

P-Card Procedures

PURPOSE

The purpose of the Sam Houston State University Procurement Card (**P-Card**) Program is to establish an efficient, cost-effective method for paying for orders and to delegate the authority and capability to make these purchases to the end-user in amounts not exceeding single transaction and monthly limits. This program is intended to complement existing processes. The P-Card Program will be administered in accordance with the terms of the State of Texas contract with Citibank and the University Procurement and Business Services Policy and Procedures. The P-Card is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements. All items available through a SHSU preferred contract/supplier in BearKatBuy should be utilized first, before going outside the tool and using the P-Card. In addition to internal policies and procedures, Sam Houston State University (**SHSU**) will comply with the terms and conditions of the State contract. **When SHSU Policy contradicts Procurement Card Policy, SHSU Policy prevails.** This program is designed to empower the department to make needed purchases without a delay and with minimal paperwork. **Travel expenses are NOT allowed with the P-Card.**

P-CARD ISSUANCE

The P-Card is issued in the department's name with the SHSU Logo and the wording 'Official Use Only' clearly indicated on the card. The P-Card will be issued in a pocket style sleeve identified with the SHSU logo to help distinguish the University P-Card from other credit cards. **The P-Card is to be used for official University business purposes only and may not be used for any personal transactions.** The University pays the monthly bill.

The Primary and/or Secondary Delegate must bring his/her photo I.D. to the Card Services Administrator at Procurement and Business Services before the P-Card will be issued. The P-Card will only be issued to an assigned Delegate for the department who has attended P-Card Policy and Procedure Training. Students are **not** allowed to pick up the P-Card for the Delegate or be a delegate. The Primary and/or Secondary Delegate will sign the Departmental P-Card Agreement, which will be kept on file in the Card Services Administrator's office. The Delegate will receive a signed copy of the Departmental P-Card Agreement and the Department's P-Card. The Procurement Card Program Policy and Procedures provides the guidelines for using the Procurement Card. Please read them carefully. Your signature on the Departmental Procurement Card Agreement shows that you understand the intent of the program and agree to follow the established policies and guidelines.

SECURITY OF THE PROCUREMENT CARD

The assigned Primary and Secondary Delegates for the department are responsible and accountable for the security and documentation associated with the use of the SHSU Procurement Card and for complying with all policies and procedures related to the P-Card Program. Primary and Secondary Delegates are both required to attend P-Card Policy and Procedure Training.

Delegates and/or their authorized users are responsible for the security of the card and card number. This card shall be treated with the same level of care as the Delegates and/or their authorized users would use their own personal charge cards. Guard the P-Card account number carefully. It should not be posted in a work area, left in a conspicuous place, or left on file with a vendor. It must be kept in a secure location.

CARD USE BY SOMEONE OTHER THAN THE ASSIGNED DELEGATES

If the Primary and/or Secondary Delegate wants to allow another University employee or a student to use the departmental P-Card, the Primary and/or Secondary Delegate **MUST** complete a P-Card Use Form and file it with the Card Services Administrator in the Procurement Office. The P-Card Use Form will identify by name those individual(s) that will be approved to use the departmental card; i.e., named employees or students. The P-Card Use Form must be updated to reflect any changes to department heads, employees, and students that will be using the P-Card. A copy of the updated form must be sent to the Card Services Administrator. The Delegates are responsible to ensure that the individual using the card is aware of appropriate uses for the card and the need to return the card and associated documentation immediately after making the purchase. Please note that vendors may choose to refuse the sale. A P-Card Use Form can be found at: <https://www.shsu.edu/dept/procurement/forms.html>

CARD USE BY ANOTHER EMPLOYEE

It is the Delegate's and/or Department Head's option to allow another University employee within the department to use the card. Failure to document another employee's use of the card **prior** to a purchase being made or inappropriate use of the card will result in review of the card for suspension, deactivation or termination as provided by Procurement and Business Services Procurement Card Policy and Procedures. **All users are required to take P-Card training prior to being allowed to use the card.**

P-CARD TRAINING

Procurement recommends all department heads attend training and must complete and sign the **Delegation of Procurement Card Authority Form** before any card will be issued to the department. All Delegates will be required to attend training and a Departmental P-Card Agreement must be signed by the Primary and/or Secondary Delegate before the department is issued a card.

POINTS OF CONTACT- RESPONSIBILITIES

CARD SERVICES ADMINISTRATOR RESPONSIBILITIES: ADMINISTRATION OF THE PROGRAM

- Establish University policies related to the program
- Issue Cards
- Training on policies, procedures and Chrome River reconciliation
- Monitor and maintain documentation of P-Card activities.
- Determine compliance with University policies and procedures through auditing of all Expense Reports and attached documentation
- Answer day-to-day questions
- Establish and update restricted Merchant Category Codes
- Download monthly statement from Citibank and prepares payment form for processing by Disbursements
- Audit accounting detail and makes department aware of necessary corrections to be made through the Controller's office.

ACCOUNT MANAGER RESPONSIBILITIES: (CHAIR, DIRECTOR, OTHER)

- Designate Delegates
- Determine spending limits for dept. within P-Card policy limits
- Approve monthly P-Card documentation to ensure purchases are within SHSU Policies and Procedures
- Ensure that all employees understand the department budget constraints under which cards are to be used
- Monitor all accounts being used to ensure sufficient funds are available
- Notify Card Services Administrator by email when employees terminate employment with Sam Houston State University or transfer to another Sam Houston State University department if the employee is an authorized user and/or Delegate on the Procurement Card
- The Department Head is the assigned approver in the workflow within Chrome River. The Department Head will approve reports each month, or designate someone as their Approval Delegate within Chrome River during their absence. All approvals are electronic within Chrome River.

PRIMARY AND SECONDARY DELEGATE RESPONSIBILITIES:

- Follow all P-Card policies, procedures, rules, and guidelines outlined in the Procurement and Business Services Procurement Card Policy and Procedures
- Must attend a training class on policies and procedures and Chrome River
- Adhere to the delegated limits approved
- Secure the card in a safe place at all times
- Submit monthly Chrome River Expense Report through the tool by the 15th of each month
- Ensure all necessary documentation related to purchases made with the P-Card are attached in Chrome River

CITI CUSTOMER SERVICE

- Available 24 hours a day, 7 days a week.

- Assists the Delegates with general questions about the P-Card account.
- If a P-Card is lost or stolen, Customer Service should be notified immediately: 1-800-248-4553

PROCUREMENT CARD CONTROLS

CREDIT LIMITS

- All P-Cards will have departmental spending limits as approved by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator and/or Manager. A **Request for Procurement Card Credit Limit Increases Form** can be found at: <https://www.shsu.edu/dept/procurement/forms.html> . Purchases in excess of these limits will be denied at the point of sale.
- Payment Cycle Limits will limit the dollar amount available toward purchases during a single reporting cycle. The department should request a Payment Cycle Limit consistent with the anticipated use of the card, up to a *maximum* limit of \$50,000 *per department*, subject to change upon review. Any requests for a monthly credit limit increase over \$15,000 will require approval by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator and/or Manager and the Director of Procurement and Business Services or his/her designee.
- Raising your limit over \$15,000 monthly increases SHSU's liability in the case of fraudulent charges and this liability will ultimately be the responsibility of the department and departmental O&M funds should it be determined that negligence was involved in any fraudulent activity, so please do not request more credit than what you need for routine monthly purchases.
- Transaction Spending Limits will limit the total dollar amount available toward a single purchase. The Transaction Limit allowed is \$2,000 with the ability to increase the limit up to and including \$5,000 as determined by the Associate or Assistant Vice President, Dean, Associate or Assistant Dean, Department Chair, Director, Associate or Assistant Director, or Business Coordinator/Manager. A transaction includes the purchase price, plus freight and installation

RESTRICTED VENDORS

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The P-Card Program is restricted from use with certain types of suppliers and merchants. If the P-Card is presented for payment to these vendors, the authorization request will be declined. If this happens and the purchase is within other guidelines, call the Card Services Administrator while still at the vendor's place of business during normal working hours M-F 8:00 a.m. to 5:00 p.m. The change allowing the purchase to be completed may be made by phone. If this is not possible, the Card Services Administrator will advise what steps to take to complete the purchase. The Delegate and/or authorized user may be required to return to the office and submit a BearKatBuy Requisition.

Please note that many vendors who operate within acceptable Merchant Category Codes may sell some items that are restricted from purchase on the P-Card. **Just because the vendor sells it does not mean the Delegate and/or authorized user can buy it.** See *Acceptable and Unacceptable Purchases within this document*.

LOST OR STOLEN CARDS

If a P-Card is lost or stolen, the Primary and/or Secondary Delegate must immediately contact Citi Customer Service at 1-800-248-4553. **After contacting Citi, notify the University Police Department, the Card Services Administrator, and your Department Head.** Prompt, immediate action will reduce the possibility of fraudulent activity. It is imperative that the Delegate contact Citi immediately to report a card lost or stolen. The Account Manager may be required to reimburse the University for any charge resulting from failure of the Delegate and/or authorized user to immediately report the loss or theft of a card. The department may be subject to suspension or termination of the departmental procurement card for failure to report the card lost or stolen.

Any fraudulent charges made on a lost or stolen card should be reported to the University Police Department and the Card Services Administrator. The Card Services Administrator will report fraudulent activity to Citi to file a dispute and to the Office of Audits and Analysis if such fraudulent activity is related to purchases made by an employee

of Sam Houston State University. Keep in mind that the department may have to pay the full amount of card charges and work through the legal system to receive reimbursement.

DELEGATE TRANSFER/TERMINATION

It is imperative that in either of the following cases the Department Head or his/her designee ensure that the Card Services Administrator is notified.

- Upon Primary/Secondary Delegate transfer to another University Department
- Upon Primary/Secondary Delegate termination from University employment
- Upon Primary/Secondary Delegate assigned to new job or duties and no longer responsible for P-Card.

The Department Head is responsible for determining the account number for any outstanding charges. **Any fraudulent charges made after a Delegate and/or authorized user's termination from employment at the University should be reported to the University Police Department and the Card Services Administrator.** The Card Services Administrator will report such fraudulent activity to the Office of Audits and Analysis.

CARD TERMINATION

Privilege does not come without responsibility. Use of the credit card is a privilege that carries a great deal of responsibility. If anyone is allowed to abuse the use of the P-Card, the whole program is impacted. Therefore, abuse of the P-Card can result in immediate consequences with no appeal. Certain P-Card violations and infractions will result in strikes against the department. Three strikes will result in review of the card by Procurement and Business Services and the Associate Vice President of Finance and Operations for possible suspension, deactivation or termination or additional training of departmental delegates or users with the Card Services Administrator.

Occasionally, exceptions to the P-Card policies and procedures may be approved by the Card Services Administrator **prior** to the transaction being made. If approved, the Delegates and Card Services Administrator will have an **Exception Form** on file with the transaction, and card suspension, cancellation or deactivation, will be waived. The **P-Card Exception Approval Form** can be found at: <https://www.shsu.edu/dept/procurement/forms.html>

IMMEDIATE CARD CANCELLATION:

Results in cancellation of card with no option to receive another card.

- Items purchased for personal use when determined to be intentional abuse or fraud.
- Use of the P-Card to secure a cash advance.
- 2nd Lost or Stolen Card within 3 years after the 1st lost or stolen card.

IMMEDIATE CARD DEACTIVATION:

Results in a waiting period of 3 to 6 months for re-activation.

- Chrome River Expense Reports not posted by the required date for two (2) consecutive months or two (2) months during a 6-month period.
- Splitting purchases to avoid purchasing procedures (2nd offense).
- Failure to provide proper documentation with submitted Chrome River Expense Reports or additional documentation requested within the required timeframe for an audit.
- Use of P-Card for travel related expenses which are prohibited by the State of Texas, or failure to have erroneous travel charges credited back to the P-Card.

OTHER CARD CANCELLATIONS AND ACTIONS

• NON-USE

If the department has not used the procurement card within one year, the P-Card will be cancelled. To receive a new card, the department will be required to submit a **P-Card Application/Approval Form** and attend training.

• TERMINATION OF UNIVERSITY EMPLOYMENT

When a procurement card Delegate terminates employment with the University, the department head has specific obligation to notify the Card Services Administrator **prior** to the Delegate's termination date and submit an updated **Delegation of Procurement Card Authority Form** for the department's procurement card. Failure to designate Primary and Secondary Delegates may result in the department being responsible for payment of any fraudulent charges and revocation of all department card privileges. Any fraudulent charges made by a Primary and/or Secondary Delegate or an authorized user after the Primary and/or Secondary Delegate's or authorized user's termination will be reported to the University Police Department. The terminated Primary and/or Secondary Delegate or authorized user will be expected to reimburse the University.

- **TRANSFER TO A DIFFERENT UNIVERSITY DEPARTMENT**

When a Delegate changes employment from one University department to another, the department has specific obligation to notify the Card Services Administrator **prior** to the effective date of change. Failure to notify the Card Services Administrator **prior** to the effective date of change may result in revocation of all department card privileges.

- **FAILURE TO PROMPTLY REPORT A LOST OR STOLEN CARD**

If a department fails to make a report of a lost or stolen card immediately upon discovery, the department may be required to reimburse the University for any fraudulent charge made on the card until it has been cancelled. The University will pay the charges and the department will be required to reimburse the University. The department will be subject to a minimum 3-month waiting period before a new card will be issued and Delegates will be required to attend training again. If a 2nd card is lost or stolen within 3 years after the 1st lost or stolen card, the department's card will be cancelled with no option to receive another card.

- **ADMINISTRATIVE AUTHORITY**

The Department Head or supervising Dean, Vice President, or President has the authority to request that the Card Services Administrator deactivate or cancel a department's card at any time for any reason. Any card so deactivated or cancelled may be reactivated or a new card issued with approval by the position that originally requested the deactivation or cancellation.

The Card Services Administrator, Office of Audits and Analysis, or the Office of General Counsel has the authority to request that the Card Services Administrator deactivate a department's card while transactions are being researched or investigated, or an audit is being conducted. At the conclusion of the research, investigation or audit, the card will be reactivated and/or appropriate action taken as specified herein and in policy.

MAKING A PURCHASE

- **Determine if the transaction is an acceptable use of the card.**

- a) Items available through Work Quest (formerly Texas Industries for the Blind and Handicapped (TIBH)) must be considered when using state & local funds.
Products by Persons with Disabilities – A preference shall be given to manufactured products of workshops, organizations, or corporations whose primary purpose is training and employing persons with mental or physical disabilities, if the products or services meet state specifications as to quantity, quality, and price. Competitive bids are not required for purchases through Work Quest. When utilizing treasury/appropriated funds, and the purchase(s) or service(s) can be provided by Work Quest, they will be purchased through Work Quest or justify in writing the reason for the rejection and forward the rejection letter to Procurement and Business Services.
- b) Splitting purchases to avoid purchasing procedures or bidding requirements is not allowed.
- c) Consider available contracts for best value: State Contracts, TX-MAS Contracts, DIR Contracts, Tex-An Contracts, and Cooperative Contracts.
- d) Always consider Recycled Products.
- e) Accepting Free Gifts with purchases is strictly prohibited with the P-Card.
- f) See examples of Acceptable and Unacceptable Purchases within this document.

- **Determine if the transaction is within the department's spending limit.**

A transaction includes the purchase price, plus freight and installation and excluding tax.

~**NEVER** split purchases to stay within the department's spending limit.

~**Sales Tax should never be charged.** SHSU is a tax-exempt agency. **Sales tax is not a disputable item.**

If tax is charged, it must be paid and the department will be responsible for obtaining a credit from the vendor

charging the tax. If the department is unable to secure a credit for sales tax from the vendor the department must reimburse the amount of the sales tax to the University.

- **Identify the vendor.**

State law mandates, on both state and local accounts, that SHSU make a good faith effort to increase business with **Historically Underutilized Businesses (HUBs)**. Contact the HUB Coordinator, Card Services Administrator or your purchaser for help identifying certified HUB vendors. Remember that SHSU's percentage of business with HUBs is considered during the biennial budget allocation process. HUBs may be searched at the State of Texas CMBL search site: <http://www.window.state.tx.us/procurement/prog/cmb/>

- **State law mandates that prior to the commitment of funds** the Delegate and/or authorized user verify the vendor's warrant hold status for any purchase **EXCEEDING \$500. For expenditures utilizing state appropriated funds, the verification page MUST be attached to the Chrome River Expense Report for audit purposes.** Verification can be made at the following Comptroller website:
<https://ourcpa.cpa.state.tx.us/coa/Index.html>

(The Taxpayer Identification Number can be found in Banner using **FTMVEND**.) If the Right to Transact Business in Texas status is listed as Active, Franchise Tax Ended or if the Vendors information is not found, departments may proceed with the purchase.

- **Call or fax the order**, visit the vendor, or place the order over the Internet if you feel that the site is secure. Confirm pricing including shipping and installation and excluding tax. The P-Card identifies Sam Houston State University as being a **tax-exempt** entity of the State of Texas but does not automatically result in the charge being tax exempt. **Stress to the vendor that SHSU is tax exempt.**
- Provide detailed shipping instructions including the building and room number where delivery is to be made. P-Card deliveries **should not come through Central Receiving**. Request that the department's name and delivery address appear on all packing lists and box labels. This will help ensure that the shipment gets to the right person. Please be advised that the department's University mailbox number is the **billing address** used for the procurement card.
- Secure a receipt or invoice to fully document the purchase and if applicable, a **P-Card Documentation/Problem Resolution Form** to document any problems associated with the purchase. Screen prints are acceptable for Internet orders as long as pricing is reflected on the printout. Always instruct the vendor to send the receipt/invoice **directly to the department not to Disbursements**. A state agency may not pay for goods before their delivery to the agency. Vendors should only charge the account when goods are shipped. Back orders should not be charged until the goods are shipped. All receipts/invoices or online printouts must reflect pricing.
- Ensure receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.

ACCEPTABLE AND UNACCEPTABLE PURCHASES

A transaction includes the purchase price and all relative shipping and handling charges for delivery. Remember to convey to your suppliers that Sam Houston State University is a tax-exempt agency.

BUY FROM A CERTIFIED HUB WHEN POSSIBLE.

ACCEPTABLE PURCHASES
This list is not all-inclusive.

- **Advertisement:** Personnel Advertisement is allowed on the P-Card **ONLY** if the Delegate and/or Authorized User has proper approval from the Human Resources Department.

- **Awards:** with proper approval per policy **PUR-19 Achievement of Awards:**
http://www.shsu.edu/intranet/policies/finop/procurement_business_services/
Awards require the **FO-19A Food and Beverage Request Form** signed by the appropriate individual:
<http://www.shsu.edu/intranet/policies/finop/index.html>

- **Barnes & Noble Bookstore:** Purchases are acceptable, unless otherwise prohibited.
- **Books/DVDs Educational Film and Reference Materials**
- **Computer Supplies:** See **Policy IT-S03** link noted below:
http://www.shsu.edu/intranet/policies/information_technology_policies/
- **Criminal/Civil Investigation:** University Police Department, Information Technology, and Teacher Education only.
- **Decorations:** For University sponsored events only.
- **Fabric/Linens/Uniforms**
- **Fertilizer:** for small applications, not for large agricultural usage.
- **Flowers:** for non-University Sponsored Events require the **FO-19A Food and Beverage Request Form** signed by the appropriate individual: <http://www.shsu.edu/intranet/policies/finop/index.html>
- **Food or non-alcoholic beverages:** Requires the **FO-19A Food and Beverage Request Form** <http://www.shsu.edu/intranet/policies/finop/index.html> signed by the appropriate individual, **with the exception of food or non-alcoholic beverages used for classroom labs.**
See policy **FO-19 Food and Beverage Purchasing Policy:** <http://www.shsu.edu/intranet/policies/finop/index.html>
- **Freight:** associated with items purchased by P-Card only
- **Furniture:** below \$5,000 (non-inventoried) and not otherwise prohibited.
- **Gifts:** per policy **FO-19 Food and Beverage Purchasing:** <http://www.shsu.edu/intranet/policies/finop/index.html>
- **Gratuity:** Local Accounts - Gratuity up to 20% is allowable. State Accounts - **NO GRATUITY OF ANY KIND IS ALLOWED ON STATE ACCOUNTS.**
- **Janitorial Supplies**
- **Memberships Dues:** **Payment of** memberships dues are acceptable only if the vendor will not accept a BearKatBuy purchase order and only if **prior** approval was obtained.
See policy **FO-36 Memberships-Professional:** <http://www.shsu.edu/intranet/policies/finop/index.html>
- **Pesticides:** (non-hazardous)
- **Plants/Landscaping Supplies**
- **Promotional Items:** Require the **FO-19A Food and Beverage Request Form** signed by the appropriate individual.
See policy **FO-19 Food and Beverage Purchasing:**
<http://www.shsu.edu/intranet/policies/finop/index.html>.
- **Registration:** for conferences, seminars, webinars, rental of booths, etc.
- **Rentals:** (If a signed contract and/or agreement is required, then an **Exception Form** with the attached contract and/or agreement must be submitted and approval obtained **prior** to purchase.)
- **Restaurants:** Requires the **FO-19A Food and Beverage Request Form** signed by the appropriate individual:
<http://www.shsu.edu/intranet/policies/finop/index.html>
NO ALCOHOL OF ANY KIND MAY BE PURCHASED unless by request for Exception prior to purchase with proper approvals granted and gift funds used for payment.
- **Safety Supplies**
- **Services:** Maximum dollar amount of \$500; if over \$500, must use a BearKatBuy Requisition.
- **Small Equipment:** (not capital or controlled; see below)

- **Subscriptions/Periodicals**; when the subscription/periodical is shown to be beneficial to the University. Certain online subscriptions may require **prior** IT approval.
- **Tools/Hardware**

UNACCEPTABLE PURCHASES
This is not an all-inclusive list.

- **Alcoholic beverages**
- **Ammunition**; (Acceptable purchase for University Police Only)
- **Animals that are required to be reported on the Annual Financial Report**
(Note: Consumable, animals, such as lab rats, are acceptable purchases.)
- **BearKatBuy (items available thru SHSU preferred contracts/suppliers)** – departments should purchase through BearKatBuy if items are available under contracts listed in the Marketplace prior to using the P-Card and shopping outside the tool. **This includes office supplies and all other contracts currently listed within BearKatBuy.**
- **Cash Advances or cash refunds**
- **Cellular phones**
- **Charitable Donations**
- **Controlled, hazardous, or radioactive materials**
- **Fines and Penalties**
- **Free Gifts** – Accepting free gifts with purchases and/or in lieu of receiving available discount
- **Fuel for automobiles** (Voyager Fuel cards must be used.)
- **Gift Cards** - See policy **PUR-19 Achievement of Awards**:
http://www.shsu.edu/intranet/policies/finop/procurement_business_services/
- **High Risk Items Controlled By SHSU**: (Regardless of value)
 - Firearms
 - Historical Treasures and Works of Art
- **Insurance Premiums**
- **Leases**
- **Personal use items**
- **Phone Cards**
- **Postage** including freight charges via Federal Express or United Parcel Service
- **Prescription Drugs/Controlled Substances**
- **Printers**
- **Printing**

- **Professional and Consulting Services**

- **SHSU DEFINED CONTROLLED EQUIPMENT:**

As per the SHSU Property Department, the following items are considered Controlled even if they fall below \$500:

- Apple iPad
- Samsung Tab
- Motorola XooM
- HP Touchpad

- **STATE DEFINED CONTROLLED EQUIPMENT:**

Equipment with a single unit value from \$500 to \$4999.99 and identified as any one of the following:

- Stereo Systems
- Cameras
- TV's, VCR/DVD Players
- Two-Way Radios
- Camcorders
- Microscopes
- Microcomputers, Servers and Laptops
- Data Projectors
- GPS
- UPS Battery Backup
- Scanners
- Monitors

Information Technology Policy **IT-S03, SHSU Technology Acquisition Oversight:**

https://www.shsu.edu/intranet/policies/information_technology_policies/documents/IT-S03TechnologyAcquisitionOversight.pdf (All IT related equipment per above IT policy regardless of funding source or dollar amount.)

- **Work Quest** – Items purchased with state funds from another source other than Work Quest when the same item is available from Work Quest.

- **Travel and related expenses:** (Note: Registration is not considered a travel expense.) **If you use the P-Card for registration it is reconciled on the P-Card Expense Report only. DO NOT include on your Travel Expense Report.**

RETURNS, CREDITS, AND DISPUTED CHARGES

Should a problem arise with a purchased item or charge, the Delegate shall make every attempt to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. Returned, credited or disputed charges must be documented on a P-Card

Documentation/Problem Resolution Form. Sales tax is not a disputable charge through Citi.

RETURNS AND CREDITS

If a Delegate and/or authorized user need to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns must be recorded on the P-Card **Documentation/Problem Resolution Form**. If an item is accepted as a return by the supplier, a credit paid until the credit is posted or other resolution is reached. A P-Card **Documentation/Problem Resolution Form** can be found at: <https://www.shsu.edu/dept/procurement/forms.html>

DISPUTED CHARGES

If a Delegate finds a charge on a monthly statement that is inaccurate, the Delegate may choose to dispute payment by disputing the charge on a **Citi Cardholder Dispute Form**. All disputed charges must be detailed in Chrome River according to instructions. The **Dispute Form** MUST also be scanned to **Card Services Administrator at** shsupcard@shsu.edu.

If a charge appears for which a credit is pending, the charge can be disputed until the credit is posted, or the charge can be paid and the credit utilized against future charges. The **Citi Cardholder Dispute Form** may be downloaded from the Procurement and Business Services website at: <https://www.shsu.edu/dept/procurement/forms.html>

If disputed, Citi will place the charge in a 'State of Dispute' and the account may be given a provisional credit until receipt of adequate documentation from the vendor is provided. If the documentation appears to be in order, the transaction will be re-posted to the account and the dispute considered closed.

If the charge is suspected to be fraudulent, the card will be immediately blocked. An investigation of the charge will continue and a provisional credit will be issued. A new card will then be re-issued to the department, if appropriate. If, after the investigation, the disputed charge appears to be legitimate, the transaction will then post to the new account.

REQUIRED DOCUMENTATION

PROCUREMENT CARD TRANSACTION DETAIL AND DOCUMENTATION

Each Delegate and/or authorized user is responsible for retaining documentation on each purchase and uploading that documentation into Chrome River. Each Delegate is responsible for documenting transaction detail entries into Chrome River monthly. Each individual purchase must be detailed electronically, showing a detailed description, selecting the correct tile (account codes are tied behind the tiles) to which the charges apply, and the associated amounts. Departments will be responsible for making corrections through the Controller's office after the 20th of the month if reports are submitted with incorrect tiles/codes.

ACCEPTABLE PAPER DOCUMENTATION FOR EACH TRANSACTION MAY INCLUDE BUT IS NOT LIMITED TO:

- ✓ Sales Receipts/Invoices or printed Internet or email confirmation (**always required**). All documents, printed Internet or email confirmations must reflect pricing on the printout.
The State of Texas has determined that there is no excuse for missing receipts.
- ✓ Credit Receipts/Slips/Invoices must reflect pricing.
- ✓ P-Card Documentation/Problem Resolution Forms.
- ✓ Citi Disputed Item Form.
- ✓ Other information or correspondence related to the purchase.
- ✓ Issuance of a P-Card on a Grant/Contract account requires prior review and concurrence by the Office of Research Administration. In addition to any restrictions of the funding agency, P-Card use by Grant/Contract Accounts shall follow all applicable SHSU P-Card Policies and Procedures. It is the responsibility of the Account Manager/PI to adhere to P-Card and SHSU Policy, and also to the applicable federal and state regulations and any terms and conditions specific to the contract or grant award rules and regulations. Contracts and Grants review process is built into the Chrome River workflow approvals on the Expense Report.

MONTHLY STATEMENT, RECONCILIATION, AND APPROVAL

The Delegate must complete all transaction detail entries in Chrome River and reconcile the entries with the Chrome River Expense Report. The transaction detail entries are required and provide an accounting trail for expenditures made with the P- Card. Each individual purchase must be detailed in Chrome River.

All transaction detail entries related to charges on the Chrome River Expense Report must be completed on or before the 15th day of the month following the reporting cycle close date. If the 15th of the month falls on a weekend, the Expense Report should be submitted by the first work day of the following week. It is the Delegate's responsibility to resolve all discrepancies, prior to submitting the report.

A Procurement transaction log is the **required method** for expenditure tracking while using the Procurement Card. The form is available at <https://www.shsu.edu/dept/procurement/forms.html>

It is a requirement that each Delegate within an individual department be able to perform Chrome River reconciliation transactions in order to ensure that transactions are reconciled and submitted by the required deadlines.

It is the Department Head's responsibility to review the transactions listed on the Chrome River Expense Report to verify that all purchases are appropriate expenditures for the department and account charged. Changes or corrections cannot be made in Chrome River once an expense report has been submitted and approved.

If the Department Head and/or Delegate question any transaction, they should bring it to the attention of the Card Services Administrator, or it may be reported anonymously through the University's fraud and ethics reporting process. Reported transactions will be audited and appropriate action taken as specified herein.

AUDIT

Monthly statements, Chrome River Expense Reports and associated documentation will be audited by the Procurement Office. It is the Delegate's responsibility to ensure all documentation is uploaded in Chrome River for each transaction. If during an audit of the Expense Report additional information is requested, the Delegate(s) will have 48 hours to respond and provide requested documentation.

Audits may be conducted in 1 of 2 ways:

- The Card Services Administrator will contact the Delegate requesting an audit review.
- The Card Services Administrator may visit the Delegate's workstation without notice and request an immediate review.

The Office of Audits and Analysis may also conduct P-Card audits at any time without notice to the Delegates or the Card Services Administrator.

PROCUREMENT CARD PAYMENT

At the end of each reporting cycle please reconcile your account and submit your Chrome River Expense Report no later than the 15th of the month. Only one monthly report should be submitted for the monthly cycle within Chrome River. Do not submit daily or weekly reports. If the 15th of the month falls on a weekend, Expense Reports should be submitted by the first workday of the following week, no exceptions, unless notified by the Card Services Administrator.

SHSU has selected a *Citi reporting cycle of 30 days with payment due in 30 days*. -See the following link for cycle dates:

<https://www.shsu.edu/dept/procurement/Pcard%20FY20%20Report%20Cycle%20%20DRAFT%208-29-2019.pdf>

SHSU's statement closing date will be the 3rd day of the month or the 1st business day before, if the 3rd falls on a weekend or holiday. Each month Procurement and Business Services will receive a summary billing listing all transactions for that period. Procurement and Business Services will process the payment form and Disbursements will pay the summary billing in full. **Please note that there will be no late payments to Citi. Payment will be made from the department FOAP's even if there is insufficient budget.** Payment will be made from a clearing account and all charges posted to the FOAP identified in Chrome River or the department's primary O&M account, if no draft report exists in Chrome River with FOAP information. **The departments will be responsible for filing with Citi a Citi Disputed Item Form for all disputed charges, and for cleaning up any deficits with Budget and Controller's office when an insufficient fund balance is present upon posting of charges.**

Reviewed by: Tessy Rappe, AVP Finance & Operations
Renee' Starns, Exec. Director Procurement
and Business Services

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