



Director of Purchasing and Inventories

West Texas A&M University
Procurement Card Program
Procedure Manual

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Procurement Card Overview

Purpose of Program

The purpose of the procurement card program is to provide University employees with a more efficient way to purchase day-to-day supplies. The use of the procurement card is not intended to avoid or bypass appropriate purchasing procedures set forth by the State of Texas.

Program Contacts

The procurement card program is administered through the Purchasing office. The following staff members are available to assist with any questions or concerns regarding the procurement card:

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Procedure Manual

The procurement card procedure manual is provided to employees with a procurement card. The employee's signature on the procurement card agreement form shows that the cardholder understands all of the policies and procedures outlined within the manual and agrees to follow the established guidelines.

Important Points

- The procurement card is issued **only** to the cardholder. No one else should use the procurement card other than the person to whom the card is issued.
- The cardholder is responsible for all transactions made with his or her procurement card.
- The procurement card may be used with vendors that accept Mastercard as a form of payment.
- The cardholder may use the procurement card to purchase day-to-day supplies within their designated single purchase and monthly credit limits.
- Cardholders are responsible for allocating charges on a monthly basis and submitting receipts and other supporting documentation to the Purchasing office by the fourth working business day of each month.

General Information

Cardholder Responsibilities

- **Attending Training** – the cardholder is responsible for attending procurement card training upon initial receipt of the procurement card and on an as-needed basis in order to learn the proper procedures for using the procurement card.
- **Card Security** - the cardholder is responsible for the security of the procurement card. If the card is lost or stolen, the cardholder is responsible for contacting Citibank as well as the Purchasing department in order to take preventative measures against fraudulent activity.
- **Making appropriate purchases** – it is the responsibility of the cardholder to make sure all purchases made on the procurement card are an appropriate use of the procurement card and of the funding provided by the university. The cardholder is responsible for all charges made with the credit card issued in their name.
- **Submitting Electronic Logs** – the cardholder is responsible for allocating and uploading all required documentation to the Citibank cloud on a monthly basis.
- **Corrections** – the cardholder is responsible for making any and all corrections as needed in order for his or her log to comply with state laws. The cardholder will be responsible for all missing receipts, sales tax, and any other documentation needed.

Department Head Responsibilities

- Approving transactions – the department head is responsible for approving transactions made by all cardholders within his or her authority. The department head will be required to log in to the Citibank website and manually approve each transaction made by the cardholders.
- Corrections – in the event that a cardholder has not made corrections to a procurement card log in a timely manner, it is the responsibility of the department head to assist the Purchasing office with getting the corrections turned in.

Purchasing Department Responsibilities

- Provide Training – the purchasing department is responsible for providing training to cardholders and other personnel in regards to the procurement card procedures and guidelines.
- Audit Logs – the purchasing department is responsible for auditing all procurement card transactions and logs in order to determine if the transactions are within State purchasing guidelines and if proper backup documentation has been submitted.
- Assist Cardholders – the purchasing department is responsible for assisting cardholders with all aspects of the procurement card program.
- Billing – the purchasing department downloads all of the monthly transactions to cardholders' accounts and is also responsible for creating a requisition for payment to Citibank.

Procurement Card User Procedures

Obtaining a Procurement Card

To obtain a procurement card, the employee must complete an application form and submit the application to the Purchasing office. If the application is approved, a credit card will be ordered. Upon receipt of the credit card, the employee will be required to attend a training session before he or she can use the card.

General Guidelines

The procurement card is used by campus departments to make routine purchases of supplies. The following items are considered acceptable purchases:

- Supplies for an office, lab or classroom
- Books
- Flowers (local accounts only)
- Janitorial Supplies
- Meals/Food for business-related meetings (local accounts only)
- Medical Supplies
- Postage/Shipping
- Promotional Items
- Registration fees
- Subscriptions
- Tools/hardware
- Videos
- Copier Rental

- Memberships – (membership form required)
- Gift cards - random drawings and contests ONLY!

The following items are not allowable on the procurement card:

- Cash refunds/Cash Advances
- Alcoholic Beverages
- Computer hardware/software
- Gasoline
- Insurance
- Services
- Personal Purchases
- Capitalized or Controlled Equipment
- Travel Expenses
- Donations
- Sponsorships
- Gift Cards

Sales Taxes

West Texas A&M University is a state entity; therefore all purchases made with the procurement card are exempt from sales tax. The **only** exception to this rule is for University business meals. A business meal is defined as “a meal consisting of both University and non-University employees with a specific University business function.”

The cardholder should take steps to ensure that they are not charged sales tax when making procurement card purchases. If a cardholder is charged sales tax on a purchase, the cardholder will be responsible for contacting the

company to refund the taxes or reimbursing their account for any taxes charged. Proof of reimbursement will be required. The tax exempt form for West Texas A&M University can be found in the “forms” section of the Purchasing website.

Split Purchases

A split purchase is where a cardholder makes an order larger than their delegated limit, and runs the credit card twice in order to bypass the single purchase limit. Splitting a purchase is a violation of the state’s purchasing guidelines and should not be practiced.

Account Selection

The cardholder will log in to Citibank’s website each month to allocate each transaction to an account within their department. The accounts are separated by Division and by Department in order for each cardholder to access the accounts available to them.

State Accounts

The State Comptroller requires the following information be submitted with Procurement card purchases starting March 4th 2023.

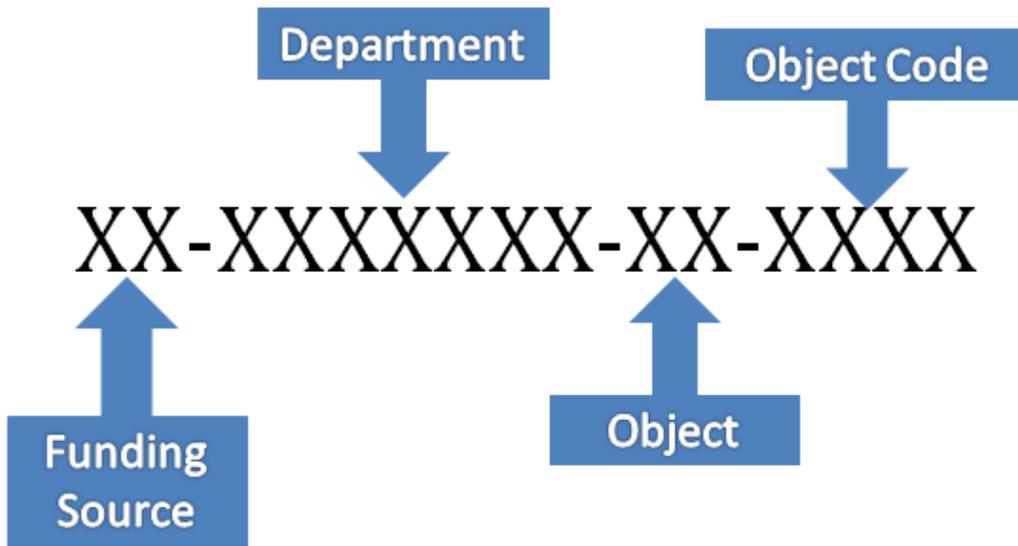
Vendor Status Check: Procurement card users are required to verify a vendor's warrant hold status involving all purchases over \$500. The vendor check must be performed prior to purchase and submitted with the other documentation supporting the purchase. The vendor check is required for Procard purchases using State or Local funds.

W-9: A W-9 must be obtained from the vendor for all Procurement card purchases on State funds (fund 10 accounts). The W-9 must be submitted with the documentation supporting the purchase.

Departments are not required to perform vendor status checks when purchasing items by requisition. Purchasing larger ticket items may be less restrictive using the requisition process.

Purchasing maintains a folder containing W-9 forms that the University has collected. As a Procard user, you will be given access to view and use those forms, as well as upload new W-9 forms to the folder for future use. However, it remains the responsibility of the department/Procard user to obtain W-9 forms from their chosen vendors.

Account Structure



Funding Sources

- 10 – State Appropriations
- 11 – Designated Funds
- 12 – Auxiliary Funds
- 19 – Restricted Funds (Grants)
- 40 – Renewals & Replacements
- 50 /51 – Foundation
- 52 - Alumni

Department & Object

The department is a unique seven-digit number for the department. The object is will either be 62 or 92. An account number with an object of 62 is budgeted funds for the fiscal year. The object of 92 is Activity Funds (non-budgeted).

Object Codes

As part of the monthly allocations, the cardholder will need to select an object code that is appropriate for each purchase. An object code is a basic description of the purchase made. The following object codes are commonly used for procurement card purchases:

- 6012 – Food
- 6160 – Clothes, T-shirts, Uniforms
- 6280 – Misc. Exp. (should be used for items such as gifts or flowers)
- 7203 – Registration Fees
- 7300 – Consumable
- 7303 – Subscriptions
- 7382 – Books, Music, & Preprinted Material
- 7406 – Equipment Rental (typically used for copier rental payments)

Receipt of Goods & Services

Another aspect of the procurement card allocations is verifying that the goods and services purchased with the procurement card were actually received by the cardholder. There is a box for each transaction where the cardholder must indicate if the goods were received.

If the cardholder has **not** received the goods or services, he or she should select “no” and must include a procurement card exception form as backup documentation for the purchase. The exception form can be found in

the “forms” section of the Purchasing website. The cardholder must also notify the purchasing office once the goods have been received.

Supporting Documentation

The cardholder will be required to enter an expense description when allocating charges to an account on Citibank’s website. The description should give detailed information, such as what was purchased and why the item(s) were purchased. This information will help the auditor determine if the purchase was appropriate and will also be helpful if the log is audited by outside auditors.

For each purchase made with the procurement card, there must be supporting documentation, such as a receipt, included in the log. The supporting document must include a date, company name, and amount of the purchase in order to constitute as a receipt. If no receipt is available, cardholders may fill out a Supplemental/Missing Document form to include as supporting documentation.

For meal purchases, cardholders need to include a list of who ate the meal purchased. If the food was for a large event, an invitation or flyer for the event can serve as backup documentation instead of a list. The cardholder

should also include the business purpose of the meal in the expense description.

Audit Process

Upon receipt of procurement card logs, the auditor will check the log for the following items:

- The reporting cycle is correct
- All receipts and backup documentation uploaded into Citibank
- All goods were received, or exception forms are included
- All transactions have a detailed description
- Transactions were appropriate for University business
- The vendor was appropriate
- The cardholder used account numbers from their department
- Object codes are suitable for the items purchased
- No split purchases were made
- No sales taxes were charged
- All Transactions were approved on line by designated approver

If there are no issues found with the log, the Audit log is complete.

Corrections

After logs have been audited, the procurement card auditor will contact any cardholders who had issues with their procurement card logs. The auditor will give the cardholders instructions on how to correct the issues. The cardholder will have one week to make any necessary corrections.

If the issue has not been corrected at that time, the auditor will contact the cardholder and their department head with instructions to correct the issue and a deadline before the cardholder's credit card will be suspended.

Suspensions

The Purchasing office reserves the right to suspend credit card privileges to cardholders due to non-compliance with the procurement card procedures and guidelines.

In order to reinstate credit card privileges, the employee will be required to attend procurement card training before privileges will be restored.

A cardholder's credit card will be reinstated one time. If additional infractions occur, the credit card will be suspended again. Upon the second suspension, the employee's credit card will not be reissued.