# ASU ProCard Guide



## ANGELO STATE UNIVERSITY PROCUREMENT CARD (ProCard) PROGRAM GUIDE

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**Procurement Card Payment** 

#### **OVERVIEW**

#### **INTRODUCTION**

The purpose of the Angelo State University Procurement Card (ProCard) Program is to establish a more efficient, cost-effective method for paying for small orders and to delegate the authority and capability to make these purchases to the end-user and the department. This program is intended to complement existing processes. The ProCard program will be administered in accordance with the terms of the state of Texas contract, University Operating Policies and this Program Guide. **The ProCard is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements**. This program is designed to empower the cardholder to make needed small purchases without a delay and with minimal paperwork.

#### **THE PROCUREMENT CARD**

The ProCard is a MasterCard issued by Citibank either in an individual's or department's name. The Card is to be used by Angelo State University's faculty and staff. The authorized Cardholder is able to purchase directly on behalf of ASU, thereby allowing tax-exempt use. Transactions are paid directly by the University to the bank. The program does not affect personal credit ratings in any way.

#### **ACTIVATING THE PROCUREMENT CARD**

The Cardholder must call the number on the card to activate the Procurement Card before using it. Upon receipt of the card, the cardholder should sign the back of the Procurement Card and always keep the card and card number in a secure place. **Please call from an ASU phone to activate the card. Do not call from a personal phone.** This will provide an additional level of security and tracking.

#### **SECURITY OF THE PROCUREMENT CARD**

The cardholder is responsible for the security of the card and card number. This card shall be treated with the same level of care as the cardholder would use with his/her own personal charge cards. Guard the ProCard account number carefully. It should not be posted in a work area or left in a conspicuous place. It must be kept in a secure location.

#### **DEPARTMENT CARD USE**

The Financial Manager must approve the issuance of a Departmental Card and approve the appointment of a primary and secondary reconciler that is primarily responsible for overseeing the Departmental Card. The Reconciler is responsible to ensure that the individual using the card is aware of appropriate uses for the card and the need to return the card and associated documentation immediately after making the purchase. A Departmental Card Agreement Form will need to be filled out by all full-time faculty and staff that request the use of the Card. The form will be kept on file with the department and a copy sent to the Program Administrator with the monthly Expense Report. The Reconcilers will be expected to attend a training session on the use of the Card. Departments may not have more than two Departmental Cards. Please note than when a Card is issued in a department's name, it is much more difficult to dispute erroneous charges, but the department will still be liable for the charges placed on those cards.

#### INDIVIDUAL CARD USE

The Financial Manager must approve the issuance of an Individual ProCard and approve the appointment of a reconciler. The individual cardholder must attend a training session on the use of the Card. It will be the responsibility of the Cardholder to submit associated original vendor receipts, and any other required supporting documentation or forms (if applicable) to the Program Administrator by deadlines issued.

#### **POINTS OF CONTACT - RESPONSIBILITIES**

#### **Program Administrator Responsibilities:**

- Administration of the program
- Establishing credit limits
- Establishing University policies related to the program.
- Issuing cards
- Cardholder training
- Monitoring and maintaining documentation of P-Card activities
- Periodic auditing of cardholders
- Answering day to day questions

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#### **Financial Manager Responsibilities:**

- Designating cardholders and reconcilers
- Approving each cardholder's monthly ProCard documentation
- Ensuring that all employees issued a card understand the department budget constraints under which cards are to be used

#### **Cardholder Responsibilities:**

- Following all ProCard policies, procedures, rules and guidelines outlined in the Program Guide and University Operating Policies
- Maintaining the necessary documentation related to purchases made with the ProCard

#### CitiBank Customer Service

- Available 24 hours a day, 7 days a week
- Assists the cardholder with general questions about the ProCard account
- If a ProCard is lost or stolen, Customer Service should be notified immediately: 1-800-248-4553

#### PROCUREMENT CARD CONTROLS

#### **Individual Cards**

The majority of the Individual ProCards will have a single transaction limit of \$1,000 with a \$5,000 monthly billing cycle limit. The cycle begins on the 4<sup>th</sup> of the month and ends on the 3<sup>rd</sup> of the following month. The single transaction limit includes the purchase price plus freight and installation.

#### **Department Cards**

All Department Cards will have the monthly cardholder spending limits set at \$1,000 per single transaction with a \$10,000 monthly billing cycle limit. The cycle begins on the 4<sup>th</sup> of the month and ends on the 3<sup>rd</sup> of the following month. The single transaction limit includes the purchase price plus freight and installation.

#### **Restricted Vendors**

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The ProCard program is restricted from use with certain types of suppliers and merchants. If the ProCard is presented for payment to these vendors, the authorization request will be declined. If this happens and the purchase is within other guidelines, call the Program Administrator while still at the vendor's place of business. The change allowing the purchase to be completed may be made by phone. If this is not possible, the Program Administrator will advise what steps to take to complete the purchase. The cardholder may be required to return to the office and submit a requisition.

Please note that many vendors who operate within acceptable Merchant Category Codes may sell some items that are restricted from purchase on the ProCard. **Just because the vendor sells it does not mean the Cardholder can buy it.** See Acceptable and Unacceptable Purchases.

#### **LOST OR STOLEN CARDS**

If a ProCard is lost or stolen, immediately contact CitiBank Customer Service at 1-800-2484553. After contacting CitiBank, notify the Program Administrator and your Department Head. Prompt, immediate action will reduce the possibility of fraudulent activity. It is imperative that the cardholder contact the bank immediately to report a card lost or stolen. The cardholder may be required to reimburse the University for any charges resulting from a failure of the cardholder to immediately report the loss or theft of a card. The department may be subject to suspension or termination of all departmental cards for failure to report lost or stolen cards. Any fraudulent charges made on a lost or stolen card should be reported to the Program Administrator. Keep in mind that the department may have to pay the full amount of card charges and work through the legal system to receive reimbursement.

#### **EMPLOYEE TRANSFER/TERMINATION**

It is imperative that in either of the following cases the Department Head or his/her designee ensure that the Procurement Card is returned to the Program Administrator:

- upon employee transfer to another University department
- upon employee termination from University employment

The Department Head is responsible for determining the FOAP for outstanding charges. The department may be subject to suspension or termination of all departmental cards for failure to secure and return cards from employees transferred or terminated.

#### **CARD TERMINATION**

Privilege does not come without responsibility. Use of the credit card is a privilege that carries a great deal of responsibility, but one that will be worth it due to the ease with which purchases can be made. If any one cardholder is allowed to abuse the use of the ProCard, the whole program is impacted. Therefore, abuse of the ProCard can result in immediate consequences with no appeal.

Certain ProCard rule violations will result in immediate deactivation or cancellation of all of a cardholder's cards as noted herein. Other violations will be tracked on a points basis accumulated by cardholder. Every point given stays with the cardholder for length of 6 months. Points given within a 6-month time frame will be reviewed and appropriate action taken as noted herein. Note the actions and subsequent consequences outlined herein should not be considered all inclusive. Points may be accumulated during any transaction review, research or audit by either the Program Administrator or the Department of Audit Services.

Occasionally, exceptions to the ProCard rules may be approved by the Program Administrator prior to the transaction taking place. If so approved, the cardholder will submit an <u>Exception Form</u> with the transaction, and card cancellation, deactivation, or points will be waived

### Immediate Card Cancellation – results in cancellation of all cards with no option to ever receive another card

- Items purchased for personal use when determined to be intentional abuse or fraud
  - Use of the P-Card to secure a cash advance
  - 2<sup>nd</sup> Lost or Stolen Card within 3 years after the 1 lost or stolen card

#### Immediate Card Deactivation – results in a waiting period of 3 months for re-activation

- Transaction Details not posted by the required date for 3 consecutive months or 3 months during a 6 month period
- Splitting purchases to avoid purchasing procedures (2<sup>nd</sup> offense)
- Failure to provide documentation within the requested timeframe for an audit

#### **Points Schedule**

Points will accumulate as noted below against each cardholder. An accumulation of points over a 6-month period will result in the following action:

**10 points accumulated within a 6-month period** will cause all of cardholder's cards to be cancelled for a minimum of one year. New cards will be issued only after the one-year waiting period and only upon completion of a new <u>ProCard Application/Approval Form</u> and attendance at training.

Points will accumulate as noted below when the following unacceptable purchases are made, procedures are not followed, or documentation is not produced:

- 1- Purchases of promotional items bought from vendors who collegiate Licensed
- 1- Food purchases not documented
- 1- Purchase of controlled, hazardous or radioactive materials
- 1- Fuel for automobiles (unless approved by the Program Administrator)
- 1- Professional and consultant services or other services requiring a written contract
- 1-Failure to do on-line reconciliation on time
- 1-Failure to turn completed Expense Report packet in on time.
- 1-Tax charged/no credit received
- 2- Insufficient Funds to cover expenses
- 2- Items for personal use when determined to be accidental
- 2- Using as a payment card
- 2 Purchase of "Controlled Equipment" (unless approved by the Program Admin)
- 2 Unable to produce printed and signed Expense Report upon request
- 3 Unable to produce verification of purchase upon request; e.g., receipts, invoices, credit receipts, printed internet or email confirmations, etc.
- 3 Splitting purchases to avoid purchasing procedures (1<sup>st</sup> offense)
- 3 Inappropriate purchase for the account charged
- 3 Failure to secure the p-card account number; i.e., card number posted in a public area, cards left lying around or not kept in a secure location

#### **Other Card Cancellations and Actions**

<u>Non-Use</u> - If the cardholder has not used the procurement card within one year, the P-Card will be cancelled. To receive a new card, the cardholder will be required to submit a <u>ProCard Application/Approval Form</u> and attend training.

<u>Termination of University Employment</u> - When a cardholder terminates employment with the university, the department has specific obligation to reclaim the ProCard and return it to the Program Administrator prior to the employee's termination date. Failure to reclaim cards may result in the department being responsible for payment of any fraudulent charges and revocation of all department card privileges. Verification of card return will be part of an employee's exit interview with Human Resources. Any fraudulent charges made by a terminated employee after the employee's termination will be reported to the University Police Department.

The employee will be expected to reimburse the University.

<u>Transfer to a Different University Department</u> - When a cardholder changes employment from one University department to another, the department has specific obligation to reclaim the ProCard and return it to the Program Administrator prior to the effective date of change. Failure to reclaim or dispose of cards as designated may result in revocation of all department card privileges.

Failure To Promptly Report A Lost Or Stolen Card - If a cardholder fails to make a report of a lost or stolen card immediately upon discovery, the cardholder may be required to reimburse the University for any fraudulent charges made on the card until it has been cancelled. The University will pay the charges and the employee will be required to reimburse the University. The cardholder will be subject to a minimum 3-month waiting period before a new card will be issued. If a 2<sup>nd</sup> p-card is lost or stolen within 3 years after the 1<sup>st</sup> lost or stolen card, all of the cardholder's cards will be cancelled with no option to ever receive another card.

Administrative Authority - The Department Head or supervising Dean, Vice President, or President has the authority to request that the Program Administrator deactivate or cancel an employee's cards at any time for any reason. Any cards so deactivated or cancelled may be reactivated or new cards issued with approval by the position that originally requested the deactivation or cancellation. The Program Administrator or the Department of Audit Services has the authority to request that an employee's card be deactivated while transactions are being researched or investigated, or an audit is being conducted. At the conclusion of the research, investigation or audit, the cards will be reactivated and/or appropriate action taken as specified herein and in policy.

#### USING THE PROCUREMENT CARD

The Cardholder is responsible to ensure that he/she is following the latest policies, procedures, rules and guidelines each time a purchase is made. All cardholders are automatically subscribed to an electronic mail list for the purpose of insuring that all cardholders receive notice of changes and updates to the P-Card Program.

#### **MAKING A PURCHASE**

Determine if the transaction is an acceptable use of the card.

- a. Splitting purchases to avoid purchasing procedures or bidding requirements is not allowed
- b. Consider available contracts for best value: <u>State Contracts, TXMAS Contracts</u>, <u>DIR</u> Contracts and Cooperative Contracts
- c. Consider Recycled Products
- d. See examples of Acceptable and Unacceptable Purchases
- e. NOTE: Payments for food purchases may be made on the University Procurement Card (ProCard) only if food purchases are an allowable expense from the designated Fund/Orgn. The purchase of food is only appropriate with local funds and cannot be purchased with a state account.

Determine if the transaction is within the cardholder's spending limit. A transaction includes the purchase price, plus freight and installation and excluding tax.

- --NEVER split purchases to stay within the cardholder's spending limit
- --Sales Tax should never be charged. ASU is a tax exempt agency. Sales tax is not a disputable item. If tax is charged the individual / department will be responsible for obtaining a credit from the vendor charging the tax.

Identify the vendor.

**State law mandates**, on both state and local accounts, that ASU make a good faith effort to increase business with **Historically Underutilized Businesses** (**HUBs**). Contact the Program Administrator for help identifying HUB vendors. Remember that ASU's percentage of business with HUBs is considered during the state's biennial budget allocation process. HUBs may be searched at the State of Texas <u>CMBL</u> search site

Prior to the commitment of funds, **state law mandates that the cardholder <u>verify the vendor's</u> <u>warrant hold status</u> FOR ANY PURCHASE EXCEEDING \$500. The website to check the vendor's status is <a href="https://cpafmprd.cpa.state.tx.us/tpis/search.html">https://cpafmprd.cpa.state.tx.us/tpis/search.html</a>** 

Call or fax the order, visit the vendor, or place the order over the internet if you feel that the site is secure. Confirm pricing including shipping and installation and excluding tax.

- a. The ProCard identifies Angelo State University as being a tax exempt entity of the State of Texas but does not automatically result in the charge being tax exempt. Stress to the vendor that ASU is tax exempt.
- b. The following company has assigned a specific tax exempt ID that must be presented to have tax removed from the charge.

Wal-Mart Tax Exempt ID #507534

Provide the vendor with the "Ship To" address of: ASU, Central Receiving, 1635 Vanderventer, San Angelo, TX 76909. Request that the word "ProCard" and Cardholder's/Department's name appear on all packing lists and box labels. This will help ensure that the shipment gets to the right person and/or department.

Secure a receipt or invoice to fully document the purchase and if applicable, any problems associated with the purchase. Always instruct the vendor to send the receipt/invoice directly to the cardholder, **not to Accounts Payable**. A state agency may not pay for goods before their delivery to the agency. Vendors should only charge the account when goods are shipped. Back Orders should not be charged until the goods are shipped.

Ensure receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.

#### ACCEPTABLE AND UNACCEPTABLE PURCHASES

#### **ACCEPTABLE PURCHASES – EXAMPLES** (this list is not all inclusive)

The ProCard may be used for a wide variety of purchases of goods and services with a maximum single transaction limit of \$1000. A transaction includes the purchase price, plus freight and installation. Examples include but are not limited to:

- Tools/Hardward
- Safety Supplies Books
- Janitorial Supplies
- Lab Supplies
- Medical Supplies
- Office Supplies
- Computer Supplies and Software
- Registration fees\*
- Subscriptions
- Small Equipment (not capital or controlled; see below)
- Food Purchases only if allowed from the Fund/Orgn being used (local funds only)
- Services (unless it requires a written contract)
- Rentals (excluding vehicle rentals)

\*Registration fees can by paid for any employee in the department with a Departmental Card; if the card is in an individual's name then only the registration fees for that person can be paid using the ProCard

#### UNACCEPTABLE PURCHASES

The ProCard MUST NOT BE USED for the following

purchases. Items for Personal Use

Items purchased with HEAF funds

Promotional items bought from a vendor that is not

collegiate licensed Printing (unless the Print Shop cannot

provide the service)

Animals that are required to be reported on the Annual Financial Report

NOTE: Consumable animals, such as lab rats, are acceptable purchases

Travel and related expenses (Registration is no longer considered a travel expense)

Membership dues

Cash advances or cash refunds

Controlled, hazardous, or radioactive materials

Fuel for automobiles (must be pre-approved by the Program

Administrator) Alcoholic Beverages

Professional and consultant services or other services requiring a written contract

**Controlled Equipment**: Equipment with a single unit value from \$500 to \$4999.99, and identified as any one of the following:

a. stereo systems

b. Cameras (film & digital)

c. TVs d. VCRs

e. DVD players

f. camcorders (including digital)

g. any combination of c-f

h. Microcomputers, servers and laptops

i. printers

j. data projectors

**ASU Defined Controlled Equipment**: Equipment of any value and identified as any one of the following:

- a. firearms
- b. microcomputers, servers, laptops and handheld computers
- c. Personal Digital Assistant (any tablet)

#### RETURNS, CREDITS AND DISPUTED CHARGES

Should a problem arise with a purchased item or charge, the cardholder shall make every attempt to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. Returned, credited or disputed charges must be documented on the Expense Report. Sales tax is not a disputable charge.

#### **Returns and Credits**

If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for the return. Note that some suppliers may charge a restocking or handling fee for returns. If an item is accepted as a return by the supplier, a credit for the item must be obtained as quickly as possible.

#### **Disputed Charges**

If a cardholder finds a charge on a monthly statement that is inaccurate the cardholder may choose to dispute payment by disputing the charge with Citibank.

If disputed, CitiBank will place the charge in a 'State of Dispute' and the account may be given a provisional credit until receipt of adequate documentation from the vendor is provided. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed. If the charge is suspected to be fraudulent, the card will be immediately blocked. An investigation of the charge will continue and a provisional credit will be issued. A new card will then be re-issued to the cardholder, if appropriate. If, after the investigation, the disputed charge appears to be legitimate, the transaction will then post to the new account.

#### PROCUREMENT CARD PAYMENT

ASU has selected *a billing cycle of 30 days with payment due in 30 days*. ASU's statement closing date will be the 3<sup>rd</sup> day of the month or the 1<sup>st</sup> preceding business day if the 3<sup>rd</sup> falls on a weekend or holiday (i.e. if the 3<sup>rd</sup> is a Saturday the statement closing date will be Friday the 2<sup>nd</sup>). The Program Administrator will receive master statement listing all transactions during the period by each cardholder.

Accounts Payable will pay the summary billing in full once reviewed by the Program Administrator, except for charges officially disputed. It is imperative that funds be available from the designated Fund/Orgn to avoid a delay in payment.

Please remember that Purchasing is your partner in this venture and is willing to assist in any way.