Texas A&M Engineering Experiment Station

Payment Card Program Cardholder Guide

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I. OVERVIEW

A. Payment Card Program

The Payment Card (Pcard) program is an efficient method for purchasing delegated orders from merchants/vendors that accept credit cards. 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. The Pcard program carries corporate liability and individual responsibility as set forth in the cardholder Pcard agreement.

The TEES Fiscal Office has a website dedicated to information about the Pcard Program.

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 Pcard. **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.

Pcards with unassigned transactions greater than 30 days from the post date, or assigned transactions not submitted within 30 days may be suspended until those transactions are submitted and approved. 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 Pcard. Each of these points is discussed in more detail in the remainder of this guide.

- Your Pcard 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 Pcard, then document that on the Payment Card Check In/Out Log.

- The Pcard is **not for personal use.**

- You can use the Pcard at any vendor that accepts MasterCard as long as the vendor or purchase is not restricted, as discussed in Section III, D. The Pcard may be used for in-store purchases, mail, telephone, or on-line orders.

- You may use the Pcard to purchase supplies within your delegated limits.
- Use must not exceed the monthly credit limit assigned to the Pcard.
- Pcard charges automatically load into the cardholder's Concur profile (different icon than travel charges).
- Often Pcard cardholders will work with their department business office to set up delegates within Concur to assist in the expense report process. If using a delegate, provide Pcard receipts to your delegate daily, weekly or monthly (least preferred).
- Pcard charges must be moved to a "payment expense report" and report submitted at or before a charge reaches 30 days old. If you are using a delegate, they should be preparing the report for you but you will need to submit it.
- Through the Concur expense report process, all charges (including fraud) on the card must be allocated to a proper FAMIS account and expense object code.
- This guide references many trainings and forms that are used to assist in the Pcard program. These resources can be found on the Fiscal Payment Card website. Please visit this site and familiarize yourself with these resources.
  https://tees.tamu.edu/fiscal/accounts-payable/payment-card.html

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 Pcard requests must go through a Program Administrator.

TEES Program Administrators:

Geri Speaks 979-317-3831, geespee15@exchange.tamu.edu
Dana Ethridge, 979-317-3814, danaethridge@tamu.edu

2. Department Manager

The department manager, or designee, is responsible for designating cardholders and approving Concur Pcard expense reports of cardholders to ensure they are within TEES and System policy. They are also responsible for assisting cardholders with delegate setup so that accounting personnel have access to cardholder profiles; move charges onto Concur expense reports; and allocate to the proper accounts and object codes.

The department manager, or designee, shall review the usage of the Pcards and cancel cards based on non-usage to limit TEES' 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 regularly, also to limit our liability.

3. Cardholder

The Cardholder is the person designated by the Department Manager to utilize the Pcard 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 the card, documentation of purchases and submission of Concur expense reports within 30 days of a charge.

4. Accounting Personnel:

Each department shall have delegate(s) responsible for the accounting processes of the Pcard in the department. These personnel shall take online cardholder training to learn guidelines and instructions given to cardholders. The accounting personnel (delegates) are usually responsible for Concur expense report timely preparation and working with cardholders to confirm submission of the report.

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 Pcard account. If a Pcard 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 Pcards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator based on the application submitted. The preferred method for credit increases/decreases is through the Card Limit Change and Cancellation Form on the TEES Pcard website. The Program Administrator will review 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 Pcard has a single transaction limit of $10,000 (which is the delegated purchase limit). This is the amount available on the Pcard 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 Pcard **is not intended to avoid or bypass appropriate purchasing or**

payment procedures. This program compliments the existing processes.

3. Restricted Vendors

The Pcard 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 Pcard. This form can be accessed on the Fiscal Payment Card website.

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 Pcard 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:

If a TEES employee transfers to a different TEES department, a Pcard issued in their name can be transferred to the new TEES department. Upon termination, the Departmental Manager must destroy the card. 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 Pcard 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 / your department is responsible for all charges made on the card until it has been cancelled.

III. PROCEDURES

A. Obtaining a Payment Card

To obtain a Pcard the following process shall be followed:

- Complete and route the Credit Card Application form on the Fiscal Payment Card website.
- Program Administrator will request issuance of the Pcard from Citibank (requires 1 to 2 weeks).
- Program Administrator will email the department contact or applicant information regarding Pcard Training through TrainTraq.
- **Applicant must complete the TrainTraq training class (less than 1 hour) and then forward the TrainTraq completion notification email to the Program Administrator.**
- Card issued. Upon completion of the training class (and notification of Program Administrator), the card will be mailed to the cardholder.

B. About the Card

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

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 Pcard.**

C. Payment Card Activation

The cardholder must follow the directions on the card sticker to activate the Pcard before using it. Upon receipt of the card, the cardholder should sign the back of the Pcard 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.
- Citibank will not mail statements to cardholders. All transactions are viewed within the Cardholder's Concur profile.

All cardholders shall follow these guidelines when using the Pcard:

- 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 not on the State of Texas Vendor Hold list, the State of Texas Debarred Vendor list, the Excluded Parties List (through US Government System for Award Management). On state funds, print screenshot from https://fmcpa.cpa.state.tx.us/tpis/search.html showing date and time stamp within 7 days prior to purchase, to prove you checked.

- 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 Pcard, then document that on your Payment Card Check In/Out Log. A sample log is located on the Fiscal Payment Card website.

- **Do not pay Texas Sales Tax!** Present the Texas Sales Tax Exemption Form located on the Fiscal Payment Card website. 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 emailed to the cardholder and/or included in the shipment of supplies.

- Provide your receipts to departmental bookkeeper daily, weekly or monthly (least preferred). 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 account number; e.g. John Doe, account 205647 would be purchase order number "JD-205647.

- Best Practice: 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, may 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)
- Books and videos
- Business meals*1
- Controlled equipment*2
- Employee gifts (5240)*3
- Non-Employee gifts (5241)*4
- Event tickets (5236)*5
- Florist*6
- Memberships*7
- Postage stamps
- Registration fees*8
- Subscriptions
- Supplies – janitorial, office, lab, safety
- Tools/Hardware

*1 Business meals: Need a TEES Food/Business Meal Form / complete the IRS W5s.

*2 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. Remember computers purchases must be acquired through an Engineering IT staff member.

*3 Employee gifts (5240): Recipient's name and UIN number must be entered as a comment in Concur. If the item's value is equal to or over $100 or a gift certificate in any amount, submit Tax Withholding Form as an attachment to the expense report.

*4 Non-Employee gifts (5241): If less than $600, include recipient's name as a comment in Concur. Include recipient's name, address, and social security number if $600 or greater. If participants in research gift cards, follow human subject requirements from VPR Office.

*5 Event tickets /entertainment (5236): Need justified with IRS "who, what, why, where, when" in documentation.

*6 Florist: If the plant is a gift, then it should be coded 5240 (see *3) or 5241 (see *4) 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).

*7 Memberships: Need a TEES Membership Form completed (or information from form).

*8 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
- 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. Itemization of the charges must be included to determine what was purchased and allowable. The goods/service received date must be marked on each receipt (or in "Goods Received Date" field in Concur for each line item). 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 Pcard 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 quote / purchase order, receipt / invoice and goods received date / receiving documentation.

G. Concur Report Preparation

All transactions on your Pcard must be moved to a "payment expense report" and report submitted at or before a charge reaches 30 days old. Each transaction on a report needs to be allocated to proper account(s) and itemized to proper object code(s). All receipts and other documentation need to be attached to the report as well. Trainings for these tasks are located on the System Concur Training website. If you are using a delegate, they should be preparing the report for you but **you will need to submit it**. Cardholder must supply receipts to the delegate daily, weekly or monthly (least preferred).

If inventoried items are purchased, preliminary assets must be created within Canopy and the asset number field completed on the Concur expense report. Instructions for this step can be found here.

More information on the report preparation can be found on the Fiscal Payment Card website under "Payment Card Allocation Process" and "Concur Pcard Training videos". These documents should be reviewed by Concur Pcard report preparers (delegate or cardholder if no delegate).

H. Reconciliation

The Delegate (or Cardholder) needs to match receipts received from cardholder with transactions in the cardholder's Concur profile to ensure all transactions are accounted for and all receipts are present. Any items in the profile 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 transaction reaches 30 days to avoid voucher corrections later. Remember, you will still place these charges on an expense report and allocate. Use object code 6335 for these charges and place on a departmental account.

Delegate or Cardholder also need to complete and attach any paper forms that are needed such as business meal form, membership forms, and tax withholding forms. *All purchase voucher requirements apply to Pcard transactions.*

I. Approvals

Once a Concur expense report has been submitted by the Cardholder, it will route for approvals (Department Manager and Fiscal Office, certain cases) before posting into the accounting system (FAMIS).

J. Compliance Reviews and Audit

The approved Concur expense report, along with the supporting documentation becomes the official record for these transactions.

All charges on State accounts will be reviewed before the expense report is approved. All local accounts will be ad hoc audited by TEES Fiscal or SRS on a risk basis. Oversight is the system used by TEES Fiscal for this risk approach audit.

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 in the cardholder's profile. Make sure you receive the credit. Assign credits to the same account and object code as the original charge. Add a comment referencing the Concur key number of the original charge.

- 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. Sales tax credits follow the same rules as other credits referenced above.

- 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 a dispute form. This form should be signed by the cardholder and returned 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.

L. Card Termination

When a cardholder terminates employment with TEES, the department has the specific obligation to destroy the Pcard and notify the TEES Credit Card Administrator (via the Card Limit Change and Cancellation Form) prior to the employee termination date. Failure to do so may result in revocation of all department card privileges. Non-compliance to purchasing rules and Pcard procedures will be grounds for revocation of cardholder privileges.