

***TARLETON***  
***STATE UNIVERSITY***

**PROCUREMENT CARD**

**USERS' GUIDE**

February 2008

## INTRODUCTION

### ***How the Program benefits Cardholders as well as Tarleton State University:***

- Allows cardholders to obtain goods and services faster and easier than before
- Reduces paperwork and processing in the cardholder's department and in Finance
- Allows all groups and individuals involved in the program to be more effective and to focus on the value-added aspects of their jobs
- Promotes cost savings through consolidated payment - one monthly payment to J.P. Morgan Chase, versus multiple vendor payments

### ***Why have you been selected to receive a Corporate Procurement card:***

- Job responsibilities which require purchase of certain types of goods or services

### ***How to use the Procurement card:***

- To order goods and services from suppliers and merchants
- How to handle credits, returns, and disputes
- Cardholders' responsibilities concerning monthly review and reconciliations.

### ***Tarleton's policies and procedures governing the use of the Procurement card:***

- State Purchasing Guidelines, Texas A&M University System and Tarleton Procedures govern.
- Items offered through the Central Stores must be purchased from Stores.
- Orders over \$150.00 cannot be placed with any vendor that is on hold with the State Comptroller's Office.

***To whom Cardholders should go for assistance:***

- Beth Chandler, Program Administrator, Ext. 9611
- Department Head
- J.P. Morgan Chase, Customer Service 1-888-685-2896

## OVERVIEW

The purpose of the Procurement card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high-volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process for supplies and services. If used to its potential, the program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated. The Procurement card can be used with any supplier that accepts MasterCard as a form of payment.

The Cardholder User's Guide provides the general guidelines for the Procurement card. Please read it carefully. Your signature on the Cardholder Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

The following important points should be reviewed before using the Procurement card:

- Your Procurement card is issued in your name. All purchases made on the Procurement card must be authorized by you. You are responsible for the security of the Procurement card and the transactions made with it. **If you do not follow guidelines when using the Procurement card, you could receive corrective action.**
- You can use the Procurement card at any vendor or service provider that accepts MasterCard and is not on the restricted list or on vendor hold. It may be used for in-store purchases, mail, telephone or fax orders. Purchases made with the Procurement card are to be shipped to Tarleton and received by Central Receiving.
- You may use the Procurement card to purchase supplies and services less than \$2,000.00 per single transaction.
- You must not exceed the credit limit of \$5,000.00 in a given month.

- You must reconcile the statement received from J.P. Morgan Chase to ensure all charges are accurate. **Statement reconciliation, transaction logs, must be turned into Business Services by the 15<sup>th</sup> of each month.**
- The Procurement card is not intended to avoid or bypass appropriate purchasing or payment procedures. This program compliments the existing processes available.
- **The Procurement card is not for personal use.**
- The Procurement card must be returned to Beth Chandler, Purchasing Department, upon your transfer to another department or termination from the University.

## GENERAL INFORMATION

### PROCUREMENT CARD CONTROLS

#### Credit Limits

All Procurement cards have monthly cardholder spending limits of \$5,000.00. **Cardholders should not attempt to make a purchase greater than his/her approved amount.**

#### Transaction Limits

All Procurement cards have a single transaction limit of up to \$2,000.00. A transaction includes the purchase price, plus freight. **Cardholders should not attempt to make a purchase greater than his/her approved amount.**

#### Restricted Vendors

The Procurement card program has restricted use with certain types of suppliers and merchants. If you present your Procurement card for payment to one of these vendors, the authorization request will be declined.

If you feel a particular vendor should be added or deleted, contact Beth Chandler at Ext. 9611.

#### Vendors on Tax Hold

The Procurement card cannot be used to purchase goods or services, over \$150.00, from vendors that are on tax hold with the State of Texas Comptroller's Office. The cardholder must check either in FAMIS (Screens 103 or 204) or on the Comptroller's Web site (<http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>) to ensure that the vendor is not delinquent in either Franchise Tax or Sales Tax. **A vendor must be in good**

standing for both taxes before the purchase can be made.

## **MAINTAINING YOUR PROCUREMENT CARD**

### **Procurement card Transaction Log**

The transaction log is intended to provide an additional method for expenditure tracking while using the Procurement card.

Use a new transaction log for each month's purchases.  
**Record on the log each time a purchase/transaction is made.**

Transaction Date: Date transaction purchase/return) is made.

Reference Number: Take from the receipt. This will be the Approval Code, Transaction Number, Validation Number, etc. If using an invoice as the receipt then use the invoice number.

Merchant Name: Vendor purchased from.

Purchase Description: Brief description of items purchased. Must be enough description to recognize the purchase as an authorized one.

Transaction Amount: Total of purchase.

Account Number: Account number paying for purchase

Date Received: Date merchandise is received at Central Receiving. To be taken from delivery receipt.

Accounting Audit: Initials of person reconciling transaction log, department head initials for reviewing account information, accounts payable when payment is made.

HUB Status E/G: For identifying purchases made with HUB Vendors by Ethnicity/Gender.

**Always obtain a receipt when using the Procurement card.** It is every cardholder's responsibility to ensure there is a receipt for each purchase. **If there is not a description, or a clear**

**description, of the item(s) being purchased you must write that information on the receipt.** The receipts are to be kept in the transaction log envelope. This envelope will be forwarded to Business Services, Accounts Payable, at the end of each cycle for storage (it may be needed for future audits).

**Request to Purchase must be included with your receipt for the following types of purchases:**

- Food - local funding only
- Postage Stamps
- Delivery Couriers - UPS, FedEx, DHL, etc.
- Clothing - promotional type items including t-shirts, caps, etc. - local funding only
- Other non routine type purchases such as gift certificates, gifts, flowers, floral arrangements, award items or any other type purchase that might be misconstrued as a personal type item - local funding only.
- Registration Fees. You must also include a copy of the approved travel request.

**Request to Purchase must state the 5 W's - who, what, when, where and why the purchase was made.**

### **Cardholder Empowerment**

At the end of each billing cycle, every cardholder will receive a Cardholder Statement, which lists purchases made to that card. Upon receipt of this statement, the cardholder must reconcile the statement with their Procurement card Transaction Log immediately. Enclose all documentation, note additional information pertinent to the purchase, and forward the package to their department head for approval.

After reviewing the information, the department head will approve the purchases and **forward the transaction log to Business Services, Accounts Payable Department, by the 15<sup>th</sup> of each month.**

**Cards are subject to cancellation if the transaction log is received late more than two (2) times.** Accounts Payable will pay for purchases according to the accounting information provided on the transaction log. After payment, the Purchasing Department will verify purchases for compliance with proper purchasing procedures. The cardholder will be contacted concerning any discrepancies found.

### **SALES TAX**

Tarleton State University is exempt from sales tax. **The vendor should be notified of tax exemption prior to making the purchase.** If tax is charged, it is the cardholder's responsibility to contact the vendor and have a credit issued for the tax. Remember to request a copy of the receipt crediting the tax. The credit will be documented on the transaction log. Contact Business Services at extension 9107 if a vendor requires a tax exempt certificate.

### **SECURITY OF THE PROCUREMENT CARD**

The cardholder is responsible for the security of the card. This card should be treated with the same level of care, as the cardholder would use with his/her own personal charge cards, even though the liability associated with the use of this card lies with Tarleton. Guard the Procurement card account number carefully. It should not be posted in a work area, or left in a conspicuous place. It should be kept in an accessible, but secure location.

**\*The only person authorized to use the Procurement card is the cardholder whose name appears on the card. The card is to be used for business purposes only.**

However, the cardholder may authorize another person to use his or her card. Have the authorized person sign their name and also the cardholder's name on the receipt.

### **Employee Termination**

The Procurement card must be returned to Beth Chandler, Purchasing Department, upon your transfer to another department or termination of employment.

### **Lost or Stolen Cards**

If a Procurement card is lost or stolen, immediately contact Beth Chandler at Extension 9611. If after 5:00 p.m. or over a weekend or holiday contact J.P. Morgan Chase's Customer Service at 1-888-685-2896. Prompt action can reduce Tarleton's liability of fraudulent activity. Failure to report card can result in disciplinary action against cardholder.

## **PROCEDURES**

Procurement cards will be centrally distributed through the Program Administrator, Beth Chandler. When a new card is issued, J.P. Morgan Chase will send it to the Program Administrator, for distribution to the cardholders. Cards will not be released to cardholders until each cardholder has gone through training, received all supplies related to the program and signed the Cardholder Agreement.

The following items are to be provided to the cardholder during training:

1. **Cardholder Procurement card Agreement:** This is an agreement between the cardholder and Tarleton State University, which affirms that the cardholder has read and understands the policy and procedures for the Procurement card. The Cardholder, Department Head and the Program Administrator will sign this agreement at the end of the training session and a copy given to the cardholder.
2. **Cardholder User's Guide:** This document outlines Tarleton's policies and procedures in regard to their Procurement card. It also outlines approved types of purchases.

3. **Cardholder Survey:** This document provides a feedback mechanism for the cardholder to inform Tarleton about how the program is working on a day to day basis, report on vendor success, and give suggestions for improvement.
4. **Procurement card Transaction Log:** Used to record purchases and returns during each cycle (month).
5. **Statement of Disputed Items Form:** The cardholder may use this form if they are disputing a transaction that appears on their Cardholder Memo Statement.

#### **PROCUREMENT CARD ACTIVATION**

The cardholder must call **1-800-890-0746** to activate the Procurement card before using it. Upon receipt of the card, the cardholder should sign the back of the Procurement card and always keep the card in a secure place.

#### **MAKING THE PURCHASE**

Cardholders should promote and encourage positive interactions with suppliers. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders should follow these guidelines below when using the Procurement card:

1. Determine if the transaction is an acceptable use of the card, and if it is within the cardholder's spending limit:

**Items that cannot be secured using the procurement card:**

- Printing
- Advertising
- Computer Systems
- Membership Fees
- Items carried in Central Stores
- Catering Services
- Travel

Fuel  
Personal Items

2. Identify the supplier, **check the supplier's tax status** (see page 5), call, fax or visit the supplier to place your order.
3. If order is to be delivered to Tarleton, ask the vendor to use the following format for the shipping label:

PC- (last 4 digits of credit card number)  
Tarleton State University  
201 St. Felix Street  
Stephenville, TX 76401

4. Inform the vendor of **tax exemption**. (If going through a checkout stand, inform the clerk **before they start ringing up the items** - highly important at Wal-Mart.)
5. Confirm pricing and freight
6. Request that a hard copy of the pricing and freight be faxed to the cardholder and/or included in the shipment of supplies.
7. If a supplier requests a purchase order number, use PC-(last 4 digits of credit card number).

#### **RECEIVING SUPPLIES AND SERVICES**

A copy of the charge slip, sales receipt or any other information related to the purchase must be kept in the transaction log envelope.

Invoices with no amount due, are the most optional documentation since they itemize the purchases. A vendor's entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made via mail or telephone, ask the vendor to include the receipt with the goods when shipping the product. The receipt

is the only original documentation showing if tax was charged on the purchase. If charged tax, it is the cardholder's responsibility to have the tax credited on the purchase.

### **PROCUREMENT CARD PAYMENT**

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. The Procurement card program carries corporate, not individual, liability.

### **RETURNS, CREDITS AND DISPUTED CHARGES**

Should a problem arise with a purchased item, service or charges, every attempt should be made 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. The returned credited or disputed item should be noted on the Transaction Log.

- **Returns:** If a cardholder needs to return an item, contact the supplier and obtain instructions for return. Fill out a shipping request and take to Central Receiving to be shipped out. Note that some suppliers may charge a restocking or handling fee for returns. All returns are to be indicated on the transaction log.
- **Credits:** If the supplier accepts an item as a return, a credit for this item should appear on the following month's statement. All credits should be indicated on the transaction log.
- **Disputed Charges:** If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated on the transaction log.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder should contact the purchasing department for their assistance. If a

resolution cannot be reached, the card program administrator will contact J.P. Morgan Chase for guidance. At that time the account may be given a provisional credit until receipt of adequate documentation from the vendor. 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, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

**EXAMPLES OF ACCEPTABLE PURCHASES**

- Tools/Hardware
- Building Services
- Auto Parts
- Janitorial Supplies
- Food - excluding catering - local funds only, RTP required.
- Office Supplies - excluding Central Stores items
- Videos - RTP required.
- Safety Supplies
- Promotional Items - local funds only, RTP required.
- Misc. Supplies
- Books
- Training Courses and Seminars
- Computer Hardware and supplies - including printer and fax machines
- Computer Software
- Lab Supplies

## **MOST COMMONLY ASKED QUESTIONS AND ANSWERS**

### **For what types of purchases should I use the Procurement card?**

Tarleton's policy governs how you can use the Procurement card (User's Guide). Your Program Administrator, along with your department manager will determine the types of purchases, as well as the maximum dollar amount for each purchase you will be authorized for.

### **In what ways do I benefit from using the Procurement card?**

When you use the Procurement card, you enjoy reducing paperwork, direct contact with suppliers, quick and efficient order processing, faster delivery, and fewer errors.

### **How does Tarleton benefit from the Procurement card Program?**

When employees use the Procurement card, Tarleton enjoys greater productivity as a result of reduced paperwork, savings from consolidated multiple supplier invoices to one statement from J.P. Morgan Chase, and greater control over spending.

### **What should I do if my Procurement card is lost or stolen?**

Contact J.P. Morgan Chase Customer Service, **1-888-685-2896**, immediately, to report the card missing and request a replacement. Then contact the Program Administrator, Beth Chandler at Extension 9611.

### **What do I do if a purchase is denied?**

Your purchase may have exceeded a spending or transaction limit, Tarleton excluded that type of supplier or merchant or the supplier or merchant is not equipped to accept MasterCard as payment. Contact Beth Chandler, Program Administrator, to determine the reason.

### **What should I do if a supplier does not accept the Procurement card?**

Contact the Program Administrator, who will then contact J.P. Morgan Chase. Please provide the supplier's name, address, and phone number to J.P.

Morgan Chase. J.P. Morgan Chase will enroll the supplier in the FAST program and work with Tarleton to bring the supplier into the program.

**Will use of the Procurement card effect my credit report?**

No. The Procurement card is a corporate liability card, and carries no personal liability for cardholders that use the Procurement card, according to company policy.

**Whom should I contact to resolve an error or dispute concerning my account:**

You should first contact the supplier. Most exceptions or issues can be resolved between you and the supplier. If you cannot resolve an issue with the supplier, contact your Program Administrator for a Dispute Form (Form 700), complete and fax to J.P. Morgan Chase, per the instructions.

**When I use my Procurement card to make a purchase, how is the transaction authorized?**

When you use the Procurement card to make a purchase, the supplier verifies the card account number with J.P. Morgan Chase. Your spending limits are checked automatically against company policy.