

Texas A&M University-Commerce Purchasing Card System

*New Cardholder Training/
Refresher Course*

What is a Purchasing Card?

- Business-to-Business MasterCard Credit Card Which Allows Employees to Purchase Goods Under Delegated Limit Directly From Suppliers
- Does not require a credit check



Goals of the Program

- Cost Reduction - Time and Money Saved
- Shortened Buying Cycle
- Employee Empowerment



ProCard Benefits

- Tool for Efficient Purchasing
- Quicker Payment for Vendors
- Provides Transaction Detail



Purchasing Guidelines

Why are there rules for the ProCard?

To ensure compliance with:

- State of Texas Purchasing Laws
- TAMU System Policy
- A&M-Commerce Rules

Delegated Purchasing



- Departmental Delegated Authority for Procurement purchases:

- Purchase equal to or less than \$3000.00
- Spot Purchases:
 - **State law mandates that large purchases may not be broken down into small purchases to meet delegated limits. To do so would be a violation of state laws and TAMU-Commerce purchasing rules.**
 - State, System, and University Purchasing Rules restrict purchasing of some items with certain types of funds.

No Splitting of Orders!!

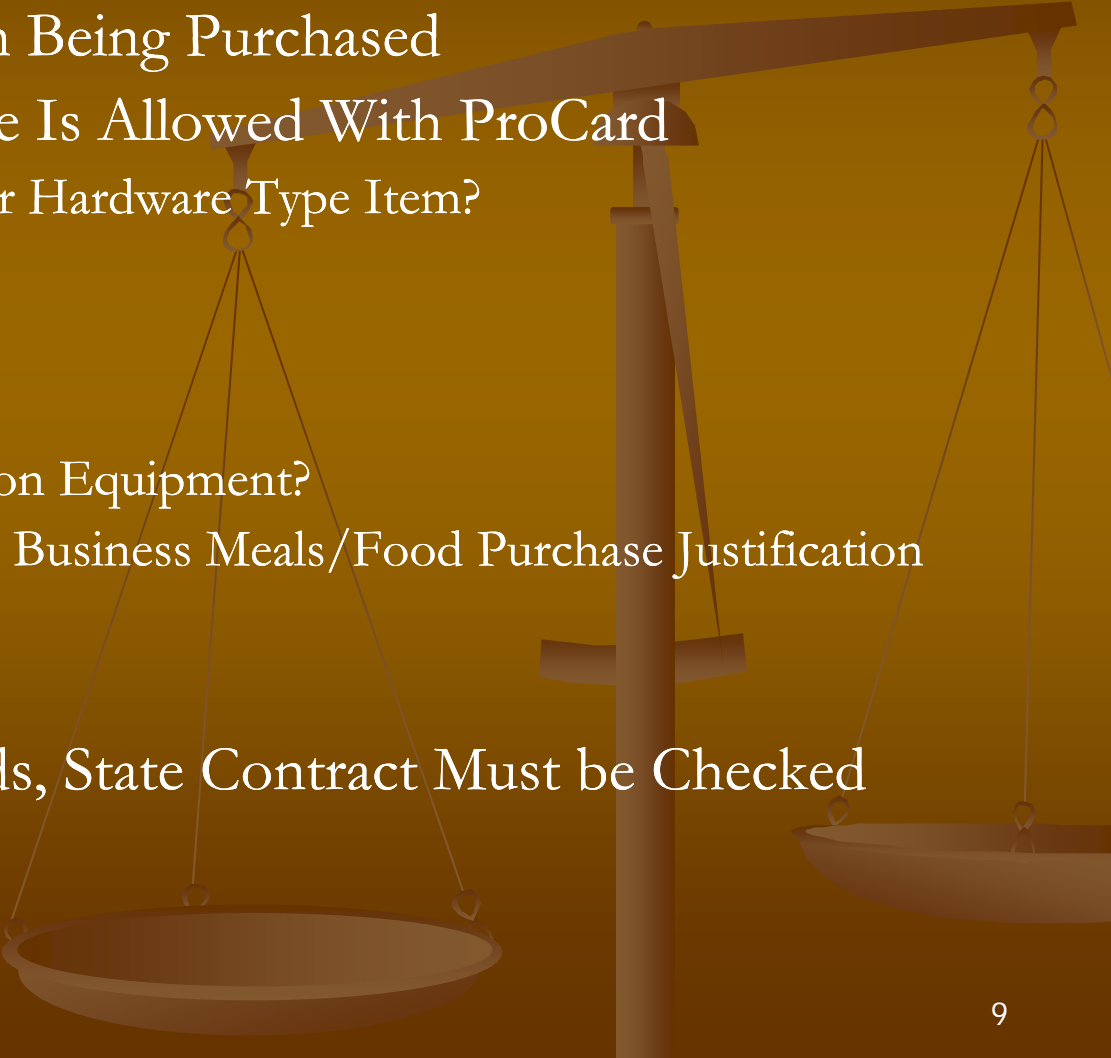


- It is illegal to split a purchase into separate transactions in an effort to circumvent your delegated purchasing authority. This law is in accordance with Public Education Code 44.032.
- This is considered a Class B Misdemeanor and is punishable by the following:
 - Confinement for term not to exceed 180 days in county jail; and/or
 - A fine not to exceed \$2000
 - Up to 2 years of community supervision or 3 years with extension.
 - Dismissal

Pro-Card Responsibility

- Under no circumstances should you ever allow another employee to use and/or sign for items purchased with your Pro-Card.
- You are personally responsible for all transactions on your Pro-Card.
- Failure to follow these rules will result in temporary suspension or permanent cancellation of your Pro-Card.

ProCard Purchasing Key Points

- Identify Type Of Item Being Purchased
 - Determine If Purchase Is Allowed With ProCard
 - Is it a Major Computer Hardware Type Item?
 - Is it Furniture?
 - Is it Software?
 - Is it a HEF Purchase?
 - Is it Telecommunication Equipment?
 - Is it Food? (Only with Business Meals/Food Purchase Justification attached)
 - If Utilizing State Funds, State Contract Must be Checked First
- 

ProCard Key Points Cont:

- Determine If Acceptable Within Delegated Limit (< \$3000)
- Identify Vendor and Place Order According to guidelines
- Check Vendor's Tax Status with the State of Texas -

<http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>

- If vendor is on hold, the purchase should not be made.

- If All Else Fails, See Purchasing Guide or call the Purchasing Department.

HUB Initiative



Texas A&M University-Commerce is committed to providing economic opportunities for Woman and Minority-Owned Businesses. We encourage buyers and cardholders to identify and use these vendors whenever possible.

By Utilizing HUB Vendors, You Are:

- Assisting TAMU-Commerce in Meeting State Goals
- Helping Woman-Owned and Minority-Owned Companies Do Business with the University

For More Information.....

- <http://www2.cpa.state.tx.us/cmb1/cmb1hub.html>
- TAMU-Commerce's HUB Coordinator – Travis Ball

“Conventional” Purchasing

- Employee Identifies a Need to Purchase Goods
- Gathers Data
- Verifies Items, Location & Vendor Information
(Encouraged to Use HUB Vendor)
- Checks Tax Status
- Employee Generates a Purchase Request
- Manager Reviews and Approves Purchase
- Goods Shipped, Received and Invoiced

ProCard Purchasing

1. Verify Items, Location & Vendor Information (Encouraged to Use HUB Vendor)
2. Check Tax Status
3. Make an Authorized Purchase Following Purchasing Guidelines and Using your ProCard for Payment . Goods Are Shipped and Received.
4. Maintain the ProCard Transaction Log By Recording Each Transaction and Attaching Itemized Receipts and Other Supporting Documentation
5. Reconcile the Monthly Statement with Itemized Receipts for Accuracy and Sign Log
6. Manager Reviews Purchases

How Do I Use It?



- Same As a Regular Credit Card
- In Accordance with Established Controls
- For Appropriate Purchases Only
- Reconcile Statement Monthly

Example Purchases

- Tools/Hardware
- Books
- Medical Supplies
- Janitorial Supplies
- Laboratory Supplies
- Office Supplies
- Videos
- Minor Computer Hardware and Supplies (Ex. PC Equipment/External Add On/Peripherals)

- Bookstores
- Supplies
- Subscriptions
- Postage Stamps
- Registration Fees for Training Courses and Seminars
- Conference Registrations
- Safety Supplies



Restricted Purchases

- Must be Allowable on Paying Account
 - Furniture (State Contracts Available) Submit Requisition for ALL Furniture.
 - Food/Entertainment
 - Business Meals/Food Purchase Justification attached.
 - No Alcohol (A&M-Commerce Policy)
 - HEF Purchases
 - Prescription Drugs/Controlled Substances
 - Gift Cards
 - Due to tax issues, we do not allow this type of purchase on the card.

Purchases **NOT** Authorized

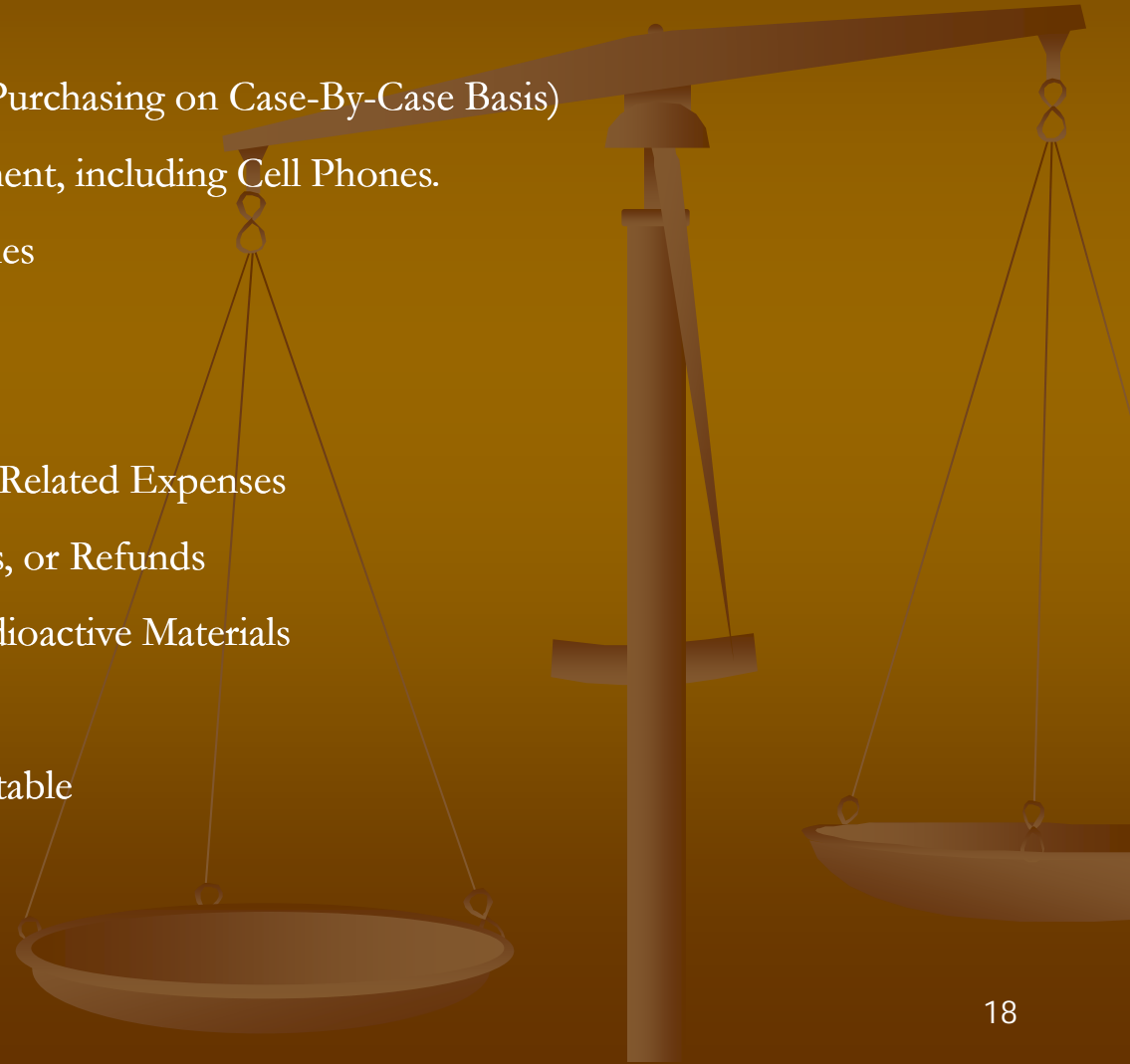


**Items for
Personal Use**

NONE ALLOWED!!

Purchases **NOT** Authorized/ Unacceptable

- Items for Personal Use
- Capital/Controlled Equipment
- Major Computer Hardware
- Software (Pre-Approval by Purchasing on Case-By-Case Basis)
- Telecommunication Equipment, including Cell Phones.
- Fuel for State Owned Vehicles
- Social Club Dues
- HEF Purchases
- Travel (Transportation) and Related Expenses
- Cash Advances, Instruments, or Refunds
- Controlled /Hazardous/Radioactive Materials
- Alcohol
- Services that are 1099 reportable
- Gift Cards



What is a 1099 Vendor?

- 1099 Vendor Requires Tax Reporting to the IRS
- 1099 Vendors include:
 - Individuals, Sole Proprietors, Partnerships
- Examples of Services Subject to 1099 reporting:
 - Professional Fees, Commissions or Other Forms of Compensation for Services Rendered by an Individual who is NOT an employee
 - Dwelling Rent, Royalties, Interest

Disputed Items

Disputed Items

- Contact Vendor First to See if Issue Can be Resolved
- If the Issue Cannot Be Resolved, Give Your Dispute to the Program Coordinator and the Coordinator Will Contact JP Morgan Chase for Further Assistance
- Note: Failure to Take Immediate and Appropriate Action Could Result in a Loss for A&M-Commerce and Your Charging Privileges Could be Revoked

Things to Remember...

- Read and Understand Your Users Guide
- Understand Purchasing Rules, Regulations, and Procedures
- Make Sure That No Sales Tax is Charged at the Time of Purchase
- Retain All Your Itemized Receipts
- Keep Internal Logs Up-to-Date
- Review and Reconcile Your Statement Carefully
- Improper Use of ProCard will Lead to Disciplinary Actions
- Purchasing and Accounts Payable will be Performing Continual Audits of Purchases

Billing and Reconciliation

- Accounts Payable Pays JP Morgan Chase Directly
- Your Account Will Automatically Be Charged on FAMIS

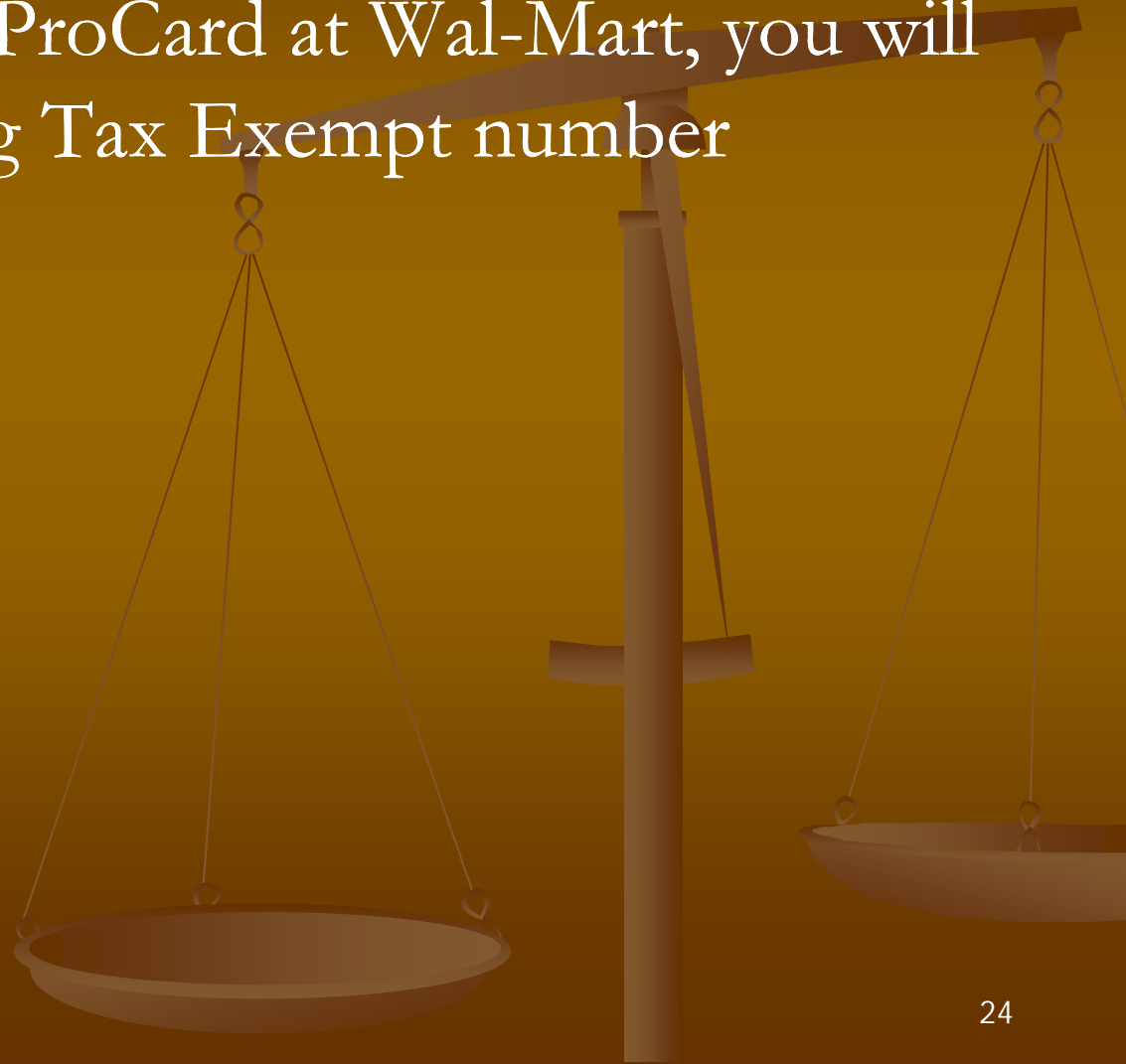
Payment



- Employees Do Not Pay Their Own Monthly Statement
- Statement for Each Card Will Be Mailed to Cardholder for Reconciliation
- Summary Statement for A&M-Commerce Will Be Mailed to Financial Services
- TAMU-Commerce Pays JP Morgan Chase Within Thirty (30) Days

Additional Information

- When using your ProCard at Wal-Mart, you will need the following Tax Exempt number
 - 206082



Purchasing Card Internal Transaction Log

**You are
Required to
Keep track of
all
transactions
during a
billing period**

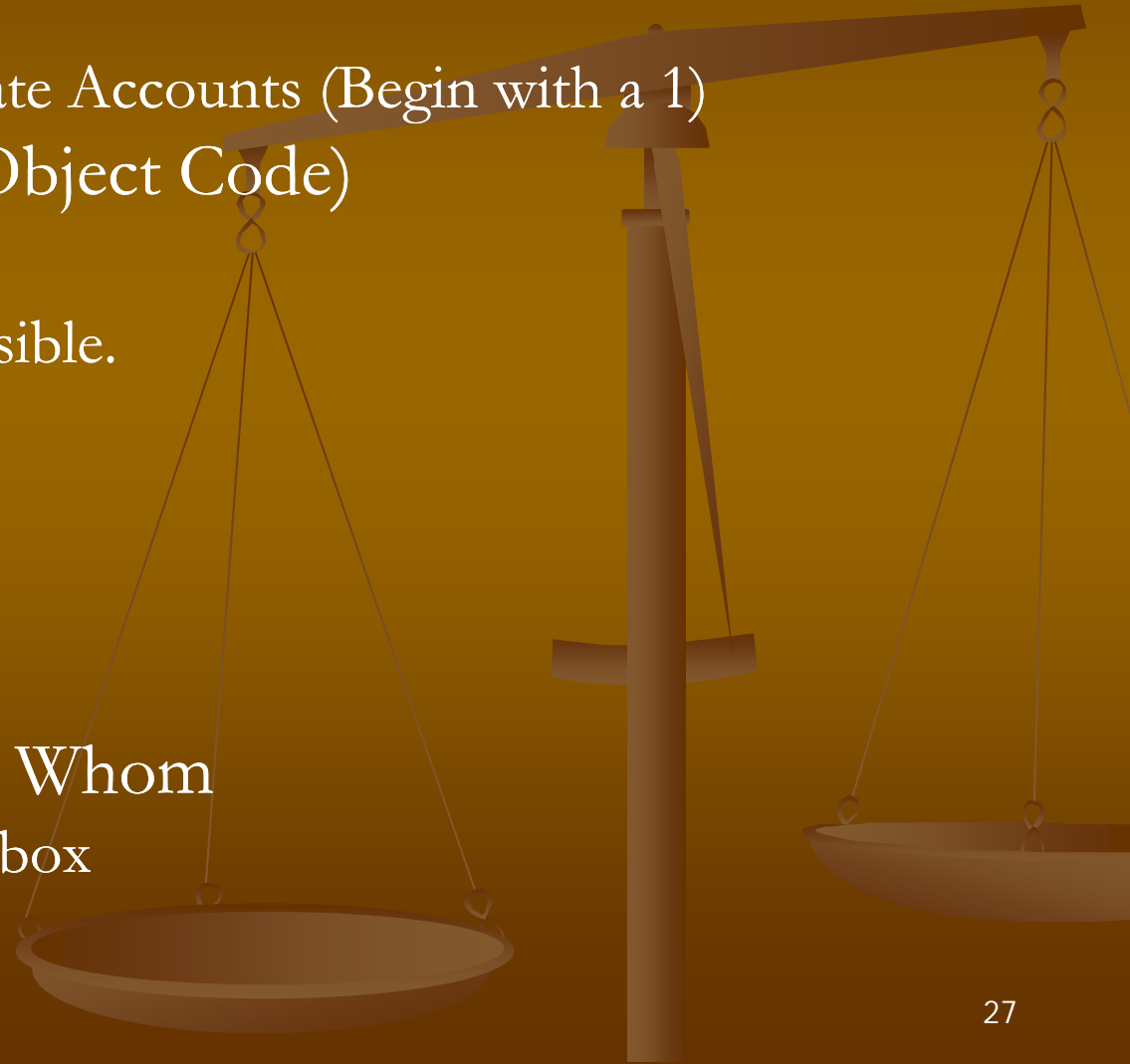
TEXAS A&M UNIVERSITY Purchasing Card Internal Order Transaction Log							
Card Number: _____ <small>(FAMS Account & Support Account)</small>				Department Approval _____			
Cardholder Name: _____				Cardholder's Signature: _____			
				Statement Closing Date: _____			
Transaction Date	Cross Ref #	Vendor Name Vendor # *	Commodity Code *	Description	Amount	Date Received	Date Reconciled/ By Whom
	1						
	2						
	3						
	4						
	5						
	6						
	7						
	8						
	9						
	10						
	11						
	12						
	13						

How to Complete your Log

- Account Number
 - The FAMIS account and support account where you want the charges billed to
- Cardholder Name
- Department Approval
 - Signature of account signer. If account signer is the cardholder, you must have the signature of their superior.
- Cardholder's Signature
- Statement Closing Date
 - On your statement
- Transaction Date
 - Included on statement. The date that you made the purchase.
- Vendor Name

How to Complete your Log

- Vendor Number
 - Only required on State Accounts (Begin with a 1)
- Commodity Code (Object Code)
- Description
 - Be as specific as possible.
- Amount
- Date Received
- Moved to Account
 - Not Required
- Date Reconciled/By Whom
 - Date and Initial this box



What We Look For

- Appropriate purchase for account
 - Food
 - Business Meals/Food Purchase Justification attached.
 - Itemized Receipt
 - Gifts/Awards/Gift Cards
 - Gift Log must be attached. Gift Cards are Restricted
 - Equipment (Capitalized or Controlled)
 - Software (Purchasing Approval on Case-By-Case Basis)
 - HEF Purchases
 - Department Needs
 - Purchasing does not need to purchase prescription drugs.
 - Vehicle Expense
 - Includes University Owned, Rental & Personal

What We Look For and Question

- Multiple Transactions from One Company
 - Multiple purchases for same day or week?
 - Was purchase split to fall below transaction limit?
 - Did company ship & bill different days?
 - Was it the Department's Lack of Planning?

What Accounts Payable Looks For.

- Itemized Receipt
- Food
 - Business Meals/Food Purchase Justification attached.
- Group Meals
 - With Travel?
 - Travel Voucher Required?

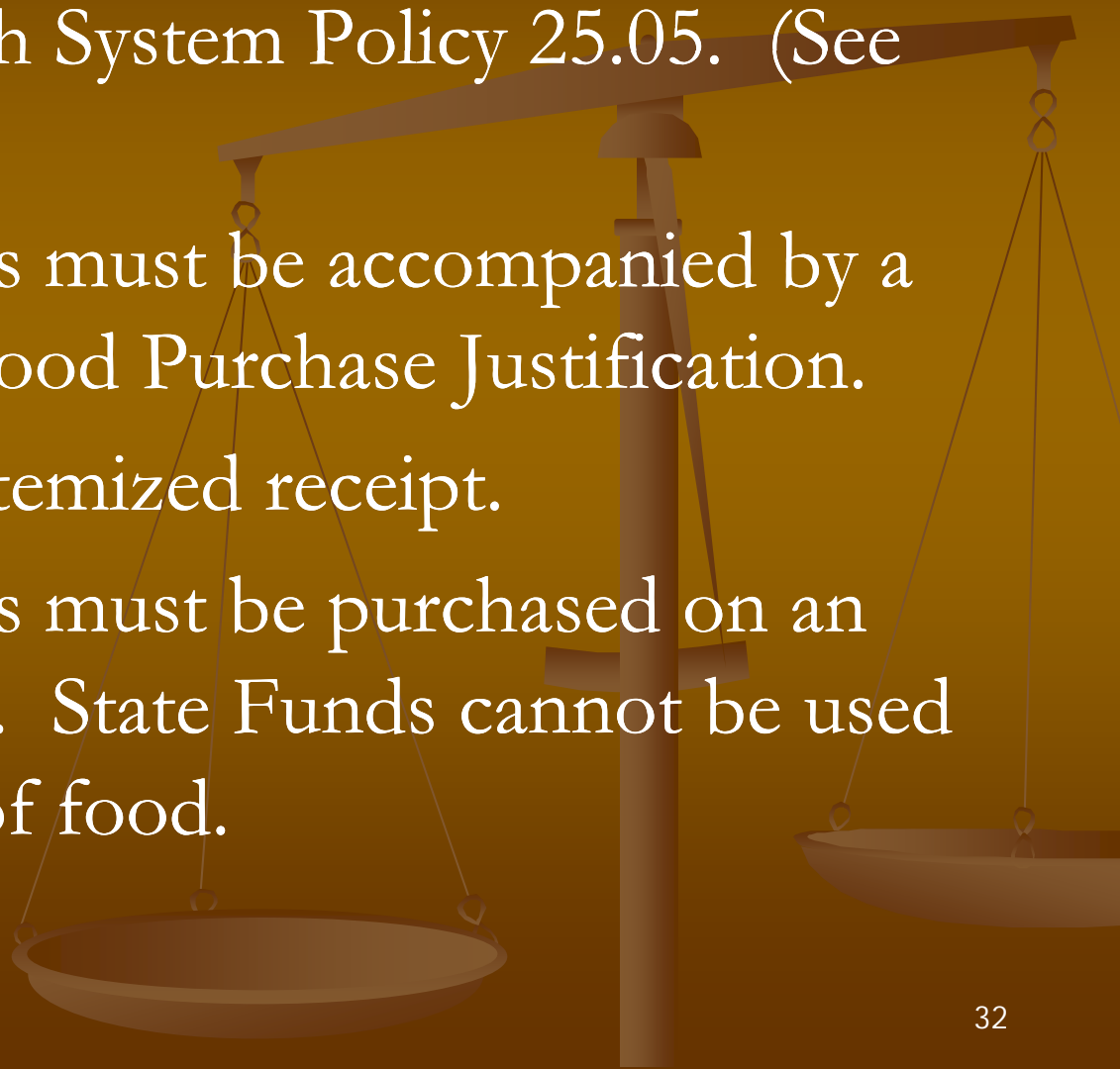


Items Purchased As Gifts

- For Student Recognition...in Limited Numbers.
- The Student must sign and provide campus-wide ID# on A&M-Commerce approved gift log upon receipt of gift.
- This gift log must be attached to the transaction log and turned in to accounts payable for audit purposes.
- Examples of Gifts: Event Giveaways, Drawings, Door Prizes, and Game Prizes. (Excludes Gift Cards)

Food Purchases

- In accordance with System Policy 25.05. (See Next Slide)
- All food purchases must be accompanied by a Business Meals/Food Purchase Justification.
- Must provide an itemized receipt.
- All food purchases must be purchased on an allowable account. State Funds cannot be used for the purchase of food.



Purchase of Food & Refreshment

System Policy 25.05

- **Expenditures of funds for food must comply with one or more of the following direct purposes:**
- Recognition or promotion of academic achievement, athletic achievement, scholarship and/or service to a component of the System or State.
- Promotion of the communication of intellectual ideas among students, faculty, staff, administrators, and/or representatives of the public.
- Support of student events and activities which are sponsored by a component of the System.
- Recruitment of highly qualified students, faculty, and staff.
- Promotion of the exchange of ideas with community leaders regarding the role of a component of the System in the community. (Continued...)

System Policy 25.05 (Continued)

- Assistance of the Regents, accrediting agencies, officials from other universities and/or public officials in inspecting and reviewing the facilities and programs of a component of the System.
- Support of a program of continuing education sponsored by a component of the System; or
- The conduct of staff conferences and receptions or other events designed to recognize and honor employees.

Funds Allowed for Food Purchases

- Balances in accounts funded from student service fees, bookstore allocations and the University concessions may be used for the purchase of food to the extent that such funds have been budgeted therefore.
- Donated unrestricted funds, and funds received as registration fees for continuing education conferences and short courses may be used for the purchase of food where provisions therefore have been included in registration fee.
- Funds raised and/or earned by student organizations may be used for the purchase of food.
- Other locally generated income not restricted to Administrative, Education and General, Research, Plant Expansion, Loan, Endowment, and/or Scholarship programs may be used for the purchase of food.
- **Presidents, Agency Directors or their designees are authorized to determine if specific expenditures fall within the above guidelines.**

Purchase of Food for Catered Events

- Note: Sodexho contract only requires exclusivity to catering events held at the MSC, however, departments are encouraged to visit with Food Services concerning the event prior to working with an outside catering company.
- Purchases of food for catered events, at locations other than the MSC, may be paid for with the procurement card only within your delegated authority and with an attached Business Meals/Food Purchase Justification.

What Your Department Head Should Look For

- Employee Authority: Does this person have authority to make the purchase?
- Budget: Do we have the money in our budget?
- Purpose: Is the purchase for Official State/University Business?

Remember...

It is better to ask permission
than to ask forgiveness.

*If you have questions or problems,
please call before you buy!*

Purchase Card Agreement Form

**This form
must be
signed at the
time you pick
up your card.
We will keep
them on file.**

ATTACHMENT A - Cardholder ProCard Agreement

TEXAS A&M UNIVERSITY-COMMERCE CARDHOLDER PROCUREMENT CARD AGREEMENT

I hereby acknowledge receipt of a Texas A&M University-Commerce MasterCard Procurement Card. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Purchasing Card procedures.

I acknowledge that I have read and understand the terms and conditions of this Agreement and the Purchasing Card procedures. I understand that Texas A&M-Commerce is liable to JP Morgan Chase for all Texas A&M-Commerce charges.

I agree to use this card for Texas A&M-Commerce approved purchases **only** and agree not to charge personal purchases. I understand that Texas A&M-Commerce will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action, which may include termination of employment. I agree to repay Texas A&M-Commerce any amounts owed by me even if I am no longer employed by Texas A&M-Commerce.

I understand that the card is property of Texas A&M-Commerce. I further understand that Texas A&M-Commerce may terminate my right to use this card at any time for any reason. I agree to return the card to Texas A&M-Commerce immediately upon request or upon termination of employment.

Cardholder: _____ Master Card #: _____
Signature: _____ Date: _____
Print Name: _____ UIN#: _____
Department: _____

Lost or Stolen Card

JP Morgan Chase Customer Service

- 800-890-0669 (24 hours a day)
- Also notify Pro-Card Coordinator and Department Manager



Contact List

- General Questions, Obtain, Cancel or for Cardholder Info:
 - Travis Ball
 - Procurement Card Coordinator
 - 903-886-5060
- Card Declined or Restricted Vendor Customer Service
 - JP Morgan Chase
 - 800-890-0669
- Activate Card
 - JP Morgan Chase
 - 800-890-0746

Key Program Contacts

Purchasing Services Department

- Program Administrator

Carol Arrington

903-886-5043

Carol_Arrington@tamuc.edu

- Program Coordinator

Travis Ball

903-886-5060

Travis_Ball@tamuc.edu

Fiscal Department

- Billing and Reconciliation Questions

Michael Glas

903-886-5061

Michael_Glas@tamuc.edu