TEXAS TECH UNIVERSITY
Procurement Services™

PROHIBITED TRANSACTIONS, MANDATORY CONTRACTS AND POLICY VIOLATIONS

PROHIBITED TRANSACTIONS

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

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**

PROHIBITED TRANSACTIONS (COT"D)

9. **DONATIONS OR CHARITABLE CONTRIBUTIONS**
   Any donation or charitable contribution, if allowed by TTU/TTUS policy, must be processed in TechBuy.

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.

PROHIBITED TRANSACTIONS (COT"D)

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.

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 PERSONNELL

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

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.

TEXAS TECH UNIVERSITY
Procurement Services™

PROHIBITED TRANSACTIONS, MANDATORY CONTRACTS AND POLICY VIOLATIONS

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

MANDATORY CONTRACTS (COT'D)

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.

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

- Adding Machines
- Any item pre-printed with TTU Logo
- Appointment Books
- Arts and Craft Materials
- Bathroom Tissues
- Batteries
- Break Room Supplier (Plates, napkins, cutlery, etc.)
- Calculators (scientific)
- Cameras
- Cartridges/Toners/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 refills
- Restroom Supplies
- Safes: Fire resistant and locks
- Shelving
- Shredders
- Specialized writing pens and refills
- Storages boxes
- Surge Protectors
- Time Clocks, Time cards and Accessories
- Typewriters

EXCEPTION POLICY

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.*

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.

TEXAS TECH UNIVERSITY
Procurement Services™

PROHIBITED TRANSACTIONS, MANDATORY CONTRACTS AND POLICY VIOLATIONS

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.

TEXAS TECH UNIVERSITY
Procurement Services™

PROHIBITED TRANSACTIONS, MANDATORY CONTRACTS AND POLICY VIOLATIONS

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.