Introduction

Procurement Card training will familiarize the card holder with the following:

- The Procurement Card
- Procurement Card Goals
- Purchasing Guidelines
- Historically Underutilized Businesses
- Procurement Card Use
- Procurement Card Responsibility
- Purchase Examples
- Splitting Orders

- Restricted Purchases
- Food Purchases
- Gift Purchases
- 1099 Reportable
- Disputed Items
- Procurement Card Payments
- Audits
- Procurement Card Help
- University Contacts
Definitions

- **Historically Underutilized Business (HUB):** Woman, veteran or minority owned business.
- **Capital Equipment:** Items over $5,000.00 with a lifetime of more than a year.
- **Controlled Equipment:** Items less than $5,000.00 but subject to being stolen or misplaced; such as computers or printers.
- **HEF Funds:** Higher Education Funds
- **Reconciliation:** Monthly process where user submits all required documentation pertaining to their transactions and allocates transactions in GCMS.
- **Splitting Orders:** Splitting a purchase into separate transactions in an effort to avoid current delegated purchasing authority.
- **Business Meal and Food Purchase Justification (BMFJ):** The purchase of any consumable and/or catered events requires this form.
- **1099 Reportable:** Contract labor, commissions, other payment of services to individuals who are not University employees.
The Procurement Card

- Purchase/Payment Tool used for University transactions between cardholder and vendors
- Regulated by State Law, University Policy and delegated purchase limits
- Used like a normal credit card
- Does not require a personal credit check
- Reconciliation requires online allocations and monthly paperwork
Procurement Card Goals

1. Reduce Costs
   The use of the ProCard creates a streamlined procurement process where less steps are involved.

2. Shorten Buying Cycle
   Employees can locate and buy their own items.

3. Empower the Employee
   Employees become more familiar with State of Texas Purchasing Rules and Texas A&M System Policies, and University Procedures.
Purchasing Guidelines

All purchases made with the ProCard will be held to the Purchasing Rules and may be chosen for random auditing both internally and by the State.

The state purchasing laws can be found in the Texas Government Code 2155 at:

http://www.statutes.legis.state.tx.us

The System Rules and University Rules can be found at:

http://www.tamuc.edu/aboutus/policiesproceduresstandardsstatements/rulesProcedures/default.aspx
Historically Underutilized Businesses (HUB)

• HUB businesses are women, veteran, and minority owned businesses within the State of Texas.
• The State of Texas implements goals for higher education agencies to meet.
• Cardholders are encouraged to seek out HUB vendors whenever possible.

Texas A&M University – Commerce is committed to providing economic opportunities to these businesses.

For more information, you may contact the HUB Coordinator at 903-886-5060, or you can access the following site:

http://www.window.state.tx.us/procurement/cmb/cmbhub.html
Making Purchases

ProCard purchases need to meet an approval process mandated by the State of Texas and Texas A&M University System.

The following list of items are commonly approved purchases:

- Books
- Conference, Seminar, & Training Registration
- Cleaning Supplies
- Laboratory Supplies
- Medical Supplies
- Office Supplies
- Postage and Stamps
- Safety Supplies
- Subscriptions
- Tools/Hardware
- Membership Dues
- Student travel and meals with students in attendance
- Items purchased must be sent to correct shipping address for university location.
Purchases

Prohibited Items

- Alcohol
- Gift Cards
- Setting up a PayPal account with your ProCard to make purchases through eBay or other vendors
- Items for Personal Use
- Coffee, water and other incidental food purchases may only be purchased using a gift account

Pre-approval Required Prior to Purchase

- Higher Education Fund (HEF) purchases
- Computer Equipment
- Printers, Projectors, Cameras, and Televisions over $499
- Software
- Furniture
- Services (that are 1099 reportable)
- Telecommunication Equipment (including cell phones)
- Grant-Related or Indirect Cost Purchases (needs pre-approval by ORSP)
Steps for Procurement Card Use

Locate Product to Purchase

Is it on the Restricted or Approved List?
Does the Department have the budget?
Does it relate to University business?
Ensure that vendor is allowed.

Know Your Delegated Purchase Authority

Typical purchase authority is $5,000.00 or less, including freight.

Check the Status of the Vendor

https://fmcpa.cpa.state.tx.us/tpis/
or call the Purchasing Department at 903-886-5220

Make the Purchase

Since the University is a State entity, businesses are not allowed to charge tax on any purchases made on the ProCard.
Tax on card must be reimbursed by cardholder or vendor.
Keep your receipt! This will be needed for your monthly reconciliation!
Expense Packet (Reconciling)

Reconciling your paperwork is one of the most important parts of your ProCard use. If not done correctly and submitted on time, you are at risk of losing your card privileges.

1. **Review transactions in GCMS**
   - Add required information (object code, account, etc.). Check “Reviewed”.
   - Your card may be temporarily suspended if any area of this left blank or is filled out incorrectly.

2. **Print Expense Summary**
   - Sign
   - Account Manager checks purchases and verifies that correct funding was used
   - Obtain Account Manager’s signature – if cardholder is Account Manager, then it must be signed by Supervisor.

3. **Make sure that receipts are in same order of Transaction Summary**
   - Ensure that any meals, gifts, etc. have required paperwork along with the receipt

4. **Turn packet in to AP by 5 p.m. on the 10th day of the month**
   - If the 10th falls on a weekend, paperwork is due by 5 p.m. the following Monday.

**Do not turn paperwork in before the 4th of the month. It will be returned to you and could jeopardize the submission of your final packet.**

It is the responsibility of the cardholder to ensure timely submission of expense report to AP.

**NOTE:** Email ProCard@tamuc.edu if there is a justifiable delay in expense report submission.
Good Buying or Poor Choices?

Card Sharing

Each cardholder is personally responsible for all transactions on the procurement card.

You should never allow another employee to use or sign for items purchased with your procurement card.

Violating this rule will lead to department head notification and permanent suspension of card.
Good Buying or Poor Choices?

Split Charges
- Splitting a purchase into separate transactions in an effort to circumvent delegated purchasing authority is against Purchasing policy and is illegal in the State of Texas.

Purchase of Alcohol
Alcohol cannot be purchased for any reason with the procurement card.

Purchase Capital or Controlled Equipment
See Definitions on Slide 2

Shipping
Items must be sent to correct shipping address and are never to be sent to a home address.

Any of these actions may result in immediate suspension or permanent cancellation of your card.
Purchases That Require Paperwork

**Food Purchases**
- ✓ Business Meal and Food Purchase Justification Form
- ✓ Agenda for Meeting

**Gift Purchases**
- ✓ Gift Log signed by recipient and verified with a form of Identification
  - *Gift Cards NOT ALLOWED for any reason*
1099 Reportable Vendors

Contract Labor, Commissions, Payment of services to individuals who are not University employees

- University must send vendors an IRS 1099 form in order for the vendor to report their compensation. The payment is difficult to track due to the vendor not being paid directly.
- Payments for services are made via Purchase Order (or Service Contract) in order for the vendor to be paid via their Federal Tax ID number.
Statement & Disputed Items Info

• Some cardholders will receive a monthly paper statement in the Campus Mail. The information contained within may not be reflective of the action needed for that month’s Expense Report.

• The University pays each account within 30 days of the end of the cycle. The cardholder is responsible for reimbursing any prohibited items or tax charges.

*Remember you must always log-in to your GCMS account for an accurate portrayal of your account.*

• It is the cardholder’s responsibility to ensure that the charges are accurate.

• Disputed items can be resolved by contacting the vendor to discuss the problem. If the problem cannot be resolved, contact the Program Coordinator for further instruction.

• The delay of taking appropriate action can lead to the loss of University ProCard privileges.

• Any disputed charges must be reported to Citibank within 60 days.
Audits

Each cardholder’s expense packet is subject to an audit by the University, A&M System, and the State of Texas.

Reviewers are checking for transactions such as:

- Splitting a large order into multiple transactions
- Unauthorized/Questionable Purchases
  - Capital or controlled equipment
  - Purchases without authorization
- Restricted/Food/Gift Purchases; Proper documentation needs to be included
ProCard Help

The following resources are available to help with the use of your card:

**Cancellations**

Email ProCard@tamuc.edu and your department manager in the event of a lost or stolen card. Immediately notify Citibank, then the Procurement Card Administrator. Citibank Customer Service: 800-248-4553

**General Questions**

For cardholder information, or to obtain or cancel a card, email Procard@tamuc.edu or call 903-886-5220.

**Customer Service**

For problems with declined cards, restricted vendors, or account issues email ProCard@tamuc.edu or call Citibank at 800-248-4553.
Activating Your Card

Card Activations & Pin Setup

• Upon receipt of the Card, the Cardholder can then call Customer Service as advised by the activation sticker on the card.

• Cardholder will be greeted by an IVR (Interactive Voice Response) system, and will be asked to key in their 16-digit card number and last 4 of their Employee ID (UIN).

• Once the cardholder has entered the correct details, they will be told that their card is now active. The activation will be effective immediately.

• In the event the cardholder does not know the last 4 digits of their Employee ID or enters it incorrectly 3 times, they will be passed on to a representative for manual authentication.

If you do not set up a pin, then the card will not work in certain stores, such as Wal Mart.
University Contacts

For assistance with your Procurement Card you may contact the Program Administrator, Coordinator, or Accounts Payable.

Program Coordinator
  Alice Fregia
  Alice.Fregia@tamuc.edu
  903-886-5220

Accounts Payable
  Sonja Cole
  Sonja.Cole@tamuc.edu
  903-886-5253
Cardholder Responsibilities

In summary, as the Cardholder you are responsible for the following:

• All purchases made to your account
• Any taxes charged on your account
• Use of your card
• Submitting Expense Packet on time
• Online allocations in GCMS
Cardholder Agreement Disclaimer

By completing this training and receiving a procurement card, you agree to the following:

I hereby acknowledge receipt of a University MasterCard Procurement Card. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Procurement Card procedures.

I acknowledge that I have read and understand the terms and conditions of this agreement and the Procurement Card procedures. I understand that the University is liable to Citibank & Mastercard for all the University charges.

I agree to use this card for University approved purchases only and agree not to charge personal purchases. I understand that the University will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action, which may include termination of employment. I agree to repay the University any amounts owed by me even if I am no longer employed by the University.

I understand that the card is property of the University. I further understand that the University may terminate my right to use this card at any time for any reason. I agree to return the card to the University immediately upon request or upon termination of employment.