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PURCHASING CARD PROGRAM OVERVIEW

Texas Tech Procurement Services offers the Procurement Card (“PCard”) program, an innovative program that simplifies the way in which you may order and pay for certain types of goods. The purpose of the PCard program is to establish a more efficient method of the delegated purchasing of small dollar, infrequent transactions. Any transaction that is prohibited on the PCard must be processed through the TechBuy system.

The PCard is a MasterCard issued by Citibank either in an individual’s or department’s name. The Card is to be used by Texas Tech University (“TTU”) and TTU System (“System”) faculty and staff. The authorized Cardholder is able to purchase directly on behalf of TTU, 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.

Use of the PCard is governed by the University Operating Policies, including Operating Policy 72.09, Purchase of Goods and Services, and these PCard Program Guidelines. Where PCard use is allowed, the card is encouraged on small, infrequent purchases since it is a quick, easy, and cost-effective way in which to procure goods for the University. It is a particularly useful method of procurement for online ordering.

DEFINITIONS

- **CitiDirect Global Card Management System (GCMS)** – Citibank’s online reporting and reconciliation program.
- **Expense Report** – A report providing detailed expenditure transactions reviewable by Reconcilers and Cardholders in the GCMS system.
Individual Cardholder – The faculty or staff member to whom the individual PCard is issued and who has responsibility for any charge placed on the card.

Departmental Card – A purchasing card issued in a department’s name. The Chancellor, Vice Chancellor, Assistant Vice Chancellor, President, Vice President, Assistant/Associate Vice President, Dean, Assistant/Associate Dean, Provost, or Vice Provost must approve the issuance of a Departmental Card and approve the appointment to an individual that is primarily responsible for overseeing the Departmental Card. Departments shall keep proper documentation at all times of the Card, the individual currently in possession of the Card, and any transactions placed on the Card. Departments may not have more than two Departmental Cards. Please note that 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.

Financial Manager – The TTU faculty or staff member with financial responsibility over a FOP. The Financial Manager has ultimate responsibility for any transaction charged to his or her FOP. The Financial Manager can assign these responsibilities to an Approver except for any transaction on a grant fund (funds starting with 21, 22, or 23).

Approver – A faculty or staff member who is a Financial Manager or is granted permission by a Financial Manager to approve transactions. The Approver may not approve a transaction on a grant funds (funds starting with 21, 22, or 23). The Approver is granted permission in the Team Application (team.texastech.edu).

Reconciler – A trained faculty or staff member charged with regular reviews of all PCard charges for a specific department or area. The Reconciler will have shared accountability for transactions under their review. There will be a Reconciler assigned to each individual Card and each Departmental Card. There may be one alternate reconciler to act on behalf of the primary reconciler; however, the primary reconciler will have accountability for the Cards and transactions.

Delegate – A faculty/staff member who has permission to check out and utilize a Departmental Card. The Reconciler has ultimate responsibility for any transactions that occur when a card is used by a Delegate.

FOAP – The Banner Fund, Organization, Account, and Program combination that PCard transactions are to be paid.

Default FOP – The Banner Fund, Organization, and Program that is set by default for each Cardholder. A default Account code is not needed. The default FOP cannot be a state fund (11, 12, 13, or 14) or a grant fund (21, 22, or 23). The Reconciler will be required to reconcile and submit documentation by the required deadlines. Failure to do so will result in a policy violation and the default FOP will automatically be charged.

ABOUT THE PCARD PROGRAM

Purchase
The authorized Individual Cardholder or the faculty/staff member that checks out a Departmental Card (“Delegate”) uses the Card to purchase needed goods and submits the associated vendor original receipt, and any other required supporting documentation or forms (if applicable) to the Cardholder’s Reconciler. Transaction information is downloaded into the CitiDirect GCMS program from MasterCard and subsequently entered into the Banner accounting system. Spending alert notifications can be scheduled to provide regular spending alerts.

Expense Report
The Reconciler updates information and prepares a monthly expense report (cost allocation) in the CitiDirect GCMS program. The Reconciler will also be responsible for maintaining a Departmental Card Check-Out Form for each of their Departmental Cards and a Departmental Card Agreement Form signed by each Delegate that checks out the Departmental Card for each statement cycle. The Cardholder/Delegate submits the supporting documentation to the Reconciler for the individual PCard or Departmental Card. After review and approval by the Reconciler, the statements will be reviewed and approved by the Financial Manager/ Approver or the appropriate supervisor in the case where the Financial Manager/Approver is the Cardholder. After approvals, the expense report and all supporting documentation (including Departmental Card Check-Out Form and Departmental Card Agreement Form for Departmental Cards) must be sent to the PCard Office (Room 347 Drane Hall) by the required deadline.
Approval by Reconciler and Approver
The Reconciler reviews the monthly expense report for possible violations, appropriate use of University funds, appropriateness of expenditures, and compliance with University policies. The Reconciler takes the appropriate action if violations are found or approves the report if all is in order. CitiDirect GCMS information from approved expense reports is uploaded into the Banner accounting system after the reconciliation takes place. After review and approval by the Reconciler, the statements will be reviewed and approved by the Financial Manager/Approver or the appropriate supervisor in the case where the Financial Manager/Approver is the Cardholder. The Reconciler and the Financial Manager/Approver are both responsible for all charges that they approve.

PCARD CUSTOMER SERVICE

Texas Tech University PCard Office
The PCard Office was designated by Texas Tech University and System to assist all faculty and staff with questions and issues regarding the program. The PCard Office staff is knowledgeable on all procedures in the PCard Program Guidelines and relevant University Procurement Services operating policies.

Texas Tech Procurement Card Customer Service:
806-742-3844
Purchasing.pcard@ttu.edu

Citibank Customer Service
The PCard Office should always be contacted first, except in the case of a lost or stolen card. In either of those instances, please contact Citibank Customer Service.

Citibank Customer Service 1-800-248-4553
Outside the U.S. and Canada Call 1-904-954-7314

ROLES AND RESPONSIBILITIES

Purchasing Card Administrator
The PCard Administrator(s) is charged with oversight of the PCard program and for maintaining documentation for the PCard transactions for TTU and the System. The Administrator has expertise about the program, the guidelines, and related forms. Cardholders should first contact the PCard Office, who will answer questions in regard to the program or potential problems. The PCard Office may refer questions to the Purchasing Card Administrator when necessary.

Kay Wall, Section Manager for PCard and Travel
806-742-3844
Kay.wall@ttu.edu
Purchasing.pcard@ttu.edu

Cardholder/Delegate
The role of a Cardholder/Delegate is to make purchases in accordance with the policies established by the University, as well as all federal and state rules to ensure accountability to the public and fairness to vendors.

Cardholders/Delegate responsibilities:
- Completing required initial PCard Cardholder training as verified by the PCard Office;
- Annually completing the PCard Cardholder training and required annual certification test;
- Ensuring that the policies of the PCard Program are followed, as well as state fiscal and procurement rules, Operating Policy 72.09, Purchase of Goods and Services, and Operating Policy 72.03, Conflict of Interest Relating to Purchasing, Payments and Contracts;
- Obtaining the supporting documentation required for their transactions;
- Ensuring that each transaction made has a clear business purpose that benefits the University;
Ensuring the documentation is submitted to the Reconciler in a timely manner so that all deadlines are met by the Department;

- Protecting the Card at all times to prevent unauthorized use;
- Immediately reporting a lost or stolen Card to the bank (The University is liable for all charges incurred on a lost or stolen Card until the time that it is reported as such to the bank.) However, fraudulent charges can and should be disputed. If the bank is able to recover fraudulent charges, monies will be credited to the Cardholder's FOP); and,

- Notifying the PCard Office and the Reconciler of Cardholder of transfers within the University or termination from the University.

Reconciler
The role of a Reconciler is to make a thorough review of all purchases and supporting documentation made on any individual PCard or Departmental Card under their jurisdiction. The Reconciler must confirm that all purchases are made in accordance with the policies established by the University, as well as all federal and state rules, and when applicable, any Sponsored Program regulations. An alternate reconciler will be allowed but must be confirmed with the PCard office. Students should not serve as Reconcilers or alternate reconcilers. The Alternate Reconciler must comply with the same guidelines as the Reconciler.

Reconciler’s responsibilities:
- Completing required PCard Reconciler training and should attend Financial Management 101 training (for new employees);
- On a monthly basis, reviewing expense reports for all assigned Individual Cardholders and any Departmental Cards and taking any appropriate actions for violations (See the section on policy violations) or approving the reconciliation process;
- Maintaining a Departmental Card Check-Out Form for each Departmental Card for each statement cycle to be turned in with the Expense Report;
- Obtaining an executed Departmental Card Agreement Form, from each individual checking out a Departmental Card, to be turned in with the Expense Report. Only one form per person for each Expense Statement will be required. Copies of the initially signed form may be used;
- The expense report and all supporting documentation must be sent to the PCard Office (Room 347 Drane Hall) by the required deadline;
- Ensuring that the policies of the PCard Program are followed, as well as other University policies, state fiscal and procurement rules, and the Procurement Code of Ethics;
- Protecting and accounting for departmental cards at all times to prevent unauthorized transactions;
- Attaching any required transaction documentation to the monthly expense report;
- Ensuring that each transaction has a valid FOAP and business purpose; and,
- Notifying the PCard office and Financial Manager/Approver of Cardholder transfers within the University or termination from the University.

Financial Manager/Approver
The Financial Manger/Approver is accountable to Texas Tech to any FOP for its designated business purpose and in compliance with any University, State, or federal regulations. At all times, the Approver, and ultimately the Financial Manager if not the same individual, has fiduciary responsibility for any activity on his or her FOP, including the activities of any assigned Delegates.

Financial Manager/Approver’s responsibilities:
- Monitoring transactions of assigned Cardholder(s) for appropriateness and necessity of purchase;
- Ensuring adequate transaction documentation including explanation of business purpose;
- Identifying possible violations of assigned Cardholder(s) and reporting to the PCard Office and as necessary, Internal Audit;
- Taking appropriate action if violations are found (see the section on policy violations);
- Ensuring expense reports are approved and submitted by the Reconciler to the PCard Office by the established deadline; and
Notifying the PCard office and Financial Manager/Approver of Cardholder transfers within the University or termination from the University.

NOTE: A Cardholder cannot function as his or her own Financial Manager/Approver. In these situations, the supervisor of the Cardholder is required to approve the Expense Reports and approve all transactions made by the Cardholder.

TRANSACTION REVIEW/APPROVAL REQUIREMENTS:

The Reconciler and the Approver must review all assigned Cardholders’ transactions for compliance. If a violation in PCard policy or University Operating Policy is suspected or discovered, the Reconciler or Financial Manager/Approver must take the appropriate action as outlined below:

Ensure transactions have the required documentation.
Transactions must be supported by the documentation required. Any transaction that does not have the required documentation should be returned to the Cardholder for correction and resubmittal. Cardholders must attach any required original receipts to a printed Expense Report or provide the original receipts to their Reconciler in sufficient time to be able to submit the report by the required deadline. If the department has set a stricter policy, the department policy will be followed.

Fraud indicators may include any of the following (these are just things to be aware of but do not necessarily indicate fraud):

- Unusual vendor names
- Same vendor address but different vendor names for various purchases
- One employee continues to purchase from a specific vendor (in these cases, a purchase order should be set up)
- Unusual activity for a Cardholder
- Repeated misuse by a Cardholder
- Transactions with missing original receipts or handwritten original receipts
- Altered documentation
- Sequential or unnumbered original receipts
- Duplicate charges
- Activity by terminated employees
- Cardholder attempting to approve his or her own transactions (prohibited)

If lack of documentation/timeliness of submittal is an isolated incident:
If required documentation is lost or if the vendor did not provide documentation, the Cardholder must contact the vendor directly to request it.

If the required documentation cannot be obtained, the Cardholder must prepare a Missing Receipt form and submit with the Financial Manager/Approver’s signature to the PCard office. Failing to provide original receipts will count as a violation as outlined (see the section, Failure to Comply with Guidelines).

The Reconciler will notify the PCard Office of Cardholders who do not turn in documentation by the required deadline. Failing to submit the required documentation by the required deadline will count as a violation as outlined in the Failure to Comply with Guidelines section. If overdue original receipts are not turned in within the requested time frame, the Cardholder's card will be suspended until all overdue required documentation is submitted.

Charges on Lost or Stolen Cards.
The department is liable for all transactions made on a lost or stolen Card before it is reported lost or stolen to the issuing bank. Fraudulent charges should be disputed to the bank, and the bank will make an effort to recoup those charges and credit back to the Cardholder. Fraudulent charges cannot be charged on the following funds: 11, 12, 13, 14, 21, 22, and 23. The Dispute Forms is available at:
If an individual PCard or Departmental Card is lost or stolen, immediately contact Citibank Customer Service at 1-800-248-4553 or if outside the U.S. or Canada call 1-904-954-7314. After first contacting Citibank, notify the PCard Office via email at purchasing.pcard@ttu.edu.

Departments assume all risks for any charges that occur on Departmental Cards, including any fraudulent charges. The Reconciler should monitor the Departmental Cards at all times and keep them secured.

OBTAINING CARDS/CANCELING CARDS

**Obtaining an Individual PCard**
To obtain an individual PCard, fill out the [PCard and Departmental PCard Application](http://www.depts.ttu.edu/afism/AFISMArticleRepository/ProcurementDept/PCard/PCardReqLtr.pdf) and submit the signed application to the PCard Office. Each individual PCard will be required to have one default FOP and a designated Reconciler. An Alternate Reconciler may be designated, but students shall not serve as Reconcilers or alternate reconcilers.

The applicant must successfully complete required training prior to issuance of a PCard. Once the PCard Office confirms that the designated Reconciler and the Individual Cardholder meet the qualifications, then the individual PCard will be issued.

To obtain a PCard, the applicant must be in the University’s Human Resources system as an active status. The application will have to be signed by the Cardholder and the Financial Manager/Approver (of the default FOP).

**Obtaining a Departmental Card**
To obtain a Departmental Card, fill out the [PCard and Departmental PCard Application](http://www.depts.ttu.edu/afism/AFISMArticleRepository/ProcurementDept/PCard/PCardReqLtr.pdf) and submit to the PCard Office. Each Departmental Card will be required to have one designated Reconciler and a designated FOP. The designated Reconciler will be responsible for the appropriate use of the Card by all Delegates. Each Delegate must be identified at the time of application. Departments must send notice of any new Delegates to the PCard Office. Once the PCard Office confirms that the designated Reconciler and any Delegates meet the qualifications, then the Departmental Card will be issued. Each Department is allowed to have up to two (2) Departmental Cards.

**Cancelling PCards**
To cancel an individual PCard, the Reconciler should email purchasing.pcard@ttu.edu and request that the Card be cancelled. The Reconciler will need to provide the last four digits of the Card number and the name of the Cardholder. To cancel a Departmental Card, the Reconciler should email purchasing.pcard@ttu.edu and request that the Departmental Card be cancelled.

**Request to Change a Reconciler/Alternate Reconciler**
In the event that a Reconciler or Alternate Reconciler needs to be changed on any Card, the Request to Change Card Setup form shall be prepared and sent to the PCard Office. The form shall be signed by the appropriate Financial Manager/Approver. The PCard Office will work with the newly designated Reconciler/Alternate Reconciler regarding the training requirements.

**Request to Change default FOP**
In the event that a default FOP needs to be changed on any Card, the Request to Change Card Setup form shall be prepared and sent to the PCard Office. The form shall be signed by the appropriate Reconciler and Financial Manager/Approver.

**CARD CONTROLS AND LIABILITY**

**Controls on the Card**
Each PCard is set up with the following control parameters:
**Maximum dollar amount per transaction**

All Individual PCards have the default monthly Cardholder spending limits set at $1,000 per transaction with a $5,000 billing cycle limit. The cycle begins on the 4th of the month and ends on the 3rd of the following month. The transaction limit includes the purchase price plus tax (when out-of-state), freight, and installation.

All Departmental Cards have the default monthly cardholder spending limits set at $1,000 per transaction with a $10,000 billing cycle limit. The cycle begins on the 4th of the month and ends on the 3rd of the following month. The transaction limit includes the purchase price plus tax (when out-of-state), freight, and installation.

Financial Manager/Approvers are responsible for complying with any purchasing restrictions specific to their FOPs. If non-allowable purchases are made, the Financial Manager/Approver will be responsible for finding an alternate FOP or the Cardholder/Approver will be responsible for reimbursing the University or the Foundation. To inquire whether a transaction is allowable or not, email purchasing.pcard@ttu.edu or if on a grant, email the designated accountant http://www.depts.ttu.edu/spar/resources/contactslist.asp.

*Exceptions (permanent increases or decreases) from the default limits should be submitted to the PCard Administrator on the PCard Exception Form with the required signature approvals. Increases will only be considered in exceptional cases. In general, the University’s goal is to drive the majority of spend through the TechBuy system. If the request is approved, the PCard Administrator will process the change and notify the Cardholder and the Reconciler. All approved requests will be reviewed annually by the PCard Administrator and the Director of Procurement Services to insure the increased credit limits remain necessary.*

**Merchant Category Code**

Each PCard is further set up to exclude specific Merchant Category Codes. Travel transactions (airlines, vehicle rentals, hotels) are required to be placed on personal or State travel cards. Gasoline and vehicle maintenance transactions for University vehicles should be placed on the Voyager Fleet Card Also see the list of restricted items in Prohibited Transactions section of this document.

**Inactivity of PCard**

PCards with no purchase activity for more than twelve (12) months will be reviewed by the PCard Administrator. The Administrator will require confirmation from the Cardholder for an Individual PCard or the Reconciler for a Departmental Card that the card should remain open. This documentation will be retained on file. The lack of use of a card will not negate the responsibility for the required annual training.

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**SPONSORED PROJECT CHARGES**

Principal Investigators are responsible for complying with any purchasing restrictions specific to their grant. All charges to Sponsored Programs will need to have a statement of benefit to the project. If non-allowable purchases are made, the principal investigator will be responsible for finding an alternate FOP or reimbursing the University. If you have any questions concerning allowability, please contact Accounting Services.

The PCard must be returned to the University’s PCard Office immediately upon transfer within the University or termination from employment.

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**APPROPRIATE USE OF THE CARD/TESTS OF PROPRIETY**

The purchase should meet the Tests of Propriety. The following Tests of Propriety are used to evaluate whether or not the expenditure is an appropriate use of University funds. A transaction must meet all of the tests in order to be considered proper and allowable.

**Is the transaction for official University business?**

Personal transactions of any type are not allowed. Personal transactions will be reimbursed by the Individual Cardholder or the Departmental Card Delegate immediately. (See Policy Violation section).
Is the purchase appropriate for the University and does it have a valid business purpose?
All transactions must benefit the University. A valid business purpose will support the transaction’s relevance to the University’s vision and mission. While not every detail of the University's infrastructure and history need be included, a pithy summary of the key points and goals will support the validity of the transaction.

Without the expense, would programmatic objectives be difficult or otherwise more costly to achieve?
Even though a transaction is allowed, it does not mean that it is necessary. The Financial Manager should be aware of all transactions placed on any individual or Departmental Card under their jurisdiction. Departments must utilize contracts when possible and make every attempt to achieve cost savings for the University.

Is the purchase allowable on the PCard?
The University has developed a list of commodity/service types that are restricted by policy. Exceptions (approval of a restricted item) must be obtained prior to purchasing any goods and submitted to the PCard Administrator by email to purchasing.pcard@ttu.edu. If the request is approved, the Purchasing Card Administrator will process the change and notify the Cardholder and the Reconciler. No purchase of a restricted item should be conducted until written notification of approval is received.

Is the purchase in compliance with University purchasing guidelines?
The Cardholder, Reconciler, and Financial Manager/Approver should all verify that the purchase is in compliance with Texas Tech University purchasing and payment policies.

Is the purchase allowable on the associated funding type?
The Cardholder, Reconciler, and Financial Manager/Approver should all verify that the purchase is allowed on the particular funding type. For instance, food is not allowed on State-appropriated funds. A listing of restrictions is available under Requisition/Purchase Order Accounting Guides > Listing of Allowable and Non-Allowable Expenditures Based Upon Funding Type
http://www.depts.ttu.edu/procurement/purchasingContracting/Training%20and%20Work%20Aids/index.asp

Does the purchase follow sponsored program guidelines (if applicable)?
In addition to complying with State and institutional purchasing requirements, the purchase of goods for sponsored projects must also comply with the following:

- Federal costing principals outlined in OMB Circular A-21, Principles for Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions;
- Terms and Conditions of the award; and,
- Operating Policy 65.08, Direct Charging to Sponsored Projects and Cost Share Funds.

If you have any questions concerning allowability, please contact Sponsored Programs Accounting and Reporting.

THE ORDERING PROCESS

Selecting the Vendor
The following questions should be asked before selecting the vendor:

- Does Purchasing have an established contract for use in procuring the needed goods?
  Cooperative Contracts:
  http://www.depts.ttu.edu/procurement/purchasingContracting/purchasingInfo/documents/List%20of%20Cooperative%20Contracts.xls
  and University-negotiated Contracts:
  http://www.depts.ttu.edu/procurement/purchasingContracting/purchasingInfo/documents/List%20of%20Uni
If there is neither an established vendor nor a University Price Agreement, does the vendor offer a discount to the University?

**Is the vendor in good standing with the State of Texas (cardholders are required to verify prior to using the PCard with the vendor)?** [https://cpafmprd.cpa.state.tx.us/tpis/search.html](https://cpafmprd.cpa.state.tx.us/tpis/search.html) (See policy violations).

**HUB vendor activity**

TTU is committed to a good faith effort to increase the number and value of business transactions with Historically Underutilized Business (HUB) firms consistent with the State's functional goal to build a solid foundation for economic prosperity. You should compare pricing among several vendors, including HUB vendors, to obtain the best value for your department and the University. Contact Purchasing (techbuy.purcashing@ttu.edu) for any assistance needed with identifying HUB vendors that provide the goods you want to purchase.

**Placing the Order**

Orders can be placed in person, by phone, via fax, by mail, in person, or via the internet.

When placing an order, make sure:

- The purchase is tax exempt. The vendor may need the University's Tax Exempt Certificate [http://www.depts.ttu.edu/procurement/pcard/pcardforms.asp](http://www.depts.ttu.edu/procurement/pcard/pcardforms.asp). The Cardholder is responsible for ensuring that sales tax is not included on any receipt/invoice or email [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu) for an exemption card;
- The vendor gives the University any applicable discounts;
- You give your name as it appears on the Card;
- You give accurate delivery information. Box numbers should not be used. Also, it is against University policy to have any shipments made to a personal residence unless prior approval is granted from Procurement Services (will only be granted for out-of-town locations with verification that the location is a primary work location for any faculty or staff member). All shipments should be made to a University location; and,
- You request documentation showing description and cost of each item.

**Security Considerations**

The Department is liable for all charges incurred on a lost or stolen Card up to when it is reported as lost or stolen to the bank. However, fraudulent charges can and should be disputed. If the bank is able to recover fraudulent charges, monies will be credited to the department's FOAP.

The Reconciler is responsible for the oversight of any Departmental Card. Measures should be taken to ensure that the Card is secured at all times and that only authorized (trained) staff is allowed to use the card as a Delegate. The Department will be responsible for all charges on a Departmental Card. A default FOP must be provided for these Cards to allocate any charges that are made, even if unauthorized. The required Departmental Card check out form is included in the Forms Section.

Please follow these guidelines:

- Be very careful to whom you give your credit card and/or credit card number. Don't give out your account number over the phone unless you initiate the call and you know the company is reputable. Legitimate companies don't call you to ask for a credit card number over the phone.
- Never respond to emails requesting your credit card information or to emails that ask you to go to a website to verify personal (and credit card) information. These are called "phishing" scams.
- It is not advisable to include your 16-digit Card number on email correspondence. This is not secure, and the PCard Office, for example, does not need the account number to research your account.
- Never provide your credit card information on a website that is not a secure site. To know if a site on the internet is secure, browsers will display a closed padlock in the status bar, located at the very bottom of the web browser.
• If you have to fax an order, don’t include the three-digit security code from the back of the credit card.
• If you don’t recognize a charge, call the PCard Office for guidance as soon as possible. You may be advised to either dispute the charge with the bank or have the Card blocked and a new Card number issued.
• Pay attention to emails you receive from the PCard Office because they contain important information to help departments manage their program.
• Be sure to notify the PCard Office, via email, of any changes to the Cardholder's phone # or work email address, so the bank can contact the Cardholder in the event they suspect suspicious activity on the card.
• Always notify the PCard Office, via email, if a Card needs to be cancelled. The Card should then be destroyed. The Reconciler is always notified when a card is closed; the PCard Office should be contacted if the Reconciler does not receive notification of the closure.

**Inspecting the goods**
Goods need to be inspected upon receipt by the department. If there are any problems with the order, the department must contact the vendor immediately.

**THE RECONCILIATION PROCESS**

Reconciliations are defined as the online allocations in GCMS and the signed Expense Reports are turned into the PCard Office with all supporting documentation. Reconciliations will be due on the 15th of each month following the prior reporting cycle (4th of the month through 3rd of the following month). Should the 15th fall on a weekend or holiday, the due date will be the next working day. End of fiscal year deadlines will vary and those will be provided to the Reconcilers by the PCard Office.

Expense Reports should be run in GCMS no earlier than the 6th of each month in order to ensure all PCard transactions are posted for a specific cycle. Expense Reports must have the Cardholder and Financial Manager/Supervisor’s signatures and should include who the Reconciler is for each Statement.

**DOCUMENTING TRANSACTIONS**

All transactions will require an itemized receipt and should contain the following documentation:

• Vendor identification (vendor name);
• Date of purchase;
• Description and quantity of each item purchased (this information may be handwritten on the receipt);
• Cost per item (if available);
• Total cost of order;
• Cardholder name and/or card number; and,
• Explanation of purchase/business purpose.

If the expenditure requires additional approvals or forms, such forms and approvals must be included in the monthly reconciliation.

The following forms are all available on the PCard website: [http://www.depts.ttu.edu/procurement/pcard/pcardforms.asp](http://www.depts.ttu.edu/procurement/pcard/pcardforms.asp)

• **Departmental Card Agreement Form** - Departmental Card Reconcilers will need to obtain a signed copy of the [Departmental Card Agreement Form](http://www.depts.ttu.edu/procurement/pcard/pcardforms.asp) from any individual that uses the departmental card and attach it to the reconciliation. Only one form per person for each Expense Statement will be required. A copy of the original signed form is acceptable to be turned in with each reconciliation.

• **Departmental Card Checkout Form** – required to be submitted monthly for each Departmental Card. The form shall document the daily use of the Departmental Card.

• **Request for Food or Entertainment Expenditures and Exception Form** - Official Functions, Business Meetings, and Entertainment (reference Operating Policy 72.05).
- **Memberships** – provide documentation of verification from the approved membership list on the Procurement website: [http://www.depts.ttu.edu/afism/ProfessionalSocietyNames/SearchProfSociety.aspx](http://www.depts.ttu.edu/afism/ProfessionalSocietyNames/SearchProfSociety.aspx) (reference Operating Policy 72.16)
- **Missing Receipt** – required if the Cardholder misplaces a receipt or failed to obtain one.
- **PCard and Departmental PCard Application** – Application form for an individual or Departmental PCard
- **PCard Transaction Dispute Form** – CitiBank Dispute Form. Cardholders must complete and fax to CitiBank within 60 days of the disputed charges posting date. A copy is turned in with the reconciliation.
- **PCard Exception Form** – required for permanent limit increases/decreases. E-mails to purchasing.pcard@ttu.edu requesting an exception for a one time limit increase or purchase of a restricted item are acceptable - must be approved prior to expense.
- **Tax Exempt Form/Credit Letter** – for vendors requiring a tax exemption certificate

Examples of source documents may include any of the following or any combination of the following:

- An original vendor invoice or receipt (*always required*);
- Card transaction slip from the vendor;
- A packing slip showing total cost of order and/or item cost;
- Order forms for dues, subscriptions, registrations or similar items;
- An email confirmation from the vendor.

Combinations of documentation are allowed in order to complete the requirements of valid source documentation as discussed in the previous paragraph.

**Business Purpose**
For all transactions, a brief explanation of how each purchase benefits the University must be included in the monthly PCard reconciliation. Expenditures must have a clearly stated business purpose and serve the mission of the University.

**RETURNS AND EXCHANGES**

Arrangements need to be made directly with the vendor before shipping an item for return. If a replacement item is sent, the vendor would credit the returned item and charge a new transaction, unless there is an exchange of like items, e.g. exchange of different colors. Cash should never be refunded - that would be both a vendor violation to issue cash and a Cardholder violation to accept cash.

If there is a problem with an order or if goods are returned or exchanged, keep sufficient documentation of the transaction, including names, dates, and conversation results. This information may be needed for a formal dispute.

**DISPUTES**

If a credit is unobtainable by working directly with the vendor, and 60 days has not elapsed from the end of the cycle following the transaction date, a formal dispute can be recorded with the bank in the following scenarios:

- Unauthorized charges, including unauthorized phone or mail order charges;
- Difference in dollar amount authorized and amount charged;
- Duplicate charges;
- Actual Cardholder transaction that Cardholder is challenging for some other reason;
- Account not yet credited in the CitiDirect GCMS system but where the vendor has issued a credit voucher, or said that they will issue a credit;
- Merchandise not received;
- Merchandise returned;
- Defective merchandise;
- Unrecognized charges (if fraud is suspected, immediately call the bank to report the charge, and have the card closed and reissued); or,
This contract will be mandatory for Texas Tech, Texas Tech System, Angelo State University, and Texas Tech Health Sciences Center employees.

**Altered charges.**

The dispute process involves the following steps:

- The Cardholder calls Citibank Customer Service at 1-800-248-4553 to report a disputed charge. Citibank then determines if the charge is a disputable item.
- If the charge is disputable, then the reconciler or cardholder should prepare the PCard Transaction Dispute Form. The form must be signed by the Cardholder. The form is available on the PCard website at: http://www.depts.ttu.edu/afism/AFISMFormRepository/ProcurementDept/PCard/DisputeLtr.pdf
- Citibank immediately issues a credit for the dispute, pending correspondence with the vendor.
- Both the charge and the credit need to be allocated in the CitiDirect program.
- The PCard Transaction Dispute Form must be attached to the Expense Report.

**DECLINED TRANSACTIONS**

If an attempt to purchase goods was made with the PCard and the transaction was declined, contact the PCard Office to review the reason for decline.

The most common reasons for a declined transaction are:

- Cardholder did not activate the card (Cardholder should do so by calling the number on the back of the card);
- Cardholder has reached one of his or her transaction limits;
- Vendor is classified under a category code (MCC) that is blocked from use by the State or University;
- Vendor asked for the billing address and the information provided by the Cardholder does not exactly match that on file with the bank (Cardholder should verify his or her billing address). **Note:** In this case, the decline will only show up with the vendor and not with Citibank, so the vendor should be contacted directly.
- On phone orders, vendor has incorrectly noted the card number and/or expiration date (Cardholder should verify information); or,
- The transmission between the vendor and Citibank is down (vendor should try again later).

**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/howTo Guides/Purchasing%20Coca-Cola%20Products.pdf

Coca-Cola has several water products, including DASANI®, glaceau® vitaminwater, glaceau® smartwater, 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.

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
Files
Folders
Highlighters
Hole punchers
Index cards
Inserts, index tab
Label holders
Labels
Label makers
Letter openers
Magnifiers
Markers
Notebooks and organizers
Notepad
Paper: copier, color, card, and cover stock, photo, computer, wide format \(\textit{does not include specialized paper that may be needed for scientific equipment, etc.}\)
Paper punchers and trimmers
Pencils and sharpeners
General writing Pens (not specialty including refills)
Pins, push, and straight
Post-It products
Report covers
Ribbons: typewriter, printer
Rolodexes
Rubber bands
Rulers
Scissors
Sheet protectors
Stamps/stamp pads/ink
Staplers, staples, removers
Scotch Tape and dispensers
Telephone message pads
Thumbtacks

The following commodities and services will \textbf{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
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 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 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).

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: (See Operating Policy 60.11)
   [http://www.depts.ttu.edu/procurement/purchasingContracting/howToGuides/index.asp](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

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. 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
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. 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:

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.
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 Restricted Purchases list in the Procurement Card Guidelines. Any exception to the policy will require an email to purchasing.pcard@ttu.edu and should be made 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.

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. Any reconciliation that is thirty days late, the pcard will be suspended until the reconciliation is received in the Pcard Office. Reconciliations that are 60 days late, the pcard will be terminated.

**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.

**FAILURE TO COMPLY WITH GUIDELINES**
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 Procurement Card website at: 
http://www.depts.ttu.edu/procurement/pcard/index.asp