

PROCUREMENT CARD PROGRAM

Introduction

Lamar University offers all departments a MasterCard Procurement card (ProCard) program for ordering supplies or business services. The program is a fast, flexible alternative for processing low dollar value purchases from vendors that accept the MasterCard credit card. The card is available for use with designated and auxiliary (local) accounts.

The Procurement Card Program is authorized by the State of Texas Procurement and Support Services (TPASS) contract with Citi-Bank. With the ProCard you, the end user, will be able to purchase non-restricted commodities of less than \$500 from local funds, directly from vendors without issuing a purchase order or entering an accounting transaction. It will also significantly reduce the time and effort required to make payments for your purchases.

How the ProCard Works

- 1) You make a purchase by charging it on the ProCard
- 2) Citi-Bank, the ProCard supplier, pays the vendor the next day
- 3) Citi-Bank bills the University monthly
- 4) The University makes payments to Citi-Bank electronically

What Can Be Purchased With the ProCard

The card may be used for the purchase of goods and services under \$500. Purchases which exceed these limits (including freight) must be made using the normal purchasing procedures. The ProCard is to be used for the purchase of operating supplies and services. The ProCard is not to be used for travel, capital items, and services provided by individuals who would receive a W-2 or 1099 from the University. Food or restaurant expenditures are specifically disallowed. Any questions about the appropriateness of an item should be directed to the Purchasing Department. As explained later in this procedure guide, cardholders are strictly prohibited from using the card to purchase items for personal consumption.

Examples of appropriate items:

Office Supplies (Consumables)
Emergency Equipment repairs

Examples of inappropriate items:

Travel related purchases, i.e. *airline tickets, hotel rooms, conference registrations, fuel and vehicle rentals*
Food and alcohol
Personal recognitions such as flowers and/or plants for employees or family members
Business luncheons for employees
Computer Hardware / Computer Software / Computer Services
Network and Telecommunications Equipment and Services
Marketing Items, i.e. *brochures, business cards, signs, anything with a Lamar University logo*
Chemicals and Medical Supplies that require EH&S compliance review and approval
Cleaning Products
Items requiring a contract

Hierarchy of Purchasing with a ProCard

1. Texas | As a state of Texas agency, we are expected to spend our dollars in Texas whenever possible. Be sure to shop TEXAS first! HUB Vendors are excellent resources for your purchases.
2. USA | When not able to purchase in Texas, choose Companies that are based in the USA.
3. Foreign | Companies that are based and/or have their headquarters in foreign countries are strictly PROHIBITED for purchases made with a ProCard.

Who Can Obtain a ProCard?

Any University account manager, and in certain circumstances with the approval of the Program Administrator, and designees of the account manager may be eligible to obtain a ProCard. Note: Purchasing requests Deans of each College to forward approvals for their account managers to have a ProCard via e-mail.

ProCard Guidelines and General Policies

The ProCard is to be used for University purchases only. Because the obligations incurred through use of the card are liabilities of the State of Texas, use of the card for purchase of personal items will be considered misappropriation of State funds, which could carry criminal penalties. All purchases must comply with all state and federal guidelines applicable to the account being charged with the purchase.

The ProCard is intended to complement the existing University purchasing process.

Each ProCard is issued to a specific individual rather than to an office/site. Only the individual whose name is on the card or those given a "red card" (see Attachment A) authorization by that individual may use the card.

Specifications limiting individual and cumulative purchase amounts are registered with the ProCard provider. Purchases exceeding those limits will not be honored.

- Single Purchase Limit, \$500 local accounts
- The monthly spending limit per card will be evaluated by the Procurement Card Administrator semi-annually, or upon cardholders' written request for adjustment with justification.

When an item exceeds the limit of the ProCard, splitting the invoice is not permitted. This includes splitting invoices between departments. Splitting of purchases which exceed the single purchase limits so that the card may be used may result in loss of card privileges.

The billing cycle is monthly. Monthly activity reports are mailed to the account managers of the accounts involved on a monthly basis. The cardholder may also register online to print monthly statements and view activity.

The University is financially liable for the card. In the event a card is lost or stolen and subsequently used, the University may be liable for up to \$500 for such uses unless the provider is notified of the loss or theft. Therefore, lost or stolen cards must be reported immediately to the Purchasing Department and Citi-Bank so that proper notification can be made. Contact names and telephone numbers are listed in below.

Phone Numbers and Contacts

1. Lamar University ProCard Administrators

Primary Contact

Marc Paine, CTCD
University ProCard Program Coordinator
(409) 880-1783

Secondary Contact

Kelli Morris, CTCD
Assistant Director, Procurement Services
(409) 880-8743

2. Citi-Bank Customer Support:

Citi-Bank 1-800-248-4553

3. For Lost or Stolen Cards:

Citi-Bank 1-800-248-4553
Lamar University (409) 880-1783

4. Card Activation:

Citi-Bank 1-800-248-4553

5. For Disputed Charges:

Citi-Bank 1-800-248-4553

6. To report fraudulent use or misapplication of the card, notify program administrator and the Internal Audit department.

Marc Paine - (409) 880-1783
Primary | Program Administrator

Ramona Stricklan - (409) 880-1766
Director of Internal Audit

7. Purchasing website for policy and transaction log:

<https://www.lamar.edu/finance-and-operations/financial-services/procurement-and-payment-services/purchasing/index.html>

Because funds in a fiscal year may not be used to pay obligations from a prior year, a calculation of ProCard obligations at the end of the fiscal year will be made and the amount accrued as a liability in the accounts of cardholders.

The ProCard is a very useful tool for the responsible account manager. However, it is also a tool which may be easily abused. To insure that the availability of the card to the University is not threatened by misuse, monitoring of activity will be regular and firm steps will be taken to deal with those who do not follow proper procedures. The University has implemented a "THREE STRIKES" policy where cardholders will lose their card after the incidents of card misuse. Under certain circumstances, cards may be revoked after fewer than "THREE STRIKES". Loss of card privileges will result if account managers do not use the ProCard responsibly.

ProCard Procedures

The purpose of the program is to provide state agencies a more efficient method of making small dollar purchases. The ProCard system should result in an increase in savings and provide other cost reductions to this agency by eliminating many of the necessary steps now required to make such purchases. The following policies and procedures must be followed when utilizing the ProCard.

1. *Obtaining a ProCard*

Prospective Cardholder: Contact the Program Administrator to determine how you will fit into the hierarchy/organizational structure of the credit card program.

Department Head: Request in writing to the Primary Administrator - employee name, employee social security number, and Banner Index (account) number.

All Cardholders: Schedule and attend training class on ProCard use which will be taught by the Program Administrator.

2. *Program Administrator Duties and Responsibilities*

- A. Disseminating Information - The Program Administrator is responsible for disseminating card information.
- B. Training - The Program Administrator is responsible for training all cardholders in the proper use and care of the credit card after receipt.
- C. Credit Card Retrieval - In the event a cardholder resigns or terminates from the agency, the Program Administrator is responsible for providing and assisting the cardholder with the completion of the proper forms for returning the credit card to the Purchasing Department.
- D. Fraudulent Use or Misapplication of the Credit Card - In the event a cardholder has used the card fraudulently, the Department head is responsible for notifying the Primary Administrator who will take necessary steps to act on the report. The Department head must also notify the Internal Audit Department.
- E. Payments - The Program Administrator will review and approve payments.

3. *Cardholder Duties and Responsibilities Include*

- A. Maintain Cards in Secured Location - Cardholders are responsible for ensuring cards are maintained on Lamar University property and kept in a secure (locked) area when not in use.
- B. Fraudulent use or misapplication of the ProCard - Cardholders are responsible for reporting immediately to the Primary Administrator and Internal Audit Department any fraudulent use or misapplication of the card.
- C. Credit Card Dispute Resolution - Cardholders are responsible for immediately investigating any disputed charges. Contact the Primary Administrator for specific instructions.

- D. Lost or Stolen Credit Cards - Cardholders are responsible for immediately notifying the Primary Administrator and Citi-Bank if a card is lost or stolen.
- E. Purchase Limits - Cardholders are responsible and accountable for adherence to the established per purchase and per billing cycle (monthly) limits set for their card.
- F. Authorized Use - Cardholders are responsible for ensuring the appropriate person signs for credit card purchases. Only the individual whose name is on the card may use the card unless the cardholder has granted their permission to another person by completing the red authorization card.
- G. Receipt of Merchandise - Cardholders are accountable for the physical receipt of the merchandise.
- H. Return of Merchandise - In case of returns, cardholders are responsible for coordinating returns directly with the supplier.
- I. Change of Employment Status - Cardholders are responsible for immediately notifying the Program Administrator if their employment status changes in any way.
- J. State of Texas Sales Tax - The cardholder is responsible to verify that no sales taxes are charged on purchases made in the state of Texas with the ProCard. The cardholder should contact Purchasing with the vendor name and address for a Sales Tax Exemption Form.
- K. Transaction Log - Transaction logs are to be maintained by each cardholder. A standard form for the log is available from the Program Administrator and can be found on the Purchasing website. Cardholders must file a copy of the transaction log and original receipts by the 15th of each month with the Program Administrator. The monthly transaction log will be reviewed by the Program Administrator for compliance with policy and to reconcile the log with the monthly billing statement.
- L. Purchase Documentation - Cardholders are responsible for retaining sales slips (that show the description of items purchased) for three (3) years to satisfy records retention requirements. It is imperative that documentation be maintained for ProCard activity. Failure to maintain accurate and complete documentation may result in loss of card privileges. If it is not evident from the receipt that the purchase was for business purposes, then a written explanation of the business purpose should be attached to the receipt.