

Procurement Card Manual

Introduction, Policies and Procedures and Frequently Asked Questions

Commercial Card Office – Department of Purchasing

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Introduction

The Comptroller of Public Accounts has awarded the contract for the State Procurement Card Program to CitiBank. The UT Health Science Center will begin using the new CitiBank Procurement Program effective 9-1-2011.

The procurement card program is designed to replace a variety of processes including petty cash, prepayments with a check, and reimbursements and certain purchase orders for those items costing less than \$1,000.00 (including shipping charges).

The ProCard is a University Liability card and is paid directly from University funds. **The ProCard is issued to a specific individual for use by that individual**, but, is not reflected on that individual's credit history. The procard should be in a secured location, which, only the cardholder has access to.

All expenditures made by using the ProCard must be for business expenses only. The ProCard is not to be used for any personal transactions or for non-university purposes.

The ProCard Program utilizes two roles, the ProCard holder and the ProCard account manager. The cardholder places the orders while the account manager reconciles the card statements. These roles will be discussed more throughout this manual.

Applying for a ProCard

All cards are issued at the request and approval of your departmental Director, Dean, or respective Vice President and may be rescinded at any time. Final approval of the ProCard requests rests with the Plan Administrator (Director of Purchasing). The cardholder can be anyone designated by the department, but should be the person(s) who will actually be placing the orders. **No card or account number is ever to be loaned. Only the cardholder whose name is embossed on the ProCard is authorized to use that card.**

The ProCard application is a simple process and the application form may be found on the ProCard Website. Included with the application, you will find specific instructions on completing the form and submitting to the ProCard Office. You will receive your ProCard upon receipt of the signed "Acknowledgement of Receipt of Procurement Card", and you may begin using it immediately upon receipt. As you use the card, please contact your Department Account Manager (see Record Keeping) or the Commercial Card Coordinator if you have any questions.

Acceptable ProCard Purchases

Cardholders may use their ProCards for business purchases online, in-store, mail, and fax orders. All orders should be within cardholder's transaction and monthly limits including any shipping charges and that are allowed on the department's funds.

Examples of Acceptable ProCard Charges:

- Classified Advertising
- Conference / Training Registrations (Excluding Travel Expenses: Hotel, Airfare, etc.)
- Floral Shops (Only floral purchases that follow HOP 6.1.7)
Excerpt from HOP 6.1.7: Purchases of floral arrangements...and similar specialty items may be purchased for occasions of achievement, recognition or congratulations, sympathy condolences, and official visitors. Such purchases should be limited to employees and family members of employees; other University, State, or Federal officials and officers; and local dignitaries.
- Freight Charges (FedEx, USPS, etc.)
- Journal Reprints & Professional Article Submissions
- Lab Supplies and Equipment (Except Capital Equipment)
- Medical Supplies and Equipment (Except Capital Equipment)
- Minor Peripheral Computer Parts or Supplies (mouse, keyboard, computer cable, etc.- not intended for the building of a computer system).
- Office Supplies & Equipment (Except Capital Equipment)
- Oligos & DNA Sequencing
- Printing Services
- Minor Repair Services for Equipment
- Safety Supplies
- **Software Under \$500** (Not on University Agreement/Contract. Software on contract includes, but not limited to: Microsoft Software, Adobe Acrobat, Symantec/Norton Antivirus, Retrospect Express Backup, Timbuktu/Net Octopus, WinQVT, and WinZip. See Computer Resources website for more information on University software agreements and contracts).

Prohibited Purchases

Restrictions on the ProCard are utilized to ensure proper UTSHCSA Handbook of Operating Procedures are followed as well as Purchasing Policies and Procedures. The restrictions are for the protection of the cardholder and the University.

The following items are considered unacceptable ProCard purchases and current established UTHSCSA policies should be adhered instead:

- Any Purchase Exceeding Single Transaction Limit (No splitting of transactions greater than the single or monthly purchase limit.)
- Any Purchase Not Allowed on a Project ID/ Fund Group
- Animals or Veterinary Services
- Cash Advances or Cash Refunds (See Refund Instructions in ProCard Policies and Procedures)
- Chemicals, Radioactive Materials, or Biological Agents Requiring Environmental Health & Safety's Approval (Including, but not limited to, HHS Select Agent or Toxin, USDA High Consequence Livestock Pathogens, USDA Listed Plant Pathogens, Radioactive Materials, Radiation Producing Devices, Military Chemical Agents, Toxic/Extremely Hazardous Chemicals, and Controlled Substances.) (HOP 8.5)
- Computer Networking Equipment (ex. hubs/wireless hubs) (HOP 5.2)
- or Professional Services (medical care providers, legal services, etc.) (HOP 6.1.6)
- Entertainment (HOP 6.1.8)

- Ethyl Alcohol or any Alcoholic Beverages (HOP 8.2.1)
- Firearms and Ammunition
- Gift Cards
- Imported Goods
- Memberships and Dues (HOP 6.1.7)
- Motor Fuel (HOP 6.2.25)
- Motor Vehicle Purchases/Rentals (HOP 6.2.7)
- Personal Gifts, Items, or Services
- Prescription Drugs/Substances Controlled by the DEA
- Rental of Equipment
- Restaurant, Fast Food, and Catering Services
- State Comptroller defined controlled items \$500.00 and over subject to a numbered property tag (includes projectors, copiers, stereo systems, cameras, TV's, camcorders, laserdisc players, and printers). Personal computers including desktop and laptops are defined as controlled items regardless of cost. (HOP 6.3.1)
- Telecommunication Equipment or Services (Including Office Phones, Cell Phones, and Pagers) (HOP 5.2)
- Temporary Employment Services
- Travel Expenses (airfare, meals, lodging, car rental, etc.) (HOP 6.2)
- Utilities
- As Outlined in the ProCard Policies, H.O.P, or other University Policies. (See ProCard Manual for more information.)

Built-In Restrictions

Each card is assigned an individual credit limit. The limit is based on previous purchasing activity and current University guidelines.

The current standardized credit limit is \$5,000.00 per month with a single transaction limit of \$1,000.00 including any freight or handling charges. The Program Administrator and Commercial Card Coordinator may also adjust card limits at any time after reviewing spending habits as determined.

Certain vendor categories have been “blocked” from usage in the program. This has been done by the use of Merchant Category Codes (MCC). If you present your card to a vendor classified under a restricted MCC, the transaction will be declined. It is likely that any vendor you currently utilize as a source for products or services will accept your card. As the vendor is responsible for identifying themselves under a single MCC, it is possible for a legitimate purchase to be declined. If you are declined and feel the decline should not have occurred, you may contact CitiBank Customer Service at 1-800-248-4553 to determine if you were declined because of merchant blocking or having exceeded the monthly credit limit or single transaction dollar limit imposed on your card. Any request for an override of a MCC must be sent in writing to procardadmin@uthscsa.edu.

Exception Requests

Exceptions may be requested on an as-needed basis for some prohibited purchases and temporary limit increases with documentation stating the benefit for the purchase on the ProCard. A written request must be submitted via email to procardadmin@uthscsa.edu.

Permanent and temporary limit increase requests may also be submitted for either or both the transaction limit and the monthly credit limit. Please see the ProCard Website for the Limit Increase Request Form.

Not all exception requests can be granted, but, the Purchasing Department will help in finding the correct avenue to complete your purchase.

Selecting Vendors

Historically Underutilized Business (HUB) Each state agency must make a good faith effort to do business with Historically Underutilized Businesses or HUBs [1TAC(Texas Administrative Code) Chapter 111, 111.11 – 111 – 111.24]. It is important that HUBs be considered with every ProCard purchase. Executive Order #XO-1201, IV-B 1 states: Agency operating unit will purchase from a HUB vendor to the fullest extent possible. There are a few ways to locate a Texas Building and Procurement Commission certified HUB:

1. By referring to the UTHSCSA HUB website: <http://www.uthscsa.edu/business/hub>
2. On the TBPC Internet site:
<http://www.tbpc.state.tx.us/communities/procurement/prog/hub>
3. By calling the UTHSCSA HUB program office and request a listing of HUBs for the specific purchase you plan to make (Bruce Williams at 562-6300).yes...working

Vendor Hold: All state agencies are only allowed to enter into contract with a vendor in “good standing” or not on “**vendor hold**” with the State of Texas. A contract includes a financial commitment of agency funds for purchasing goods or services. The financial commitment may occur through formal contract, a purchase order, or credit card purchase.

As a holder of a UTHSCSA ProCard, you are responsible for prior verification of state **vendor hold status for all credit card purchases of \$500.00 or more. Going**

To verify a vendor's "hold" status, visit the State Comptroller's web site:

<https://cpafmprd.cpa.state.tx.us/tpis/search.html>

Placing Orders

Always select the vendor offering the lowest price, best value, and most responsive to your departmental specification requirement.

Give the selected vendor your ProCard for the items you want. For mail/phone orders give your ProCard account number as requested. For orders placed over the Internet ensure that you are giving your card over a secure site. If you are unsure of the security of the site complete the transactions over the phone or do not make the purchase from that vendor using their Internet site.

Give the vendor clear shipping instructions. **Ensure that the vendor will include a contact name, department, telephone number, and the code "PCP" (Pro-Card Purchase) on the package.** Often when this information is not included, receiving staff must return items to vendors because they cannot tell where to forward the item. This results in lost time for the receiving staff, the vendor's staff, and your department when an item has to be sent back and reordered, not to mention restocking fees.

Any charges made on the UTHSCSA ProCard are not to be submitted to the University for reimbursement or payment. The credit card company pays the vendor within three (3) days of your business transaction. The University must in turn pay the credit card company. CitiBank, our credit card issuer, will not accept personal checks for payment from any employee.

Sales Tax

The State of Texas is exempt from paying State and Local Sales Tax. When placing an order notify the vendor that purchases made for the state are not subject to Texas Sales tax. Other states taxes are also not applicable if an F.O.B. destination in Texas is specified.

Federal Tax ID number is: 1741586031

If necessary, a Tax Exempt Certificate may be provided to the vendor. A copy of the Certificate is available on the ProCard Website. It is the responsibility of the cardholder to request a credit on the ProCard if tax is accidentally charged or to reimburse the University for tax that is not credit by a vendor.

Receipt of Purchases

It is the cardholder's responsibility to ensure receipt of goods and materials and to follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. If materials are ordered by phone, ask the vendor to include a sales receipt and packing slip in the package with the filled order and/or fax you an advanced copy. The receipt and packing slip will be needed for documentation.

Returns, Credits, and Disputed Charges

In case of returns, the cardholder is responsible for coordinating returns directly with the vendor, as well as securing the appropriate credit when the goods are returned to the vendor. Return documentation (credit slips) should be submitted in the same manner that purchasing receipts are.

Should a problem arise with a purchased item, or with billing, every attempt should be made by the cardholder to resolve the issue directly with the Merchant/Vendor. Review of future statements is vital to ensure that the account is properly credited for returns, credits, and disputed charges.

If you are unable to come to an agreement with the Vendor regarding a purchase made with your ProCard, complete the Disputed Form located on the ProCard Website and fax or email the form to CitiBank within sixty (60) days of the original transaction and notify the Commercial Card Office. Note: Failure to take immediate and appropriate action could result in a loss of ProCard privileges.

Lost or Stolen Cards

If a card is lost or stolen, contact CitiBank at (800) 945-3114 Fraud Early Warning or call the number on the back of your card immediately. Also contact the Commercial Card Office (562-6216). Upon receipt of your call, further use of the card will be blocked. Prompt action in these circumstances can reduce any fraudulent charges. The UTHSCSA has no liability for transactions that occur once CitiBank has been notified.

Termination of Employment

Cardholder or Account Manager must contact Commercial Card Office (Purchasing) once notice is given of termination or if transferring to another department to cancel the ProCard. If a cardholder changes departments, the card must still be returned to the Commercial Card Coordinator and the new department must submit another application for the individual. Cardholders are responsible for all charges until ProCard is cancelled.

Misuse of ProCard

Misuse of the ProCard is defined as any purchase or act that conflicts with these policies, the Handbook of Operating Procedures (HOP), or as deemed inappropriate by the Program Administrator or Commercial Card Coordinator. ProCard Misuse includes, but is not limited to, using the ProCard for personal use, or not following proper procedures. ProCard privileges may be revoked upon the first misuse of the ProCard.

****Do not lose your receipts!!** Each cardholder is allowed 2 chances for missing receipts with an appropriate explanation. On the 3rd offense, privileges will be revoked and the cardholder is subject to a 12-month suspension, will need to reapply for the credit card, and attend the ProCard training class. **However, there are no exceptions for missing receipts for department type stores (Walmart, Target, HEB, etc.).** Any missing receipts for transactions with this type of vendor may result in the personal responsibility of the cardholder to reimburse the University and possible loss of ProCard privileges.

When reinstatement of privileges has been refused by the Plan Administrator (Director of Purchasing), the decision may only be contested by contacting the Office of The Vice President, Chief Financial Officer, Andrea Marks.

Account Managers – General Information

The Account Manager is appointed by the department and **cannot** also be a cardholder. The ProCard Account Manager is viewed as a facilitator to accomplish the items listed below. However, the ultimate accountability rests with the actual card holder. The cardholder is the individual who is responsible for the appropriate use of the card.

Account Manager Responsibilities:

- Collecting all documentation (sales receipts, packing slips, etc.) for ProCard transactions
- Document appropriate project/grant and expense account information
- Identify the appropriateness of the expense, purchases, and provide a description for the purchase
- Collect signatures approving the transactions
- Forward the information to the Commercial Card Coordinator in Purchasing.

ATTACHMENTS



ACKNOWLEDGMENT OF RECEIPT OF
THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN ANTONIO
PROCUREMENT CARD/MASTERCARD

This is to officially acknowledge my receipt of The University of Texas Health Science Center at San Antonio Procurement/MasterCard. I understand that I am expected to adhere to and will be held accountable for compliance with established policies and procedures. I agree that I have sole responsibility for the use and accountability of the card. I have completed the Procurement Card Orientation class, have read and understand the “Pro Card Program – Policies and Procedures”. I will abide by these policies and procedures at all times. I understand that the credit card is to be used for The University of Texas Health Science Center at San Antonio business only and that personal purchases using the card are prohibited. Purchases made out of compliance with the established guidelines are considered a misappropriation of funds and may constitute a criminal offense, which may result in consequences including termination of employment and/or a referral to the proper authorities for disposition.

I have been notified and understand that my single credit card purchase limit is **\$1,000** and my spending cycle (one month) limit is **\$5,000**.

As the holder of a University of Texas Health Science Center at San Antonio Procurement/MasterCard, I am responsible for prior verification of vendor hold status for all credit card purchases of **\$500** or more.

Name: (Print) _____

Cardholder Signature: _____

Date: _____

Card Number: XXXX XXXX

Custom Billing Cycle Maintenance

<u>From Date</u>	<u>To Date</u>	<u>Week day</u>
9/1/2011	10/3/2011	Monday
10/4/2011	11/3/2011	Thursday
11/4/2011	12/2/2011	Friday
12/4/2011	1/3/2012	Tuesday
1/4/2012	2/3/2012	Friday
2/4/2012	3/2/2012	Friday
3/4/2012	4/3/2012	Tuesday
4/4/2012	5/3/2012	Thursday
5/4/2012	6/1/2012	Friday
6/4/2012	7/3/2012	Tuesday
7/4/2012	8/3/2012	Friday
8/4/2012	9/3/2012	Monday

Account Number Listing (Object code)

Description	Account Number
Abstracts	708007
Air Express	703001
Computer cable	727002
Computer consumables (toner)	714005
Computer keyboard	727001
Computer maint. & repair	711014
Computer mouse	727001
Computer parts/equipment (less than \$500)	727002
Consumables (other)	714005
Equipment (less than \$500 not for computer)	727003
Equipment parts	727004
Florescent lights/light bulbs	714005
Freight/Delivery	703001
Lab equipment parts (less than \$500)	727004
Lab equipment/glassware (less than \$500)	727003
Lab Supplies (consumable)	714005
Maintenance/Repair (Furniture, Equip., Automotive, etc.)	711016
Materials/Supplies (Agricultural, Construction, & Hardware)	714015
Medical equipment (less than \$500)	727003
Medical equipment parts (less than \$500)	727004
Medical Supplies	714009
Meeting/Conference Expense	706001
Miscellaneous (Floral Arrangements)	708012
Office Equipment (less than \$500 not for computer)	727003
Office Supplies	714005
Promotional Items	708034
Registrations	708035
Reprints	708001
Toner	714005
Tools	727003
Water	722003
Purchases for Resale	714010
Subscription, Periodical, Hardcopy	707003
Software	702003
Purch Contracted Services	711030
Laboratory & Field Testing Services	711035

Contact List

Commercial Card Office: ProCardAdmin@uthscsa.edu
Commercial Card Website: <http://www.uthscsa.edu/business/procard>

- Commercial Card Coordinator
Karen Schweiger
(210) 562-6216
schweiger@uthscsa.edu

- Manager of Contract Administration
Teresa Crum
(210) 562-6203
crumt@uthscsa.edu

- Director of Purchasing & HUB Program
Vikki Ross
(210) 562-6200
rossv@uthscsa.edu

- CitiBank Customer Service
(800) 248-4553

- HUB Program
Bruce Williams
(210)-562-6300
williamsbw@uthscsa.edu