



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 72.15, Purchasing Card Program

PURPOSE: The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to provide a purchasing alternative to departments that simplifies the process of ordering goods and services.

REVIEW: This HSCEP OP will be reviewed July 1 of every even numbered year by the director of Payment Services, with recommendations for revisions forwarded to the chief financial officer (CFO) by August 1.

POLICY / PROCEDURE:

I. Overview.

The Purchasing Card Program (Program) utilizes a MasterCard credit card as the purchasing instrument. The Texas Comptroller of Public Accounts selects a bank through a statewide contract.

The Program enables the user to make purchases directly from vendors without the issuance of a purchase order or Direct Pay. Payment Services will pay the charges on all cards each month. Departments will use the Chrome River System Expense Management Application (CR) to allocate the purchases and charge the appropriate Fund, Organization, Account, Program (FOAP) designated by the department for their purchases.

The card is not designed to replace the current TTUHSC El Paso purchasing process. It is a supplement to that process and an additional delegation of purchasing authority by the account manager. The card may be used for single purchases up to \$5,000. The monthly credit limit is established based on the cardholder's estimated monthly usage (see the next page for prohibited purchases).

There are certain categories of merchants such as hotels, restaurants within a hotel complex that are owned and operated by a hotel chain, rental car agencies, package liquor stores, bars, and jewelry stores that are blocked. If you attempt to purchase from an excluded merchant type or exceed the spending limits, the transaction will be rejected when the merchant attempts to process the purchase. Some items may not be purchased with the purchasing card (P-Card) and others are not permitted on State accounts.

Cards are issued to individuals, not departments. Only the person whose name is on the card may use that card unless the cardholder has granted their permission for another person to use it for a specific purchase or event. The credit card receipt and the card should be returned to the cardholder as soon as the transaction is completed. A department that applies for cards in the name of the account manager is responsible for the proper use of the card. The ultimate responsibility for this card remains with the cardholder.

Any abuse of the card, such as splitting orders to avoid purchasing rules, inadequate record keeping or not responding to billing inquiries promptly will result in suspension or termination of the card. A cardholder making unauthorized purchases or carelessly using the card may be liable for the total dollar amount of such unauthorized purchases. The cardholder will also be subject to disciplinary action up to and including termination of employment.

The credit card is to be used for TTUHSC El Paso official business only. **Personal purchases, other than an error that is immediately corrected, will be considered misappropriation of state funds and will result in discharge, criminal charges, or both.** The cardholder must reimburse TTUHSC El Paso immediately for non-business related expenditures. The reimbursement must be sent to the Purchasing Card Coordinator. A copy of the cash receipt will be attached to the expense report by the coordinator.

The person incurring the expenditure has the burden of determining whether it is proper **prior** to making a commitment. Failure to do so results in the cardholder reimbursing the institution for the improper charge processed.

NOTE: No employee, except those in Purchasing or Contracting who have expressed authority to do so, may sign a letter of intent, agreement, or contract. Therefore, the Purchasing Card may not be used to pay for commodities or services for which the vendor requires a signed letter of intent, agreement or contract. If a vendor requires any signed document, the vendor's document must be sent to the Purchasing Department as an attachment to a Purchase Order form, regardless of the dollar amount of the purchase.

Before purchasing goods or services over \$500 with the purchasing card, Texas Government Codes Section 2252.903 requires that the cardholder must verify if a potential vendor is indebted to the State of Texas and identified as being on Warrant Hold Status. Vendor hold search query may be obtained under "[Helpful Links](#)" at the Payment Services website. Cardholders must attach a copy/screenshot of the vendor hold search results to their expense report as verification that vendor was NOT on hold status at the time of the purchase.

Cardholders shall check for vendor hold status no earlier than the seventh day before and no later than the date of the purchase. Documentation of the search is required to be attached with the receipt in Chrome River. Failure to adhere to this policy may result in suspension or termination of the card. In addition, if using state funds, local funds will be required to be used.

II. **Use of the Purchasing Card.**

A. **Required Use of the Card.**

Permitted purchases of \$5,000 or less must be made using the credit card subject to the vendor accepting credit cards. Permitted purchases are all categories of purchases except those listed in the Prohibited Uses section below.

The purchasing card should be identified as the method of payment at the time the order is placed with the vendor. Verify that the vendor processed the transactions within 2-4 days of placing the order. Contacting the vendor with the purchasing card number after receiving the invoice is considered purchasing without the authority and will be reported as such to the appropriate administrator (see [HSCEP OP 72.01](#) Purchasing Supplies, Equipment, and Services). This includes invoices not processed properly by the vendor and all that are past due. These invoices must be processed through TechBuy as a non-compliant order.

When a department can anticipate that purchases of goods and services to a single vendor during a fiscal year will exceed \$ 50,000, the purchasing card should not be used with that vendor without the written approval of the director of Purchasing ([HSCEP OP 72.01](#)).

B. **Prohibited Uses of the Card.**

Any exception must have prior written approval from Purchasing and be filed with all

other documentation regarding the purchasing card transaction.

Prohibited Purchases:

- Amazon Prime Membership
- Awards and Prizes (see [HSCEP OP 72.03](#))
- Automotive Fuel
- Cash-Like Transactions- gift cards or gift certificates
- Chemicals and other potentially hazardous materials, radioactive materials, biological toxins, potentially hazardous infectious agents, controlled substances included in schedule I, II, III, IV, or V of the Controlled Substances Act (CSA), 21 USC, Chapter 12, and 21 CFR Part 1300 – end, as well as chemical precursors and chemical laboratory apparatus as referenced in the Memorandum of Understanding (MOU) between the Texas Higher Education Coordinating Board (THECB) and the Texas Department of Public Safety (DPS), and as identified in the Texas Health and Safety Code, Sections 481.0621(b), and 481.002(51), and (53).
- Consulting, Medical Services, Personal or Professional Services
- Controlled Assets (shipping and handling included in the total):
At any cost: Hand Guns, Rifles, Machine Guns, and Shotguns
With a cost greater than \$500 and less than \$5,000
 - Portable Cameras
 - Desktop and Laptop Computers
 - Data Projectors
 - Smartphones, Tablets/iPads & Other Handheld Devices
 - Sound Systems, and Other Audio Equipment
 - TVs, Video Players/Recorders
- Donations, Contributions & Sponsorships (see [HSCEP OP 72.03](#))
- E-Bay Purchases
- Lease or Rental of Space
- Notary Applications
- Medical License other than for the State of Texas
- Payments to Patient/Study Participants
- Items or Goods with TTUHSC El Paso logo
- Printing Services of any kind (i.e., with or without TTUHSC El Paso logo)
- Supplies (Medical, Pharmaceuticals, and Office require use of the Institutional Supply Contract unless a deviation approval has been received from Purchasing)
- Drones
- Network Equipment
- Software and Software Licenses
- Telecommunication and Video Services Equipment
- Telephone Services and Equipment
- Temporary Personnel
- Travel Related Purchases (i.e. airline ticket, hotel and rental car reservations, restaurant services within a hotel complex, and internet services, etc.)
- Uniforms (includes lab coats)
- Exceptions (approval of restricted item) must be obtained in writing prior to purchasing any goods or services and a Deviation Form (Attachment A) must be submitted for approval by email to purchasingelp@ttuhsc.edu. If the deviation form is approved, the form should be attached as supporting documentation to the monthly expense report.

Prohibited Purchases on State and Federal Funds
(Funds 10XXXX, 11XXXX, 12XXXX, 21XXXX, and 22XXXX)

- Alcoholic Beverages
- Flowers
- Food and Entertainment Expenditures
- Membership Dues
- Promotional Items

C. Additional Requirements on Certain Purchases

- Booth Rentals are permitted using local funds provided the Contract/Agreement/Registration is submitted and pre-approved by the Purchasing or Contracting department. The signed document must be submitted with the rental receipt and monthly expense report.
- Flower purchases are permitted using local funds for official TTUHSC El Paso functions or for employees and their immediate family members in the cases of illness or death. See [HSCEP OP 72.03](#) (pg. 8, 3a) for details. Purchases of flowers must be processed with the purchasing card. Documentation of the recipient and their relationship to the employee is required. The only allowed substitution (processed in TechBuy using the TTUHSC El Paso Direct Pay Form) is a donation to a charitable organization ([HSCEP OP 72.03](#) (pg. 5)).
- Goods and Services from Foreign Vendors – Foreign purchases for goods and services must be reviewed before completing the order and making payment. Contact the Program coordinator.
- Gifts – See [HSCEP OP 72.03](#) (pg. 2) for procedural details regarding gifts. Purchase of retirement gifts are allowed on the purchasing card. Gift cards are strictly prohibited on the purchasing card and immediate reimbursement to the institution will be required.
- Memberships – All memberships must be on the Professional Membership List of approved organizations. This list may be found at [Professional Societies List](#). This verification must be obtained prior to the of purchase. When allocating the expense in CR, the approved organization should be selected from the drop-down list. A print screen from the website of the approved organization must accompany the documentation for membership payment if the organization is not found in CR. Payment on State FOPs must be processed in TechBuy using the Direct Pay Form. See [HSCEP OP 72.03](#) (pg. 6).
- Official Functions, Business Meetings and Entertainment - See [HSCEP OP 72.16](#) for procedural details regarding official functions, business meetings, and entertainment when using the departmental purchasing card for these expenditures. The approved Pre-Approval form must include all expenses that will be incurred for the event. Approved decorations for official functions can be purchased with the purchasing card.
- Ownership of Items Purchased with Institutional Funds – Purchases of equipment or supplies made with institutional funds remain the property of TTUHSC El Paso. See [HSCEP OP 72.03](#) for details.
- PayPal Services– All purchases must match vendor and descriptions that

post to the purchasing P-Card statement from Citibank.

- Texas State Agencies (including TTUS/TTU/TTUHSC) – Contact the P-Card program administrator prior to use. Provide business purpose and funding source to Program Coordinator.

III. **Obtaining a Purchasing Card.**

The administrative contact for the Program is the Program Coordinator. The purchasing card application form and cardholder agreement are available at Payment Services Forms. Upon receipt of the completed forms, the Program Coordinator will process the request and submit it to Citibank. The process normally takes about two weeks. The card must be activated prior to its first use. Activation instructions accompany each new card. Cardholder training is required prior to the issuance of the purchasing card. The applicant must complete the “Purchasing Card Training” module and the Training Questionnaire at [Payment Services Trainings](#). An employee who does not have a purchasing card but uses the card to purchase items for the department or maintains the records of a cardholder must also view the module and complete the questionnaire. A Purchasing card Log should be used to document who is using the card.

IV. **Record Keeping.**

- A. The P-Card program represents an extension of institutional purchasing authority to each cardholder. The desired result of this extension of authority is time savings for the user and the elimination of numerous paper documents. The benefits of the program are accompanied by a greater responsibility to keep good records that support the purchases made when using the card.

Order Referencing Number

In order to expedite deliveries and help in forwarding invoices to the correct departments, the shipping address for the delivery of an item should contain the proper delivery address for departments utilizing the 130 Rick Francis St address as follows:

Texas Tech University Health Sciences Center El Paso
Department Name
Attn: Employee’s Name
130 Rick Francis St.
MSC XXXXX
El Paso, TX 79905

Transaction Log (available but not required)

The Purchasing Card [Transaction Log](#) allows the cardholder to maintain a list of what has been ordered by the department, the item description with reason for purchase and to record the reconciliation process of the expense report and ledger sheets. A copy of the log may be downloaded from the Business Affairs’ Payment Services Forms section.

A detailed description of the purchase as a legitimate state business expense must be entered in CR to be reflected on the Expense Report.

Required Documentation

The cardholder must retain all original credit card slips, sales receipts/invoices, packing slips, or any other information related to the purchase. Documentation

for registrations must include the order form detailing the charges of the conference. Documentation for membership dues must include the enrollment form or renewal notification/invoice. Documentation must be attached to the corresponding expense at the time the expense report is submitted in CR. All documentation will be stored in CR.

Missing Receipts

If credit card receipts/invoices are missing, the cardholder must attempt to get a copy of the original documentation. If unsuccessful, three (3) **TIMELY** attempts must be documented with the required information on the Missing Receipts Form found at [Payment Services Forms](#).

This form must be signed by the fund manager. If the cardholder is also the fund manager, the cardholder's supervisor or department administrator (if applicable) must sign. Use of this form should be the exception and not the rule. CR will require an explanation for the missing receipt and will have you confirm that the Missing Receipt form is attached. Continuous abuse involving this practice may result in the suspension or cancellation of the card.

Sales Tax

State of Texas sales tax charged by a vendor must be corrected **immediately** by the cardholder by obtaining a credit from the vendor or personally reimbursing TTUHSC El Paso. The Tax Exemption Certification form can be found at [Payment Services Forms](#). Continuous abuse involving this practice may result in the suspension or cancellation of the card.

Review and Reconciliation

Purchases made with the credit card will be subject to post-payment review by Payment Services, Texas Tech University System Audit Services, and/or the Comptroller's State and Federal Auditor's office.

An expense report detailing all purchases must be submitted for every billing cycle. It is recommended that expense reports be submitted weekly for transactions posted the previous week using a Sunday through Saturday date range. The charges listed on the report should be compared with the supporting documentation validating the accuracy of the charge by the vendor and posted by the bank. These charges should also be reconciled monthly to the detailed transactions obtained with Cognos reports verifying that it posted to the appropriate Banner FOAP.

The fund manager or authorized reviewer/approver responsible for the card should review the expense report and selected documentation monthly. The expense report must be submitted and approved by the cardholder and fund manager. If the cardholder is also the Fund Manager, the cardholder's supervisor or department administrator (if applicable) must approve. This approval is testifying that the purchase was a valid business expense and that the cost was reasonable. It also verifies that the charge was appropriately processed to the correct Banner FOAP.

Due Date

Payment Services has established a [Report Cycles and Due Dates](#) guideline to

ensure all transactions are submitted in a timely manner. A monthly deadline communication is emailed to all P-Card holders. The expense report should be in the P-Card Coordinator 's CR queue by the end of business due date or the card will be suspended. The P-Card will not be reopened until the expense report has been fully reviewed and approved. P-Card holders who continuously report late could have the P-Card canceled permanently.

Records Retention

Documents should be retained for the current fiscal year plus the three (3) previous fiscal years. The file retention period for cards issued for use with grants or contracts with terms greater than one (1) year is the current fiscal year plus the term of the grant or contract plus three years. The file retention period also applies to the Purchasing card records of terminated employees. Failure to keep complete and accurate records and retain them for the full retention period is a serious breach of the record keeping system.

V. Post-payment Review.

Spot checks are performed on a weekly basis. A download of all transactions processed at the bank for the previous week are reviewed by the P-Card Coordinator. The purpose is to review purchases that may be a result of split transactions, credit card theft of a cardholder's number, personal purchases by a cardholder, purchases processed to prohibited vendors, etc. E-mails are sent to cardholders to verify valid transactions. A response is expected in a timely manner. If a response is not received by the due date stated in the notification the card may be suspended.

If after three (3) requests for additional documentation or information no action is taken by the department who holds the card, the card will be suspended until all documentation or information is provided and reviewed.

Reviews will be performed on a monthly basis for each billing cycle. The objective of the review is to determine compliance with the purchasing and record keeping requirements set out in the operating policies. Documentation is reviewed and can include the visual inspection of a specific purchase. The review process is outlined at [Payment Services Forms](#). Follow-up with the cardholder's supervisor may be necessary if there is no major improvement after numerous reviews and documented noncompliance. A written response stating that the employee was counseled on his/her performance will be obtained from the supervisor with the notification that closure of the card is the next step.

The Purchasing Department will perform at a minimum a semi-annual review of all transactions sorted by vendors and cardholders. This will help identify purchases that must follow the required bid procedures. As stated in [HSCEP OP 72.01](#) "Large purchases may not be divided into smaller lot purchases in order to avoid bid requirements. If needs can be anticipated, the annual expenditure estimate would govern the required bid procedures." A request for additional information from the Purchasing Department to a cardholder must be answered within ten (10) working days. Failure to respond to this request could result in revocation of the purchasing card.

VI. Billing and Payment.

Payment Services is billed monthly by Citibank for all charges made by TTUHSC El Paso cardholders. Cardholders or their designated allocation user will have the opportunity to allocate charges to appropriate FOAP through CR. Payment Services will charge the cardholder's FOAP upon approval of the expense report in CR.

On the rare occasion that changes are needed after the charges have been applied to the

Banner FOAP, a cost transfer must be completed and approved through the Financial Transaction System (FITS).

VII. Questions or Problems with the Purchasing Program Card.

A. Customer Service: Citibank is the current issuing bank. Citibank customer service representatives are available 24 hours a day, 7 days a week at 1-800- 248-4553.

B. Lost or Stolen Purchasing Card: The cardholder **must** notify Citibank at **1-800-248-4553** **immediately** of a loss, theft or unauthorized use of a P-Card. Representatives of Citibank are available 24 hours a day, 7 days a week.

The cardholder must also notify the fund manager/department administrator and the Purchasing Card Coordinator immediately.

C. Disputing a Transaction: Citibank's procedures for disputing a charge that is not recognized by or that appears to be incorrect to the cardholder can be found in the Citi P-Card System User Guide at Payment Services Trainings.

VIII. Purchasing Card Cancellation.

When canceling a purchasing card, the fund manager or cardholder should call the Program Coordinator immediately. The card (cut in half) must be returned to the Purchasing Card Coordinator. It is essential to cancel a card immediately and do a final review when an employee leaves TTUHSC El Paso voluntarily, transfers to another department or is terminated.

When a cardholder terminates employment or transfers to another department of TTUHSC El Paso, the fund manager or supervisor has the specific obligation to reclaim the purchasing card. The Purchasing Card Coordinator must be called so that the card can be **cancelled immediately**. The record keeping remains the same and the reconciliation must be completed. The cut card should be sent to the Purchasing Card Coordinator.

IX. Coverage for Fraud /Employee Abuse

The statewide contract [946-M2 Payment Card Services](#) states in § 4.5 that the State of Texas "will have no liability for transactions that occur after notification of a card being lost or stolen". It is expedient that the cardholder **notifies the bank immediately** if a card is lost or stolen.

Citibank Company Liability Waiver Insurance for "employee misuse" is up to \$25,000 per cardholder per year. Unauthorized charges billed up to 75 days preceding the discovery date of the misuse are covered.

If a cardholder uses his or her card as a "departmental card", there must be strong internal departmental procedures regarding the use of the card in this manner. The card must be in the hands of the cardholder or secured in a safe location with a "sign-in" log for the users of the card. The card should be returned with the receipt immediately after the purchase to the cardholder or the identified secured location.

X. Contact Information

Payment Services
Attn: P-Card
Telephone: (915) 215-6470
Email: PcardELP@ttuhsc.edu