

University of Houston Clear Lake

MEMORANDUM OF ADMINISTRATIVE POLICY

SECTION: Fiscal Affairs
AREA: Finance

Number: MAP 03.A.04

SUBJECT: University Procurement Cards (P-Cards)

I. PURPOSE AND SCOPE

The State of Texas contracts with a bank to issue procurement cards (P-Cards) to state agencies and universities that wish to use them. The University of Houston-Clear Lake uses P-Cards, which are billed to the university, to increase the efficiency of the procurement process and reduce out-of-pocket reimbursements for purchases that do not require a purchase order or contract.

This policy statement addresses the procedures for the reimbursement of expenditures made by University of Houston – Clear Lake employees who incur expenses, on behalf of the University, on University issued (P-Cards).

II. POLICY INFORMATION

- A. Eligible UHCL employees may obtain a P-Card from their College or Department Business Administrator for university business purposes.
- B. Employees seeking a P-Card, must complete the procurement card application: <https://www.uhcl.edu/about/administrative-offices/procurement-contracts/documents/p-card-documents/12-p-card-application-form.pdf>
- C. Business Operations is responsible for providing annual training and guidelines to cardholders and administrators for the appropriate use and administration of P-Cards. Business Operations also serves as the intermediary between the bank and cardholders/administrators by issuing/canceling P-Cards, reporting disputed charges to the bank on the cardholder's behalf, and processing payments to the bank.
- D. Department heads are responsible for overseeing the use and administration of P-Cards within their division/college.
- E. All Department heads, college/division administrators, and cardholders must comply with the P-Card guidelines issued by Business Operations.
- F. P-Card expenses will be monitored and misuse of the credit cards may result in disciplinary action which may include termination of employment and/or criminal prosecution.

III. OPERATING GUIDELINES

- A. Please refer to **Exhibit A** for details regarding P-Card operating guidelines and rules.

IV. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice President Business Operations

Review: Every five years

APPROVAL

/Mark Denney/

Vice President for Administration and Finance

/Richard Walker/

President

Date: _____ 4/20/2023

V. REVISION LOG

Revision Number	Approved Date	Description of Changes
#7		Updated with operational guidelines

VI. REFERENCES

[SAM 03.A.04, University Credit Cards](#)

EXHIBIT A**P - Card Policy and Guidelines – Covered in Mandatory Training****1. What is a P-Card?**

- A. A Purchasing Card, or “P-Card,” is a corporate liability card that provides a department buyer a way to spend money directly out of their budget. Although the card is issued to you, the University pays the monthly bill. Therefore, the card has no impact on your personal credit history.

2. Why is it used?

- a. The P-Card enables you to make small dollar purchases, quickly and directly, with minimum paperwork and processing. If grant dollars are funding the purchase then the Office of Sponsored Programs should be consulted in advance of the purchase. However, there are various rules about what can and cannot be purchased by P-Card, single-transaction spend limits, and processing the associated expenses. Restricted purchases can be found on the unacceptable purchases list. <https://www.uhcl.edu/about/administrative-offices/procurement-contracts/documents/03-cardholder-user-guide.pdf>

3. How do I get one?

- a. You may request a P-Card via DocuSign if you have a UHCL business need for one and are a UHCL employee. The card request must be approved by your supervisor or Dean, and your College or Department Business Administrator. It is processed and disbursed by the Business Operations office.
- b. There is one UHCL DocuSign form for ordering, increasing the credit limit, or closing a P-Card. [<https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card>]
- c. The employee must also complete a Citibank P-Card Application. <https://www.uhcl.edu/about/administrative-offices/procurement-contracts/documents/p-card-documents/12-p-card-application-form.pdf>
- d. After approval, the DBA/CBA forwards the Citibank form to Business Operations.
- e. Business Operations ensures that the employee has completed P-Card training for the year and places the order for the card.
- f. Once the card arrives the P-Card Administrator notifies the employee and sets a date/time for card pick-up.
- g. The employee must sign the P-Card Agreement before the card is distributed.

4. What are the credit limits?

- a. The initial card limits are \$5000.

5. How do I increase my credit limit?

- a. If the employee needs an increase in the credit limit they must justify the reason.
- b. Credit limit increases above \$5000 are temporary.
- c. If additional buying power is needed we can accommodate it, temporarily.

6. **Why does the University lower my credit limit?**
 - a. P-Card use is evaluated periodically by P-Card Administrator and Internal Audit to ensure that the university has reasonable limits in place for internal control.
 - b. If prior spending patterns are lower than credit limits on the card then the credit limit will be decreased unless and until a temporary increase is warranted.
 - c. This limits UHCL financial risk.

7. **Can the university close my card?**
 - a. Yes. UHCL reserves the right to close off a P-Card at any time, as necessary. This is a greater risk after the cardholder has 3 exception requests in a 6-month period. An exception occurs when the cardholder has not followed P-Card guidelines and requests approval of their transactions and/or re-allocations.

8. **What happens when I move to a different department?**
 - a. When you move to a new position at UHCL or within the UH system you must return your card to P-Card Administrator in Business Operations in NOAll or you can leave it with your DBA/CBA and have them return it.
 - b. Please note, we will be unable to sign off on your Separation Form [if you are leaving UHCL] without returning your P-Card.

9. **What happens when I leave UHCL?**
 - a. Similar to the changing jobs scenario, you must return your P-Card before your last day.
 - b. The card's numeric profile is permanently erased, and the physical card is destroyed.
 - c. Again, please return the card several days before your last day so we can process your separation paperwork and have it signed when you need it.

10. **What are my obligations?**
 - a. **Card safety** – The cardholder is responsible for safeguarding the P-Card and account number at all times. No one else should use a P-Card except the person to whom it was issued, so no one should be making purchases on someone else's behalf. Do not save the card number in any readily accessible place or shared file; please make sure your browser has not saved your card information.

 - b. **Card replacement if lost/damaged** – Call 1-800-248-4553 immediately 24/7 and also notify the P-Card Administrator so we can arrange for a new card. If the card is damaged and un-usable just reach out to Business Operations for a replacement.

 - c. **Monthly accounting** – The P-Card must be reallocated between the 5th day and the annual reporting calendar due date for each month. Each cardholder must review and sign the expense report for the previous month's billing period, certifying that:
 - i. All charges were made by the cardholder
 - ii. All charges are for the correct amount

- iii. All charges are for UHCL business needs and in policy compliance
 - iv. All supporting documentation and information is provided to the department business office and is attached to the expense report.
- d. **Taxes** – If the P-Card is used to purchase meal the card holder is responsible for presenting a tax-exempt form to the restaurant. We do not reimburse for Texas sales and use taxes. Click [here](#) for the form.
- e. **Errors & Disputed Charges** – The cardholder is responsible for contacting the merchant and requesting corrections for any billing errors. Arrange for a credit, or an exchange, or a return of merchandise. If a credit is issued by the merchant it must be provided as back-up documentation with the expense report in the next billing cycle. If an exchange is the remedy then the cardholder should arrange for the merchandise return asap.
- f. **Deliveries** – Please make sure you highlight the receiving department location when placing the order so the goods can be delivered on-time to the correct location.
- g. **Vendor choice and vetting** – The cardholder should use UHCL-preferred merchants and HUBs when possible, and if the purchase is >\$500 the cardholder must first confirm that the vendor is not on “vendor hold” with the State of Texas. Here is a link to that database: <https://fmcpa.cpa.state.tx.us/tpis/search.html>
- h. **Sales tax** – The cardholder should claim exemption from State of Texas sales tax when buying from Texas vendors. That exemption certificate can be found here: <https://www.uhcl.edu/about/administrative-offices/business-operations/documents/texas-sales-and-use-tax-exemption-certification.pdf>
- i. **If charged >\$10 sales tax** - Request a credit in writing within 15 days of the original transaction and upload it as documentation with the expense report. If the vendor refuses, do not use this vendor again.
- j. **Documentation** – The cardholder must obtain an itemized receipt for each purchase. Here are additional documentation points:
- i. The purpose and benefit of each transaction must be documented/uploaded
 - ii. Provide Office of Sponsored Programs approval document
 - iii. Any purchases involving logo, logotype or trademark require additional approvals before purchase – contact the Business Office for details
 - iv. For official functions and business meals, provide:
 - 1. Date and location of event
 - 2. Detailed description of nature & purpose of event
 - 3. ≤10 attendees – Names, titles, relation to UHCL
 - 4. >10 attendees – Name of honored guest, # of attendees, relationship of guest to UHCL

5. Business meals may not exceed \$45 per person
6. For grant cost centers, a pre-approval form with appropriate signatures is required:

<https://www.uhcl.edu/about/administrative-offices/procurement-contracts/documents/p-card-documents/16-osp-pcard-pre-approval-form.pdf>

k. Use it For:

- i. Conference Registration fees
- ii. Small purchases < \$5000 per transaction / per vendor/ per day
- iii. Memberships
- iv. Office supplies

l. Don't Use it For:

- i. Non-UHCL purposes
- ii. Personal items
- iii. OSP agreements
- iv. Alcoholic beverages
- v. Late fees/interest payments
- vi. Cash advances
- vii. Any services you purchase [intangible experience]
- viii. Travel costs
- ix. Gasoline
- x. Financial services
- xi. Scholarships, stipends, tuition, fees
- xii. Tips >20%
- xiii. Late or past due invoices (as a workaround to voucher)
- xiv. Other – Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, Rule 5.57; other UHCL prohibited purchases including those which required a requisition

m. P-Card Administrator, Coordinator Contracts and Procurement – Training Requests

- i. <mailto:Procurement@UHCL.edu>, 281-283-2153
- ii. If annual mandatory training is not completed by the deadline your P-Card will be inactivated until such time as your training is completed

n. Examples of Non-Compliance

- i. Any unauthorized or improper transaction, such as the following examples [list not exhaustive]:
 1. Another person uses your card
 2. Split purchases
 3. Travel charges

4. Flowers for employees or their relatives
5. >20% gratuity
6. Purchases without required approvals
7. Lacking vendor hold proof
8. Personal purchases

o. Cardholder responsible for repaying UHCL for improper use, within 30 days

p. Examples of Inadequate documentation, such as [list not exhaustive]:

- i. Expense report not uploaded on time
- ii. Expense report lacks supporting documents
- iii. Lacking vendor hold proof
- iv. Lacking advertising approvals
- v. Lacking business meal documentation
- vi. Lacking itemized receipts
- vii. Lacking proof of request for sales tax rebate
- viii. Lacking beginning and end dates for subscriptions or memberships