University of Houston-Clear Lake
Procurement Card Program

Cardholder User Guide

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**All forms and documents mentioned in this user guide
are available on the P-Card webpage at the following url:**
https://public.uhcl.edu/about/administrative-offices/procurement-payables/p-card

INTRODUCTION TO THE PROCUREMENT CARD PROGRAM

The purpose of the University of Houston-Clear Lake (UHCL) Procurement Card (P-Card) Program is to establish a more efficient, cost-effective method of purchasing and paying for small-dollar purchases. The program is designed as an alternative to the traditional purchasing process while still following the general Procurement and Accounts Payable (A/P) guidelines. Implementing the P-Card Program to its potential will cause a significant reduction in the volume of purchase orders and vouchers. In addition, the decrease in the corresponding work processes associated with ordering and check writing will result in a substantial cost savings to the University.

This Cardholder User Guide provides general guidelines for using your p-card. Please read it carefully. Your signature on the cardholder agreement confirms that you understand the intent of the program and agree to follow the established guidelines for p-card purchases. The following important points should be understood before using the p-card:

- The P-Card Program is intended to complement existing processes, not to avoid or bypass appropriate purchasing and payment procedures. Cardholders should comply with established Procurement purchasing guidelines and A/P expenditure guidelines when using the p-card.

- Your p-card is issued in your name. Purchases made with your card must be _only those made by you._ You are responsible for the security of your card and the transactions made with it.

- You are committing UHCL funds each time you use your p-card. Do not take this responsibility lightly. Use your card with the same care that you use with your own personal credit card.

- You cannot use your p-card for personal use. No exceptions!

- You may use your p-card to make purchases up to your monthly credit limit. You cannot exceed the credit limit assigned to your card in any given statement cycle. All cardholder credit limit increase requests must be submitted via the P-card Packet form found on the p-card website. This form can be found at: https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card

- Purchases made with the p-card are limited to $5,000 per transaction with the exception of memberships, registrations & subscriptions. Split transactions are considered to be more than one transaction on the same day to the same vendor. DO NOT ask the vendor to split the charges to avoid this transaction limit.

- You can use your p-card at any merchant that accepts MasterCard. You may use it for:
    - in-store purchases,
    - internet (must be a reputable merchant with a secure site),
    - telephone orders, and
    - fax orders.

- So that the University's payment can be made, your transactions must be reallocated each month. Your Expense Report and invoices/receipts along with any other required documentation for all your transactions must be submitted to A/P by the due dates on the P-Card Reporting Cycle Calendar.

- Your immediate supervisor must sign your monthly Expense Report.

- Your p-card must be returned to the P-Card Administrator before you transfer to another department or terminate employment.

- **If these guidelines are not followed, you could receive corrective action, including termination.**

Duties and Responsibilities

★ **P-Card Administrator:**   **Melissa A. Hernandez**
                                     Procurement Department
                                     Phone: **281-283-2150**
                                     Fax: **281-283-2156**
                                     Email: **UHCLProcurement@uhcl.edu**

The P-Card Administrator is responsible for the overall administration of the P-Card Program. This person is knowledgeable of all processes and procedures described in this User Guide and will help with p-card issues such as credit limits, account information, password resets, etc. If you have problems or questions, you should contact the P-Card Administrator.

★ **Cardholder**

The cardholder is the person designated by the department head to utilize the p-card to purchase items within the Procurement and Accounts Payable Departments' controls and limits. The cardholder is responsible for obtaining the proper documentation for each p-card transaction. The cardholder is also responsible for contacting the vendor to settle any problems that might arise. This includes refunds, the receipt and return of merchandise, incorrect billing, etc.

The p-card carries corporate, not individual, liability _except for improper use_.

The p-card does not affect the cardholder's personal credit rating in any way.

★ **Accounts Payable Department**

The Accounts Payable (A/P) Department pays the monthly statements _except for charges where fraud is determined_.

The p-card billing system is an individual bill/central pay arrangement. UHCL receives a monthly statement reflecting all cardholder charges for each reporting cycle. A/P pays the credit card bill for the University. _No voucher should be prepared by the cardholder or department_.

NOTE: UHCL's P-Card Program is through Citibank. The Global Card Management System (GCMS) is Citibank's online data management system, which is referenced throughout this User Guide. For detailed information pertaining to the cost reallocation process for cardholder transactions, please refer to the GCMS Training Guides for Cardholders and Account Managers available on the p-card webpage. Information for reallocators is also available on the p-card webpage in addition to the GCMS guides.

Program Controls

★ **Credit Limits**

P-cards have a monthly credit limit based on anticipated usage per reporting cycle. All requests to change a cardholder's credit limit must be submitted via the P-card Packet found on the p-card website at: https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card

★ **Transaction Limits**

Purchases made with the p-card are limited to $5,000 per transaction. Exceptions to the $5,000 limit are transactions for 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 $5,000 or any activity that can be perceived as an attempt to circumvent the p-card transaction limit.

★ **Restricted Funds**

Use of the p-card is restricted to certain funds: ONLY 2xxx through 5xxx and Ledger 7 (7023 & 7037 ONLY)

The OSP P-Card Purchase Request / Expense Pre-Approval form is required on **ALL** purchases using grant funds—all ledger 5 funds and ledger 2 funds for Dept C0008 and Dept C0010.

Use of the p-card must also follow the special expenditure guidelines for student fee funds 2063, 2064, 2065, 2066, 2164 and 3049.   These funds may not be used for any entertainment expenses except for events that primarily involve students and for prospective employee business meals.

★ **Restricted Merchant Groups**

The P-Card Program excludes merchant classifications within the Travel & Entertainment group. This means that your p-card does not allow purchases for typical business-related travel and entertainment expenses (airline tickets, car rentals, hotels, etc.). If you present your p-card for payment of business-related travel and entertainment expenses, the authorization request will be declined. **When a cardholder is in travel status, per diem meals must NOT be charged to the p-card.**

There are other merchant groups that are restricted from use by State guidelines. If your card is denied, you should contact the P-Card Administrator for help with determining whether the purchase is allowed.

★ **Vendor Hold Status with the State of Texas (transactions over $500)**

A state law exists to encourage vendors to remain in good standing under the law on an ongoing basis. As a result, the department has the responsibility for verifying the vendor's hold status with the state of Texas prior to doing business with that vendor. **Click on this link to the Comptroller's office to verify the hold status of the vendor:** https://ourcpa.cpa.state.tx.us/coa/Index.html . Enter the name of the vendor, and **print the page resulting from this search and include it with the backup documentation for the transaction to show the vendor's status was verified prior to the order being placed.**

NOTE: If a search returns the message that the vendor name or tax identification number "is not found," print that page since that is the proof that the vendor is NOT on vendor hold with the State.

Safeguarding Your Card

Safeguarding the p-card is the cardholder's responsibility.

You are the only person authorized to use your p-card.

- **Purchases made with your card must be _only those made by you_.** You are responsible for the security of your card and the transactions made with it.

- **Do not give another employee your card number, expiration date and 3-digit CCV number. Do not accept that information if it is offered to you by another cardholder.** Use the p-card with the same care that you use with your own personal credit card.

- **You should never send your card number, expiration date and 3-digit CCV number via email.** When placing an order, you must call or fax this information to your vendor. You may also submit it via a secure website. Neither should this information be uploaded into PeopleSoft, as that system is not secure.

- **Your p-card is to be kept in a safe place, preferably locked, when not in use.**

You are committing UHCL funds each time you use the p-card. Do not take this responsibility lightly.

If you do not follow these guidelines when using the p-card, you could receive corrective action, including termination.

Lost, Stolen or Misplaced Cards

If your card is lost or stolen or if you discover unauthorized charges on your account, you should **_immediately_** contact Citibank's Customer Service at 1-800-248-4553 and the P-Card Administrator at 281-283-2150. If you are outside the U.S. and Canada, call collect at 1-904-954-7314. Prompt action can reduce your liability for fraudulent activity.

NOTE: **Failure to take immediate and appropriate action could result in a loss to your department and your p-card could be revoked.**

If You Terminate or Transfer

Before transferring to another department or terminating your employment with the University, you are responsible for returning your p-card to the P-Card Administrator and signing a p-card termination agreement. If you transfer to another department, you must re-apply for another card under the new department's management and may be required to attend the p-card training again.

Activating Your Card / Account

Upon receipt of your p-card, you must sign the back of the card and activate the account by contacting Citibank. Although the cardholder's name appears on the card, the card is the property of the UHCL and must be used for **UHCL business purposes only**.

Placing an Order

You can use your p-card at any merchant that accepts MasterCard. You may use it for:
- in-store purchases,
- telephone orders,
- fax orders and
- internet orders (must be a reputable merchant with a secure site).

DO NOT send your card number, expiration date and 3-digit CCV number via email. When placing an order, you must call or fax this information to your vendor. You may also submit it via a secure website. Neither should this information be uploaded into PeopleSoft, as that system is not secure.

DO NOT give a purchase order number or requisition number when ordering with the p-card. This will prevent the merchant from inadvertently sending an invoice to the Accounts Payable Department.

The shipping documentation should reference your name, your phone number and the building and room number where the item is to be delivered once it is received on the Main Campus dock or at the Pearland Campus. When the supplier asks for a delivery address for your purchase, give them:

UHCL (Main Campus)	UHCL-Pearland Campus
UHCL Receiving Dock	Room 140
Attn: Your Name, Building and Room Number	Attn: Your Name and Room Number
2700 Bay Area Blvd., Houston, TX 77058	1200 Pearland Parkway, Pearland, TX 77581

Instruct the vendor to send you an invoice or receipt to keep for your monthly reconciliation. Each receipt is documentation that must be uploaded into PeopleSoft to justify payment of your monthly bill.

Sales Tax

Follow normal purchasing procedures regarding sales tax:

- The cardholder should 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.
- The certificate will be emailed to the requestor, not the merchant.

If you find that you have been charged sales tax on a purchase, contact the merchant for a refund of the tax back to the card.

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 along with your backup documentation so that A/P can approve payment of the original charge.

Acceptable Purchases

NOTE: **This list is not to be considered all-inclusive. If you are unsure as to whether a purchase is allowed, contact the P-Card Administrator (X2150) for clarification BEFORE you complete the transaction.**

Use the p-card to make purchases that are allowed within the program guidelines. With few exceptions, the documentation required to process a p-card purchase mirrors the documentation required to process a purchase voucher. Some example purchases for which a p-card may be used are:

- Advertising – <u>MUST be pre-approved by Brand Guide</u> ✱
- Advertising-Employment Ad – <u>MUST be pre-approved by Human Resources Department</u>✱
- Automobile Repair Parts
- Books & Videos
- Computer Related Items <u>– Item **must** be under $500 and be pre-approved by OIT</u>✱ (◆ **See list of exceptions to pre-approval below.**)
- Food Service over $250 to an off-campus vendor delivering and/or serving food for an on-campus event – Backup documentation must include an approved Food Service Waiver. UHCL Pearland and Texas Medical Center purchases over $500.
- Gift Cards – Backup documentation must include a Gift Card Request Form signed by A/P <u>prior to</u> the purchase of the gift card.
- Grant Fund purchases - Ledger 5 and Departments C0008 and C0010 must have OSP pre-approval form
- Meals (Candidate meals & business lunches, <u>NOT travel per diem meals</u>)
- Office Supplies
- Promotional Items – <u>MUST be pre-approved by Brand Guide</u>✱
- Small Tools and Hardware
- Transactions over $500 – MUST check Vendor Hold Status <u>prior to</u> completing the purchase

✱ ALL pre-approval documentation must be uploaded as part of the backup documentation for each transaction as required. Advertising transactions must also include a copy of the ad.

◆ Exceptions to the Computer Related Items pre-approval requirement are: jump drives; printer ink and/or toner; cases for laptops/tablets; blank CD/DVDs; mouse pads; ergonomic keyboard and mouse arm rests; keyboard trays (mounts to a desk); monitor arm mounts (mounts to desk); and desktop sit/stand stations (e.g. Varidesks).

Unacceptable Purchases

NOTE: **This list is not to be considered all-inclusive. If you are unsure as to whether a purchase is allowed, contact the P-Card Administrator (X2150) for clarification BEFORE you complete the transaction.**

The following are examples of unacceptable purchases:

- Any purchase using State funds
- Alcoholic Beverages✱✱
- Animals (submit purchase requisition)
- Capital Equipment (Unit value is $5,000 and above.)
- Computer Hardware (CPU's tablets, etc.) no matter the dollar amount.
- Consulting Services
- Controlled Assets (These items include <u>any</u> type of electronic gadget and any computer related equipment that costs over $500.)
- Controlled, hazardous or radioactive materials (submit purchase requisition)
- Fuel
- Orders that require written confirmation or signature (purchase order)
- Past due invoices
- Personal Items – No exceptions!
- Professional Services
- Service Contracts (labor only)
- Temporary Personnel
- Travel Expenses (airlines, car rentals, hotels, meals, etc.)
  - ✱✱ Exceptions may apply. Contact P-card Administrator for more information.

Documenting Your Purchases

The cardholder is responsible for obtaining the proper documentation for each p-card purchase. **With few exceptions, the documentation required to process a p-card purchase mirrors the documentation required to process a purchase voucher**. Backup documentation requirements are more fully addressed in a document titled Backup Documentation – Checklist & Information for Reallocators available on the P-Card web page. Purchase voucher guidelines, reasons for voucher denial and other helpful information can also be found on the Accounts Payable web page.

All documentation should be retained to reconcile purchases made with the p-card. The cardholder may be asked to provide such documentation when the p-card files are audited. The department is responsible for keeping the originals of the backup documentation. A copy of the documentation must be uploaded to PeopleSoft. Depending on each department's procedures, it is the responsibility of the cardholder, the account manager or the business administrator to upload this documentation. Documentation necessary for reconciliation includes:

- Expense Report from GCMS (must be signed by the cardholder and the cardholder's immediate supervisor)
- Transaction Log (optional) reflects all the transactions showing on the Expense Report from GCMS
- Invoice for goods or services – Invoices and itemized receipts are the only documentation that indicates whether alcohol was purchased or if sales tax was charged to the purchase. An acceptable invoice or receipt can be either:
  o Itemized vendor sales receipt or invoice
  o MasterCard charge slip with itemized description of products/services purchased
  o On-line printout of internet purchase
- Any required pre-approvals
- Vendor Hold Status printout (if purchase is over $500)

Instruct the merchant to send the invoice to you and not to A/P. If you purchase via phone, ask the merchant to include the receipt with the goods when shipping the product.

NOTE: Documentation for refunds and credits must include the invoice or receipt of the original purchase. In many instances, the original invoice or receipt is the ONLY documentation the cardholder will have for the refund since most vendors do not issue documentation on refunds.

Record Retention: Documentation for all purchases in a billing cycle must be kept in the department until 90 days after the end of the billing cycle. If there are multiple cardholders in a department, the documentation should be consolidated when archived.

Transaction Log (Optional)

The purpose of the transaction log is to provide a simple, easy-to-use method of keeping track of expenditures made with the p-card. Since all the information on the transaction log is necessary for the completion of the GCMS reallocation process, the proper completion of the transaction log for each transaction including the account number, alternate cost center (if any) and complete expense description including benefit statement will greatly expedite the audit and reallocation process.

Another use for the log is to track your purchases and refunds so that you do not exceed your credit limit for that reporting cycle.

Use a separate transaction log for each reporting cycle. Record each transaction on the log, including any refunds or credits. A detailed description of the transaction including benefit statement is required so that you, your supervisor and all others involved in the audit/reconciliation process can recognize the transaction as an authorized one. The log and your receipts will be the backup documentation for your p-card charges. **NOTE: The detailed description for a refund must include the date and amount of the original transaction**.

For reporting cycles with no transactions, a transaction log and a GCMS Account Status Report showing a zero-transaction count with zero dollars for that reporting cycle should be prepared and kept with departmental records. This transaction log should have the words "No Transactions" written across the body of the log. The cardholder needs to sign only the transaction log. The signature of the cardholder's immediate supervisor is not required on this transaction log nor on the corresponding Account Status Report. **Both documents should be uploaded into PeopleSoft.**

Returns and Refunds

Should a problem arise with a purchased item or with billing, cardholders should make every attempt to resolve the issue directly with the merchant.

Review of your statement is vital to ensure that your account is properly credited for **returns** and **refunds** for any disputed charges. 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. The expense description for a return or refund must include the date and amount of the original transaction.

If you are unable to come to an agreement with the merchant regarding a return or refund, contact the P-Card Administrator to discuss your options.

Unauthorized Charges and Fraudulent Activity

Unauthorized charges must be reported to the P-Card Administrator within 10 days after the end of the billing cycle in which they occur. Failure to report unauthorized charges within the required timeframe could result in cancellation of the card.

If you discover unauthorized charges on your account, you should *immediately* contact Citibank's Customer Service at 1-800-248-4553 and the P-Card Administrator at 281-283-2150. If you are outside the U.S. and Canada, call collect at 1-904-954-7314. Prompt action can reduce your liability and the University's liability for fraudulent activity. There will be times when Citibank contacts you directly regarding possible fraudulent activity on your card. If this happens, the P-Card Administrator should be notified immediately.

Emergency Purchases

In the case of a campus-wide emergency such as a natural disaster, the Procurement Department may implement campus emergency p-card procedures that may include suspension of competitive bidding rules to expedite emergency purchases and increased delegated authority to cardholders to make emergency purchases. Cardholders may be required to maintain or upload additional documentation related to these purchases for insurance purposes (see Justification for Emergency Acquisition form on the Procurement web page).

RECONCILIATION AND REALLOCATION

No paper statement will be sent to the cardholder. During the reallocation process, an Expense Report is pulled from GCMS. This Expense Report is reconciled with the cardholder's transaction log and serves as the cardholder's billing statement.

The terms billing cycle, reporting cycle and statement cycle are used interchangeably.

Reconciliation of Charges

The primary purpose of the reconciliation is to ensure that proper expenditure of funds has occurred and to gather data on who, what, when, where and why your p-card was used. Statement reconciliation must be completed to ensure all charges are accurate. Finally, this review is done to ensure the program works as designed and has been properly used according to University Procurement and A/P guidelines.

It is the primary responsibility of you and your business administrator to make sure the review is done and the reconciliation functions are accurately and promptly completed.

Your immediate supervisor must sign your monthly Expense Report.

Reallocation and Review of Charges

A/P has a target date for paying the Citibank statement by the 25th of every month.

So that the University's payment can be made, p-card transactions must be reallocated each month. An Expense Report, Transaction Log and invoices/receipts along with any other required documentation for all transactions must be submitted to A/P by the due date on the P-Card Reporting Cycle Calendar.

For cardholders that cannot meet this deadline, transactions will be charged to the cardholder's default cost center at the time A/P pays the University bill. The default cost center should <u>always</u> have available funds. If the reallocation deadline is missed, a journal entry must be processed to properly reallocate the transactions for that billing cycle. **Continuous failure to reconcile within GCMS by the deadline could result in the revocation of p-card privileges.**

Penalties for Misuse of P-Card and Failure to Follow Program Guidelines

If a cardholder continually disregards the guidelines established for p-card purchases and reallocation procedures, the cardholder will be first 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.

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