PROHIBITED TRANSACTIONS

1. ADVERTISEMENTS FOR STAFF EMPLOYMENT
   Advertisements for staff employment should be reviewed and approved by Human Resources. These transactions must be processed in TechBuy.

2. ALCOHOLIC BEVERAGES
   Alcoholic beverages are prohibited unless a department has a FOP that allows alcohol (See Operating Policy 72.05). Please see the listing at http://www.depts.ttu.edu/afism/training/documents/codeSerchDemo.htm.

3. AMMUNITION
   Ammunition must be approved by the Texas Tech Police Department and Environmental Health & Safety Offices. These transactions must be processed in TechBuy.

4. AUTOMOTIVE FUEL
   Fuels for University vehicles must be purchased using the Voyager card so that applicable discounts will be applied. For more information on the Voyager card, email techbuy.purchasing@ttu.edu.

5. CAMERAS
   Cameras with a unit cost of $500 or more are considered Controlled Assets by the State and must be properly tagged and tracked. These transactions must be processed in TechBuy. Cameras costing less than $500 will be allowed on the PCard.

6. CASH
   Cardholders cannot use the PCard to obtain cash, including money orders or traveler's checks. Cardholders are prohibited from receiving cash as a credit for the return of an item.

7. CASH-LIKE TRANSACTIONS
   Cash-like transactions, such as gift cards, are prohibited unless for Research Participants in accordance with Operating Policy 62.25.

8. CHEMICALS, COMPRESSED GASES, TOXINS, RADIOACTIVE, HAZARDOUS AND CONTROLLED SUBSTANCES
   Environmental Health & Safety must review all toxins, hazardous materials, radioactive, rad minor, and controlled substances prior to purchase. These items will not be allowed on the PCard. EH&S has pre-approved a list of some items that may be purchased on a PCard. The list is available on the HowTo Guide for Chemicals & Gases http://www.depts.ttu.edu/procurement/purchasingContracting/howToGuides/index.asp

9. COMPUTERS
   Computers with a unit cost of more than $500 are considered Controlled Assets by the State and must be properly tagged and tracked. These transactions must be processed in TechBuy. Computers costing less than $500 will be allowed on the PCard.
10. DONATIONS OR CHARITABLE CONTRIBUTIONS
Any donation or charitable contribution, if allowed by University policy, should be processed in TechBuy.

11. ELECTRONIC GADGETS
Any Apple electronic gadget is prohibited on the PCard. Apple product transactions must be processed in TechBuy so that the Cardholder obtains the University discount. Other similar electronic gadgets, such as (but not limited to) Kindle, Sony eBook, MP3, and any other electronic gadget above $500 must be processed in TechBuy. Electronic Gadgets (other than Apple products) costing less than $500 will be allowed on the PCard.

12. FOREIGN PURCHASES
Foreign transactions must be processed in TechBuy due to Customs and IRS reporting/taxation issues. Registrations fees from foreign vendors are allowed.

13. GIFTS, AWARDS, AND PRIZES
Gifts, Awards, and Prizes must be tracked for IRS reporting. These transactions must be processed in TechBuy on the Gifts, Awards, and Prizes form with the exception of Retirement Gifts as long as they are purchased in accordance with OP 69.02. Plaques are allowed if purchased from a pre-approved service vendor http://www.depts.ttu.edu/procurement/pcard/pcardinfo.asp

14. INSURANCE
The State imposes some restrictions on what insurance the University may procure. All insurance transactions must be reviewed by the System Risk Manager prior to purchase. These transactions must be processed in TechBuy.

15. LEASES
Lease space is required to be compliant with Texas Accessibility laws. In addition, since there is a contract involved, the lease must be reviewed and signed by Purchasing and Contracting. These transactions must be processed in TechBuy.

16. NETWORK EQUIPMENT
Hubs, switches, routers, wireless access points, etc., must all have pre-approval from Telecommunication Services to ensure that the products are compatible with TTU systems. These transactions must be processed in TechBuy.

17. PERSONAL ITEMS
Personal items for any member of the faculty, staff, or student body are not allowed regardless of procurement method.

18. PROJECTORS
Projectors with a unit cost above $500 are considered Controlled Assets by the State and must be properly tagged and tracked. These transactions must be processed in TechBuy. Projectors costing less than $500 will be allowed on the PCard.

19. RENTALS
The State has special considerations for rentals. In addition, since there is a contract involved, the rental must be reviewed and signed by Purchasing and Contracting. These transactions must be processed in TechBuy. Booth rentals and their associated costs are allowed.
20. SERVICES
Any type of service must have proper documentation as required by the IRS. These transactions must also be tracked so that any payee receiving $600 or more per year is reported to the IRS. These transactions must be processed in TechBuy. A list of pre-approved vendors that you may use for services when using the pcard is available at http://www.depts.ttu.edu/procurement/pcard/pcardinfo.asp

21. SOFTWARE FROM A FOREIGN VENDOR
The IRS has rules governing the taxation of software from a foreign vendor. These transactions must be reviewed by the Tax Compliance Office and must be processed in TechBuy.

22. STEREO SYSTEMS
Stereo systems above $500 are considered Controlled Assets by the State and must be properly tagged and tracked. These transactions must be processed in TechBuy. Stereo Systems costing less than $500 will be allowed on the PCard.

23. TELEPHONE SERVICES AND EQUIPMENT
Telephone services and equipment must have pre-approval from Communication Services to ensure that the products are compatible with TTU systems. These transactions must be processed in TechBuy.

24. TEMPORARY PERSONNEL
Transactions for temporary services through a temp agency must be processed in TechBuy.

25. TRAVEL AND RELATED SERVICES
The University has a separate procurement card specifically for travel and related expenses. These transactions must be processed in the Travel system as a reimbursement to the traveler. Registration Fees (including foreign) are allowed on the PCard.

26. USED OR REFURBISHED EQUIPMENT
Used or refurbished equipment must be processed in TechBuy: http://www.depts.ttu.edu/procurement/purchasingContracting/howToGuides/documents/Used%20Equipment.pdf.

27. UTILITIES
These transactions may be processed in TechBuy or in the Direct Pay system.

28. VIDEO RECORDER/PLAYER (TV, VCR, CAMCORDER, DVR)
Video Recorder/Players more than $500 are considered Controlled Assets by the State and must be properly tagged and tracked. These transactions must be processed in TechBuy. Cameras costing less than $500 will be allowed on the PCard.

29. WEAPONS
Weapons must be approved by the Texas Tech Police Department and Environmental Health & Safety offices. These transactions must be processed in TechBuy.

EXCEPTION POLICY

Written approval will need to be obtained from the Section Manager of PCard and Travel Services or Director of Procurement Services (or their delegate) for any exception to purchasing items that are...
listed on the Prohibited Transaction list in the Procurement Card Guidelines. Any exception to the policy will require an email to purchasing.pcard@ttu.edu prior to making any purchase. If a permanent limit increase is requested, completion, signature, and approval of the PCard Exception Form are required. The PCard Exception Form will be signed by the Reconciler, Financial Manager/Approver, the appropriate Chancellor, Vice Chancellor, Assistant Vice Chancellor, President, Vice President, Assistant/Associate Vice President, Dean, Assistant/Associate Dean, Provost, or Vice Provost and the Section Manager for PCard and Travel Services or Director of Procurement Services.

MANDATORY CONTRACTS

Purchase of Non-Coca-Cola Products is Prohibited

The University is unable to purchase non-Coke products. Guidelines for this contract are available at http://www.depts.ttu.edu/afism/AFISMformrepository/ProcurementDept/PurchasingAndContracting/hotToGuides/Purchasing%20Coca-Cola%20Products.pdf

Coca-Cola has several water products, including DASANI®, glaceau® vitamin water, glaceau® smart water, Evian®. Other Coca-Cola products include Coca-Cola® classic (or Coke®), diet Coke®, Coke Zero™, Sprite®, Nestea®, Minute Maid® juices, Minute Maid® Refreshment, Campbell’s® V8, Campbell’s® Splash, Campbell’s®, V- Fusion, Full Throttle®, Monster®, NOS®, Gold Peak® tea, FUZE®, Dr Pepper and PowerAde®. A more detailed Coca-Cola Product List is available at http://www.depts.ttu.edu/procurement/pcard/pcardinfo.asp

Mandatory Office Supply Contract

The Texas Tech University System is entering into an exclusive office supply agreement with Summus Industries/Staples. This contract will be mandatory for Texas Tech, Texas Tech System, Angelo State University, and Texas Tech Health Sciences Center employees. This contract will be effective on May 4, 2012 and will apply to both purchase order and PCard transactions (PCards may be used in-store at Staples).

The following are the products that will be mandatory and not mandatory on this contract as well as instructions for the Exception Process.

The exclusive products that will be mandatory under this contract include:

- Binders
- Binding systems and supplies
- Boards, bulletin boards
- Calculators and supplies (non-scientific)
- Calendars, desk
- Calendars, wall
- Card filing and cards
- Chalk/Crayons
- Clips, clamps, and clipboards
- Columnar pads/books
- Copyholders
- Correction fluid/tape/supplies
- Dictation tapes and diskettes
- Envelopes: All purpose, business, inter-department, mailers
- Erasers
- Fasteners
- File carts
<table>
<thead>
<tr>
<th>Files</th>
<th>Paper punchers and trimmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Folders</td>
<td>Pencils and sharpeners</td>
</tr>
<tr>
<td>Highlighters</td>
<td>General writing Pens (not specialty including</td>
</tr>
<tr>
<td>Hole punchers</td>
<td>refills)</td>
</tr>
<tr>
<td>Index cards</td>
<td>Pins, push, and straight</td>
</tr>
<tr>
<td>Inserts, index tab</td>
<td>Post-It products</td>
</tr>
<tr>
<td>Label holders</td>
<td>Report covers</td>
</tr>
<tr>
<td>Labels</td>
<td>Ribbons: typewriter, printer</td>
</tr>
<tr>
<td>Label makers</td>
<td>Rolodexes</td>
</tr>
<tr>
<td>Letter openers</td>
<td>Rubber bands</td>
</tr>
<tr>
<td>Magnifiers</td>
<td>Rulers</td>
</tr>
<tr>
<td>Notebooks and organizers</td>
<td>Scissors</td>
</tr>
<tr>
<td>Notepad</td>
<td>Sheet protectors</td>
</tr>
<tr>
<td>Paper: copier, color, card,</td>
<td>Stamps/stamp pads/ink</td>
</tr>
<tr>
<td>and cover stock, photo,</td>
<td>Staplers, staples, removers</td>
</tr>
<tr>
<td>computer, wide format (does</td>
<td>Scotch Tape and dispensers</td>
</tr>
<tr>
<td>not include specialized paper</td>
<td>Telephone message pads</td>
</tr>
<tr>
<td>that may be needed for</td>
<td>Thumbtacks</td>
</tr>
<tr>
<td>scientific equipment, etc.)</td>
<td></td>
</tr>
</tbody>
</table>

The following commodities and services will not be mandatory but will be optional under the awarded contract:

- Adding machines
- Any item pre-printed with the Texas Tech logo
- Appointment books
- Arts and craft materials
- Bathroom tissue
- Batteries
- Break room supplies (plates, napkins, cutlery, etc.)
- Calculators (scientific)
- Cameras
- Cartridges/Toner/Ink
- Coffee/creamer/sugar/tea
- Desk accessories and pads
- Desktop printers/scanners
- Dictionaries and reference books
- Dry-erase boards
- Duct and industrial tapes
- Easels
- Facial tissue
- Fax supplies
- First aid supplies
- Floor mats
- Furniture and interior furnishings
- Glues and adhesives
- Janitorial supplies
- Planners and refills
- Restroom supplies
- Safes: fire resistant and impact
- Safety equipment, supplies and locks
- Shelving
- Shredders
- Specialized writing pens and refills
- Storage boxes
- Surge protectors
- Time clocks, time cards and accessories
- Typewriters

Exception process for purchase of Mandatory Products for the Summus/Staples contract:
Employees of Texas Tech University or TTU System may request an exception for valid exceptions such as the need for a specialized product.

Send an e-mail to techbuy.purchasing@ttu.edu. Provide a description of the goods/services and the amount to be saved. Provide as much information as possible (i.e. catalog number, brand, or model) and price per unit.

The Purchasing and Contracting department will maintain and utilize this information to lower the overall cost and provide the best value of materials and goods for the entire university through the contract process.

University purchases of office supplies must be made on the exclusive contract for the commodities and services that are mandates by contract.

If a “significant” savings can be achieved (i.e. a savings greater than $2,000.00 or 20% of the Office Supply Contract price) please contact the techbuy.purchasing@ttu.edu for authorization to proceed.

Vendors, as a marketing tool, will advertise cost savings on certain commodities. This is known as a “Loss Leader or Door Buster.” We encourage you to send this information to the Purchasing and Contracting department for evaluation. The purpose of the “Loss Leader” is to offer one product at a very low price and with the hope that the customer will purchase additional items at a higher cost (example extremely cheap printer that requires a more expensive toner cartridge).

POLICY VIOLATIONS

It is the responsibility of the Reconciler and the Financial Manager/Approver to review transaction documentation in order to identify possible violations in card use. This review must be conducted for all transactions in each cycle period.

- If the Reconciler determines that a violation has occurred, he or she must notify the PCard Office. The Reconciler will be accountable for all transactions that are processed under their purview. Repetitive violations occurring under any one Reconciler could be just-cause for removing the Reconciler from those duties.
- The PCard Office regularly audits transactions for possible violations and may request specific documentation to determine if a violation has occurred. Failure to provide requested information within seven (7) business days will be grounds for card deactivation.

The following items will constitute policy violations. Repeated violations could result in the sanctions detailed in these guidelines at the discretion of the Procurement Card Administrator and/or the Director of Procurement Services.
SPLIT PURCHASES
Under University Procurement Rules and Texas Comptroller regulations, it is prohibited to split a purchase in order to circumvent PCard or purchasing bid limits. A split purchase is defined as:

- The purchase of a single item costing over $1,000 (including shipping) with the purchase being divided (split) into more than one transaction; or,
- The purchase of a group of items totaling over $1,000 (including shipping) for a single purchase need. A single purchase need identifies a group of items that are similar enough in nature to be purchased from a single source. Purchases cannot be different delivery locations, different FOP, etc. For example: buying toner cartridges in the amount of $900 one day and a separate transaction the next day of $500 will constitute splitting purchases.

SALES TAX ON PURCHASES
Texas Tech University and the TTU System are both exempt from Texas sales tax. Exemption cards and certificates are available in the PCard Office (as evidence for vendors needing documentation). Any transaction that takes place with an out-of-state vendor will include that State’s sales tax on the transaction if the goods are delivered to an out-of-state location. Repeated failure to provide vendors with the required Texas tax exemption evidence will be considered a policy violation.

FAILURE TO PROVIDE EVIDENCE OF DOCUMENTATION/INCOMPLETE DOCUMENTATION
Cardholders are required to provide original receipts and any required supporting documentation for each purchase, by the required deadline which will be published on a regular basis. If the Cardholder is unable to obtain a valid receipt, a Missing Receipt form (http://www.depts ttu.edu/afism/AFISMFormRepository/ProcurementDept/TTUUsers/Missing%20receipt%20form2.pdf) must be prepared, signed, and submitted with the reconciliation. Failure to provide evidence of documentation will be considered a policy violation.

PURCHASE OF A PROHIBITED GOOD OR SERVICE
The purchase of any good or service contained on the prohibited item list in this PCard Guideline without an approval from the PCard Office shall constitute a policy violation.

PURCHASE FROM A PROHIBITED VENDOR
The Individual Cardholder or the Departmental Card Delegate is required to verify the vendor status for any purchase of goods as required by the State of Texas.

PERSONAL PURCHASES
The PCard must never be used to purchase items for personal use or for non-University purposes even if the Cardholder intends to reimburse the University.

CARD ABUSE/EMPLOYEE FRAUD
Any suspected fiscal misconduct or abuse of the card for personal purchases must be reported immediately to both the PCard Office and the TTU Office of Audit Services. Reconcilers and Financial Manager/Approvers are both required to report any suspected card abuse or employee fraud.

NONCOMPLIANT SPONSORED PROGRAM PURCHASES
Purchases on Sponsored Projects funds shall comply with the guidelines herein, terms and conditions of the award, and the Federal cost principles embodied in Operating Policy 65.08, Direct Charging to Sponsored Projects and Cost Share Funds. Failure to comply will constitute a policy violation.
Sanctions provide an approved framework to address program violations. Non-adherence to these guidelines could result in notifications or loss of privileges as detailed in this section. Serious infractions could result in disciplinary action, criminal charges, and/or a combination.

All departmental PCard program participants - Cardholders, Financial Manager/Approvers, Delegates, Financial Managers, and Reconcilers - are required to know and follow the PCard Program Guidelines and University policies, including those defining program violations and their consequences.

The following policy applies to both Individual Pcards and Departmental PCards (Departmental Card violations accumulate per card even if a different person caused the violation on the Departmental Card).

All alleged infractions will be thoroughly reviewed by the PCard Office. Additional information may be requested from the Individual Cardholder and/or the affected departments. Notifications of infractions will be sent to the Cardholder, Reconciler and Financial Manager/Approver. A Prohibited Transaction Notification Report with this information will be sent to the appropriate Chair, Dean, Provost, Vice President, President, Vice Chancellor and/or Chancellor on a periodic basis.

All forms and additional pcard information is available on the PCard office website at:

http://www.depts.ttu.edu/procurement/pcard/index.asp