University of Houston Clear Lake

Procurement Card (P-Card) Training
P-CARD ADMINISTRATION and ACCOUNTS PAYABLE

P-CARD ADMINISTRATION – X2150

Catina Chapman  P-Card Administrator
Patti Bozeman  Contract Administration Specialist
Debra Carpenter  Executive Director, Procurement & Payables

ACCOUNTS PAYABLE – X2130

Sondra Padgett  Accounting Technician
Rosie Pineda  Director, Accounts Payable

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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 while still following Procurement and Accounts Payable policies.

- 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 both Citibank and the P-Card Administrator.**
Acceptable Purchases

Some examples of acceptable purchases are:

- Advertising – Must be pre-approved by either Brand Guide and/or Communications or Human Resources
- Automobile Repair Parts
- Books & Videos
- Computer Related Items – Must be pre-approved by UCT (see cardholder user guide for exceptions)
- Meals – Candidate meals & business lunches, NOT travel per diem meals
- Office Supplies
- Promotional Items - Must be pre-approved by Brand Guide
- Small Tools and Hardware

ALL pre-approval documentation must be uploaded along with the backup documentation for each transaction. Advertising transactions should include a copy of the ad.
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
- internet (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 Hold 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 hold status search is available on the p-card web page.
- 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 documentation.*
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 documentation.
- Backup documentation must be scanned and uploaded to PeopleSoft. Required documentation includes:
  - Expense Report from GCMS (must be signed by the cardholder and the cardholder’s immediate supervisor)
  - Transaction Log
  - Invoice, itemized sales receipt or online printout of internet purchase
  - Any required pre-approval documentation
  - Vendor Hold Status printout (if purchase is over $500)
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 OK 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, Why, and the business purpose or benefit to the University.
Returns and Refunds

- If there is a problem with a purchased item, cardholders should make every attempt to resolve the issue directly with the vendor to receive credit for returns and refunds.

- Returns and refunds 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 refund, contact the P-Card Administrator to discuss your options.

Unauthorized Charges

Unauthorized or fraudulent charges are those made to a cardholder’s account by a person other than the cardholder without the knowledge / consent of the cardholder. *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 the monthly credit limit is not exceeded.

A separate transaction log is required for each reporting cycle.

Record each transaction on the log, including any refunds or credits.

- 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 in GCMS.
Penalties for Misuse

- If the guidelines established for p-card purchases and reallocations are continually disregarded, the cardholder or reallocator will first be required to complete additional training.
- If the misuse continues, the card may be cancelled.
- Fraudulent use (i.e., intentional use for personal or non-University purposes) will be handled in accordance with SAM 01.C.04.

When in doubt, contact the P-Card Administrator (X2150) **before** 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.