



Texas A&M Engineering Experiment Station  
**Payment Card Program**

**Cardholder Guide**

## TEES PAYMENT CARD PROGRAM GUIDE INDEX

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## I. OVERVIEW

### A. Payment Card Program:

The Payment Card (Pcard) program is a fast, flexible purchasing method for processing delegated orders from merchants/vendors that accept credit cards. It is an efficient, cost-effective method for delegated purchases and the payment of those transactions. It reduces the data entry of small orders, including multiple vouchers and multiple checks. It delegates the authority and capability to purchase limited items directly to the person to whom it most matters - YOU, the user. The Pcard will enable you to purchase, under your delegated authority, non-restricted commodities directly from vendors that accept MasterCard as a form of payment, without the issuance of a purchase order.

The program does not affect your personal credit rating in any way. The Payment Card program carries corporate liability and individual responsibility as set forth in the cardholder payment card agreement.

### B. Payment Card Contract:

TPASS (Texas Procurement and Support Services) secured a contract with Citibank to provide charge card services for state agencies, universities, and eligible State of Texas CO-OP entities. The Texas A&M Engineering Experiment Station (TEES) is utilizing the State of Texas contract for payment card services and will comply with all terms and conditions of the state contract.

### C. Payment Card Program Guide:

This manual provides the guidelines for using the Payment Card. **Please read it carefully.** Your signature on the Cardholder Payment Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines. If you do not follow the TEES Payment Card program guidelines when using the card, you could receive corrective action, including termination.

### D. Important Points of the Program:

The following important points should be reviewed before using the Payment Card. Each of these points is discussed in more detail in the remainder of this guide.

- Your Payment Card is issued in your name. You are responsible for the security of the card and the transactions made with it. If you allow another person to use your Payment Card, then document that on the Payment Card Check In/Out Log.
- The Payment Card is **not for personal use.**
- You can use the Payment Card at any vendor that accepts MasterCard as long as the vendor or purchase is not restricted, as discussed in Section III, D. The Payment Card may be used for in-store purchases, mail, telephone, on-line or fax orders.
- You may use the Payment Card to purchase supplies within your delegated limits.

- Use must not exceed the monthly credit limit assigned to the Payment Card.
- The Payment Card can **only** be used for purchases from **TEES funds**.
- Each department that utilizes the payment card program must designate someone to have access to CitiDirect to perform reallocations.
- Each charge on the card must be allocated to a proper FAMIS account and expense object code.
- Reconciliation of the expense report printed from CitiDirect to ensure all charges are accurate is required. Expense Report reconciliation must be completed by the reallocation and approval deadline each month. Generally this is the 20<sup>th</sup> of the month.
- Reallocation personnel must have taken the online TrainTraq Cardholder training as well as other online CitiDirect trainings to understand the use of the cards and the reallocation process. A list of Citibank courses is available on the Epik portal.
- This guide references many trainings and forms that are used to assist in the Payment Card program. These resources can be found on the Epik portal at: *TEES Administration* → *Fiscal Operation* → *Fiscal Guidelines* → *Citibank*. Please visit this site and familiarize yourself with these resources.

## II. GENERAL INFORMATION

### A. Duties and Responsibilities:

#### 1. Program Administrator

TEES designated the Program Administrator for questions, issues and administration of the program. The Administrator is knowledgeable on all procedures in the Payment Card Program Guide and related forms. All Payment Card requests must go through the Program Administrator.

#### **TEES Program Administrator:**

**Adrienne Person**  
**979-458-7460**  
[adriennep@tamu.edu](mailto:adriennep@tamu.edu)

**Lynn Krueger**  
**979-458-7446**  
[lmk410@tamu.edu](mailto:lmk410@tamu.edu)

#### 2. Department Manager:

The department manager, or designee, is responsible for designating cardholders and approving monthly Payment Card expense reports of cardholders to ensure they are within TEES and System policy. They are also responsible for designating accounting

personnel to have access to CitiDirect to ensure reallocation of transactions to appropriate accounts and expense object codes, reconciliation and signing Expense Reports (if they have signature approval for that department).

The department manager, or designee, shall review the usage of the Payment Cards and cancel cards based on non-usage to limit our liability. They should also review the credit limits and make appropriate recommendations to reduce the limit if the card is not close to reaching the monthly limit, also to limit our liability.

3. Cardholder:

The Cardholder is the person designated by the Department Manager to utilize the Payment Card to purchase small dollar supplies. The Cardholder is responsible for following the purchasing guidelines of TEES in regards to purchases, selection of vendors, security of card, documentation of purchases and reviewing the monthly reconciliation of Expense Report.

4. Accounting Personnel:

Each department shall have bookkeeper(s) responsible for the accounting processes of the payment cards in the department. These personnel shall take online TrainTraq cardholder training to learn guidelines and instructions given to cardholders. They shall also take online training for the reallocation software. The accounting personnel are usually responsible for reallocation, reconciliation, obtaining appropriate signatures for approval of the CitiDirect cardholder expense report, and dropping off the documentation in Laserfiche by the reallocation deadline each month (no later than the 20<sup>th</sup> of the month, occasionally earlier due to holiday schedules).

5. Citibank's Customer Service:

The Payment Card program is serviced using a team approach with Citibank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist *the cardholder* with general questions about the Payment Card account. If a Payment Card is lost or stolen, Customer Service should be notified immediately.

The Customer Service number is: **800-248-4553**  
Outside the US call collect: **904-954-7314**

**B. Payment Card Controls:**

1. Credit Limits:

All Payment Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator based on the application submitted. Questions regarding the limits shall be sent to the Program Administrator in writing or via e-mail through the Department Manager. The Program Administrator will review and respond to each request. If the request is granted, the Program Administrator will then forward the request to Citibank for processing.

**\* Please allow 2 to 4 working days to process any changes.**

2. Transaction Limits:

- Your Payment Card has a single transaction limit of \$10,000 (which is the delegated purchase limit). This is the amount available on the Payment Card for a single purchase. A transaction includes the purchase price plus freight and installation. Cardholders should not attempt to make a purchase greater than his/her approved amount. The Payment Card **is not intended to avoid or bypass appropriate purchasing or payment procedures**. This program compliments the existing processes.

3. Restricted Vendors:

The Payment Card program may be restricted for use with certain types of vendors/merchants. If you attempt to make a purchase with these vendors, the authorization request will be declined.

If you feel a particular vendor should be added or deleted, submit a written request or e-mail to the Program Administrator. The request will be evaluated and a response initiated by the Program Administrator.

**C. Sales Tax:**

TEES, as an agency of the State of Texas, is tax exempt and the credit card identifies TEES as being tax exempt within the State of Texas. A cardholder should carry TEES tax exemption certificates with their Payment Card. This form can be accessed on the Epik portal.

**D. Security of the Payment Card:**

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

A check in/out sheet should be maintained at all times to provide a tracking mechanism for users of the card. **The card is to be used for business purposes only.**

**E. Employee Transfer/ Termination:**

A Payment Card issued in your name can be transferred to your new TEES department. Upon termination the card must be collected by the Departmental Manager. The TEES Program Administrator must be informed about both of these situations as soon as possible, along with the cardholder name and last six digits of the card number.

## F. Lost or Stolen Cards:

If a Payment Card is lost or stolen, immediately contact Citibank's Customer Service at **1-800-248-4553**. After contacting Citibank, notify the Program Administrator and the Department Manager.

Prompt, immediate action can reduce our liability of fraudulent activity. It is imperative that you contact Citibank immediately for suspension of your card because TEES is responsible for all charges made on the card until it has been cancelled.

## III. PROCEDURES

### A. Obtaining a Payment Card:

To obtain a Payment card the following process shall be followed:

- Complete the Credit Card Application form on the Epik portal.
- Submit a completed application that has been signed by your department head or Department Manager to the TEES Program Administrator.
- Program Administrator will request issuance of the Payment Card from Citibank (requires 1 to 2 weeks).
- Program Administrator will email the applicant information regarding Payment Card Training through TrainTraq.
- **Applicant must complete the TrainTraq training class (less than 1 hour) and email the Program Administrator a signed Cardholder Payment Card Agreement.** This is an agreement between the cardholder and TEES that affirms that the cardholder has read and understands the policy and procedures for the Payment Card.
- Card issued. Upon completion of the training class and returning a signed Cardholder Payment Card Agreement, the card will be mailed to the cardholder.

### B. About the Card:

The Payment Card will be in your name with the TEES logo and the wording "Tax Exempt #74-1974733" clearly indicated on the card. The card has the latest Chip and Pin technology so a PIN must be established by the Cardholder.

This card is for specific TEES business purposes only and may not be used for any personal transactions. **It is important that you understand that you are personally responsible and accountable for this Payment Card.**

### C. Payment Card Activation:

The cardholder must call **1-800-248-4553** to activate the Payment Card before using it. Upon receipt of the card, the cardholder should sign the back of the Payment Card and always keep the card in a secure place.

### D. Payment Card Purchases:

#### 1. General Information

As a State institution, we are bound by certain State, System, and Federal guidelines and laws. All purchases must be in accordance with the laws of the State of Texas and the purchasing procedures of the A&M System and TEES policies and procedures. The cardholder is responsible for compliance and strict adherence to all purchasing guidelines within their departmental delegated authority.

- All cards have a single transaction limit of \$10,000.
- Department delegated authority is for small orders. 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 law and of TEES' Purchasing Procedures.
- The statement period ends on 3<sup>rd</sup> of each month. When the 3<sup>rd</sup> falls on a weekend, the closing date is the previous Friday. Citibank will not mail statements to cardholders. Account Statements may be produced by the Accounting Personnel within the department through CitiDirect.

All cardholders shall follow these guidelines when using the Payment Card:

- Determine if the transaction is an acceptable use of the card and if it is within the cardholder's delegated spending limit (usually \$10,000, but can be set lower by the Department).
- Identify the vendor.
  - Use HUB vendor if possible.
  - If the purchase is greater than \$500, verify that vendor is in good standing with the State on Franchise & Sales tax by visiting: <http://ourcpa.cpa.state.tx.us/coa/Index.html>
  - If the purchase is greater than \$500, verify the vendor is not on the State of Texas Debarred Vendor List or the Excluded Parties List by visiting the Epik portal at: *TEES Administration* → *Fiscal Operation* → *Fiscal Guidelines* → *Citibank*
- Do not allow the vendor to split a purchase to remain in the delegated limit. To do so would be a violation of state of Texas, A&M System, and TEES policy.
- If you allow another person to use your Payment Card, then document that on your Payment Card Check In/Out Log. A sample log is located on the Epik portal.



- **Do not pay Texas Sales Tax!** Present the Texas Sales Tax Exemption Form located on the Epik portal. We are also exempt from other states' sales tax if the goods are being shipped to us in Texas. It is the Cardholder's responsibility to have tax refunded.
- Confirm pricing and freight.
- Request that a hard copy of the invoice with the pricing and freight be faxed to the cardholder and/or included in the shipment of supplies.
- Provide your receipts to departmental bookkeeper to allocate by the 6<sup>th</sup> of the month at the latest. Best practice: if an SRS account is used, the PI certification stamp should be applied.
- Ask the vendor if a purchase order number is required. If a vendor requests a purchase order number, use a combination of initials and Project; e.g. John Doe, Project 12116 would be purchase order number "JD-12116.
- Request that the vendor indicate your name and the words "Payment Card" appear on all packing lists and box labels. This will enable the receiving department to facilitate delivery of your supplies.

## 2. Examples of Acceptable Purchases:

Not all of the below items can be purchased on all sources of funds – review the TEES Expenditure Guidelines for account guidance. And some purchases, such as memberships, need pre-approval prior to making the purchase. Be sure to follow all Disbursement guidelines. If you are using a sponsored research account, check with SRS prior to purchase to verify compliance with project terms.

The Payment Card may be used for various purchases such as:

- |   |  |
|---|--|
| • Alcohol (business related)              | • Florist* <sup>6</sup>                      |
| • Books and videos                        | • Memberships* <sup>7</sup>                  |
| • Business meals* <sup>1</sup>            | • Postage stamps                             |
| • Controlled equipment* <sup>2</sup>      | • Registration fees* <sup>8</sup>            |
| • Employee gifts (5240)* <sup>3</sup>     | • Subscriptions                              |
| • Non-Employee gifts (5241)* <sup>4</sup> | • Supplies – janitorial, office, lab, safety |
| • Event tickets (5236)* <sup>5</sup>      | • Tools/Hardware                             |

\*<sup>1</sup> Business meals: Need a TEES Business Meal/Food Form completed to answer the IRS W5s.

\*<sup>2</sup> Controlled Equipment: Defined by the State of Texas Comptroller, certain property classes with a value between \$500 and \$5,000 are inventoried due to their high-risk nature. In addition, all firearms are inventoried regardless of value. If you need further clarification regarding controlled assets and the additional steps needed when using a payment card, please contact the TEES Property Office at 979.458.7642.

- \*<sup>3</sup> Employee gifts (5240): Recipient's name and UIN number must be entered into the reallocation software. If it is equal to or over \$100 or a gift certificate in any amount, submit Tax Withholding Form with Pcard packet.
- \*<sup>4</sup> Non-Employee gifts (5241): If less than \$600, include recipient's name in reallocation software. Include recipient's name, address, and social security number if \$600 or greater. If participants in research gift cards, see TFO memo 2010-08 on Portal.
- \*<sup>5</sup> Event tickets /entertainment (5236): Need justified with IRS "who, what, why, where, when" in documentation.
- \*<sup>6</sup> Florist: If the plant is a gift, then it should be coded 5240 (see \*<sup>3</sup>) or 5241 (see \*<sup>4</sup>) and follows those rules for reallocation information. Decorative plants retained by the department should be coded 5750. Plants or flowers purchased for decoration at events such as luncheons or conferences should be coded 6335 (other), or if the account is sponsored research, it may be coded 6374 (participant costs-other).
- \*<sup>7</sup> Memberships: Need a TEES Membership Form completed.
- \*<sup>8</sup> Registration: Include full name of the conference (no abbreviations), dates of conference, and name of attendee in documentation.

### 3. Unacceptable Purchases:

The Payment Card may **not** be used for the following purchases:

- **Items for Personal Use**
- **Employee Travel**
- Airfare for students or employees
- Capital Equipment\*\*
- Cash advances, instruments or refunds
- Services provided by a sole proprietors or partnerships (i.e., consulting or other 1099 reportable services)
- Controlled/hazardous/radioactive materials
- Fuel for State owned vehicles
- Social Club Dues
- Tuition and Fees

\*\* Capital equipment is any equipment with a cost greater than \$5,000.

## E. Receiving

It is your responsibility for ensuring receipt of goods and follow-up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. See Section K for more on Returns, Credits, and Disputes.

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.

## F. Documentation

A copy of the charge slip, sales receipt, invoice or any other information related to the purchase must be kept. *The goods/service received date must be marked on each receipt.* If an SRS account will be used, best practice is for the receipt to include the PI Certification Stamp.

Invoices with no amount due are the optimal documentation since they itemize the purchases and show any sales tax that was incurred. If a purchase is made via mail or telephone, ask the vendor to include the receipt with the goods when shipping the product.

The following documentation must be retained:

- Approved Expense Report
- Invoices, sales/credit card receipts (screen prints are acceptable for internet orders)
- All purchase voucher requirements apply to Payment card transactions
- Other information or correspondence related to the purchase that is pertinent
- Packing slips

Remember, if using State funds, you must have a three way match which includes purchasing order, receipt / invoice and goods received date.

## G. Reallocation of Card Transactions

All transactions on your Payment Card must be allocated to a FAMIS account and expense object code using the CitiDirect software. This is often done by the Bookkeeper, as opposed to the Cardholder. Cardholder must supply receipts to the allocator daily, weekly or monthly (least preferred). The latest receipts can be turned over is the 6<sup>th</sup> of the month.

Once all allocations are complete, an Expense Report for the card should be printed from CitiDirect.

*For more information on the reallocation, reconciliation, approval, and Laserfiche steps please see the TEES Payment Card Allocation Process on the Epik Portal. These include links to SSO trainings that should be taken by the bookkeeper.*

## H. Reconciliation

The bookkeeper needs to match receipts received from cardholder with Expense Report to ensure all transactions are accounted for and all receipts are present. Any items on the report for which the cardholder does not have receipts could be fraudulent items, duplicate charges, non-delivery items, disputed charges, etc. Work with the vendor (and / or Citibank) to resolve all these issues before the reallocation deadline to avoid voucher corrections later. Remember, you will still allocate all of these charges in CitiDirect. Use object code 6335 for these charges and leave on the default account.

Bookkeeper should also note any receipts received from cardholder but are not on the Expense Report as reconciling items. Note any reconciling items at the bottom of the Expense Report then sign and date as the reconciler.

Bookkeeper needs to complete any paper forms that are needed such as business meal form, membership forms, and tax withholding forms. All purchase voucher requirements apply to Payment card transactions.

## **I. Approvals**

Once a card has been allocated in CitiDirect, the Expense report has been reconciled to receipts and all purchase voucher requirements have been applied, the Expense Report should be sent the Cardholder for signature. All transactions on the card are the responsibility of the cardholder.

The Expense Report must be signed by the Department Approver. If the Card Holder is also a Department Approver, the Expense Report must be signed by someone else with signature authority, or their supervisor, as well.

## **J. Compliance Reviews and Audit**

The approved Cardholder Expense Report, along with the supporting documentation becomes the official record for these transactions. The packet needs to be dropped off via the TEES Laserfiche web form.

<https://edocs.tamu.edu/Forms/Payment-Card-Statement-Audit>

All charges on State accounts will be reviewed before the transactions are posted in our accounting system (a few days after the department reallocation deadline). All local accounts will be spot audited by TEES Fiscal or SRS on an adhoc basis. When a cardholder's monthly statement is audited in its entirety, the TEES Payment Card Audit Find Policy will be applied. This policy can be found on the Epik portal.

## **K. Returns, Credits and Disputed Charges**

Should a problem arise with a purchased item or charge, every attempt should be made by the cardholder to first resolve the issue directly with the vendor. Review of future expense reports is vital to ensure the card is properly credited for returns, credits and disputed charges.

- **Returns:** If a cardholder needs to return an item to a vendor, contact the vendor and obtain instructions for return. Note that some vendors may charge a restocking or handling fee for returns.
- **Credits:** If the vendor accepts an item as a return, a credit for this item should appear on the following month's expense report. Make sure you receive the credit.
- **Sales Tax:** Please review your invoice/itemized receipt at the register to see if you were charged Sales Tax. If so, please ask for a correction at that time. If you get back to the office and see that sales tax was charged, please contact the vendor ASAP in order to

get the sales tax credited as soon as possible.

- **Disputed Charges:** If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the vendor immediately and attempt to resolve the problem directly. Correspondence with the vendor must be kept as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder shall contact Citibank Customer Service (via number on back of card). Citibank requires that disputes be initiated with them within 60 days of the cycle date in which the transaction occurred, even if the vendor is working on resolving the dispute, to ensure your dispute rights. Citibank will require the cardholder to complete and submit the dispute form, along with a copy of the statement highlighting the error. This form should be signed by the cardholder and returned by fax or US Mail with any additional documentation (e.g. copy of credit receipt) to Citibank Customer Service. Citibank cannot accept dispute forms without the cardholder's signature because they might be used as legal documents and Citibank needs to compare the signature on the dispute form with the signature that the merchant might present.

If the dispute is resolved in favor of the vendor, 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 later appears to be legitimate, the transaction will then post to the new account. If you have questions or problems with a disputed item, please contact the Program Administrator. The form and instructions are available on the Epik portal.

## **L. Card Termination**

When a cardholder terminates employment with TEES, the department has the specific obligation to reclaim the payment card and return it to TEES Purchasing prior to the employee termination date. Failure to do so may result in revocation of all department card privileges.

Non-compliance to State and TEES purchasing procedures will be grounds for revocation of cards. Non-adherence to these procedures will result in revocation of individual cardholder privileges and may result in revocation of all department payment cards.