PROCUREMENT CARD TRAINING
Outline

• What is the Pro Card?
• Pro Card vs. Purchase Order
• Advantages of the Pro Card
• Cardholder Responsibilities
• Single Transaction Limit
• Sales Tax
• Vendors on State Hold Status
Outline con’t

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- Acceptable and Unacceptable Purchases
- Student Travel on Procard
- Default Account & Object Code 6251
- Billing Cycle
- Pro Card Reconciliation
- Cardholder Agreement
- Info.
What is the PRO CARD?

- Pro Cards are credit cards
- Used by the University to reduce purchasing costs
- University pay bank with single invoice, not multiple invoices to multiple vendors
- Vendors receive payment from the Card Company faster than they would through traditional PO/AP process.
Credit Pool

- JP MORGAN CHASE $5 MIL CREDIT POOL
- PVAMU $250 K AVG PROCARD EXP.
Pro Card vs. Purchase Order

- Fast flexible purchasing method for processing limited dollar amounts.

- Establishes a more efficient, cost effective method for delegated purchases and payment.

- Will result in reduction of data entry of small orders, receiving, vouchers, and allows for prompt pay to vendors.
Advantages of the Pro Card

- It is easier to make small purchases. (the MasterCard is accepted virtually anywhere.)

- The cardholder may make purchases as needed. (There are no delays associated with Processing a purchase order.)

- No Petty Cash / No Personal Cash / No requisitions

- There is less cost to the University. (Every transaction made using the purchasing card carries a fee that the vendor must pay to the credit card network.)
Cardholder Responsibilities

- The Procurement Card is **not for personal use**
- Intentional misuse and violations will result in termination of card account and actions may result in termination of employment
- Card is issued in cardholders name
- You may use the Pro-Card to make purchases within your delegated limits
- Use must not exceed the account budget.
- Reconciliation must be turned in by the 12th of each month.
- ProCard cannot be used for Employee Travel
The Pro Card Must be returned to the ProCard Administrator or the ProCard Specialist upon your leaving employment of the university or transferring to a different department.
Single Transaction Limit

- Transaction Limit is a $2000.00 if your cycle limit is equal or greater.
- The University Bid limit is $2000.00 and up.
- If an single transaction increase is needed the cardholder must contact the Procard Specialist with the reason of the increase.
- An increase can only be made for sole source purchases only.
- Vendors should not be allowed to split payments.
SPLIT TRANSACTIONS

- TX GOVT CODE 2155.132

(g) A large purchase may not be divided into small lot purchases to meet the dollar limits prescribed by this section. The commission may not require that unrelated purchases be combined into one purchase order to exceed the dollar limits prescribed by this section.

- Transactions should not be split under any circumstances.
- Vendors should not be allowed to split payments.
- Cardholders should not be allowed to split payments.
Sales Tax

PVAMU is an agency of the State of Texas and is tax exempt.

- Tax exemption cards will be provided to cardholders
- Taxes must be disputed and credited
Vendors on State Hold Status

- State law requires agencies and institutions to verify whether or not a vendor is on warrant hold with the State Comptroller’s office prior to purchasing or signing a contract for the purchase of goods and services.
- If the vendor is on hold, the agency cannot sign the contract unless the vendor agrees to a contract clause under which any payments owed to the vendor will be applied to the debt/delinquent taxes owed to the state until paid in full.
Vendor State Hold Status Cont’

• The state has created a web site to assist state agencies in determining whether vendors are “on hold.” Franchise Tax Certificate of account status information for Texas Corporations can be found at http://ecpa.cpa.state.tx.us/coa/index.html.
Maintaining Your Procard

- Cardholder should record all card transactions, as they occur. Credit card receipts are to be retained with the manual log for review, tracking, and monthly reconciliation. The manual log and the receipts will be each cardholder’s back up to verify monthly card charges.
<table>
<thead>
<tr>
<th>Order Date</th>
<th>SDOL Expense Report Line Item</th>
<th>Vendor Name</th>
<th>Description</th>
<th>Amount</th>
<th>Delivery Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/29/09</td>
<td>Best Buy</td>
<td>Sony Digital Camera DX110</td>
<td>$200.00</td>
<td>06/29/09</td>
<td></td>
</tr>
</tbody>
</table>
### CONTROL LING LIMITS

<table>
<thead>
<tr>
<th>Budget ($100,000)</th>
<th>Expenses (Procard Transactions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>97500.00</td>
<td>2500.00</td>
</tr>
<tr>
<td>96000.00</td>
<td>1500.00</td>
</tr>
<tr>
<td>95500.00</td>
<td>500.00</td>
</tr>
<tr>
<td>93500.00</td>
<td>2000.00</td>
</tr>
<tr>
<td>92900.00</td>
<td>600.00</td>
</tr>
</tbody>
</table>
Examples of Acceptable Purchases

- Supplies
- Subscriptions
  - Periodicals
- Minor Maintenance & Repair
  - Not Services
- Medical Supplies
- Employee Training-Registration
- Printing/Promotional
  - Logos must be approved
- Controlled Items
  - Digital Cameras
- Landscaping Supplies
- Business Meals
  - Local Funds Only
  - 5 W’s
- Office Furnishing
- Participant Cost
- Student Travel (except Rental Cars)
- Fuel &Lubricants
  - Local Funds Only
Unacceptable Purchases

- Salaries
- Employee Benefits
- Utilities
- Telecom Equipment
- Service
- Employee Incentives
- Scholarship
- Employee Travel

- Contractual Maintenance & Repair
- Grants
- Housing for State Employee Guest Inst.
- Dorm charges (student)
- Rental & Leasing
- Construction
- Warranties
Student Travel on Pro Card

• Student Travel is an allowable charge on the Procard
• Travel related expenses for students such as hotel, parking, food, rental cars to transport students, fuel, etc. can be paid using the ProCard
• For the student travel a list of students traveling, event they are attending representing the university, dates, etc should be included with all detailed receipts.
Student Travel con’t

• Texas travel – you should not pay the hotel occupancy tax.

• Employees (non students) traveling with the students should pay for their own travel expenses (hotel, etc).
  – employees should keep all their receipts for travel and seek a travel reimbursement when they return.
Default Account & Object code 6251

- Procards have been set up with a default FAMIS account number and object code (6251).
- The procard default account number and object code 6251 will appear in SDOL as your procard transactions are posted.
Default 6251 con’t

- Problem ProCard transactions will be posted to the ProCard’s default account number and object code 6251. This would include:
  1. sales tax
  2. credits for returns
  3. purchasing requiring extra documentation
  4. unreconciled items
Billing Cycle

- Cycle ends the 5th, 6th or 7th depending on the day of week of the 5th that month
- SDOL reconcile is done prior to turning in receipts.
- Expense Reports and receipts due by the 12th of every month.
- Cardholders/Approvers must ensure all purchases are accurate before turn in.
- Forward receipts and expense report to Financial Services Office Attention Pro-Card Specialist.
Pro Card Reconcile

• All cardholders are required to reconcile monthly transactions.

• Failure to reconcile accounts and turn in proper documentation to Pro Card Coordinator will result in card suspension until card is reconciled as well as Non Compliance actions.

• Cardholders will verify adequate available funds in all designated accounts.

• Cardholders will ensure there is an itemized invoice/receipts.
Pro Card Reconcile con’t

• Documentation
  – All purchase vouchers that apply to purchase
  – Sales Receipts stapled to a sheet of paper
  – Credit Card Receipts/Slips
  – Other information or correspondence
  – Screen Prints are acceptable for internet orders
Pro Card Reconcile con’t

• Items forwarded to the Pro Card Specialist:
  – Expense Report
  – All receipts/invoices and paperwork for each order
• Ensure invoices match transaction in SDOL.
• All incomplete Expense Reports will be returned back to the cardholder.
I, ______________________, hereby acknowledge receipt of a Prairie View A&M University MasterCard Procurement Card. As a cardholder, I agree to comply with the terms and conditions of this Agreement and the Procurement Card procedures.

I acknowledge that I have read and understand the terms and conditions of this Agreement and the Procurement Card procedures. I understand that Prairie View A&M University is liable to JPMorgan Chase and MasterCard for all Prairie View A&M University charges.

I agree to use this card for Prairie View A&M University approved purchases only and agree not to charge personal purchases. I understand that Prairie View A&M University will audit the use of this card and report any discrepancies.

I further understand that improper use of this card may result in disciplinary action, which may include termination of employment. I agree to repay Prairie View A&M University any amounts owed by me even if I am no longer employed by Prairie View A&M University.

I understand that the card is property of Prairie View A&M University. I further understand that Prairie View A&M University may terminate my right to use this card at any time for any reason. I agree to return the card to Prairie View A&M University immediately upon request or upon termination of employment.
Procurement Card Services

- **Procard Administrator**
  Victoria Gieseke
  936-261-1961
  vimunos@pvamu.edu

- **Procard Specialist**
  Uel Smith
  936-261-1929
  ussmith@pvamu.edu
  Sceffers Ward
  936-261-1915
  svward@pvamu.edu
  Tiffanee Moore
  936-261-1931
  trmoore@pvamu.edu