Procurement Card Program Guide

Table of Contents

Program Overview

The purpose of the Stephen F. Austin State University Procurement Card (P-Card) Program is to establish a more efficient, cost-effective method to pay for small orders, and to delegate the authority and capability to make these purchases to the end-user. This program is designed to empower the cardholder to make small purchases on an as need basis, and is intended to complement existing purchasing processes. **The p-card is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements.** The p-card program is administered in accordance with:

- [The terms of the State of Texas contract](#)
- [University Policy 17.11 Procurement Card](#)
- P-Card Program Guide

The p-card is issued in the employee's name with reference to SFA and/or the department name, the State of Texas logo, and the wording 'Official Use Only' clearly indicated on the card. The p-card will be issued with a card sleeve to help distinguish it from other university credit cards. The monthly statement is paid by the university, not the employee.

Transactions are able to be reconciled to multiple FOPs. It is the responsibility of the cardholder, their supervisor, and financial managers of FOPs used during the reconciliation process to ensure that the FOPs used are correct.

Points of Contact	
CitiBank Customer Service **1-800-248-4553**	**Card Program Coordinator** **Ext. 4353**
- Available 24 hours a day, 7 days a week - Assists the cardholder with general questions about the p-card account - Report lost or stolen cards - Declined transaction inquiry - Fraud Department: 1-800-945-3114 - Pin Reset: 877-905-1855	- pcard@sfasu.edu - Point of contact for day to day questions - Declines, limits, fraudulent transactions - Acceptable/unacceptable purchases - Purchasing procedures - Training - Reconciliation process

Responsibilities

Program Administrator – Disbursements Manager
- Administration of the program
- Establishing credit limits
- Establishing University policies related to the program.

Program Coordinator - Card Program Coordinator
- First point of contact for answering day to day questions
- Issuing cards
- Cardholder training
- Monitoring and maintaining documentation of p-card activities
- Periodic auditing of cardholders

Cardholder
- Following all p-card policies, procedures, rules and guidelines outlined in
  - University Policy 17.11, Procurement Card (P-Card)
  - The P-Card Program Guide
  - Updates via the P-Card ListServ.
- Maintaining the necessary documentation related to purchases made with the p-card
- Reviewing and submitting monthly statement reports in the university's expense management system

Department Head
- Designating cardholders and determining cardholder spending limits
- Ensuring monthly reconciliations of p-card cardholder statements are approved
- Ensures that all employees issued a card understand the department budget constraints under which cards are to be used
- Ensures transactions and supporting documentation are within university policies and procedures and departmental budgets

Supervisor
- Ensures transactions and supporting documentation are within university policies and procedures
- Ensuring monthly reconciliations of p-card cardholder statements are approved

Financial Manager
- Ensures that all employees issued a card understand the department budget constraints under which cards are to be used
- Ensures transactions and supporting documentation are within university policies and procedures and departmental budgets

Details

Card Activation

The p-card must be activated by the cardholder prior to using the card. Activation can be completed by using an SFA phone to call the number on the card, or online at cardactivation.citi.com. During the activation process the cardholder must provide CitiBank with their verification that was provided on the p-card application and a four-digit PIN number. Cardholders should sign the back of the p-card upon receipt.

Security of the Procurement Card

The p-card shall be treated with the same level of care that the cardholder would use with his/her own personal credit cards. The 16-digit card number should be carefully guarded, and never be stored or emailed. The p-card should be kept in a secure location, and can be reference by its four-digits when communicating via email. It should not be posted in a work area or left in a conspicuous place.

Lost or Stolen Cards

Cardholders should report lost or stolen cards by contacting CitiBank Customer Service immediately at 1-800-248-4553, and also notify the Card Program Coordinator and their department head. Prompt, immediate action reduces the possibility of fraudulent activity. Fraudulent transactions made on a lost or stolen card should be reported to Card Program Coordinator.

Failure to report a card lost or stolen may result in requiring:

- The cardholder to reimburse the university for fraudulent transactions
- Three month waiting period and training prior to receiving new card
- Suspension or termination of all departmental cards

If p-card is lost or stolen within three years of the previous occurrence, all of the cardholder's p-cards will be cancelled without the option to ever receive another card.

Monthly Statements and Payments

The billing cycle for p-cards is from the fourth through the third of the month. Monthly statements for each billing cycle will be mailed to the cardholder's department p.o. box each month. Digital statements are available in CitiManager, CitiBank's online banking tool, as early as the 5th of the month following the close of a billing cycle. Statements should be maintained according to the university's retention schedule and made available upon request during a review or audit.

Accounts Payable will receive a monthly billing cycle statement listing all transactions for each p-card, and will pay the statement in full. Transactions will post to department budgets even if there are insufficient funds.

Returns, Disputes and Credits

Should a problem arise with a purchased item or transaction, the cardholder should make every attempt to first resolve the issue directly with the vendor. Monthly p-card statements should be reviewed to ensure the p-card is properly credited for returns, credits and disputed transactions.

Returns

Cardholders should contact the vendor for instructions on how to return items. Vendors may charge a restocking or handling fee which is acceptable, and they should provide a timeframe for when the credit will appear on the p-card statement.

Disputes

Transactions can be disputed and investigated by CitiBank after every effort has ben made to resolve an issue with a vendor. **Sales tax is not a disputable item.** If fraudulent activity is suspected, the p-card will be closed and a new card will be issued. Transactions may be disputed if:

- An item has been received and returned, but no credit has been issued
- An item was ordered and cancelled before the items was shipped, but no credit has been issued
- A vendor keyed incorrect card information

Cardholders may file a dispute:

- Verbally by calling the customer service with the number on the back of the card
- Online via CitiManager
- With a dispute form provided by CitiBank

Credits

Reconcile credits to the same FOAP as the original transaction. Receipts, correspondence, dispute forms, and any other information associated with the credit should be documented with the transaction.

Card Use by Others

Cardholders may allow other university employees and/or students to use the p-card with the [P-Card Use Form](). This form identifies specific individuals and/or categories of individual(s) that are authorized to use a cardholder's card. The P-Card Use Form is required to be on file with the Card Program Coordinator **prior** to allowing others to use the card. If the specified individuals change, a new P-Card Use Form is required and will replace the previous form. **Individuals that are not university employees or students are not allowed to use the p-card.**

The name of the individual making the purchase should be documented; however, the cardholder is responsible for all transactions made with their p-card regardless of who made the purchase. Cardholders should ensure that the individual making the purchase:

- Is aware of appropriate use of the card
- Returns the card and associated documentation immediately after making the purchase

Additionally, cardholders should also ensure that students:

- Are purchasing as necessary to carry out university funded responsibilities and activities
- Are advised that misuse of card is considered fraud and when discovered, they will be subject to appropriate disciplinary action

Please note that vendors may question a different individual signing the card and may choose to refuse the sale.

Non-Use

P-Cards that are not used within a one-year span may be evaluated and cancelled in an effort to reduce liability and exposure to the university. A new application is required to receive a new card.

Employee Transfer/Termination

A cardholder's p-cards will be deactivated upon transferring to another department or termination of employment. Department heads or their designee should ensure that

- The p-card is shredded or returned to the Card Program Coordinator
- Outstanding transactions are reconciled

Fraudulent transactions made after an employee's termination of employment should be reported to the Card Program Coordinator. The Card Program Coordinator will report fraudulent activity to Audit Services. The department may be subject to suspension or termination of all departmental cards for failure to secure and shred/return cards from employees transferred or terminated.

Card Termination

Use of the p-card is a privilege that carries a great deal of responsibility. However, it is one that is worth it due to the ease in which purchases can be made. If any one cardholder is allowed to abuse the use of the p-card, the whole program is compromised. Therefore, abuse of the p-card may result in immediate consequences with no appeal.

Immediate Card Cancellation - Includes all cards without the option to ever receive another card

- Items purchased for intentional personal use
- Use of the p-card to secure a cash advance
- Second occurrence of a lost or stolen card within three years after the first occurrence

Immediate Card Deactivation – Includes all cards; three month waiting period and training required

- Reconciliation not completed by the deadline for three consecutive months or three months in a six-month period
- Second offense of splitting purchases to bypass purchasing procedures
- Failure to provide documentation within the requested timeframe for an audit

Failure to Submit Monthly Statement Report by the Deadline

All transactions on the p-card monthly statement must be reconciled by the 15th of the month. If the 15th is on a weekend, holiday, or during campus closure, alternative deadlines will be established by the Card Program Coordinator. If transactions are not reconciled seven days after the deadline, the p-card may be deactivated until reconciliation is complete. If cardholders are late three months in a six-month period, the p-card will be deactivated for three months.

Administrative Authority

The department head or supervising dean, vice president, or president has the authority to request that the Card Program Coordinator modify, deactivate, or cancel an employee's p-cards at any time for any reason. P-Cards may be reactivated or new cards issued with approval by the authority level that originally requested the change.

Upon the Card Program Coordinator's determination or upon the request of the Department of Audit Services or General Counsel's office, an employee's p-cards may be deactivated while transactions are being reviewed, investigated, or an audit is being conducted. At the conclusion of the review, investigation, or audit, the cards may be reactivated and/or appropriate action taken as specified herein and in University Policy 17.11 'Procurement Card'.

Procurement Card Controls
Credit Limits

P-Card transaction and cycle limits are established on the cardholder's application with approval from the department head. Limits should be requested at an amount consistent with anticipated use of the card. Purchases in excess of a card's limits will be denied at the point of sale. There are not any daily limits associated with this program. Limits can be adjusted up to the maximum limits listed below with department head approval.

Maximum P-Card Credit Limits	
Transaction Limit	$5,000
Cycle Limit	$20,000
*Billing Cycle: 4th – 3rd	

A transaction includes the purchase price, freight, and installation. Cardholder limits may be compared to actual expenditures and adjustments made by the Card Program Coordinator in order to limit the university's risk of liability and exposure. Exception approval of limits above the maximum maybe be determined by Program Administrator.

Splitting an over maximum limit transaction into multiple transactions is unacceptable.

Restricted Vendors

Vendors are assigned a Merchant Category Code (MCC) by MasterCard based on the type of business they operate. The p-card program has restricted use of certain types of suppliers and merchants based on their MCC. If the p-card is used to pay a vendor with a restricted MCC, the transaction may decline. **If this happens and the purchase is within the guidelines, contact the Card Program Coordinator while at the vendor's place of business.** The Card Program Coordinator will advise what steps to take to complete the purchase. The cardholder may be required submit a requisition instead.

Please note that many vendors with unrestricted Merchant Category Codes may sell items that are unacceptable for p-card. Just because the vendor sells it, does not mean the cardholder can purchase it.

Using the Procurement Card
Acceptable 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 $5,000. **A transaction includes the purchase price, plus freight and installation.** Examples include but are not limited to:

- Tools/Hardware
- Supplies: Office, Safety, Lab, Medical
- Books
- Janitorial Supplies
- Supplies for computers (not including software)
- Registration for conferences, seminars, etc.
- Membership dues (local funds only)
- Small Equipment (not capital or controlled; see below)
- Purchases from the Barnes & Noble Bookstore, unless otherwise prohibited below
- Food purchases that are intended to service one or more persons for a legitimate business purpose. (local funds only) *Description must include the 5 W's: Who, What, When, Where, Why*
- Services (unless it requires a written contract, AND only if the vendor record is in Banner)
- Rentals (excluding vehicle rentals)
- Furniture AFTER Design Center recommendation.

> **Buy from a HUB**
> **when possible.**

UNACCEPTABLE PURCHASES

The p-card *MUST NOT BE USED* for the following purchases.

➢ Items for personal use
➢ Items purchased from a source other than WorkQuest when the same item is available from WorkQuest
➢ Promotional items purchased from a vendor not collegiate licensed
➢ Printing that requires approval from University Marketing Communications
➢ Software, subscriptions, etc.
➢ Furniture (without Design Center recommendation)
➢ 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
➢ Membership dues paid with state funds (Need VP/Pres Approval)
➢ Cash advances or cash refunds
➢ Gift Cards
➢ Controlled, hazardous, or radioactive materials
➢ Fuel for automobiles (must use Voyager Fuel cards)
➢ Alcoholic Beverages unless documented approval from the President is in place prior to the purchase
➢ Professional and consultant services, or other services requiring a written contract
➢ Cellular phones (must be issued by Telecommunications Department)
➢ Phone Cards (unless approved by the Assistant Director of Networking and Telecommunications)
➢ Postage Stamps
➢ STATE DEFINED CONTROLLED EQUIPMENT: Equipment with a single unit value from $500 to $4999.99 and identified as any one of the following:

a.	stereo systems	f.	camcorders (including digital)
b.	Cameras (film & digital)	g.	any combination of b-f
c.	TVs	h.	Microcomputers, servers and laptops, tablets, iPads
d.	VCRs	i.	printers
e.	DVD players	j.	data projectors

➢ SFA DEFINED CONTROLLED EQUIPMENT: Equipment of **ANY VALUE** and identified as any one of the following:

a.	firearms	d.	palm pilots, PDA's
b.	microcomputers, servers, laptops, computers, tablets, iPads	e.	historical treasures and works of art
c.	drones	f.	Agriculture implements that attach to tractors; trailers, golf carts, Mules, Gators, ATV'S, etc.

Tax Exemption

- Texas Sales and Use Tax is not allowed and is not a disputable item
- Cardholders are responsible for obtaining a credit from the vendor or reimbursing the university for any Texas sales tax charged
- SFA's Texas Sales and Use Tax Exemption form is available to provide vendors proof of SFA's tax exempt status
- Vendor Tax Exempt information
  - Walmart tax ID number
    - North St: 4675
    - University: 3413112
  - Lowe's
  - Home Depot
  - Hobby Lobby

Using the Procurement Card

- Determine if it is an acceptable purchase by reviewing Acceptable and Unacceptable Purchases
- Vendor Check – purchases exceeding $500
  - Vendor Hold Search Website
  - State law mandates that cardholders verify a vendor's warrant hold status for any purchase exceeding $500 **prior** to the purchase. Recommend including screen shot of verification of vendor hold status to include with pcard documentation.
  - Refer to University Policy 17.23
  - Contact the Card Program Coordinator or your buyer for additional research for vendors on hold
- State funds
  - Items must be purchased via WorkQuest, if available
  - Cannot be used for discretionary purposes
- Consider available contracts for best value
  - SFA contracts
  - State contracts
- Splitting purchases to avoid purchasing procedures is not allowed
- Food purchases must serve a legitimate business purpose.
  - Refer to Guidelines for Expenditures from University Funds
  - Requires the 5 W's (who, what, when, where, and why) to be included with documentation
    - Food Form
  - Cannot be purchased with state funds
  - Refer to Food Purchases policy (17.6)
- Historically Underutilized Businesses (HUBs)
  - The State of Texas mandates that SFA makes a good faith effort to increase business with HUBs
  - HUBs may be searched on the State of Texas CMBL website (contact the Card Program Coordinator or your buyer for assistance with identifying HUB vendors)

- o SFA's percentage of business with HUBs is considered during the state's biennial budget allocation process
- Shipping Orders
  - o Detailed shipping instructions should be provided to vendors in an effort to ensure timely and accurate deliveries
    - ▪ Cardholder's full name
    - ▪ Department name
    - ▪ Building and room number
    - ▪ P.O. Box
  - o Refrain from using 1936 North St (address for entire SFA campus)
  - o **Purchases should not be delivered to Central Receiving without prior arrangements**
  - o Contact Card Program Coordinator for assistance with determining building address
- All transactions require a receipt, credits included
  - o Documentation should be sent directly to the cardholder, not to Accounts Payable
  - o State agencies may not pay for goods prior to their delivery to the agency
  - o Back orders should not be charged until goods are shipped

Demerits

P-Card purchase violations will result in demerits assigned to the cardholder regardless of who made the purchase. Demerits remain with the cardholder for six months. Multiple demerits assigned within a six-month time frame may result in additional action such as, but not limited to:

- Audit of multiple billing cycles
- Temporary card deactivation
- Card cancellation

The actions and subsequent consequences outlined herein or in policy should not be considered all inclusive. Demerits may be assigned during any transaction review, research, or audit process.

Demerits

1	2	3
• Food w/o 5 W's • Fuel • Publications w/o UMC approval • Furniture w/o Design Center recommendation • Services requiring contract • Tax w/o credit • Software • Promotional items from vendor w/o collegiate license	• Alcoholic beverages • Travel related expenditures • Items for personal use (accidental) • Controlled equipment • Not utilizing HUBs • Card used by someone not on P-Card Use Form	• Missing Receipt • Splitting purchases • Inappropriate for account charged • Failure to secure p-card or card number

Exceptions

Occasionally, exceptions to the p-card guidelines may be approved by the Card Program Coordinator prior to the transaction taking place. If approved, the cardholder and Card Program Coordinator will have a P-Card Exception Request Form on file with the transaction, and card cancellation, deactivation, or demerits will be waived.

Exceptions should not be requested in an effort to bypass current policy and procedure; thus, every effort will be made to follow policy and procedure before and approval will be granted.

P-Card Reconciliation

Cardholders are responsible for ensuring each transaction is properly reconciled. Transactions are imported daily for reconciliation. Training material is available with instructions on how to reconcile transactions as well as the approval process.
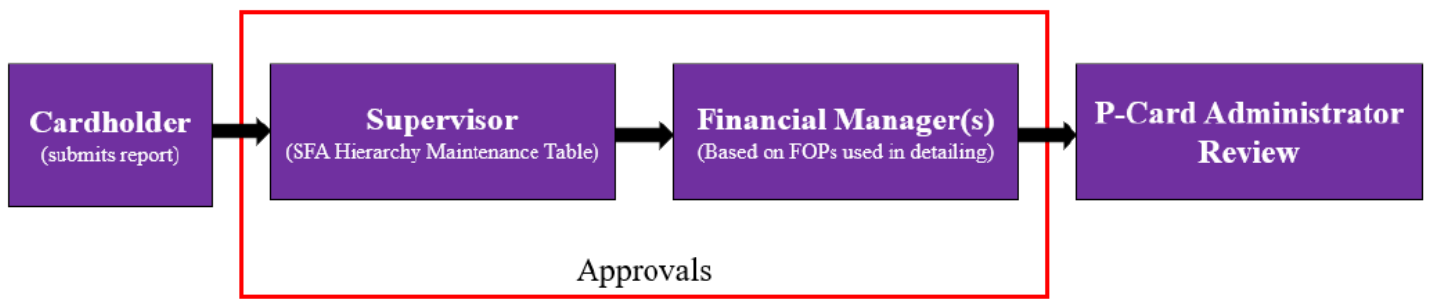
Reconciliation Deadlines

Reconciliation should be completed in the university's expense management tool on or before the 15th day of the month following the end of a billing cycle. Alternative deadlines will be communicated via listserv to accommodate weekends, holidays, and breaks. If transactions have not been reconciled by the deadline, the Card Program Coordinator may temporarily deactivate the p-card until reconciliation is complete.

Acceptable Documentation

- **Receipts/invoices are always required**
- Credit receipts/invoices
- Packing slips
- Approved P-Card Exception request form
- Correspondence related to the purchase

Approval and Review Process

After reconciliation is complete, submitted reports may go through the following approval and review stages.

1. Cardholder submits report
2. Supervisor approval based on the SFA Hierarchy Maintenance Table
3. Financial Manager(s) approval based on the FOPs used during reconciliation
   a. Can include multiple Financial Managers
   b. Grant funds will require additional approval from Office of Research and Graduate Studies (ORGS) at this step
4. P-Card Administrator Review, if applicable

If a cardholder's supervisor, department head, financial manager, or other reviewer questions any transaction, they should notify the Card Program Coordinator. If any transactions being reviewed appear to be of concern, they may be reported anonymously through the university's fraud and ethics reporting process. Reported transactions will be audited and appropriate action taken as specified by University Policy 17.11 Procurement Card and herein.

Audits

P-Card transactions may be audited by the Program Administrator, Program Coordinator or designee, Audit Services, state offices, and other organizations. Audits may be conducted for a single transaction or multiple billing cycles. Cardholders should be prepared to provide any documentation that is requested. Failure to provide documentation within the requested timeframe for an audit may results in card termination.

Cardholders may also be audited if there are circumstances that result in a required audit such as acquiring four demerits within a six-month period, for example, or as requested by department head. Audit Services may also conduct p-card audits at any time without notice to the cardholder or the Card Program Coordinator.

Year End Procedures

The bank post date of a transaction determines the fiscal year in which it will post. All transactions on the monthly bank statement posted through 8/31/YYYY will be charged to fiscal year YY. Transactions made through 8/31/YYYY but not posted on the monthly bank statement until after 8/31/YYYY will be charged to the next fiscal year. Year end processes and deadlines will be communicated via listserv.