



Local Fund Procurement Card Quick Guide

1. All P-Card transactions must directly benefit the university and be in compliance with university, state, and federal rules and regulations.
2. The cardholder is responsible for always safeguarding the P-Card and account number. The cardholder should not allow anyone else to use the P-Card and/or P-Card account number to make purchases on their behalf. The card number should not be saved in a shared ordering account.
3. The following cannot be purchased with a local fund P-Card:
 - a. Items for personal use.
 - b. Items for non-university purposes.
 - c. Purchases using state funds.
 - d. Items prohibited by a sponsored agreement when using sponsored project funds to pay for P-Card transactions, which include but are not limited to:
 - i. Alcoholic beverages.
 - ii. Late fees and late interest payments.
 - iii. Taxes for which the University of Houston Clear Lake are exempt.
 - e. Purchases over the thresholds. Splitting purchases is prohibited (More than one transaction on the same day to the same vendor for which total amount is \$10,000 or more when federal funds will be used for any part of the transaction; or is \$15,000 or more when non-federal funds will be used for the entire transaction; or any activity that is an attempt to circumvent the University's bidding process. Also, a single transaction cannot be split between federal and non-federal funds if the total transaction amount is \$10,000 or more.)
 - f. Cash advances
 - g. Consulting services
 - h. Travel-related expenses (except for registration fees, which are not considered travel expenses)
 - i. Gasoline for a rental car or personal vehicle
 - j. Financial services
 - k. Scholarships, stipends, tuition and fees
 - l. Purchases that require a Purchase Order
 - m. Purchases using PayPal, unless the vendor only accepts PayPal as a payment method and the required documents are uploaded



- n. Gratuity exceeding 20% of the transaction amount on transactions that normally require gratuity, such as business meals.
 - o. Other purchases prohibited by Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, Rule 5.57.
 - p. Other purchases prohibited by university policy (e.g., flowers for employees or family members of employees)
- 4. The cardholder should purchase from university-preferred merchants whenever possible to take advantage of pricing and terms negotiated on a university-wide contract basis.
 - 5. Prior to making purchases over \$500, the cardholder must confirm that the vendor is not on “Vendor Hold” with the State of Texas by confirming that the Vendor is in People Soft and “Open for Ordering”. The cardholder is required to upload the proof indicating that the vendor is not on hold.
 - 6. When making purchases from Texas vendors, the cardholder must claim exemption from State of Texas sales tax using the university’s Tax Exemption Certificate. If a Texas vendor charges more than \$10 of sales tax to the P-Card, the cardholder must take the following actions:
 - a. Within 15 days of the transaction, request the vendor in writing to issue credit for the sales tax back to the cardholder’s card. Upload this document as a backup document along with the Expense Report for the card.
 - b. Verifying the credit is received in the same or following billing cycle. If not, follow up with the vendor.
 - c. If the vendor refuses to give the credit back, discontinue using that vendor, if possible.
 - d. If sales taxes are charged to grant cost centers, they must be reallocated to appropriate local cost centers.
 - 7. If a P-Card cardholder is not sure whether a purchase is allowed, the cardholder should not make the purchase until they confirm with their College/Division Administrator, the P-Card Program Coordinator, or P-Card Program Administrator that it is allowable. Colleges / divisions may set additional purchase restrictions for the Procurement Cards issued to their employees.

The College/Division Administrator is ultimately responsible for overseeing the use of P-Cards within their college/division. Unless otherwise indicated, the CDA may delegate P-Card administrative tasks to other individuals within their college/division, called Business Contacts, but retains primary responsibility for ensuring that transactions are appropriately



reviewed, approved, documented, assigned the correct cost center and account, and that the other tasks described below are completed in a timely manner. CDA may request the inactivation or cancellation of a P-Card within their college/division at any time at their discretion.