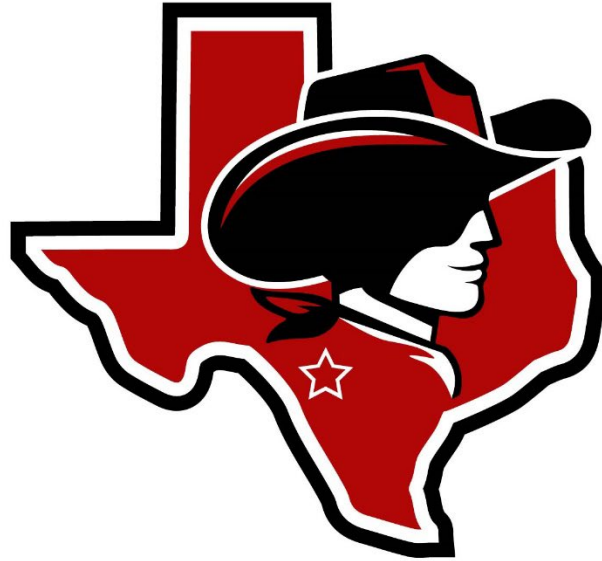


# Policies and Procedures for Procurement Cards (P-Cards)



**SOUTHWEST**  
TEXAS ★ COLLEGE

(While Southwest Texas College's policies are maintained online by the Texas Association of School Boards and include both LEGAL and LOCAL policies, <https://pol.tasb.org/PolicyOnline?key=1174> the following reflect internal policies for the Business Office.)

# Procurement Cards (P-Cards)

SWTX's Procurement Card (P-Card) Program is designed to utilize a more efficient and cost-effective procurement and payment process for purchases from any vendor that accepts a credit card. This program will allow the cardholder and authorized users to purchase approved commodities directly from our vendors. Each P-Card is issued to a named individual who will be held accountable. The P-card cannot be used to avoid or bypass appropriate procurement or payment procedures or for personal use.

## 1. Overview

- The SWTX P-Card is a credit card to be used for making departmental purchases.
- It is a convenient and efficient way to purchase goods.
- It can be used to purchase goods in person, by phone, mail and via the internet.
- The P-Card can be used to pay for most purchases that are otherwise paid by purchase order or check request.
- Only designated Travel P-cards may be used for travel expenditures.

## 2. Advantages of the P-card

The advantages of using the SWTX P-Card are:

- The need for purchase orders and check requests is greatly reduced.
- Postage and mailing costs are reduced.
- Card users can get discounts on internet orders.
- Payments to vendors are expedited.
- The processing of paperwork is substantially reduced.
- Orders can be placed, filled, and shipped in a timely manner.
- Reduces the need to use personal funds for "rush" orders.
- Ability to view and monitor transactions electronically
- Individuals may apply for a one-time use, Travel P-card for pre-approved travel (used for registration, rental car, lodging).

## 3. Getting Started

Faculty and staff can begin enjoying the advantages of the P-Card upon receipt of their respective cards. Training in the proper use of the card is provided by the P-card administrator to all prospective cardholders. During this training, individuals will learn about:

- Card information
- Card capabilities, limitations, restrictions, and violations
- Recordkeeping and statement reconciliation
- Sales tax exemption
- Disputed charges
- Card application and activation
- Lost or stolen cards
- Forms

- Customer service contracts
- Purchasing Ethics
- Expenditure Policies

#### 4. Card Information

There are 2 types of P-Cards as follows:

- 1) Department cards are signed out to authorized individuals within the department
- 2) Travel cards for individuals for travel related expenses on a per trip basis.

If the individual transfers to a different department or has any changes in the information supplied on the original card application, he/she should notify the P-card administrator immediately. Departments are responsible for notifying the P-card administrator regarding the transfer or termination of employees who are cardholders.

If a card is lost or stolen, it is the responsibility of the cardholder to notify the P-card administrator immediately. If unauthorized purchases are made because of the card being lost or stolen, the cardholder will not be held responsible if the situation is reported in a timely manner and is validated to be fraud.

#### 5. Card Capabilities, Limitations, Restrictions, and Violations

##### a) Capabilities

- Department P-Cards can be used to purchase the same goods obtained using a check request or purchase order. The transaction threshold will be \$1,000. Exceptions will be made on a case-by-case basis as determined by the appropriate approver. Purchases over the thresholds must be made using standard requisitioning procedures.
- Cardholders may use the card to make purchases in person at a merchant site, to place orders over the phone, and to place mail, and internet orders.
- Travel P-cards may be used to pay for travel. For example, these individual cards may be used for registration, airfare, and meals for students.

##### b) Limitations

- Department P-Cards may be used for single transactions up to \$1,000, a daily limit of \$2,500, and a monthly total (credit line) of up to \$5,000. If cardholders exceed their preset limits, the transaction will be denied.
- If a department's usage experience indicates that higher limits should be set, the P-Card Administrator should be contacted. The appropriate VP approver will be responsible for determining the necessity of a limit adjustment.
- Travel cards may only be used for pre-approved travel-related expenses.

##### c) Restrictions

- **Cash advances are NOT permitted on any P-Card.** Furthermore, cardholders cannot benefit through any type of awards program associated with the P-Card (i.e., frequent flier miles, etc.)
- **No personal charges may be made with the card.** In using the card, individuals are authorizing the commitment of college funds and are accountable in the same way they would be held accountable for authorizing a purchase order or check request.
- Please remember special approvals are still required per the SWTX purchasing policy. See **Section A, Authorization for Procurement., #9** in the SWTX Policy and Procedures for Purchasing document.
- Other unauthorized purchases include:
  1. Alcohol (exception with President’s approval)
  2. Capital equipment
  3. Non-College related purchases
  4. Computer Equipment/Software: IT
  5. Fuel
  6. Services (such as consulting, catering, etc.)
    - If a cardholder believes that his/her department has unique purchasing needs that cannot be met due to these restrictions, the P-Card Administrator should be contacted.

d) Violations

The following are examples of violations of the P-Card program:

- Personal Purchases are anything not purchased for use and ownership by the College. It is a violation of college policy to make ANY personal purchase or personal transaction with a College P-Card, whether the cardholder intends to reimburse the College for the purchase or not. Fraudulent use or abuse of the P-Card will result in immediate suspension of privileges and may result in corrective action up to and including termination and/or criminal action. In addition, the College will seek restitution for any inappropriate charges.
- Unauthorized Purchases – defined as purchases with State funds that may not be used to further the legitimate government purpose of the buying entity. This is clearly a violation of State purchasing law and the violator will have his card revoked.
- Cash or Cash-type Transactions – defined as cash, cash in addition to purchase, cash in lieu of credit for return or exchange of a purchase. It is a violation of college policy to make cash or cash-type transactions using the College P-Card.
- Split Purchases – “split” purchases occur when single purchases costing more than \$1,000 or your particular transaction limit, are

split into multiple P-Card transactions to circumvent the \$1,000 maximum. It is a violation of college policy to “split purchases.”

6. Record Keeping and Statement Reconciliation

- a) Cardholder should obtain receipts/back-up for all purchases made. The individual making the purchase should note on the back of the receipt or on a reconciliation form the item description, GL account number, purpose, date, and the purchaser’s name. For your convenience, you may use the SWTX P-card Reconciliation form (a fill-in-form):  
[https://SWTXC.edu/documents/business\\_office/SWTX\\_pcard\\_reconciliation\\_form\\_pdf\\_fill-in.pdf](https://SWTXC.edu/documents/business_office/SWTX_pcard_reconciliation_form_pdf_fill-in.pdf) and attach receipts
- b) For tracking of receipts and other back-up information for Department P-cards, the preferred method for cardholders when doing their monthly reconciliation will be as follows:
  - You **must** scan receipts into the P-card reconciliation software and upload them to individual transactions.
  - Please make sure that your *Expense Description and GL# in the reconciliation system includes the **Business Purpose*** of the purchase.
  - Each Department should attach receipts to their transaction logs, and it is advisable to keep them for 90 days (about 3 months) if there are questions.
- c) For Travel P-cards, receipts must be attached to the pre-approved travel request form and returned to the business office along with the card as it will be deactivated upon the trip's conclusion. In either case, please be mindful that it is important to keep receipts as copy retrieval through customer service is expensive.
- d) As purchases are made, cardholders (or, in the case of department cards, the authorized reconciler) will update account information in the P-card software system (reconciliation system). All cardholders and department reconcilers will be provided with a login and password to access this data electronically for reconciliation purposes. Supervisors will be provided with a login and password to access reports and information electronically. Upon initial login, each user will be prompted to change their password.
- e) The State of Texas has chosen to adopt a 30-day billing cycle that will end on the 3<sup>rd</sup> of every month. This means that the user’s available line of credit will run from the 4<sup>th</sup> of this month until the 3<sup>rd</sup> day of the following month. On the 4<sup>th</sup> of the following month, the cycle will repeat itself.
- f) Since our billing cycle will end on the 3<sup>rd</sup> day, users will be responsible for reviewing all transactions posted against their account from the 4<sup>th</sup> of the previous month through the 3<sup>rd</sup> day of the month. All transactions must be

reviewed and approved by the 9<sup>th</sup> day of the month. Failure to review and approve transactions prior to this day may result in all charges being posted against a cardholder's default account. If a cardholder fails to review transactions, card privileges may be restricted or revoked.

***Important Monthly Dates to Remember:***

- ***3<sup>rd</sup> of each month - Billing Cycle Ends***
- ***4<sup>th</sup> of each month – New Billing Cycle Begins***
- ***The period between the 4<sup>th</sup> of each month and the 3<sup>rd</sup> of the following month – all transactions must be reviewed and approved on-line by the 9<sup>th</sup> day of the month.***

7. Tax Information

a) Texas Sales Tax

SWTX is a tax-exempt Political Subdivision/Community College. No taxes should be charged on the P-Card, except Federal Excise Tax and some tourist assessments in the case of a Travel card. Merchants should be informed of our tax-exempt status at the time of the transaction. Merchants may request a copy of SWTX's Tax Exemption Certificate for the files.

The Tax Exemption Certificate may be obtained on the Purchasing website forms page:

[https://SWTXC.edu/documents/business\\_office/SWTX\\_sales\\_tax\\_exempt\\_for\\_m.pdf](https://SWTXC.edu/documents/business_office/SWTX_sales_tax_exempt_for_m.pdf). For the Travel P-card, the Texas Hotel Occupancy Tax Exemption Certificate may be found here:

[https://SWTXC.edu/documents/business\\_office/texas\\_hotel\\_occupancy\\_tax\\_exemption\\_certificate\\_form\\_12-302.pdf](https://SWTXC.edu/documents/business_office/texas_hotel_occupancy_tax_exemption_certificate_form_12-302.pdf). Be sure and check the box for Educational Entity.

If sales tax is inadvertently charged to the P-Card, it is the cardholder's responsibility to dispute the charge. Contact the merchant to have the tax removed. Tax credits will appear in the following month's statement.

b) Other Taxes

SWTX is not always considered tax-exempt in other states. Certain taxes assessed by cities (tourist assessments) are legitimate and will be paid by the College. If there is uncertainty about a specific tax charge, the cardholder may proceed with the transaction and dispute the tax charge later if it is determined to be in error.

8. Disputed Charges

- a) If any questionable transactions appear on the cardholder's online statement for which there is no information, or if the amount does not match receipts, process the transaction for payment as is and notify P-card Administrator and follow up with a memo/email.

- b) Contact the merchant listed regarding the disputed transaction. If the merchant agrees that an error was made, they will make an adjustment posted as a credit to the account. **The cardholder must review and approve the adjustment received (credit) on the reconciliation system and must use the same general ledger account to which it was originally charged.**
- c) If the merchant does not agree to make an adjustment, contact the P-card administrator and state that you want to dispute the charge in question.
- d) A dispute should be made immediately with the transaction date.

#### 9. Card Application and Activation

- a) When the need for a P-Card is identified, the application form may be found here: [https://SWTXC.edu/documents/business\\_office/SWTX\\_p-card\\_application\\_form.pdf](https://SWTXC.edu/documents/business_office/SWTX_p-card_application_form.pdf) along with a cardholder agreement form: [https://SWTXC.edu/documents/business\\_office/SWTX\\_p-card\\_cardholder\\_agreement\\_form.pdf](https://SWTXC.edu/documents/business_office/SWTX_p-card_cardholder_agreement_form.pdf)
- b) After the forms are completed and all appropriate signatures have been obtained, return to P-card administrator for processing. The P-Card will be active upon receipt and ready for use.
- c) For Travel P-cards, please complete the application found here: [https://SWTXC.edu/documents/business\\_office/SWTX\\_travel\\_pcard\\_application.pdf](https://SWTXC.edu/documents/business_office/SWTX_travel_pcard_application.pdf) and return to the P-card Administrator in the Business Office.

#### 10. Lost or Stolen Card

- a) The P-Card is the property of SWTX and should be protected and secured just like any other credit card.
- b) If the card has been lost, misplaced, or stolen, it must be cancelled immediately. Contact P-card Administrator and follow up with a memo/email requesting immediate card cancellation.
- c) A new card with a new account number will be issued if the card is misplaced, lost, or stolen. The cardholder will be responsible for picking up and signing the card in person with the P-card administrator.

#### 11. Card Cancellation and Replacement

- a) If the cardholder is leaving employment at the College, he/she must inform P-card Administrator and return the card to ensure that the cardholder's account is cancelled.
- b) Cardholders may request a replacement card from the P-card Administrator. The new replacement card will have the same account number as the previous card and will be sent directly to the P-card administrator and the old card must be returned to the P-card administrator to be properly destroyed.