

# TEXAS A&M INTERNATIONAL UNIVERSITY

## PURCHASING CARD PROGRAM GUIDE

Revised 04/15/04

### OVERVIEW

#### Purchasing Card Program

The Purchasing Department is delighted to offer to all Texas A&M International University Departments an exciting, innovative program that simplifies the way in which you may order and pay for goods. The Purchasing Card Program (ProCard) is a fast, flexible purchasing method for processing limited purchases from suppliers that accept credit cards. The purpose of the Purchasing Card Program is to establish a more efficient, cost-effective method of the delegated purchasing and payment for small dollar transactions. If used to its potential, the program will result in a significant reduction in the data entry of limited requisitions, receiving, invoices and vouchers and reduction in related documentation including checks. The ProCard can be used with any supplier that accepts Master Card as a form of payment.

The Purchasing Card Program is designed to delegate the authority and capability to purchase limited items directly to the person to whom it most matters - YOU, the user. The ProCard will enable you to purchase **non-restricted commodities** directly from the vendors without the issuance of a purchase order or a limited requisition entry transaction.

### PURCHASING CARD CONTRACT

The terms and conditions of the ProCard contract were specified and awarded by the Texas Building and Procurement Commission for the State of Texas (formerly General Services Commission). Texas A&M International University is utilizing the State of Texas contract for purchasing card services with Bank One. Texas A&M International University must comply with the terms and conditions of the State contract in the implementation of this program.

### PURCHASING CARD PROGRAM GUIDE

This Purchasing Card Program Guide provides the guidelines for using the ProCard. **PLEASE READ IT CAREFULLY.** Your signature on the Purchasing Card Agreement (Attachment A) certifies that you understand the intent of the program and agree to follow the established guidelines.

### IMPORTANT POINTS OF THE PROGRAM

The following important points should be reviewed before using the ProCard:

- Your ProCard is issued in your name. All purchases using the ProCard must **be made by you only!** You are responsible for the security of the ProCard and the transactions made with it. **FAILURE TO FOLLOW THE PURCHASING CARD GUIDELINES CAN RESULT IN CORRECTIVE ACTION INCLUDING TERMINATION.**

- You can use the ProCard with any vendor that accepts Master Card and is not on the restricted list(restricted merchant category codes restricted by the University). It may be used for in-store purchases, mail, telephone or fax orders.
- You may use the ProCard to purchase supplies within your delegated limits.
- Use must not exceed the monthly credit limit assigned to the ProCard.
- Reconciliation of the statement received from Bank One to ensure all charges are accurate is required. Statement reconciliations are to be completed within **five (5)** days of receipt of the statement.
- The ProCard **is not intended to avoid or bypass appropriate purchasing or payment procedures.** This program compliments the existing processes available.
- The ProCard is **not for personal use.**
- The Pro Card must be returned to the Program Coordinator upon your transfer or termination of employment.

## **GENERAL INFORMATION**

### **Duties and Responsibilities**

#### **Program Administrator**

The Program Administrator was designated by Texas A&M International University for questions, issues and administration of the program. The Administrator is knowledgeable of all procedures in the Purchasing Card Program Guide. All ProCard requests must go through the Program Administrator.

#### **Texas A&M International University Program Administrator:**

**Laura C. Rea**  
**(956) 326-2355**  
[lrea@tamiu.edu](mailto:lrea@tamiu.edu)

#### **Department Manager**

The department head/manager, equivalent, is responsible for designating cardholders and approving monthly ProCard statements or cardholders to ensure they are within Texas A&M International University's Policy. The Department Manager should assist cardholder with understanding the purchasing regulations.

#### **Cardholders**

The cardholder is the person designated by a Department Manager to use the ProCard for purchasing small dollar supplies. The cardholder is responsible for following the purchasing guidelines of Texas A&M International University in regards to purchases, selection of vendors, security of card and monthly reconciliation.

### **Bank One Customer Service**

The Purchasing Card Program is serviced using a team approach with Bank One's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the ProCard account. If a purchasing card is lost or stolen **Customer Service should be notified immediately.**

The Customer Service number is: **1-800-890-0669**

### **PURCHASING CARD CONTROLS**

#### **Credit Limits**

All ProCards have monthly cardholder spending limits. Monthly limits may vary for each cardholder and will be established by the Program Administrator. Request to raise the transaction limits shall be sent to the Program Administrator in writing or via e-mail through the Department Manager. Review of the request and a response will be initiated by the Program Administrator.

If the request is granted, the Program Administrator will then forward the request to Bank One for processing.

**Please allow 2 to 4 working days for Bank One to process any limit changes**

#### **Transaction Limits**

Your ProCard has a single transaction limit of \$2,000.00. This is the amount available on the ProCard for a single purchase. **A transaction includes the purchase price plus freight and installation.** Cardholders should not attempt to make a purchase greater than his/her approved amount. The purchase will be declined. Changes to the transaction limit must be handled by the Program Administrator.

#### **Restricted Vendors**

The ProCard Program may be restricted for use with certain types of suppliers and merchants. If you present your ProCard for payment to these vendors, the authorization request will be declined.

#### **Historically Underutilized Business Program Guidelines**

It is the policy of Texas A&M International University to involve qualified Historically Underutilized Businesses (HUBs) to the greatest extent allowed by law in the University's construction contracting, professional services, and purchase, lease or rental of all supplies, materials, services and equipment. The University, its contractors and subcontractors shall not discriminate on the basis of race, color, religion, national origin, sex, disability, political belief or affiliation in the award of contracts. **Every University employee responsible for conducting business with outside vendors has the responsibility of making**

**a good faith effort of ensuring that HUBs are afforded an equitable opportunity to compete for all procurement and contracting activities of the University.** Texas A&M International University has adopted HUB Policy as outlined by The Texas A&M University System Policy 25.06, (See Attachment D and E).

A list of HUB vendors may be found on the Texas Building and Procurement Commissions website, [www.tbpc.state.tx.us/](http://www.tbpc.state.tx.us/). A partial list of vendors can be found on the Texas A&M International University Purchasing website, [www.tamui.edu/adminis//purchasing/](http://www.tamui.edu/adminis//purchasing/), or by calling the Purchasing Department at 326-2355.

## **MAINTAINING YOUR PURCHASING CARD**

### **Purchasing Card Transaction Log**

Enclosed in this Purchasing Card Program Guide is a Purchasing Card Transaction Log sample.(See Attachment C) The transaction log document is required and provides an additional method for expenditure tracking while using the ProCard.

The cardholder must use a new transaction log envelope for each month's purchases. Record each time a purchase is made and provide a **detailed description so that it can be verified as an authorized purchase.** For auditing purposes use the "Date Received" column to verify that all purchases and documentation were received.

**ALWAYS** obtain a receipt when using the ProCard. It is every cardholder's responsibility to ensure that each purchase has a receipt. The receipts should be kept with the transaction log and retained in the department. It will be required for future audits. This **is** the University's official record for this transaction.

### **Cardholders Empowerment**

At the end of each billing cycle (5<sup>th</sup> of every month), every cardholder will receive a Cardholder Statement which lists purchases made to that account. Upon receipt of this statement, the cardholder shall reconcile the statement with their Purchasing Card Transaction Log. Attach all documentation, note any additional information pertinent to the purchase, verify all purchases are valid and **forward the package to the Department Manger for review and approval.** The Purchasing Card Transaction Log will then be **routed to the Purchasing Department for approval prior to payment.**

### **Sales and Tax**

Texas A&M International University is **tax exempt** and the credit card so indicates.

### **Security of the ProCard**

The cardholder is responsible for the security of the card. This card shall be treated with the same level of care as the cardholders would use with his/her own personal charge card. Guard the ProCard account number carefully. It shall not be posted in a work area or left in a conspicuous place. It should be kept in an accessible, but secure location.

**The only persons authorized to use the ProCard is the cardholder whose name appears on the card.**

**The card is to be used for business purposes only. Unauthorized use of the ProCard can result in disciplinary action being taken by the University including termination.**

### **Employment Termination**

The ProCard must be returned to the Program Administrator upon your transfer to another department or termination from employment.

### **Lost or Stolen Cards**

If a ProCard is lost or stolen, immediately contact the Bank One's Customer Service at **1-800-890-0669**. After contacting Bank One, notify the Program Administrator and the Department Manager.

### **Procedures**

To obtain a ProCard the following process shall be followed:

1. Department head/manager must e-mail the Program Administrator to request a ProCard. The Program Administrator must be provided with the cardholders name, last four digits of his/her social security number, department name, e-mail address, telephone number, and home telephone number.
2. Program Administrator will request issuance of the ProCard from Bank One. It will require approximately ten (10) days to receive the card.
3. Program Administrator will schedule the applicants for a ProCard training. Applicants must bring a photo I.D. to the training class for verification and identification.
4. Applicant attends training class (approximately 30 minutes) and signs Purchasing Card Agreement (Attachment A).

### **About the Card**

A ProCard will be issued in your name with the State of Texas emblem and the wording **“OFFICIAL USE ONLY”** clearly indicted on the card. This card is for University business purposes only and may not be used for any personal transactions. **It is important you understand that you are personally responsible and accountable for this ProCard.**

### **Purchasing Card Activation**

The cardholder must call **1-800-890-0669** to activate the ProCard before using it. Upon receipt of the card, the cardholder should sign the back of the ProCard and always keep the card in a secure place.

### **Purchasing Guidelines**

As a State institution, we are bound by certain State, Local and Federal laws and guidelines. Additionally, all purchases must be in accordance with the laws of the State of Texas and the purchasing procedures of The Texas A&M University System and Texas A&M International University. The cardholder is responsible for

compliance and strict adherence to all purchasing guidelines within their department delegated authority.

<b>Single Transaction Limit</b>	<b>\$2,000.00</b>
<b>Monthly Transaction Limit</b>	<b>\$6,000.00</b>

As a reminder, the departmental delegated authority is for limited purchases. State law mandates that large purchases **may not** be broken down into small purchases to meet delegated limits. To do so would be a violation of State law and The Texas A&M University System and Texas A&M International University purchasing procedures.

Cardholders should promote and encourage positive interactions with suppliers, honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders shall follow these guidelines when using the ProCard:

1. Identify the commodity class and item of goods or services to be purchased.
2. Check to see if the purchase is a Qualified Information System Vendor (QISV). If so, purchase the items from a QISV through the State of Texas QISV Program. QISV vendors may be found at the following website: <http://www/tbpc.state.tx.us/cmbhub.html>, or by calling the Purchasing Department at 326-2355.
3. Check the State of Texas Contracts. If the item is on State Contract utilize the Contract. All items on State Contract may be found at [http:// www.gsc.state.tx.us/](http://www.gsc.state.tx.us/).

### **Examples of Acceptable Purchases**

All purchases must be made in accordance with the applicable statutes and regulations, the State Comptroller's rules, The Texas A&M University System's and Texas A&M International University's policies and procedures. **(Refer to Guidelines for Disbursement of funds, [http://sago.tamu.edu/soba/ver1\\_96.htm](http://sago.tamu.edu/soba/ver1_96.htm))** A State Agency **may not** pay for goods before they are delivered to the agency. The cardholder needs to ensure goods **will not** be received before the statement due date. The University's closing date will be on the 5<sup>th</sup> of each month with payment due within fourteen (14) days. Vendors should only charge the account when goods are shipped. Back orders **should not** be charged until the goods are shipped.

### **Acceptable Purchases**

- Tools/hardware
- Florists ( local funds only)
- Books
- Medical supplies
- Janitorial supplies
- Lab supplies

- Office supplies
- Videos
- TAMIU Bookstore
- Subscriptions
- food (local funds only)
- Registration fees for training courses and seminars
- Computer software (QISV vendor should be contacted)

### **Restricted Purchases**

- Entertainment
- Cell phones
- Advertising
- Any promotional items (pens, pencils, cups, tote bags, shirts, binders, etc.)
- Any printing/copying ( Texas Constitution, Article 16, Section 21 requires competitive bids)
- Postage stamps
- Memberships
- Travel (motel/hotel, gasoline, airfare, car-rental must use the Corporate Bank One Travel Card)
- Fuel
- medicine
- Social club dues
- Catering Services (must use Aramark)
- Alcohol
- Capital Equipment (equipment with a cost of greater than \$1,000.00)
- Controlled assets
- hazardous/radioactive materials
- Services

The State of Texas Comptroller has defined “controlled assets” as facsimile machines, stereo systems, cameras, video recorders., televisions, projectors, computers, printers, cellular/portable phones. Items under \$500.00 are not considered “controlled assets” by the State and may be purchased with the ProCard. Items over \$500.00 the department **must** submit a requisition to the Purchasing Department. Firearms and cash registers for any amount are controlled and **may not** be purchased with the ProCard. If you need further clarification regarding “controlled assets”, please call the Purchasing Department at 326-2355.

### **Receiving Supplies**

It is your responsibility for ensuring receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. A copy of the charge slip, sales receipt or any other information related to the purchase must be kept.

A vendor’s entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made via mail or telephone, ask the vendor to include the receipt with the goods when shipping the products.

### **Transaction Log and Documentation**

The cardholders/department is responsible for maintaining a Purchasing Card Transaction Log. The logs may be purchased at Central Stores, KL006A. The log **must** be reconciled to the statement from Bank One within five (5) days of receipt of the statement. The following documentation must be retained and submitted with the log:

- Sales receipts
- Packaging slips
- Credit card receipts/slips
- Other information or correspondence related to the purchase

To facilitate the record keeping and the reconciliation process, a transaction log shall contain the following, (See Attachment C).

- Cardholders name
- Card Number
- Transaction date
- Vendor Name
- Amount
- Description
- Date received
- Reconciliation date
- Name of person/persons that reconciled statement
- Department approval

### **Reconciliation**

Upon receipt of the ProCard statement, the cardholder/department will reconcile the transaction log. Each item on the statement **must** match the transaction. The transaction date shall be noted for each item posted. If one person reconciles the entire log, they shall indicate reconciled by (their name) on the log. If more than one person is reconciling the log, line item transactions shall be individually initialed.

**Any discrepancies identified shall be promptly investigated with the documentation of action taken recorded as an attachment to the log. It is the cardholders/departments responsibility to resolve all discrepancies.**

### **Audit of Logs**

The transaction logs, along with the supporting documentation become the official records and shall be maintained in the Business Office in accordance with the University's Record Retention Schedule. The records for the ProCard purchases will be required when Texas A&M International is audited. The records for ProCard purchases may be audited by the Texas A&M International University Fiscal Office, Purchasing Department, Texas A&M University System Auditors or State Auditors.

### **Statement and Payment**

A statement for each cardholder will be mailed by Bank One directly to the cardholder. The statement, transaction log, and all supporting documentation will be filed and kept within the department until the



monthly reconciliation has been completed.

Bank One will mail one summary billing to the Program Administrator, listing all transactions during the period by cardholder. The Business Office will pay the summary billing in full. Payment is required within 14 (fourteen) days to Bank One. The Texas Government Code requires that the Business Office audit all vouchers before they are submitted to the State Comptroller's Office for payment.

### **Purchasing Card Payment**

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. The Purchasing Card Program carries corporate and individual liability.

### **Returns, Credits and Disputed Charges**

Should a problem arise with a purchase item or charge, every attempt shall be made by the cardholder 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. The returned, credited or disputed item **must** be noted on the Purchasing Card Transaction Log.

- **Returns:** 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 should be indicated in the transaction log.
- **Credits:** If an item is accepted as a return by the supplier, a credit for this item should appear on the following month's statement. All credits should be indicated in the transaction log.
- **Disputed Charges:** If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated in the transaction log. Copies of all correspondence with the vendor must be kept as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should follow the Bank One Dispute Procedures (Attachment B) and complete the Dispute Form (Attachment B). Bank One will place the charge in a "Statement of Dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor. 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, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be reissued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

### **Card Termination**

If it is found that a cardholder has not used the ProCard for three consecutive accounting periods (3 months), this card may be revoked at the discretion of the Program Administrator.

When a cardholder terminates employment with the University, the department has the specific obligation

to reclaim the ProCard and return it to the Purchasing Department prior to the employees termination date. Failure to do so may result in revocation of all departmental card privileges.

Multiple notification to a single department for insufficient budgets by the Business Office may result in revocation of all department cards.

Non-compliance with State and University purchasing procedures will be grounds for revocation of cards. Non-adherence to these procedures will result in revocation of individual cardholder privileges and may result in revocation of all divisions or departmental ProCards.

## **ATTACHMENTS**

Attachment A - Cardholder Purchasing Card Agreement

Attachment B - Bank One Dispute Procedures/Dispute Form

Attachment C - Sample of Purchasing Card Transaction Log

Attachment D - The Texas A&M University System Policy - Participation by Historically Underutilized Business

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# Texas A&M International University

# **PURCHASING CARD PROGRAM**

## **PROGRAM GUIDE**

**Bank One**  
(Revised 3/31/04)