

## TTU/TTUS PROCUREMENT CARD

### 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 be in compliance with Operating Policy 72.05 and OP 61.02). 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**

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**

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 [techbuy.purchasing@ttu.edu](mailto:techbuy.purchasing@ttu.edu).

**5. 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.

**6. CASH-LIKE TRANSACTIONS**

Cash-like transactions, such as gift cards, 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, 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: (Also See Operating Policy 60.11) <http://www.depts.ttu.edu/procurement/resources/how-to-guides/> under Purchasing.

**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)**

**Projectors**

**Stereo Systems**

**Video Recorder/Player (TV, VCR, Camcorder, DVR)**

**9. DONATIONS OR CHARITABLE CONTRIBUTIONS**

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

## **10. DRONES**

Drones are not allowed to be purchased without obtaining prior approval from the TTU Chief of Police.

## **11. ELECTRONIC GADGETS**

Any electronic gadget, such as (but not limited to) Kindle, Sony eBook, MP3, and any other electronic gadget greater than \$500 must be processed in TechBuy.

## **12. FOREIGN PURCHASES**

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

## **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 using PCard.

## **14. INSURANCE**

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

## **15. LEASES**

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

## **16. 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.

## **17. PERSONAL ITEMS**

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

## **18. RENTALS**

Rental of equipment must be reviewed and signed by Purchasing and must be processed in TechBuy. Booth rentals and their associated costs are allowed.

## **19. 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.

## **20. SOFTWARE FROM A FOREIGN VENDOR**

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

## **21. TELEPHONE SERVICES AND EQUIPMENT**

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

## **22. TEMPORARY PERSONNEL**

Transactions for temporary Services through a temp agency must be processed in TechBuy.

### 23. TRAVEL AND RELATED SERVICES

TTU/TTUS has a separate PCard 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:  
<http://www.depts.ttu.edu/procurement/resources/how-to-guides/> under Purchasing.

### 25. UTILITIES

These transactions may be processed in TechBuy.

### 26. WEAPONS

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

## 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.

### **Purchase of Non-Coca-Cola Products is Prohibited**

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

### **Mandatory Office Supply Contract**

TTU/TTUS has an exclusive office supply agreement with Summus Industries/Staples. This contract is mandatory for certain product types. Note: PCards may be used in-store at Staples.

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

#### ***The exclusive products that are mandatory under this contract include:***

Binders	Envelopes: All purpose, business, inter-department, mailers
Binding systems and supplies	Erasers
Boards, bulletin boards	Fasteners
Calculators and supplies (non-scientific)	File carts
Calendars, desk	Files
Calendars, wall	Folders
Card filing and cards	Highlighters
Chalk/Crayons	Hole punchers
Clips, clamps, and clipboards	Index cards
Columnar pads/books	Inserts, index tab
Copyholders	Label holders
Correction fluid/tape/supplies	Labels
Dictation tapes and diskettes	

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

***The following commodities and services are not 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/creamers/sugar/tea  
Desk accessories and pads  
Desktop printers/scanners  
Dictionaries and reference books  
Dry-erase boards  
Duct and industrial tapes  
Easels

Facial tissue  
Fax supplies  
First aid supplies  
Floor mats  
Furniture and interior furnishings  
Glues and adhesives  
Janitorial supplies  
Planners and refills  
Restroom supplies  
Safes: fire resistant and impact  
Safety equipment, supplies and locks  
Shelving  
Shredders  
Specialized writing pens and refills  
Storage boxes  
Surge protectors  
Time clocks, time cards and accessories  
Typewriters

#### EXCEPTION 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*.

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

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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 could 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 \$2,000 (including shipping) with the purchase being divided (split) into more than one transaction; or,
- The purchase of a group of items totaling over \$2,000 (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 \$1,900 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 must be prepared, signed, and submitted with the reconciliation. Failure to provide evidence of documentation will be considered a policy violation. For reconciliation that are

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 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 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, Delegates, Financial Managers, and Reconcilers - are required to know and follow these Guidelines and TTU/TTUS Operating Policies and Procedures, including those defining 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 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 on a periodic basis.

## **RESOURCES**

**PCard Office**      [purchasing.pcard@ttu.edu](mailto:purchasing.pcard@ttu.edu)      806-742-3844

**PCard Website**      <http://www.depts.ttu.edu/procurement/departments/procurement-card/>

**Training & Work Aids (under Procurement Card Services)**

<http://www.depts.ttu.edu/procurement/resources/training-and-work-aids/>

- Frequently Used Banner Account Codes
- Account Code Descriptions
- Coca-Cola Product List
- Mandatory Office Supply Contract
- Looking Up Signature Authority
- Sales Tax Guidelines

**PCard Forms** <http://www.depts.ttu.edu/procurement/forms/> under Procurement Card

**Membership List** <http://www.depts.ttu.edu/procurement/resources/index.php>