Welcome to the Texas A&M University-Corpus Christi Financial Services Certification Course
TEXAS A&M UNIVERSITY-CORPUS CHRISTI

Procurement Card
Financial Services Certification Course

Presented by Gracie Olalde, Card Services Coordinator
The primary purpose of this presentation is to provide an overview of the Procurement Card (PCard) program.

The overview will include:

- Understanding the Do’s, Don’ts and Exceptions to State and local purchasing rules
- Understanding Cardholder and Supervisor’s Responsibilities
- Understanding reconciling and audit process
Do’s

The following object codes are allowed on PCard:

- **4000 series**
  - Includes, but are not limited to: office supplies, computer consumables, subscriptions/periodicals, fuels & Lubricants, medical supplies, food purchases (research/seminars, teaching – not for consumption), etc.

- **5000 series (excluding controlled items 5775 – 5799 and 8000 series)**
  - Includes, but are not limited to: Telecom- Parts & Supplies, Employee Training/Registration, Employee Awards, Photographic Services, Reproduction Services, Freight/Delivery Services (Fed Ex, etc.), Postal Services, Office Furnishings & Equip, Shop & industrial equip, etc.

- **6000 series**
  - Includes, but are not limited to: Other expenses local, Catering, Business Meals – off campus & non-university persons, etc.

*For detail list of allowable pcard purchases, see Purchasing website at [http://purchasing.tamucc.edu/](http://purchasing.tamucc.edu/)*
Computer Software (5761) is allowed on the Procurement Card if:

- the software is under $500
- there are no recurring cost (i.e. annual renewals) and
- does not require a contract to be signed

If there are recurring costs, the purchase is to be made using a purchase order. *Obj code 5761 is NOT for purchase of CPUs.*

**All Maintenance and Repair (5510 through 5515):**

- purchases must be for the service of actual repair cost
- do not include maintenance agreements
- Voyager card is the preferred card for all preventive maintenance charges for state owned vehicles and all small charges under $500
Gift Cards (5240) on PCard can only be used to:

- Give to an employee/student employee in a random drawing (door prizes)

  ✔ Gift Card Purchase Form and itemized receipt must be submitted with expense report.

*Gift cards given to employees/student employees as awards can be purchased on the PCard as per stipulations on Expenditure Guidelines, line #14.*

*Please see Expenditure Guidelines for details*

http://purchasing.tamucc.edu
Business Meals

The PCard can be used to purchase food as follows:

- **Business Meal on or off campus (6339) with university employees only** – Requires:
  - VP approval
  - Business Meal Form (BMF)
  - List of attendees
  - Itemized receipt
• Business Meal with non-university employees (6340) (includes students) – Requires:

  ✓ Business meal form (BMF)

  ✓ List of attendees

  ✓ Itemized receipt

• Please submit copies of the required documents with expense report.
Catering

- Catered Food (6338) – Food, beverages, meals \textit{from contracted} food service provider requires:
  - Itemized receipt; List of attendees; No BMF required

- Catered Food (6338) – Food, beverages, meals \textit{off campus}, or served at event off campus (e.g. Jason’s Deli, HEB, etc.) requires:
  - BMF; List of attendees; Itemized receipt

- Catered Food (6338) – Food, beverages \textit{brought onto campus} (ex. Jason’s Deli, HEB, Pizza Hut, etc.) requires:
  - Exemption Form; BMF; List of attendees; Itemized receipt
IPADs/Tablets

- Only IPAD or Tablet on-line recurring service charges may be purchased with the University PCard (5630)

- Ipads/Tablets UP TO $499.99 (including shipping/handling) may be purchased on PCard (5760)

- If $500 or more (each item) requires Pre-approval from Director of P&D and Property Manager (5787 – controlled)
IMPORTANT INFO

Warranties & Shipping are considered part of the cost of an IPad/tablet

Example: IPad $499.99 + warranty $54 = $553.90… this is now a controlled item - requires tagging

All IPads and tablets under $500 should be tagged with serial number… not controlled

Before purchasing any IPads or tablets, check with IT for compatibility!
Memberships (5211-5213) can be paid with the PCard if:

- Less than $300
- Vendor does not accept PO’s
- Vendor is recognized on the President’s Approved list
- Member’s specified name listed as the responsible person
- Responsible person is listed as Institutional with your Department specified

Cardholder is subject to audits for verification.

The list of approved professional organizations may be found at: [http://adminservices.tamucc.edu/](http://adminservices.tamucc.edu/)
Advertising (5641) is allowed on the PCard ONLY if:

- The specified vendor does not accept PO’s AND…
- The cardholder has proper documentation of approval from the Office of Marketing & Communications (pens, caps, shirts, banners, etc.)
- Ads for job postings on PCard ARE NOT ALLOWED and need to be approved by EEO/HR and Marketing
- Cardholder is subject to audit for verification
Rentals

Rentals (5810 & 5871) are accepted if:

- The cost is not over $250
- The rental does not require an agreement or contract to be signed for use of the equipment and/or space
Other Contracted Services

Procurement Card cannot be used to pay for Other Contracted Services (5670):

Except for the following:

• Online evaluation, translation/interpretation and background check services.
Questions?!?

• Can the Pcard be used to purchase computer software that is less than $500?
• Can you pay for actual repair cost (not involving maintenance agreement) on the PCard?
• What is the preferred credit card for State owned vehicles?
• Can PCard be used to purchase Gift Cards?
• Can PCard be used for business meals and catering?
• Can PCard be used to purchase IPads or tablets that cost more than $500/each?
Don’ts

Object code(s):
(4050) is for food purchased for Research, seminars, and teaching. *Not for consumption.*

(5760) Is for PC Peripherals & Add Ons - includes mouse, keyboard, monitor, CD-ROM’s, controllers, hubs, I pads, tablets less than $500/ea; *Not for CPUs.*
Controlled Items (5775-5799)

- Controlled items are **NOT** to be purchased with the procurement card.

  - If there is a reason that a controlled item needs to be purchased on the PCard, cardholder must:

    - **Send justification request to Director of Procurement & Disbursements and Property Officer for prior approval to purchase controlled item (email acceptable).**
If Approved...

- Create a “Limited” purchase order for the controlled item(s)
- Close and do **NOT ROUTE** purchase order
- Notify Property Officer for assignment of inventory number
- Forward copy of the receipt with “L” Doc number to the Property Officer

- Once the above has been completed,
  - Complete PO on FAMIS screen 243 to release encumbrance
Acceptable Reasons…

• Vendor does not accept PO’s

• Cost Savings to TAMUCC
  o On sale for a limited time
  o Clearance

• Emergency Purchase
  o Needs to be approved by IT for compatibility
  o Needs to be tagged

**NOTE:** Director of Procurement & Disbursements and Property Officer need to approve use of the PCard to purchase controlled items! Proof of approval needs to be submitted with expense report. Include Asset Tag # on expense description.
Alcohol (6341)

- Alcohol is not allowed on the PCard unless:
  - It is a university sponsored event off campus in support of events and activities that further the mission of the university.
  - Only Gift Accounts may be used
  - Must be coded correctly

See Expenditure Guidelines for possible exceptions on local accounts.
Travel
(3010 – 3415)

• All travel related object codes are not allowed on PCard.

Except for:

• Registrations (5215) and entrance to parks (5231)
• Food for Field trips
• All field trips should be coded as student travel.
• If CBT card is unavailable and you foresee travel expenses, contact our office for possible exceptions.

• The CBT credit card is the preferred method of choice for student travel.

• Object Code for Student travel on a local account is 3410. (Note: field trips should never be charged on a state account as field trip fee revenue is local money.)
Homeland Security

Due to Homeland Security Audit, Texas A&M University System requires that we control the purchase of chemicals, Select Agents and toxins on the PCard.

Cardholders are **NOT** allowed to use the PCard to purchase Chemicals, Select Agents and toxins. This type of purchase must be on a limited purchase order, requisition or by an authorized PCard Cardholder.

Director of Procurement & Disbursements authorizes cardholder(s) who may purchase chemicals.
Questions ????

• Is Object Code 4050 the correct code to use for purchase of food used to feed participants at a research, seminar or for teaching?

• Object code 5760 is for computer peripherals. Can this code be used for CPU’s?

• Can you purchase controlled items on the PCard?

• Who needs to approve the purchase of a controlled item on the PCard?

• Can you use the PCard for travel expenses?

• Can you use the PCard to purchase chemicals?
CARDHOLDER RESPONSIBILITIES:

• Read and understand Procurement Card Program Guide.

• Maintaining a PCard Transaction Log is *HIGHLY* recommended.

• Reconcile monthly transactions in GCMS.

• Keep proper itemized receipts and documentation of all purchases including screen print price quotes for all online purchases.
Proper Documentation for Transactions:

- Quote
- Packing slip
- Itemized Receipt (out of pocket)
- Itemized Credit Card Receipt
- Other information or correspondence related to the purchase

- Screen prints are acceptable for internet orders
• Ensure the monthly expense report is reconciled online (GCMS) on/or by the 15th of each month.

• Ensure the monthly expense report is submitted on/or by the 20th of each month.

• Submit all original itemized receipts if using State funds and hand deliver report to Purchasing Dept. on/or by 20th of each month.

• Email approved, PDF scanned expense report to pcard@tamucc.edu on/by 20th of each month.

• Failure to meet these deadlines may result in transactions hitting cardholders local default account and reduction of credit limit to $1.
3.4.1.1. Tax Verification: The State Comptroller’s office requires that for any purchase over $500 the agency must check the Vendor’s tax status for holds. You may not purchase from any vendor that is on hold for either franchise or sales tax. Vendor tax status may be obtained one of two ways:

3.4.1.1.1. FAMIS screens 171 or 172

3.4.1.1.2. Texas Comptroller of Public Accounts web site: http://ecpa.cpa.state.tx.us/staxpayersearch/SlsTxpyrSearch.jsp
WHAT ACTION IS NEEDED FOR RETURNS, CREDITS, and DISPUTED CHARGES?

Every attempt should be made to first resolve the issue directly with the vendor.

- **Returns:** If a cardholder needs to return an item to a vendor, contact the vendor and obtain instructions for return. Note that some vendors may charge a restocking or handling fee for returns.

- **Credits:** If the vendor accepts an item as a return, a credit for this item should appear on the current or following month's statement. Please note on expense description.

- **Disputed Charges:** If a cardholder finds a discrepancy on a monthly statement, the cardholder has **60 days from the date of posting** to dispute the charge. Contact Citi for details and keep copies of all forms and/or letters for documentation purposes. It is cardholder’s responsibility to follow Citi’s instructions and complete required documents in a timely fashion.
WHAT IF CARD IS LOST OR STOLEN?

1st  Immediately contact Citi to report incident at:
      CITI CUSTOMER SERVICE:
      1-800-248-4553

2nd  Contact P-card Coordinator ext. 2777

3rd  Notify your Department Head/Supervisor/Designee

4th  Check for unauthorized transactions; notify Citi. Cardholder will still need to reconcile transactions.
RESTRICTED VENDORS (MCC CODES)

Merchant Category Code (MCC) is used to classify the business by the type of goods or services it provides.

The Procurement Card Program restricts the use of certain MCC codes. (Ex. hotels, airlines, jewelers, etc.)

The PCard will be declined if presented to a vendor that has been restricted. Please contact PCard Coordinator if you have issues with an MCC code decline.

Vendor ‘s that are on State hold for any purpose are restricted and may not be utilized.
CAN CARDHOLDER SPLIT A PURCHASE?

Splitting purchases is **NOT** allowed under any circumstance.

- Splitting is done by breaking up a large purchase into smaller purchases in order to circumvent state and federal laws, rules, regulations or policies.

**Examples:**

- Two or more purchases from the same vendor, at virtually the same time.
- Using the procurement card to pay for the goods or services that exceed the single transaction limit assigned to the cardholder.
- Dividing the purchase between different dates.
- Dividing a purchase between two cardholders.
- Cardholder dividing a purchase for the same type goods or services between two vendors.
CAN I PAY TEXAS SALES AND USE TAXES?

NO!

Texas A&M University-Corpus Christi is tax exempt. The cardholder is responsible for ensuring that sales and use tax are not charged on goods and services (excludes business meals).

Texas A&M University-Corpus Christi’s tax identification number is:

37607607605000

Federal ID # 74-1760663.

“Texas Sales and Use Tax” Exemption form available on Purchasing website
WHAT HAPPENS IF CARDHOLDER GETS CHARGED TEXAS SALES AND USE TAX?

• There are two options:
  1) Request credit from vendor
  2) Cardholder reimburses TAMU-CC for sales tax
     ✓ Submit copy of receipt with expense report
     ✓ Must use local account and code tax to 6335
WHAT HAPPENS IF I HAVE OUT OF STATE SALES TAXES?

Nothing...

- We are not sales tax exempt from other States, although some States may honor our tax exemption.

- Taxes do not need to be split.

- Taxes are coded to same object code as item purchased.
Object Code 5650 shipping/freight should only be used for freight companies, such as: UPS, FedEx, Yellow Freight, etc.

Cardholder does not need to split the shipping/freight for other purchases

- **Example:** Purchasing office supplies; shipping should be coded same as office supplies object code (4010)
HISTORICALLY UNDERUTILIZED BUSINESS (HUB) PROGRAM

The HUB program promotes effective strategies that allow the university to achieve HUB procurement goals specified by the State of Texas, the Texas A&M University System Board of Regents and University Senior Executives.

Purchasers using the Procurement Card are encouraged to identify and utilize HUB vendors.
• When is the online GCMS reconciliation due?
• When is the expense report due?
• Is a transaction log mandatory?
• Are original receipts required for state transactions?
• Can you split purchases?
• Are Texas Sales taxes allowed on PCard?
• Do cardholders need to check for vendor state tax holds for purchases over $500?
• Do you have to split shipping?
DEPARTMENT HEAD, SUPERVISOR or DESIGNEE
RESPONSIBILITIES:

✓ The Department Head/Supervisor, or Designee Designates cardholders

✓ Assigns cardholder monthly and single transaction credit card limits

✓ Approves monthly expense reports

✓ Ensures expense reports include ALL receipts and are within TAMUCC’s policy guidelines

✓ Reviews usage of PCards
UPON EMPLOYEE TERMINATION/TRANSFER

• The PCard will be cancelled upon the cardholder’s termination of employment.

• Supervisor must send an email to PCard Coordinator informing of cardholder’s resignation/retirement and their effective separation date.

• Cardholder needs to process final reconciliation and leave all expense reports and receipts with department.
• A final audit should be done prior to cardholder’s departure from University. If unable to do this, department needs to assign an individual who will reconcile for cardholder.

• Credit Card must be surrendered to PCard Coordinator, or to Supervisor, who must surrender credit card to PCard Coordinator. (preference is PCard Coord)

• If an employee transfers to a different department, a new application must be completed and approved by new department head. Final reconciliation needs to be completed for current department transactions and cleared before re-assigning card to new department.
UNDERSTANDING RECONCILING AND AUDIT PROCESS
**PCARD AUDIT FINDING NOTICES**

- P-Card Audit Finding Notices may include:
  - Late receipt of an expense report
  - Unacceptable purchases (controlled or personal)
  - Lack of documentation to support expenditure(s)
  - Splitting transactions
  - Texas Sales Taxes

- Multiple notifications to a single cardholder/department of audit findings may result in the reduction of credit limit or revoking of all card privileges.
  - After 3 findings, credit card limit may be reduced to $1 until all infractions are corrected.
PCard Audits Check For:

- Correct reporting cycle
- Cardholder signature
- Supervisor’s signature
- Object codes
  - Important to include at least two to three items being purchased on the expense description to help determine if correct object code is being used – include # of items being purchased – for example: 2 cameras, etc.
- HEF Accounts
- Grant Accounts
- Controlled items
- Business Meals
- Recurring charges
- Texas State taxes
Important Dates

August Year End 2015

- Last day for Pcard transactions will be Friday, August 28, 2015.

- No PCard transactions will be allowed starting Saturday, Aug. 29 – 31, 2015.

- This will allow time for all transactions to post through end of August for FY15 activity.
SUMMARY

• Check vendor holds for purchases of $500 or greater.
• Obtain original itemized receipt from vendor.
• Keep screen prints of online quotes.
• If using local funds, itemized online invoices can be used as originals (must have quotes).
• If using State funds, original quotes, and original itemized receipts are required... and must include proof and method of payment with zero balance.
• Verify there are **NO** Texas Sales and Use tax charged on any purchase(s).
• Highly recommend to keep Transaction Log of all purchases.
• Reconcile all online transactions on/or by the 15th of each month and email all Expense Reports in a PDF format to pcard@tamu.cc.edu on/or by the 20th of each month.

• All original expense reports and receipts for State expenditures must be hand delivered to Card Services Office at USC 120 on/or by the 20th of each month.

• Failure to meet these deadlines may result in all transactions defaulting to a local account.

• The Expense Report must be signed & dated by both the cardholder & the Approver/Designee.

• If unable to meet the above deadlines, please contact Pcard@tamu.cc.edu to make other arrangements.

• Utilize Hub Vendors.

• **Last day for PCard use for FY 2015 is AUGUST 28, 2015!**
HELPFUL LINKS

- PCard@tamucc.edu
- Purchasing website: http://purchasing.tamu.edu
- Print or bookmark the Procurement Card Guide for easy reference
- Print or bookmark the Expenditure Guidelines for easy reference
- GCMS is the online system used for reconciliation/allocation of monthly credit card transactions url address is: https://www.globalmanagement.citidirect.com
- Summus is the State contracted office supplies vendor. Cardholders are automatically set up with Summus upon completion of PCard training. url address is: https://Summus.eDiversityNetwork.com
- HUB Program website: http://adminservices.tamu.edu/contracts_hub_property/hub.html
Questions?!?
Congratulations!
You have successfully completed the PCard Overview for the Financial Certification Course... *one more thing to do...*

*Take your Quiz...*

*Good Luck!*