

University of Houston  Clear Lake

Procurement Card (P-Card) Training

P-CARD ADMINISTRATION and ACCOUNTS PAYABLE

P-CARD ADMINISTRATION – X2150

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ACCOUNTS PAYABLE – X2130

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Purpose of Training

To satisfy the mandatory training requirement for all P-Card cardholders, business administrators and account managers.

Purpose of the Procurement Card (P-Card) Program

- ❖ To establish a more efficient, cost-effective method of purchasing.
- ❖ An *alternative* to the traditional purchasing process, but not intended to avoid or bypass appropriate purchasing, contracting or payment guidelines and procedures.
- ❖ Reduction in the volume of purchase orders and vouchers.
- ❖ Expedite the receipt of goods & materials.

Resources for Information and Training

- Complete training documents including forms and sample documentation can be accessed from the P-Card web page at this url: <https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card>
- Documentation required to process a P-Card purchase mirrors the documentation required to process a purchase voucher. Purchase voucher guidelines, reasons for voucher denial and other helpful information can be found on the Accounts Payable web page at: <https://www.uhcl.edu/about/administrative-offices/accounts-payable/>

Obtaining a P-Card

- Departmental/Supervisor Decision
- P-Card Training – Must pass quiz prior to p-card issue
- P-Card Application – Submit to Procurement
- Notification of new card received
- P-card Use training prior to issue
- Activate Card and set PIN

Safeguarding Your Card

- **Safeguarding the P-Card is the cardholder's responsibility.** The cardholder whose name is on the card is the only person authorized to use that card.
- **Do not give another employee your card number. Do not accept that information if it is offered to you by a cardholder.**
- **Never send the full card number, expiration date and 3-digit CCV number via email as neither system is secure.** This information must be called or faxed to the vendor. If ordering online, only submit card information via a secure website (https). Neither should this information be uploaded into PeopleSoft, as that system is not secure.
- **Before terminating or transferring to another department, the cardholder must return his or her P-Card to the P-Card Administrator.**
- **If a card is lost or stolen, the cardholder should notify both Citibank and the P-Card Administrator.**

Acceptable Purchases

Some examples of acceptable purchases are:

- Advertising – Must be pre-approved by either Communications or HR (Human Resources)
- Automobile Repair Parts (FMC)
- Books & Videos
- Computer Related Items – Must be pre-approved by OIT (Office of Information Technology)
- Meals – Candidate meals & business lunches, NOT travel per diem meals
- Office Supplies
- Promotional Items - Must be pre-approved by Communications
- Small Tools and Hardware

ALL pre-approval documentation must be uploaded along with the backup supporting documentation for each transaction. Advertising transactions should include a copy of the advertisement.

Unacceptable Purchases

Some examples of unacceptable purchases:

- Any purchase using State funds
- Alcoholic Beverages
- Consulting and Professional Services
- Fuel
- Personal Items
- Service-Only Contracts
- Temporary Personnel
- Travel Expenses (airlines, car rentals, hotels, meals, etc.)

Transaction Limits

Purchases made with the P-Card are limited to \$5,000 per transaction.

Exceptions: memberships, registrations & subscriptions

DO NOT ask the vendor to split the charges to circumvent this limit. Split transactions are considered to be more than one transaction on the same day to the same vendor for which the total amount exceeds \$5,000 or any activity that can be perceived as an attempt to circumvent the P-Card transaction limit.

Do not confuse split *transactions* with split *reallocations* in GCMS.

Placing an Order

P-Cards can be used at any merchant that accepts MasterCard :

- In-store purchases
- Online orders (must be a reputable merchant with a secure web site)
- Telephone orders
- Fax orders

DO NOT send your card number, expiration date and 3-digit CCV number via email. When placing an order, call or fax this information to your vendor. You may also submit it via a secure website.

Vendor Tax Status with the State of Texas

(transactions over \$500)

A state law exists to help the State collect delinquent debts and taxes and to encourage vendors to remain in good standing under the law.

- We cannot do business with a vendor that is prohibited by the State.
- The cardholder must verify the tax status of the vendor prior to completing the transaction.
- A link to the State Comptroller's office vendor tax status search is available on the P-Card web page or at the Texas Comptroller of Public Accounts hyperlink <https://mycpa.cpa.state.tx.us/coa/>
- Documentation from this search showing the vendor's good standing must be included in the backup documentation of the transaction.

Sales Tax

Follow normal purchasing procedures regarding sales tax:

- Inform the merchant of the University's tax-exempt status prior to placing the order.
- Texas Sales Tax Exemption Certificate Requests - email a request for the certificate including the name and address of the vendor to the Procurement Department at UHCLProcurement@uhcl.edu
- If you are charged sales tax on a purchase, contact the merchant for a refund of the tax. *If the refund is not received during the same reallocation period as the original charge, be sure to include documentation of your request for refund in your backup supporting documentation.*

Documenting Your Purchases

- The cardholder is responsible for obtaining the proper documentation for each P-Card purchase.
- The department is responsible for the filing of the backup documentation.
- Backup documentation must be scanned and uploaded to PeopleSoft. Required documentation includes:
 - Transaction Log.
 - Invoice, itemized sales receipt or online printout of internet purchases.
 - Any required pre-approval from Communications, HR, OSP (Office of Sponsored Programs) or OIT.
 - Vendor Taxpayer Status printout (if purchase is over \$500)
 - Expense Report from GCMS (must be signed by the cardholder's immediate supervisor)

Documenting Your Purchases (cont.)

Travel and entertainment purchases are not allowed on p-cards.

However, business meals, including candidate meals are allowed.
The following guidelines apply:

- All business meals must have itemized receipts, and a detailed description of the nature and purpose of the business meal must be provided.
- Tips exceeding 20% are not allowed.
- A list of attendees is required for groups of 10 or less. The name of the group or organization must be provided for groups larger than 10.
- Most restaurants will waive the sales tax if you have the Tax Exempt Certificate, however, if they won't, it is acceptable for them to charge sales tax.
- Alcohol cannot be charged to your p-card.
- The expense description for the transaction should include this information: Who, What, When, Where, Why, and the benefit to the University.

Returns and Credits

- Cardholders should make every attempt to resolve any issues directly with the merchant to receive credit for returns and refunds.
- Refunds and credit for returns must be in the form of a credit placed on the card.
- If you are unable to come to an agreement with the vendor regarding a return or credit, contact your supervisor regarding the use of the item(s) and discuss your need to dispute through CitiBank.

Unauthorized Charges

Unauthorized or fraudulent charges are those made to a cardholder's account by a person other than the cardholder without the knowledge / consent of the cardholder.

These charges must be reported to the P-Card Administrator within 10 days after the end of the billing cycle in which they occur.

Transaction Log

The purpose of the transaction log is:

- ❖ To provide a simple method of keeping track of expenditures made with the P-Card.
- ❖ To track purchases and refunds so that you do not exceed your credit limit for that statement cycle.

A separate transaction log is required for each billing cycle.

Record each transaction on the log, including any refunds or credits.

- ❖ *Information on the transaction log is necessary for the completion of the GCMS reallocation process.*
- ❖ *An expense description, the account number and cost center are required for each transaction.*
- ❖ *Proper completion of the transaction log will greatly expedite the reallocation process since.*

Penalties for Misuse

The guidelines established for P-card purchases must be followed at all times. This includes completing the reallocation process as well as any misuse or fraudulent use of card.

- Additional training of the card holder and/or staff member reallocating the transactions inaccurately.
- Supervisor notification
- Temporary or indefinite card cancellation
- Fraudulent use (i.e., intentional use for personal or non-University purposes) will be handled in accordance with University of Houston System Administrative Memorandum [SAM 01.C.04](#)

**When in doubt, contact the P-Card Administrator (X2150)
before you make the purchase.**

Resources

P-Card web page:

<https://www.uhcl.edu/about/administrative-offices/procurement-contracts/p-card>

P-Card Training – New Cardholders

<http://www.uh.edu/adminservices/PASS/trainingenrollment.htm>

CitiManager - Expense Management

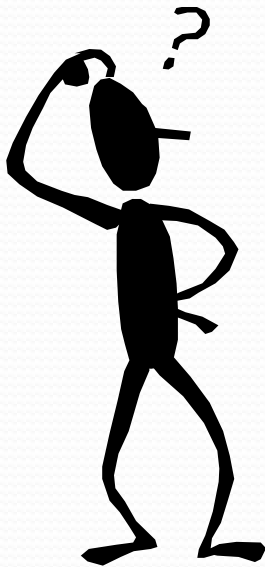
<https://www.globalmanagement.citidirect.com/static/public-portal-ui/login-signin-component?invalidLogin=true&cobrandHost=citigroup>

Vendor Hold Status Search

<https://mycpa.cpa.state.tx.us/coa/>

Texas Sales Tax Exemption Certificate Requests - email the request for the certificate including the name and address of the vendor to UHCLProcurement@uhcl.edu

Now What?



➤ To receive credit for this training course, you must:

- 1) Pass the course quiz and
- 2) Forward your confirmation email to UHCLProcurement@uhcl.edu.