

# 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 single transaction 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 the 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 State University (“**SHSU**”) 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 department to make needed purchases without a delay and with minimal paperwork.

### **THE PROCUREMENT CARD**

The P-Card is issued in the department’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. The assigned Primary and Secondary Delegates for the department are 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. Primary and Secondary Delegates are both required to attend P-Card Policy and Procedure Training. Documentation shall include providing transaction detail information for each transaction through CitiDirect Global Card Management System (“**Citi GCMS**”) and keeping documentation of all transactions including returns, credits, and disputed charges as required. If a Department’s total faculty/staff numbers limit it to one Primary Delegate, the Secondary Delegate should be assigned by the Department’s Vice President, Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator and/or Manager.

### **P-CARD ISSUANCE**

The Primary and/or Secondary Delegate must bring his/her 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-Card will be issued. The P-Card will only be issued to an assigned Delegate for the department who has attended P-Card Policy and Procedure Training. Students are **not** allowed to pick up the P-Card for the Delegate or be delegated. The Primary and/or Secondary Delegate will sign the Departmental P-Card Agreement which will be kept on file in the Program Coordinator’s office along with a copy of the department’s P-Card. The Delegate will receive a signed copy of the Departmental P-Card Agreement and the Department’s P-Card. The Procurement Card Program Policy/Guide provides the guidelines for using the Procurement Card. Please read it carefully. Your signature on the Departmental Procurement Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

### **SECURITY OF THE PROCUREMENT CARD**

Delegates and/or their authorized users are responsible for the security of the card and card number. This card shall be treated with the same level of care as the Delegates and/or their authorized users would use their 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 ASSIGNED DELEGATES**

If the Primary and/or Secondary Delegate want to allow another University employee or a student to use the departmental P-Card, the Primary and/or Secondary Delegate 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 departmental 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 Delegates are 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 choose to refuse the sale. A *P-Card Use Form* can be found at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](http://www.shsu.edu/~pur_www/pcard/index.html).

### **Card Use by Another Employee**

It is the Delegate's and/or department head's option to allow another University employee within the department to use the card. Failure to document another employee's use of the card prior to a purchase being made or inappropriate use of the card will result in points' 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 must complete and sign the Delegation of Procurement Card Authority Form before any card will be issued to the department. All Delegates will be required to attend training and a Departmental P-Card Agreement must be signed by the Primary and/or Secondary Delegate before the department is issued a card. All Delegates will be required to complete refresher training either in person or online with testing annually.

## **POINTS OF CONTACT- RESPONSIBILITIES**

**Program Administrator/Coordinator Responsibilities:** Administration of the program

- Establish University policies related to the program.
- Issue Cards
- Delegate training
- Monitor and maintain documentation of P-Card activities
- Determine compliance with University policies and procedures through-auditing of all Expense Reports and attached documentation
- Answer day to day questions
- Establish and update restricted Merchant Category Codes

**AP Coordinator Responsibilities: (Assigned Accounts Payable Staff Member)**

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

**Account Manager Responsibilities: (Chair, Director, Other)**

- Designate Delegates
- Determine spending limits
- Approve monthly P-Card documentation to ensure purchases are within SHSU Policies and Procedures
- Ensure that all employees understand the department budget constraints under which cards are to be used. Monitor all accounts being used to ensure sufficient funds are available.
- Notify P-Card Coordinator by email when employees terminate employment with Sam Houston State University or transfer to another Sam Houston State University department if the employee is an authorized user and/or Delegate 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. The Department Head may also designate the Primary Delegate to approve the Expense report on their behalf with the Secondary Delegate signing as the reconciler.)

#### **Primary and Secondary Delegate Responsibilities:**

- Follow 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.
- Maintain the necessary documentation related to purchases made with the P-Card

#### **Citi Customer Service**

- Available 24 hours a day, 7 days a week
- Assists the Delegates with general questions about the P-Card account
- If a P-Card is lost or stolen, Customer Service should be notified immediately: **1-800-248-4553**

### **PROCUREMENT CARD CONTROLS**

#### **Credit Limits**

- All P-Cards will have departmental 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 Request for Procurement Card Credit Limit Increases form can be found at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](http://www.shsu.edu/~pur_www/pcard/index.html). Purchases in excess of these limits will be denied at the point of sale.
- Payment Cycle Limits will limit the dollar amount available toward purchases during a single reporting cycle. The department should request a Payment Cycle Limit consistent with the anticipated use of the card, up to a *maximum* limit of \$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 and the Director of Procurement and Business Services or his designee. A *Request for P-Card Credit Limit Increases* form can be found at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](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 accountholder and the account designated, so protect yourself and don't ask for more credit than you reasonably think you will need each month.
- 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](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 Delegate and/or authorized user 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 Delegate and/or authorized user can buy it.** See *Acceptable and Unacceptable Purchases*.

## **LOST OR STOLEN CARDS**

**If a P-Card is lost or stolen, the Primary and/or Secondary Delegate must immediately contact Citi Customer Service at 1-800-248-4553.** After contacting Citi, 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 Delegate contact the bank immediately to report a card lost or stolen. The Account Manager may be required to reimburse the University for any charges resulting from failure of the Delegate and/or authorized user to immediately report the loss or theft of a card. The department may be subject to suspension or termination of the departmental procurement card for failure to report the card lost or stolen. 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 if such fraudulent activity is related to purchases made by an employee of Sam Houston State University. 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.

## **DELEGATE TRANSFER/TERMINATION**

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

- Upon Primary/Secondary Delegate transfer to another University Department
- Upon Primary/Secondary Delegate termination from University employment

The Department Head is responsible for determining the account number for any outstanding charges. Any fraudulent charges made after a Delegate and/or authorized user's termination from employment at the University should be reported to the University Police Department and the Program Coordinator. The Program Coordinator will report such fraudulent activity to the Office of Audits and Analysis.

## **REFRESHER TRAINING**

All Delegates will be required to complete refresher training in person or electronically annually.

## **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 anyone 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 of a department's card as noted herein and in Procurement and Business Services Policy/Guide 'Procurement Card'. Other violations will be tracked on a points' basis accumulated by department. 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. The six month's period begins at assessment of the first point.

**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 Delegates and P-Card Coordinator will have an Exception Form on file with the transaction, and card cancellation, deactivation, or points will be waived. A *P-Card Exception Approval Form* can be found at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](http://www.shsu.edu/~pur_www/pcard/index.html).**

**Immediate Card Cancellation - results in cancellation of card 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
- 2<sup>nd</sup> Lost or Stolen Card within 3 years after the 1<sup>st</sup> lost or stolen card

**Immediate Card Deactivation – results in a waiting period of 3 to 6 months for re-activation.**

- Citi GCMS Expense Reports not posted by the required date for 2 consecutive months or 2 months during a 6 month period
- Splitting purchases to avoid purchasing procedures (2<sup>nd</sup> offense)
- Failure to provide documentation within the requested timeframe for an audit

**Points Schedule**

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

**6 points accumulated within a 6-month period** will cause the department's card to be deactivated for a minimum of 3 months. Before the card will be reactivated, Primary and Secondary Delegates will be required to attend refresher training. If points were assessed due to an authorized user's error, the authorized user will also be required to attend training. If the authorized user refuses to attend training, the user's P-Card purchasing privileges will be revoked until such training has been obtained.

**10 points accumulated within a 6-month period** will cause the department's card to be deactivated for a minimum of one 6-month period. The card will only be reactivated after the 6-month waiting period and only upon completion of refresher training by both the Primary and Secondary Delegate. If points were assessed due to an authorized user's error, the authorized user will also be required to attend training. If the authorized user refuses to attend training, the user's P-Card purchasing privileges will be revoked until such training has been obtained.

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](http://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, Federal Express, Lone Star or United Parcel Service Shipping Services
- 1.....Fuel for automobiles
- 1.....Failure to get the appropriate approval for Membership Dues **prior** to purchase per policy **FO-36**:  
<http://www.shsu.edu/intranet/policies/finop/index.html>
- 1.....Failure to get the appropriate approval from Human Resources for the advertisement of a personnel position
- 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 not submitted
- 1.....Tax charged/no credit received
- 1....Failure to get the proper approval for the purchase of Gifts per policy **FO-19**:  
<http://www.shsu.edu/intranet/policies/finop/index.html>
- 2.....Failure to get the proper approval for the purchase of Awards per policy **PUR-19**:  
[http://www.shsu.edu/intranet/policies/finop/procurement\\_business\\_services/](http://www.shsu.edu/intranet/policies/finop/procurement_business_services/)
- 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 transaction 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 Technology Policy **IT-S03**, SHSU Technology Acquisition Oversight: [http://www.shsu.edu/intranet/policies/information\\_technology\\_policies/](http://www.shsu.edu/intranet/policies/information_technology_policies/)
- 3.....Unable to produce verification of purchase upon request; e.g., receipts, invoices, credit receipts, printed internet or email confirmations, etc. **The State of Texas has determined that there is no excuse for not having a receipt for a procurement card purchase.**
- 3.....Splitting purchases to avoid purchasing procedures (1st offense)
- 3.....Not keeping the card number secured. Card number posted in a public area, or card 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/Gift 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 department has not used the procurement card within one year, the P-Card will be cancelled. To receive a new card, the department will be required to submit a P-Card Application/Approval Form and attend training.

*Termination of University Employment* - When a procurement card Delegate terminates employment with the University, the department head has specific obligation to notify the Program Coordinator prior to the Delegate’s termination date and submit an updated Delegation of Procurement Card Authority form for the department’s procurement card. Failure to designate Primary and Secondary Delegates may result in the department being responsible for payment of any fraudulent charges and revocation of all department card privileges. Any fraudulent charges made by a Primary and/or Secondary Delegate or an authorized user after the Primary and/or Secondary Delegate’s or authorized user’s termination will be reported to the University Police Department. The terminated Primary and/or Secondary Delegate or authorized user will be expected to reimburse the University.

*Transfer to a Different University Department* - When a Delegate changes employment from one University department to another, the department has specific obligation to notify the Program Coordinator prior to the effective date of change. Failure to notify the Program Coordinator prior to the effective date of change may result in revocation of all department card privileges.

***Failure to Promptly Report a Lost or Stolen Card*** - If a department fails to make a report of a lost or stolen card immediately upon discovery, the department 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 department will be required to reimburse the University. The department will be subject to a minimum 3-month waiting period before a new card will be issued and Delegates will be required to attend training again. If a 2<sup>nd</sup> card is lost or stolen within 3 years after the 1<sup>st</sup> lost or stolen card, the department's card will be cancelled with no option to ever receive another card.

***Failure to Complete the Required Refresher Training*** – Any department's Delegate who fails to complete the required refresher training annually will have its card deactivated until the refresher training is complete. If the refresher training is not completed within 6 months of card deactivation, the card will be cancelled, and the department will be required to submit a P-Card Application/Approval Form and attend training before receiving a new card.

***Administrative Authority*** - The Department Head or supervising Dean, Vice President, or President has the authority to request that the Program Administrator deactivate or cancel a department's card at any time for any reason. Any card so deactivated or cancelled may be reactivated or a new card 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 a department'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 card will be reactivated and/or appropriate action taken as specified herein and in policy.

## **USING THE PROCUREMENT CARD**

The Delegates and/or authorized users are responsible to ensure that they are following the latest policies, procedures, rules, and guidelines each time a purchase is made. All Delegates are automatically subscribed to an electronic mail list for the purpose of insuring that all authorized users 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](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 department's spending limit. A transaction includes the purchase price, plus freight and installation and excluding tax.
  - ~NEVER split purchases to stay within the department's spending limit.
  - ~**Sales Tax should never be charged. SHSU is a tax exempt agency. Sales tax is not a disputable**

**item with Citi. 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 Delegate and/or authorized user 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>. (The TIN # can also be looked up in FTMVEND under the Add/Info tab.)
- 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 department's name and delivery address 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 department's University mailbox number is the billing address used for the procurement card.
- Secure a receipt or invoice to fully document the purchase and if applicable, a P-Card Documentation/Problem Resolution Form to document 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 department, **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
- Purchase of food or non-alcoholic beverages - (Requires the Food/ Beverage/Award/Flowers/Promotional/Gift Items Request form (FO19A) signed by the appropriate individual prior to purchase.) See **Policy FO-19:** <http://www.shsu.edu/intranet/policies/finop/index.html>
- Aramark Food Services (including attendant, linen and china fees)  
Food/ Beverage/Award/Flowers/Promotional/Gift Items Request **Form FO-19A** must be attached:  
<http://www.shsu.edu/intranet/policies/finop/index.html>
- Restaurants (Requires the Food/ Beverage/Award/Flowers/Promotional/Gift 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/Gift 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/intranet/policies/finop/index.html>
- Office Supplies
- Computer Supplies – See Policy **IT-S03** and IT@Sam Streamlines Technology Purchasing Process links noted below:  
[http://www.shsu.edu/intranet/policies/information\\_technology\\_policies/](http://www.shsu.edu/intranet/policies/information_technology_policies/)  
[http://www.shsu.edu/~ucs/www/newsletter/May\\_2011/purchases.html](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 (**If a signed contract and/or agreement is required, then an Exception Form with the attached contract and/or agreement must be submitted and approval obtained prior to purchase.**)
- Advertisements for non-personnel related ads
- Advertisement for personnel related ads - Personnel Advertisement is allowed on the P-Card **ONLY** if the Delegate and/or Authorized User 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/index.html>
- 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 **FO-19**: <http://www.shsu.edu/intranet/policies/finop/index.html>
- **Awards** with proper approval per policy **PUR-19**:  
[http://www.shsu.edu/intranet/policies/finop/procurement\\_business\\_services/](http://www.shsu.edu/intranet/policies/finop/procurement_business_services/)  
Awards require the Food/Beverage/Award/Flowers/Promotional/Gift Items Request form **FO-19A** signed by the appropriate individual prior to purchase: <http://www.shsu.edu/intranet/policies/finop/index.html>
- **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** - See **Policy PUR-19**: [http://www.shsu.edu/intranet/policies/finop/procurement\\_business\\_services/](http://www.shsu.edu/intranet/policies/finop/procurement_business_services/)
- **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 IT-S03, SHSU Technology Acquisition Oversight**  
[http://www.shsu.edu/intranet/policies/information\\_technology\\_policies/](http://www.shsu.edu/intranet/policies/information_technology_policies/)  
(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 Delegate 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 Citi.**

### **Returns and Credits**

If a Delegate and/or authorized user need 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 paid until the credit is posted or other resolution is reached. A *P-Card Documentation/Problem Resolution Form* can be found at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](http://www.shsu.edu/~pur_www/pcard/index.html)

### **Disputed Charges**

If a Delegate finds a charge on a monthly statement that is inaccurate, the Delegate may choose to dispute payment by disputing the charge on a Citi Disputed Item form. All disputed charges must be detailed in the Citi System according to instructions. The *Dispute Form* is to be faxed to Citi, 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 *Citi Dispute Form* may be downloaded from the Procurement and Business Services website at: [http://www.shsu.edu/~pur\\_www/pcard/index.html](http://www.shsu.edu/~pur_www/pcard/index.html)

If disputed, Citi 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 department, 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 Delegate and/or authorized user is responsible to retain documentation on each purchase. Each Delegate is responsible to make transaction detail entries into Citi GCMS. 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. **The State of Texas has determined that there is no excuse for missing receipts.**
- ✓ Credit Receipts/Slips/Invoices must reflect pricing.
- ✓ P-Card Documentation/Problem Resolution Forms
- ✓ Citi 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 Delegate must complete all transaction detail entries in Citi GCMS and reconcile the entries with the Citi 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 Citi GCMS.

All transaction detail entries related to charges on the Citi Expense Report must be completed on or before the 15th day of the month following the reporting cycle close date. If the 15th of the month falls on a weekend, the expense report should be delivered to Accounts Payable by the first work day of the following week. It is the Delegate's responsibility to resolve all discrepancies. Enclosed in this Procurement Card Policy/Guide is an example of the Procurement 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\\_pcard/index.html](http://www.shsu.edu/~pur_pcard/index.html). It is a requirement that each Delegate within an individual department be able to perform Citi GCMS 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 Citi Expense Report, attach all original receipts, invoices and documentation in order of the transactions to the back of the Citi 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 Citi Expense Report must be signed by the Delegate and routed to the Department Head or their designee for approval signature.

**Two DIFFERENT signatures must be on the Citi Expense Report.**

**The Citi Expense Report MUST BE SIGNED by the Primary and/or Secondary Delegate.  
The Citi Expense Report MUST BE SIGNED by the Department Head or their Designee.**

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.) The Department Head may also designate the Primary Delegate to approve the Expense report on their behalf with the Secondary Delegate signing as the reconciler

It is the Department Head/Delegate's responsibility to review the transactions listed on the Citi Expense Report to verify that all purchases are appropriate expenditures for the department and account charged. The Delegate must route the approved Citi Expense Report with attached original receipts and invoices to the Accounts Payable Coordinator. If the Department Head and/or Delegate question any transaction, they should bring it to the attention of 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, Citi Expense Reports and associated documentation will be audited by the Procurement Office. Upon receipt of a request to audit, the Delegate must forward copies of all documents to the Program Coordinator within 48 hours. The Delegate should keep copies of all documents at all times.

Audits may be conducted in 1 of 2 ways:

- The Program Coordinator will contact the Delegate requesting an audit review.
- The Program Coordinator may visit the Delegate'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 Delegates or the Program Coordinator.

## **PROCUREMENT CARD PAYMENT**

At the end of each reporting cycle, every Delegate will receive an e-mail stating "Your Citi account has cycled." Please reconcile your account and send to Accounts Payable no later than the 15<sup>th</sup> of the month. If the 15<sup>th</sup> 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 reporting cycle of 30 days with payment due in 30 days*. SHSU's statement closing date will be the 3<sup>rd</sup> day of the month or the 1<sup>st</sup> business day before, if the 3<sup>rd</sup> 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 Delegate. Accounts Payable will pay the summary billing in full, except for charges officially disputed on a Citi 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 Citi. Payment will be made from the department accounts even if there is insufficient budget.

## **END-OF-YEAR PROCEDURES**

**All expenditures appearing on the Citi Expense Report (not necessarily purchases made) through 8/3/20?? will be charged to the 20?? fiscal year.**

**Charges made through 8/31/20?? but not posted to the Expense Report until after 8/3/20?? will be charged to the next fiscal year.**

**Date: 7/28/2011**