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## PROCUREMENT CARD PROGRAM OVERVIEW

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Procurement Services offers the Procurement Card (“PCard”) Program, a program that simplifies the way in which you may order and pay for certain types of Goods and Services. The PCard may be used by Texas Tech University (“TTU”) and Texas Tech University System (“TTUS”) authorized faculty, staff, and students. The purpose of the PCard Program is to establish an efficient method of the delegated procurement of small dollar, infrequent transactions. Any transaction that is prohibited by these Guidelines must be procured through the TechBuy system and in accordance with TTU Operating Policies and Procedures (“OPs”).

TTU utilizes a MasterCard issued by Citibank either in an individual’s or department’s name. The authorized Cardholder is able to purchase directly on behalf of TTU/TTUS in accordance with TTU OPs. PCard purchases with a justifiable business purpose are tax-exempt if purchased from or shipped to a Texas location, some exceptions do apply. Transactions are paid directly by Procurement Services to the bank and charged to the appropriate department accounts. Issuance of a Pcard to an individual does not affect personal credit ratings in any way.

The TTU OPs, including, but not limited to Operating Policy 72.09, Purchase of Goods and Services, and these PCard Program Guidelines, govern use of the PCard. Where PCard use is allowed, the Pcard is encouraged on small, infrequent purchases since it is a quick, easy, and a cost-effective way in which to procure Goods and Services for TTU and TTUS. It is a particularly useful method of procurement for online ordering.

## DEFINITIONS

**Approver** – A faculty or staff member who is a Financial Manager in the accounting system or is granted permission by a Financial Manager to approve PCard transactions. An Approver is selected by the Cardholder or Reconciler when an Expense Report is created. Cardholders are unable to approve they/them/their own Expense Report. An Approver must be of a higher level of authority than the Cardholder or the individual using a Department Card. The Approver is granted permission in the Team Application (team.texastech.edu).

**Cardholder** – an authorized TTU/TTUS employee who applies and is authorized to use the PCard. The role of a Cardholder is to make purchases in accordance with the policies established by TTU/TTUS as well as all federal and state laws to ensure accountability.

**Chrome River** – Online PCard reporting and reconciliation program.

**Expense Report** – A report providing detailed expenditure transactions reviewable by Reconcilers and Cardholders in the Chrome River system.

**Default FOP** – The Banner (the TTU/TTUS accounting system) fund, organization, and program (“FOP”) that is set by default for each Cardholder. A default account code is not needed as the account code is allocated by transaction type. The default FOP cannot be an appropriated fund (11, 12, 13, or 14) or a sponsored program fund (21, 22, or 23) as these funds have restrictions. ***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.***

**Department Card Representative** – An authorized faculty, staff member, or student who has permission to check out and utilize a Departmental PCard. The role of a Department Card Representative is to make purchases in accordance with the policies established by TTU/TTUS as well as all federal and state laws to ensure accountability. The Reconciler has ultimate responsibility for any transactions that occur when a Department Card Representative uses a PCard.

**Departmental PCard** – A PCard issued in a department’s name. The appropriate chancellor, vice chancellor, assistant vice chancellor, president, vice president, assistant/associate vice president, dean, assistant/associate dean, provost, or vice provost or their designees must approve the issuance of a Departmental PCard and approve the appointment to an individual that is primarily responsible for overseeing the Departmental PCard. Departments must keep proper documentation at all times of the Departmental PCard, the individual currently in possession of the Departmental PCard, and any transactions placed on the Departmental PCard. Departments may not have more than two Departmental PCards. Please note that when a PCard is issued in a department’s name, it is much more difficult to dispute erroneous charges. The department will be liable for all charges placed on Departmental PCard that the department cannot resolve with the bank or merchant.

**Departmental PCard Agreement Form** – a form signed by any individual who checks-out the Departmental PCard agreeing to comply with the terms and conditions of the PCard Program Guidelines. This form must be maintained by the department and will need to be provided in the event of an audit. The records should be retained for a period of at least four years. .

**Departmental PCard Check-Out Form** – Log of individuals checking out and using the Departmental PCard. This form is not required with the reconciliation; however, the Department Card Representative’s name must be populated when reconciling a Departmental PCard in Chrome River.

**DEFINITIONS**

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**Expense Report** – A report created in Chrome River for a statement cycle. FOP allocation, itemized receipts, and selection of the appropriate expense type for each PCard transaction is required. The Expense Report is then electronically routed to the Cardholder (unless using a Departmental PCard), and Financial Manager/Approver. Expense Reports must be submitted in the Chrome River system by the required deadline.

**Financial Manager** – The TTU/TTUS faculty or staff member charged with financial responsibility for assigned FOPs. The Financial Manager is accountable for the designated business purpose and compliance with any TTU/TTUS, State of Texas, or federal laws and regulations on all transactions made on FOPs under they/them/their oversight. The Financial Manager may assign these responsibilities to an Approver. At all times, the Approver, and ultimately the Financial Manager, if not the same individual, has fiduciary responsibility for any activity on the FOP, including the activities of any assigned Representatives.

**FOAP** – The fund, organization, account, and program accounting combination that PCard transactions are allocated to.

**Goods** – Supplies, materials, or equipment as defined in [Texas Government Code § 2155.001](#). Goods do not include Services or real property.

**Historically Underutilized Business (HUB)** - A for-profit entity with its principal place of business in the State of Texas that is at least 51% owned by a Black American, Hispanic American, woman, Asian Pacific American, Native American, or service disabled veteran as defined in [Texas Government Code § 2161.001](#)

**Individual Cardholder** – The faculty or staff member to whom the individual PCard is issued and who has responsibility for any charge placed on the PCard.

**Receipt** – All transactions require an original, itemized receipt from the Vendor. Receipts should show date of purchase, description and quantity of each item purchased, cost per item, and total cost including shipping and tax, if applicable.

**Reconciler (known as Delegate in Chrome River)**– The Reconciler is a trained individual charged with making thorough, monthly review of all PCard purchases and supporting documentation made on any individual PCard or departmental PCard under their jurisdiction. The Reconciler must confirm that all purchases are made in accordance with TTU/TTUS policies, as well as all federal and state laws, and when applicable, any sponsored program regulations. There may be alternate reconcilers to act on behalf of the primary Reconciler; however, the primary Reconciler will have accountability for the PCards and transactions. Alternate reconcilers must comply with the same guidelines as the primary Reconciler.

**Service(s)** - The furnishing of labor, time, and effort by a vendor, which may involve to a lesser degree, the delivery or supply of Goods, equipment, and data.

**Vendor** - An individual, business, or governmental entity that provides Goods or Services to TTU/TTUS.

## ABOUT THE PCARD PROGRAM

### **Purchase**

The authorized Individual Cardholder or the Departmental PCard Representative uses the PCard to purchase needed Goods and Services and submits the Vendor's original receipt, and any other required supporting documentation or forms (if applicable), to the Cardholder's Reconciler or uploads them to Chrome River. Transaction information is downloaded into Chrome River from MasterCard and subsequently entered into the Banner accounting system.

### **Expense Report**

The Reconciler updates information and prepares a monthly Expense Report (cost allocation) in Chrome River. The Reconciler will also be responsible for adding the Representative's name on departmental card transactions in Chrome River and for obtaining a Departmental PCard Agreement Form signed by each Representative that checks out the Departmental PCard for each statement cycle. The Cardholder/Representative submits the supporting documentation to the Reconciler or uploads documentation to Chrome River for the individual PCard or Departmental PCard.

### **Review and Approval by Reconciler**

The Reconciler reviews the monthly Expense Report for possible violations, appropriate use of TTU/TTUS funds, appropriateness of expenditures, and compliance with TTU/TTUS policies. The Reconciler takes the appropriate action if violations are found or approves the report if all is in order. Chrome River information from approved Expense Reports is uploaded into Banner after the reconciliation takes place. *The Reconciler and the Financial Manager/ Approver are both responsible for all PCard charges that they approve.*

### **Approval by Reconciler and Approver**

After review and approval by the Reconciler, the charges 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 in Chrome River. Upon approval by the Financial Manager/Approver, the Expense Report and all supporting documentation are submitted in Chrome River for PCard Office approval by the required deadline.

## PCARD CUSTOMER SERVICE

### **TTU/TTUS PCard Office**

The PCard Office was designated by TTU/TTUS to review Pcard transactions for compliance and assist all faculty and staff with questions and issues regarding the PCard program. The PCard Office staff is knowledgeable on all procedures in the PCard Program Guidelines and relevant TTU/TTUS policies. The PCard Office staff does not have specific knowledge about the department's sponsored projects and the departments are expected to be knowledgeable about their sponsored project compliance requirements and to comply with those requirements.

### **TTU/TTUS Procurement PCard**

**Customer Service:**

**806-742-3844**

**[Purchasing.pcard@ttu.edu](mailto:Purchasing.pcard@ttu.edu)**

### **Citibank Customer Service**

The PCard Office should always be contacted first, except in the case of a lost or stolen PCard. 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 PCard Administrator**

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

**Charlene Williams, Section Manager for PCard and  
Travel**

**806-742-3844**

[charlene.williams@ttu.edu](mailto:charlene.williams@ttu.edu)

[Purchasing.pcard@ttu.edu](mailto:Purchasing.pcard@ttu.edu)

### **Cardholders/Representatives responsibilities:**

- Cardholder must complete required initial PCard Cardholder training as verified by the PCard Office;
- Cardholder must complete the PCard Cardholder training and required certification test prior to PCard renewal;
- Cardholders authorized to administer Contracts (including purchases) for the Institution or to exercise discretion in awarding Contracts (including purchases), are required to attend training, including training in ethics, selection of appropriate Procurement methods, and information resources Procurement technologies. [Texas Education Code §51.9337\(b\) \(5\)](#) and [Texas Government Code § 2155.078 \(a\), \(a-1\) and \(b\)](#).
- 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 TTU/TTUS;
- Ensuring the documentation is submitted to the Reconciler in a timely manner so that all deadlines are met by the department;
- Protecting the PCard(s) at all times to prevent unauthorized use;
- Immediately reporting a lost or stolen PCard to Citibank. TTU/TTUS is liable for all charges incurred on a lost or stolen PCard until the time that it is reported as such to Citibank. Fraudulent charges must be disputed by the department (see Dispute Section); and,
- Notifying the PCard Office and the Reconciler of PCard of transfers within TTU/TTUS or termination from TTU/TTUS.

**Reconciler's responsibilities:**

- Completing required Financial Management 101, Chrome River PCard Reconciler and Procure-to-Pay training. It is the responsibility of the Reconciler to obtain the required training;
- On a monthly basis, reviewing Expense Reports for all assigned Individual Cardholders and any Departmental PCards and taking any appropriate actions for violations (See the section on policy violations) or approving the reconciliation process;
- Obtaining an executed Departmental PCard Agreement Form, from each employee checking out a Departmental PCard, to be maintained by the department. Only one form per Department Card Representative will be required.
- The Expense Report and all supporting documentation must be submitted in Chrome River system by the required deadline;
- Ensuring that the policies of the PCard Program are followed, as well as other TTU/TTUS policies, state fiscal and procurement rules, and TTU/TTUS policies relating to Ethics and Conflict of Interest;
- Protecting and accounting for Departmental PCards at all times to prevent unauthorized transactions;
- Attaching any required PCard transaction documentation to the monthly Expense Report;
- Ensuring that each transaction has a valid FOP, is allocated to the correct account code, and has a valid business purpose; and,
- Notifying the PCard Office and Financial Manager/Approver of Cardholder transfers within TTU/TTUS or termination from the TTU/TTUS.

**Financial Manager/Approver's responsibilities:**

- Monitoring transactions of assigned Cardholder(s) for appropriateness and necessity of the 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, Office of Audit Services;
- Taking appropriate action if violations are identified (see 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 TTU/TTUS or termination from TTU/TTUS.

**NOTE:** A Cardholder cannot function as their 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 Guidelines or TTU/TTUS 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 required documentation. Any transaction that does not have the required documentation must be returned to the Cardholder for correction and resubmittal. Cardholders must attach any required original receipts to the Expense Report or provide the original receipts to their Reconciler by the required deadline. Departments may follow their own policy as long as that policy complies with the requirements of these Guidelines and TTU/TTUS policies.

***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;
- Unusual vendor email address;
- Multiple charges for very small dollar amounts;
- Same Vendor address but different Vendor names for various purchases;
- Cardholder continues to purchase from a specific Vendor;
- 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; and
- 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 the documentation.

If the required documentation cannot be obtained, the Cardholder/Reconciler must prepare a Missing Receipt Form and submit with the signatures from the Financial Manager/Approver's and the appropriate assistant vice president, vice president, dean, vice provost, provost or vice chancellor to the PCard office.

The Reconciler will notify the PCard Office when Cardholders do not turn in documentation by the required deadline. Failing to submit 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 by the deadline, the Cardholder's PCard will be suspended until all overdue required documentation is submitted.

***Charges on Lost or Stolen PCards.***

The department is liable for all transactions made on a PCard or Departmental PCard before it is reported lost or stolen to Citibank and if fraudulent charges cannot be resolved (see additional information in Dispute Section). Fraudulent charges cannot be charged on the following funds: 11, 12, 13, 14, 21, 22, and 23.

If an individual PCard or Departmental PCard is lost or stolen, immediately contact Citibank Customer Service. After first contacting Citibank, notify the PCard Office via email [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu).

**OBTAINING PCARDS/CANCELLING PCARDS****Obtaining an Individual PCard**

To obtain an individual PCard, prepare the [\*PCard and Departmental PCard Application\*](#) and submit the signed application to the PCard Office.

The applicant must successfully complete required PCard training, Financial 101, and Procure-to-Pay training prior to issuance of a PCard. Once the PCard Office confirms that the designated Reconciler and the Cardholder meet the qualifications, then the individual PCard will be issued.

The applicant must be in the TTU/TTUS Human Resources system in active status (per State of Texas requirements). The Cardholder and the Financial Manager/Approver (of the default FOP) must sign the application.

**Obtaining a Departmental PCard**

To obtain a Departmental PCard, prepare the [\*PCard and Departmental PCard Application\*](#) and submit to the PCard Office. Each Departmental PCard will be required to have one designated Reconciler and a designated FOP. The designated Reconciler will be responsible for the appropriate use of the PCard by all Representatives.

**Cancelling PCards**

To cancel an individual PCard or Departmental PCard, the Reconciler should email [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu) and request that the PCard be cancelled. The Reconciler will need to provide the last four digits of the PCard number and the name of the Cardholder.

**Request to Change a Reconciler/Alternate Reconciler**

In the event that a Reconciler or Alternate Reconciler needs to be changed on any PCard or Departmental PCard, the request may be sent to the PCard Office by email. The PCard Office will work with the newly designated Reconciler/Alternate Reconciler regarding the training requirements. [Purchasing.pcard@ttu.edu](mailto:Purchasing.pcard@ttu.edu)

**Request to Change default FOP**

In the event that a default FOP needs to be changed on any PCard or Departmental PCard, the request should be sent to the PCard Office by email. [Purchasing.pcard@ttu.edu](mailto:Purchasing.pcard@ttu.edu).



## PCARD CONTROLS AND LIABILITY

### **Controls on the PCard**

Each PCard is set up with the following control parameters:

#### ***Maximum dollar amount per transaction***

Individual PCard spending limits are set at \$3,500 per transaction with a \$7,500 billing cycle limit. Departmental PCard spending limits are set at \$3,500 per transaction with a \$10,000 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 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 TTU/TTUS. To inquire whether a transaction is allowable or not, email [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu) or if on a sponsored program, email the designated accountant.

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. Written approval must be obtained from the Program Administrator (or their delegate) for any exception to purchasing restricted Goods or Services or PCard limit increases. Increases will only be considered with a justifiable need and evidence of proper departmental controls. If the request is approved, the PCard Administrator will process the change and notify the Cardholder and the Reconciler. All approved requests for permanent increases will be reviewed annually by the PCard Administrator to insure the increased credit limits remain necessary and that there are not policy violations.

### ***Merchant Category Code***

Per State of Texas requirements, 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 TTU/TTUS vehicles must be placed on the Voyager Fleet Card.

*Also, see the list of restricted items in Prohibited Transactions section of this document.*

### ***Inactivity of PCard***

The PCard Administrator will review PCards with no purchase activity for more than twelve (12) months.

The Administrator will require confirmation from the Cardholder for an Individual PCard or the Reconciler for a Departmental PCard that the PCard should remain open. The lack of use of a PCard will not negate the responsibility for the required training

## SPONSORED PROJECT CHARGES

Principal investigators and their support staff are responsible for complying with any restrictions specific to their sponsored project(s). All charges to sponsored project funds will require 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 TTU/TTUS. If you have any questions concerning allowed expenditures on sponsored project funds, please contact Accounting Services.

<http://www.depts.ttu.edu/accountingservices/contactus/grantspecialist.php>



## **APPROPRIATE USE OF THE PCARD/TESTS OF PROPRIETY**

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

### ***Is the transaction for official TTU/TTUS business?***

Personal transactions of any type are not allowed. Personal transactions will be reimbursed by the Individual Cardholder or the Departmental PCard Representative immediately. Repeated violations of this policy may be grounds for termination in accordance with TTU OPs. (See Policy Violation section).

### ***Is the purchase appropriate for TTU/TTUS and does it have a valid business purpose?***

All transactions must benefit TTU/TTUS. A valid business purpose will support the transactions relevance to TTU/TTUS' vision and mission. A brief summary statement 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/Approver must be aware of all transactions placed on any individual or Departmental PCard under their purview. Departments must utilize institutional, state, federal, or cooperative purchasing contracts when possible and make every attempt to achieve best value and cost savings for TTU/TTUS.

### ***Is the purchase allowable on the PCard?***

TTU/TTUS has developed a list of Goods and Services that are restricted by policy. Exceptions (approval of a restricted item) must be obtained in writing prior to purchasing any Goods or Services and submitted to the PCard Office by email to [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu). If the request is approved, the PCard Office will process the change and notify the Cardholder and the Reconciler. No purchase of a restricted item shall be conducted until written notification of approval is received.

### ***Is the purchase in compliance with TTU/TTUS policies?***

The Cardholder, Reconciler, and Financial Manager/Approver should all verify that the purchase is in compliance with TTU/TTUS policies.

### ***Is the purchase allowable on the associated funding type?***

The Cardholder, Reconciler, and Financial Manager/Approver must all verify that the purchase is allowed on the particular funding type. For instance, most food purchases are not allowed on appropriated funds. A listing of restrictions is available at <http://www.depts.ttu.edu/procurement/resources/training-and-work-aids/> under Purchasing >> "Allowable/ Non-Allowable Expenses By Fund Type".

### ***Does the purchase follow sponsored program guidelines (if applicable)?***

In addition to complying with State and institutional requirements, the purchase of Goods and Services for sponsored projects must also comply with the following:

- ☐ Federal-costing principals outlined in [the Uniform Guidance](#);
- ☐ 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 Accounting Services.



## THE ORDERING PROCESS

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### Selecting the Vendor

The following questions must be asked before selecting a Vendor:

*Is the Vendor in good standing with the State of Texas* <https://fmcpa.cpa.state.tx.us/tpis/>  
(Cardholders **are required** to verify prior to using the PCard with the Vendor) (See policy violations).

- Does TTU have an established purchasing contract for use in procuring the needed Goods or Services? If so, the department should coordinate with Strategic Acquisition to verify the requirements for obtaining contract pricing. [Strategic.acquisition@ttu.edu](mailto:Strategic.acquisition@ttu.edu).
- If there is not an established contract, does the Vendor offer a discount to TTU/TTUS or higher education? If so, the department should coordinate with Strategic Acquisition to verify the requirements for obtaining discount pricing. [Strategic.acquisition@ttu.edu](mailto:Strategic.acquisition@ttu.edu).

### Historically Underutilized Business Vendor Activity

TTU/TTUS is committed to a good faith effort to increase the number and value of business transactions with Historically Underutilized Business (HUB) Vendors. Pricing should be compared among several Vendors, including HUB Vendors, to obtain the best value for your department and TTU/TTUS. Contact the Strategic Acquisition Office ([strategic.acquisition@ttu.edu](mailto:strategic.acquisition@ttu.edu)) for any assistance needed with identifying HUB Vendors that provide the Goods and Services you require. In addition, your sponsored project may require the use of federally certified small and disadvantaged businesses. Strategic Acquisition can assist in identifying qualified Vendors meeting these requirements.

### Placing PCard Orders

When placing an order, make sure:

- The purchase is tax exempt if purchased from or shipped to a location in the state of Texas. The Vendor may require the [TTU/TTUS Tax Exempt Certificate](#). The Cardholder is responsible for ensuring that sales tax is not included when making the purchase.
- The Vendor gives TTU/TTUS any applicable discounts or contract pricing.
- You provide your name as it appears on the Pcard.
- You provide accurate delivery information. Box numbers should not be used. Also, it is against TTU/TTUS policy to have any shipments made to a personal residence *unless prior, written approval* is granted from the PCard Office; and,
- You request documentation showing the description and cost of each Good or Service purchased.

**Responsible Cardholder Best Practices**

- Be very careful to whom you give your credit card and/or credit card number. Do not give out your PCard number over the phone unless you initiate the call and you are familiar with the Vendor. Legitimate companies do not call you to ask for a credit card number over the phone.
- Never respond to emails requesting your PCard information or to emails that ask you to go to a website to verify personal (and PCard) information.
- It is not advisable to include your 16-digit PCard number in any email correspondence.
- Never provide your PCard 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, do not include the three-digit security code from the back of the PCard. You can call the vendor and provide that number later.
- If you do not recognize a charge, call the PCard Office for guidance as soon as possible.
- Pay attention to emails you receive from the PCard Office because they contain important information to help departments manage their PCards.
- Be sure to notify the PCard Office, via email, of any changes to the Cardholder's contact information, so that Citibank can contact the Cardholder in the event they suspect suspicious activity on the PCard.
- Always notify the PCard Office, via email, if a PCard needs to be cancelled.

**Inspecting the Goods or Services**

Goods and Services must 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 processed in the Chrome River system. Expense Reports will include the online allocations, itemized receipts, and the selection of the correct expense type for each transaction, along with all supporting documentation. Reconciliations are due on the 15<sup>th</sup> of each month following the prior reporting cycle (4<sup>th</sup> of the month through 3<sup>rd</sup> of the following month). Should the 15<sup>th</sup> fall on a weekend or holiday, the due date will be the next working day. End of fiscal year deadlines will vary and the PCard Office will provide those to the Reconcilers. Expense Reports must be submitted in the Chrome River system by the specified due date.

**NOTE:** Departments have the option of submitting Chrome River Expense Reports weekly or bi-monthly in order to post expenses to the Banner FOP more frequently.



## **DOCUMENTING TRANSACTIONS**

All transactions 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 PCard number; and,
- Explanation of business purpose.

If the expenditure requires additional approvals or forms, such documentation must be included in the monthly reconciliation. The forms are all available on the Procurement Services website under Procurement Card:

<http://www.depts.ttu.edu/procurement/forms/>

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

- An original Vendor invoice or receipt (*always required*);
- Transaction slip from the Vendor;
- A packing slip showing total cost of the Goods;
- 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 TTU/TTUS must be included in the reconciliation. Expenditures must have a clearly stated business purpose and serve the mission of TTU/TTUS.

## **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. It is a Cardholder violation to accept a cash refund.

If there is a problem with an order or if Goods are returned or exchanged, the department shall 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 Citibank in the following scenarios:

- Unauthorized charges, including unauthorized phone or mail order charges
- Difference in dollar amount authorized and amount charged
- Duplicate or altered charges
- Actual Cardholder transaction that Cardholder is challenging for some other reason;
- Account not yet credited in the Chrome River system but the Vendor has issued a credit voucher, or said that they will issue a credit
- Goods not received or are defective
- Goods returned; or,
- Unrecognized charges (if fraud is suspected, immediately call Citibank to report the charge, and have the card closed and reissued).

**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 Cardholder must sign the form. The form is available on the Procurement Services website under Procurement Card: <http://www.depts.ttu.edu/procurement/forms/>
- 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 Chrome River system.
- The PCard Transaction Dispute Form must be attached to the Expense Report.

**DECLINED TRANSACTIONS**

If an attempt to purchase Goods or Services 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 PCard (Cardholder should do so by calling the number on the back of the PCard);
- Cardholder has reached one of the transaction limits (daily or monthly);
- Vendor is classified under a category code (MCC) that is blocked from use by the State or TTU/TTUS;
- Incorrect Personal Identification Number (PIN) was provided (call the number on the back of your PCard to establish or change a PIN);
- Vendor asked for the billing address and the information provided by the Cardholder does not exactly match that on file with Citibank (Cardholder should verify his or her billing address).
- On phone orders, Vendor has incorrectly noted the PCard 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

Guidelines for TTU/TTUS Mandatory Contracts are available at <http://www.depts.ttu.edu/procurement/resources/training-and-work-aids/> under Procurement Card Services.

### Coca-Cola

TTU/TTUS has a mandatory contract to purchase Coca-Cola products. The Coca-Cola Product List may be found at the above referenced link.

### Office Supplies

TTU/TTUS has an exclusive office supply agreement with Summus Industries/Staples and Today's Business Solution/Office Depot/Office Max. These contracts are mandatory for the office supply products listed below.

- 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 (*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

**PROHIBITED TRANSACTIONS**

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**1. ADVERTISEMENTS FOR STAFF EMPLOYMENT**

Advertisements for staff employment require review and approval by Human Resources and must be processed in TechBuy.

**2. ALCOHOLIC BEVERAGES**

Alcoholic beverages are prohibited unless a department has a FOP that permits the purchase of alcohol (must comply with [Operating Policy 72.05](#)). Please see the Allowable/Non-Allowable Expenses by Fund Type, under Purchasing/Requisition & Purchase Order Accounting Guides. <http://www.depts.ttu.edu/procurement/resources/training-and-work-aids/>

**3. AMMUNITION**

The Texas Tech Police Department and Environmental Health & Safety Office must approve ammunition purchases. These transactions must be processed in TechBuy.

**4. AUTOMOTIVE FUEL**

Fuel for TTU/TTUS vehicles must be purchased using the Voyager card so that applicable discounts will be applied. For more information on the Voyager card, email [procurement@ttu.edu](mailto:procurement@ttu.edu).

**5. CASH**

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

**6. CASH-LIKE TRANSACTIONS**

Cash-like transactions, such as gift cards or gift certificates, are prohibited unless for Research Participants in accordance with [Operating Policy 62.25](#).

**7. CHEMICALS, COMPRESSED GASES, TOXINS, RADIOACTIVE, HAZARDOUS AND CONTROLLED SUBSTANCES**

Environmental Health & Safety must review all toxins, hazardous materials, radioactive, rad minor, propane, 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 [How-To Guide for Chemicals](#). (Also See [Operating Policy 60.11](#)).

**8. CONTROLLED PURCHASES**

The following are considered controlled assets if they have a unit cost of \$500 or more, must be properly tagged and tracked, and must be processed in TechBuy.

- Cameras
- Computers (includes iPads and tablets)
- Projectors
- Stereo/Audio Systems
- Video Recorder/Player (TV, VCR, Camcorder, DVR)
- Electronic gadgets, such as (but not limited to) Kindle, Sony eBook, MP3, and any other electronic gadget greater than \$500

**9. DONATIONS OR CHARITABLE CONTRIBUTIONS**

Any donation or charitable contribution, if allowed by TTU/TTUS policy, must be processed in TechBuy.

**PROHIBITED TRANSACTIONS (COT'D)****10. DRONES**

Drones are not allowed to be purchased without obtaining prior approval from the TTU Chief of Police in addition to other compliance requirements. [Drones](#) must be purchased in TechBuy.

**11. FOREIGN PURCHASES**

Foreign transactions must be processed in TechBuy due to Customs and Internal Revenue Service (IRS) reporting/taxation issues. Registrations fees and page charges from foreign Vendors are permitted on the PCard. Purchases that comply with the PCard Guidelines are allowed while in travel status in a foreign country.

**12. 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 and other engraved awards are allowed using PCard. An image of the plaque and other engraved awards must be uploaded with the receipt in Chrome River.

**13. INSURANCE**

The State of Texas has restrictions on what insurance TTU/TTUS may procure. All insurance transactions must be reviewed by the TTU System Risk Manager prior to purchase and must be processed in TechBuy.

**14. LEASES**

Lease space is required to be compliant with Texas Accessibility laws and must be reported in compliance with Texas laws. In addition, since there is a contract involved, the lease must be reviewed and signed by Contract Administration and must be processed in TechBuy.

**15. NETWORK EQUIPMENT**

Hubs, switches, routers, wireless access points, etc., must be reviewed by Telecommunication Services to ensure that the Goods and Services are compatible with TTU/TTUS systems and must be processed in TechBuy.

**16. PERSONAL ITEMS**

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

**17. RENTALS**

Rental of equipment must be reviewed and signed by Strategic Acquisition and must be processed in TechBuy. Booth rentals and their associated costs are allowed on the PCard.

**18. SERVICES**

Services under \$2,000 are allowed on the PCard with the exception of a Service made payable to an individual, promotional items that require a TTU logo, and Services from a foreign Vendor. Vehicle repairs are allowed, if the Voyager card is not accepted, up to the single purchase limit of \$2,000. Documentation is required with the reconciliation stating that Voyager card was not accepted.

**19. SOFTWARE FROM A FOREIGN VENDOR**

The IRS has rules governing the taxation of software from a foreign vendor and must be reviewed by the Tax Compliance Office, and must be processed in TechBuy.

**20. TELECOMMUNICATION AND VIDEO SERVICES EQUIPMENT**

Due to federal regulations ([Federal Acquisition Regulation, section 889](#)), telecommunication and video surveillance services or equipment are prohibited Pcard purchases, regardless of the dollar amount. These transactions must be purchased through TechBuy.

**PROHIBITED TRANSACTIONS (COT'D)**

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**21. TELEPHONE SERVICES AND EQUIPMENT**

Telephone Services and equipment must have written pre-approval from Communication Services to ensure that the Goods and Services are compatible with TTU/TTUS technology systems and must be processed in TechBuy.

**22. TEMPORARY PERSONNEL**

Transactions for temporary Services through a temporary agency must be processed in TechBuy. TTU has existing contracts for temporary Services. Contact [strategic.acquisitions@ttu.edu](mailto:strategic.acquisitions@ttu.edu)

**23. TRAVEL AND RELATED SERVICES**

TTU/TTUS has a separate card program 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.

**24. USED OR REFURBISHED EQUIPMENT**

[Used or refurbished equipment](#) must be processed in TechBuy.

**25. UTILITIES**

Utilities must be processed in TechBuy.

**26. WEAPONS**

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

**EXCEPTION POLICY**

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Written approval will need to be obtained from the Program Administrator (or their delegate) for any exception to purchasing any restricted Goods or Services. Any exception to the policy shall be emailed to the PCard Office and must be made *prior to making any purchase*.



## **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 PCard use. This review must be conducted for all transactions in each cycle period.

- if the Reconciler determines that a violation has occurred, they 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 will be 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 could be grounds for PCard deactivation.

**The following items will constitute policy violations. Repeated violations will result in the sanctions detailed in these guidelines at the discretion of the PCard Administrator.**

## **SPLIT PURCHASES**

It is prohibited to split a purchase in order to circumvent PCard or procurement thresholds. A split purchase is defined as:

- The purchase of Goods or Services exceeding \$3,500 (including shipping) with the purchase being divided (split) into more than one transaction; or,
- The purchase of a group of items exceeding \$3,500 (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. For example: buying toner cartridges in the amount of \$900 one day and a separate transaction the next day of \$2,700 will constitute splitting purchases.

## **SALES TAX ON PURCHASES**

TTU/TTUS are exempt from Texas sales tax. Exemption certificates are available on the Procurement Services website (found here [Tax Exemption Certificate](#)). 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 outside of Texas. If any Vendor fails to recognize the Texas Sales Tax Exemption form, please contact the PCard Office.

## **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 deadline that will be published on a regular basis. If the Cardholder is unable to obtain a valid receipt, a *Missing Receipt* form must be prepared, signed, and submitted with the reconciliation. Missing Receipt Forms are not permitted for appropriated or sponsor project funds. Failure to provide evidence of documentation will be considered a policy violation. For a reconciliation that is thirty days late, the PCard will be suspended until the reconciliation is received in the PCard Office. For reconciliations that are 60 days late, the PCard will be terminated. The Missing Receipt form is available at <http://www.depts.ttu.edu/procurement/forms/> under Procurement Card.

**PURCHASE OF A PROHIBITED GOOD OR SERVICE**

The purchase of any Good or Service contained on the prohibited list in these Guidelines without prior approval from the PCard Office shall constitute a policy violation.

**PURCHASE FROM A PROHIBITED VENDOR**

The Individual Cardholder or the Departmental PCard Representative is required to verify the Vendor status for any purchase of Goods or Services as required by the State of Texas.

**PERSONAL PURCHASES**

The PCard must never be used to purchase items for personal use or for non-TTU/TTUS purposes even if the Cardholder intends to reimburse TTU/TTUS.

**PCARD ABUSE/EMPLOYEE FRAUD**

Any suspected fiscal misconduct or abuse of the PCard must be reported immediately to both the PCard Office and the TTUS Office of Audit Services. Reconcilers and Financial Manager/Approvers are both required to report any suspected PCard abuse or employee fraud.

**NON-COMPLIANT 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**

Non-adherence to these Guidelines could result in loss of privileges. Serious infractions could result in disciplinary action, criminal charges, termination and/or a combination.

Departmental PCard program participants - Cardholders, Financial Manager/Approvers, Representatives, Financial Managers, and Reconcilers - are required to know and follow these Guidelines, TTU/TTUS Operating Policies, and Procedures, including the defined program violations and their consequences.

The following policy applies to both Individual PCards and Departmental PCards (Departmental PCard violations accumulate per PCard even if a different authorized individual caused the violation on the Departmental PCard).

All alleged infractions will be thoroughly reviewed by the PCard Office. Additional information may be requested from the Individual Cardholder, Departmental PCard Reconciler, 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, and the Office of Audit Services.