University of Houston Clear Lake

Procurement Card

(P-Card)

Training

P-CARD ADMINISTRATION
and
ACCOUNTS PAYABLE

P-CARD ADMINISTRATION – X2150

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ACCOUNTS PAYABLE – X2130

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Purpose of training

To satisfy the mandatory training requirement for all
P-Card cardholders, business coordinators and account managers.

Purpose of the Procurement Card (P-Card) Program

- To establish a more efficient, cost-effective method of purchasing and paying for small-dollar purchases.
- An *alternative* to the traditional purchasing process but not intended to avoid or bypass appropriate purchasing, contracting or payment guidelines and procedures.

Implementation of this program to its potential will cause a significant reduction in the volume of purchase orders and vouchers. The corresponding decrease in work processes associated with ordering and check writing results in a substantial cost savings to the University.

Resources for Information and Training

- Complete training documents including forms and sample documentation can be accessed from the P-Card web page at this url:

  https://public.uhcl.edu/about/administrative-offices/procurement-payables/p-card

- Documentation required to process a P-Card purchase mirrors the documentation required to process a purchase voucher. Purchase voucher guidelines, reasons for voucher denial and other helpful information can be found on the Accounts Payable web page at:

https://public.uhcl.edu/about/administrative-offices/procurement-payables/accounts-payable

Safeguarding Your Card

- **Safeguarding the P-Card is the cardholder's responsibility.** The cardholder whose name is on the card is the only person authorized to use that card.
- **Do not give another employee your card number. Do not accept that information if it is offered to you by a cardholder.**
- **Never send the full card number, expiration date and 3-digit CCV number via email.** This information must be called or faxed to the vendor. If ordering online, only submit card information via a secure website (https). Neither should this information be uploaded into PeopleSoft, as that system is not secure.
- **Before terminating or transferring to another department, the cardholder must return his or her P-Card to the P-Card Administrator.**
- **If a card is lost or stolen, the cardholder should notify <u>both</u> Citibank and the P-Card Administrator.**

Acceptable Purchases

Some examples of acceptable purchases are:

- Advertising – Must be pre-approved by either BrandGuide and/or Communications or Human Resources
- Automobile Repair Parts
- Books & Videos
- Computer Related Items – Must be pre-approved by UCT
- Meals – Candidate meals & business lunches, <u>NOT</u> travel per diem meals
- Office Supplies
- Promotional Items - Must be pre-approved by BrandGuide
- Small Tools and Hardware

ALL pre-approval documentation must be uploaded along with the backup supporting documentation for each transaction. Advertising transactions should include a copy of the advertisement.

Unacceptable Purchases

Some examples of unacceptable purchases:

- Any purchase using State funds
- Alcoholic Beverages
- Consulting and Professional Services
- Fuel
- Personal Items
- Service-Only Contracts
- Temporary Personnel
- Travel Expenses (airlines, car rentals, hotels, meals, etc.)

Transaction Limits

Purchases made with the P-Card are limited to $1,000 per transaction. Exceptions: memberships, registrations & subscriptions

DO NOT ask the vendor to split the charges to circumvent this limit. Split transactions are considered to be more than one transaction on the same day to the same vendor for which the total amount exceeds $1,000 or any activity that can be perceived as an attempt to circumvent the P-Card transaction limit.

Do not confuse split *transactions* with split *reallocations* in GCMS.

Placing an Order

P-Cards can be used at any merchant that accepts MasterCard :

- In-store purchases
- Online orders (must be a reputable merchant with a secure web site)
- Telephone orders
- Fax orders

DO NOT send your card number, expiration date and 3-digit CCV number via email. When placing an order, call or fax this information to your vendor. You may also submit it via a secure website.

Vendor Tax Status with the State of Texas
(transactions over $500)

A state law exists to help the State collect delinquent debts and taxes and to encourage vendors to remain in good standing under the law.

- The cardholder must verify the tax status of the vendor prior to completing the transaction.
- A link to the State Comptroller's office vendor tax status search is available on the P-Card web page or at the Texas Comptroller of Public Accounts hyperlink https://mycpa.cpa.state.tx.us/coa/
- Documentation from this search showing the vendor's good standing must be included in the backup documentation of the transaction.

Sales Tax

Follow normal purchasing procedures regarding sales tax:

- Inform the merchant of the University's tax-exempt status prior to placing the order.
- If a merchant requires a Texas Sales Tax Exemption Certificate, email the request for the certificate including the name and address of the vendor to the Procurement Department at UHCLProcurement@uhcl.edu
- If you find that you have been charged sales tax on a purchase, contact the merchant for a refund of the tax. *If the refund is not received during the same statement cycle as the original charge, be sure to include documentation of your request for refund in your backup supporting documentations.*

Documenting Your Purchases

- The cardholder is responsible for obtaining the proper documentation for each P-Card purchase.
- The department is responsible for keeping the originals of the backup supporting documentations.
- Backup supporting documentations must be scanned and uploaded to PeopleSoft System. Required documentation includes:
  - Transaction Log.
  - Invoice, itemized sales receipt or online printout of internet purchases.
  - Any required pre-approval from Brand Guide, Communications, Human Resources, Office of Sponsored Programs or University Computing and Telecommunications Office.
  - Vendor Taxpayer Status printout (if purchase is over $500)
  - Expense Report from GCMS (must be signed by the cardholder’s immediate supervisor)

Documenting Your Purchases (Part 2)

Travel and entertainment purchases are not allowed on p-cards. However, business meals, including candidate meals are allowed. The following guidelines apply:

- All business meals must have itemized receipts, and a detailed description of the nature and purpose of the business meal must be provided.
- Tips exceeding 20% are not allowed.
- A list of attendees is required for groups of 10 or less. The name of the group or organization must be provided for groups larger than 10.
- It is acceptable for restaurants to charge sales tax.
- Alcohol cannot be charged to your p-card.
- The expense description for the transaction should include this information: Who, What, When, Where and Why, with business purpose or benefit to the University.

Returns and Credits

- If there is a problem with a purchased item/s, cardholders should make every attempt to resolve the issue directly with the merchant to receive credit for returns and refunds.
- Refunds and credit for returns must be in the form of a credit placed on the card. Record credit transactions on your transaction log to document this activity.
- If you are unable to come to an agreement with the vendor regarding a return or credit, contact the P-Card Administrator to discuss your options.

Unauthorized Charges

-Charges made to a cardholder's account by a person other than the cardholder.
-Split purchases to avoid the $1,000 single transaction limit.
-Travel charges.
-Charges for personal use items.
These charges must be reported to the P-Card Administrator within 10 days after the end of the billing cycle in which they occur.

Transaction Log

The purpose of the transaction log is:

- *To provide a simple method of keeping track of expenditures made with the P-Card.*
- *To track purchases and refunds so that you do not exceed your credit limit for that statement cycle.*

A separate transaction log is required for each billing cycle.

Record each transaction on the log, <u>including any refunds or credits</u>.

- *Information on the transaction log is necessary for the completion of the GCMS Expense Report.*
- *An expense description and the account number and cost center is required for each transaction.*
- *Proper completion of the transaction log greatly expedites the reallocation process since this information is also required for the Expense Report.*

Penalties for Misuse

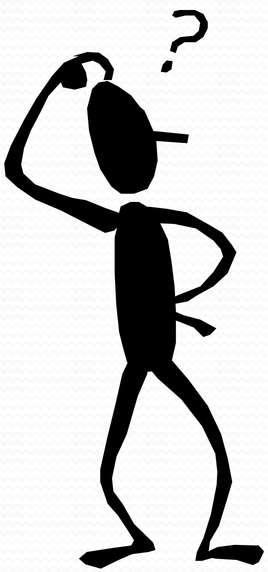
- The guidelines established for P-card purchases must be followed at all times. Non-compliance to P-card guidelines including reallocations may result in additional mandatory training required of the card holder and/or staff member reallocating the transactions inaccurately.
- Misuse of P-card shall result in cancellation of P-card
- Fraudulent use (i.e., intentional use for personal or non-University purposes) will be handled in accordance with University of Houston System Administrative Memorandum SAM 01.C.04

When in doubt, contact

the P-Card Administrator (X2150)

<u>before</u> you make the purchase.

Now What?



- To receive credit for this training course, you must:
    1) Pass the course quiz and
    2) Forward your confirmation email to UHCLProcurement@uhcl.edu.