Federal and State regulations and any

terms and conditions specific to the contract or grant award rules and regulations. Using the P-Card with Grant/Contract funds requires additional diligence by the Office of Research Administration.

MONTHLY STATEMENT, RECONCILIATION, AND APPROVAL

The cardholder must complete or assign a staff member to complete all transaction detail entries in the JP Morgan Chase SDOL System and reconcile the entries with the JP Morgan Chase Expense Report. The transaction detail entries are required and provide an accounting trail for expenditures made with the P-Card. Each individual purchase must be detailed in the JP Morgan Chase Smart Data Online (SDOL).

All transaction detail entries related to charges on the JP Morgan Chase Expense Report must be completed on or before the 18th day of the month following the billing cycle close date. IF the 18th of the month falls on a weekend, expense report should be delivered to Accounts Payable by the first work day of the following week. It is the cardholder's responsibility to resolve all discrepancies. Enclosed in this Procurement Card Policy/Guide is an example of the Procurement Card Transaction Log. The transaction log is a required method for expenditure tracking while using the Procurement Card. The form is available at http://www.shsu.edu/~pur_www/pcard/index.html. It is a requirement that at least two staff persons within an individual department be able to perform SDOL reconciliation transactions in order to ensure that transactions are reconciled by the due date to the Accounts Payable Department in the event someone is out of the office.

After reconciliation of the JP Morgan Chase Expense Report, attach all original receipts, invoices and documentation in order of the transactions to the back of the JP Morgan Chase Expense Report. Any receipts smaller than 8 ½ by 11 should be taped to an 8 ½ x 11 piece of paper and taped down on all four sides of each receipt. You may have more than one receipt per 8 ½ x 11 page, however please keep them in order of transaction date. (Be careful not to tape over print if possible as tape can cause the print on thermal receipts to disappear much quicker.) The JP Morgan Chase Expense Report must be signed by the cardholder and routed to the Department Head for approval signature.

Two DIFFERENT signatures must be on the JP Morgan Chase Expense Report.

The JP Morgan Chase Expense Report MUST BE SIGNED by the Cardholder.

The JP Morgan Chase Expense Report MUST BE SIGNED by the Department Head.

If the Department Head is the Cardholder, the Department Head must sign as the cardholder, and another employee within the department must sign as the Reviewer.

- In the event the Department Head is unavailable to sign the Expense Report, the Department Head should appoint a designee to sign on his behalf. (Designee should have the title of Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator/Manager.)

It is the Department Head/Reviewer responsibility to review the transactions listed on the JP Morgan Chase Expense Report to verify that all purchases are appropriate expenditures for the department and account charged. The Cardholder must route the approved JP Morgan Chase Expense Report with attached original receipts and invoices to the Accounts Payable Coordinator. If the Department Head/Reviewer questions any transaction, they should bring it to the attention of the department head or the P-Card Coordinator, or it may be reported

anonymously through the University's fraud and ethics reporting process. Reported transactions will be audited and appropriate action taken as specified herein.

AUDIT

Monthly Statements, JP Morgan Chase Expense Reports and associated documentation will be periodically audited by the Procurement Office. Upon receipt of a request to audit, the cardholder must forward copies of all documents to the Program Coordinator within 48 hours. The cardholder should keep copies of all documents at all times.

Audits may be conducted in 1 of 3 ways:

- The Program Coordinator will contact the cardholder requesting an audit review.
- The Program Coordinator may notify the cardholder that an on-site audit will be conducted within 24-48 hours.
- The Program Coordinator may visit the cardholder's workstation without notice and request an immediate review.

The Office of Audits and Analysis may also conduct P-Card audits at any time without notice to the cardholder or the Program Coordinator.

PROCUREMENT CARD PAYMENT

At the end of each billing cycle, every cardholder will receive an e-mail stating "Your JP Morgan Chase account has cycled. Please reconcile your account and send to Accounts Payable no later than the 18th of the month. If the 18th of the month falls on a weekend, expense reports should be delivered to Accounts Payable by the first work day of the following week. SHSU has selected *a billing cycle of 30 days with payment due in 30 days*. SHSU's statement closing date will be the 5th day of the month or the 1st business day after, if the 5th falls on a weekend or holiday. Accounts Payable will receive a summary billing listing all transactions, with receipts, documentation, etc. during the period by each cardholder. Accounts Payable will pay the summary billing in full, except for charges officially disputed on a JP Morgan Chase Disputed Item Form and detailed in P-Card system with object code 9999. Payment will be made from a clearing account and all charges posted to the account identified in the university's system. Please note that there will be no late payments to JP Morgan Chase. Payment will be made from the department accounts even if there is insufficient budget.

END-OF-YEAR PROCEDURES

All expenditures appearing on the JP Morgan Chase Expense Report (not necessarily purchases made) through 8/5/2011 will be charged to the 2011 fiscal year.

Charges made through 8/31/2011 but not posted to the Expense Report until after 8/5/2011 will be charged to the next fiscal year.

Date: 7/2/2011