Angelo State University

ProCard Program

New Cardholder Training GUIDE

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GUIDE

ANGELO STATE UNIVERSITY

PROCARD PROGRAM GUIDE

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ANGELO STATE UNIVERSITY

PROCARD PROGRAM GUIDE

I. OVERVIEW

A. ProCard Program:

The Purchasing Department is delighted to offer to all Angelo State University Departments an exciting, innovative program that simplifies the way in which you may order and pay for small purchases. The Purchasing Card (ProCard) Program is a fast, flexible purchasing method for processing designated orders from suppliers that accept credit cards. The purpose of the ProCard Program is to establish a more efficient, cost-effective method for procuring and payment of designated purchasing transactions. If used to its potential, the program will result in a significant reduction of processing and improve operational efficiency. The ProCard can be used with any supplier that accepts Master Card as a form of payment.

The ProCard program is designed to delegate the authority and responsibility to purchase limited items directly to the person to whom it most matters - YOU, the user. The ProCard will enable you to purchase under your designated authority non-restricted commodities directly from the vendors without the issuance of a purchase order.

B. Purchasing Card Contract:

The terms and conditions of the ProCard contract were specified and awarded by the Texas Building and Procurement Commission for the State of Texas. Angelo State University is utilizing the State of Texas contract for Purchasing Card services with JPMorgan. Angelo State University will comply with the terms and conditions of the state contract in the implementation of this program.

C. Purchasing Card Program Guide:

The Pro Card Program Guide provides the guidelines for using the Purchasing Card. **Please read it carefully**. Your signature on the Cardholder Purchasing Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

D. Important Points of the Program:

The following important points should be reviewed before using the Purchasing Card:

- Your ProCard is issued in your name. All purchases made on the ProCard must be made by you. You are responsible for the security of the ProCard and the transactions made with it. **Failure to follow the guidelines when using the ProCard, may result in disciplinary action up to and including termination.**

- You can use the ProCard at any vendor that accepts Master Card. It may be used for in-store purchases, mail, telephone or fax orders, and Internet orders.

- You may use the ProCard to purchase supplies within the designated limits.

- Use must not exceed the monthly credit limit assigned to your ProCard.

- **It will be essential that users not make charges in excess of departmental operating budgets**.

- You will be responsible for the monthly reconciliation of your ProCard to ensure all charges are accurate. Statement reconciliation needs to be completed within five business days of receipt of the statement.

- The ProCard **is not intended to avoid or bypass appropriate purchasing or payment procedures**. This program compliments the existing processes available.

- The ProCard is **not for personal use**. **Personal use will be grounds for disciplinary action up to and including termination.**

- The ProCard must be returned to the Program Administrator upon your transfer or termination.

II. GENERAL INFORMATION

A. Duties and Responsibilities:

1. Program Administrator:

The Program Administrator was designated by Angelo State University for questions, issues and administration of the program. The Administrator is knowledgeable on all procedures in the ProCard Program Guide. All ProCard requests must go through the Program Administrator.

Angelo State University Program Administrator:

Margaret Mata
915-942-2012
Margaret.Mata@angelo.edu

2. Budget Authority:

The budget authority, or designee, is responsible for approving monthly ProCard transaction logs of cardholders to ensure they are within policy.

3. Cardholder:

The person designated by the budget authority to utilize the ProCard by purchasing small dollar supplies is the cardholder. The cardholder is responsible for following the purchasing guidelines of Angelo State University in regards to purchases, selection of vendors, security of card and monthly reconciliation.

4. JPMorgan's Customer Service:

The ProCard program is serviced using a team approach with JPMorgan'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 ProCard account. If a ProCard is lost or stolen, Customer Service should be notified immediately.

The Customer Service number is: **1-800-890-0669**

B. ProCard Controls:

1. Credit Limits:

All ProCards have monthly cardholder spending limits.

2. Transaction Limits:

Your ProCard has a single transaction limit (which is the designated purchase

limit). This is the amount available on the ProCard for a single purchase. A transaction includes the purchase price, freight, and installation. Cardholders should not attempt to make a purchase greater than his/her approved amount. The Program Administrator must handle changes to the transaction limit.

3. Restricted Vendors:

The ProCard program may be restricted for use with certain types of suppliers and merchants. If you present your ProCard for payment to 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. Maintaining Your ProCard:

1. ProCard Internal Order Transaction Log:

Enclosed in this ProCard Program Guide is an example of the Purchasing Card Internal Order Transaction Log (See Attachment B). The transaction log is required and provides an additional method for expenditure tracking while using the ProCard.

Each cardholder should use a new log for each month's purchases. The ProCard Internal Order Transaction Log shall be filled out, as each order/purchase is made, not at the end of the month. Use a detailed description of the item to recognize the purchase as an authorized one. For auditing purposes use the "Date Received" column to verify that all purchases and documentation were received. Attach receipt to log when entry is made.

Always obtain a receipt when using the ProCard. It is every cardholder's responsibility to ensure there is an original receipt for each purchase. The receipts should be kept with the transaction log. Screen prints are acceptable for Internet orders and order forms for fax/mail orders *if* the vendor does not provide a receipt/invoice. If either of these two is used, they must show price. It will be required for future audits. This will be Angelo State University's official record for this transaction. The transaction log, including original receipts, is to be forwarded to the Purchasing Department on a monthly basis, and then it will be forwarded to Accounts Payable.

Another use for the log would be for a cardholder to keep track of his/her expenditures. The log and the receipts will be each cardholder's back up to the monthly ProCard charges.

2. Cardholder Empowerment:

At the end of each billing cycle, every cardholder will receive a Cardholder Statement, which lists purchases made to that account. Upon receipt of this statement, the cardholder shall reconcile the statement with their ProCard Internal Order Transaction Log. Attach all documentation, note any additional information pertinent to the purchase, verify that all purchases are valid and forward the package to the Budget Authority for review and approval.

D. Sales and Use Tax:

Angelo State University, as an agency of the State of Texas, is tax exempt and the credit card identifies Angelo State University as being tax exempt within the State of Texas. If a vendor is requesting a tax exempt certificate the cardholder can contact the Purchasing Office to have a copy faxed to the vendor requesting it.

E. Security of the ProCard:

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 ProCard account number carefully. It shall not be posted in a work area or left in a conspicuous place. It should be kept in an accessible, but secure location.

The only person authorized to use the Purchasing Card is the cardholder whose name appears on the card. The card is to be used for business purposes only. Inappropriate use of the card may lead to disciplinary action up to and including termination.

F. Employee Termination:

The ProCard must be returned to the Program Administrator upon your transfer to another department or termination.

G. Lost or Stolen Cards:

If a ProCard is lost or stolen, immediately contact JPMorgan's Customer Service at **1-800-890-0669**. After contacting JPMorgan, notify the Program Administrator and the Budget Authority.

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

III. PROCEDURES

Angelo State University will be scheduling ProCard training for all card users. Due to understanding the proper card use, purpose, and the security issues, attending the

scheduled training sessions will be the only method to obtaining a ProCard until the majority of users are trained. After the majority of the training is completed, new employees shall obtain the ProCard in the following manner:

A. Obtaining a ProCard:

1. To obtain a ProCard the following process shall be followed:

    a. Call or e-mail the Program Administrator to request a Cardholder Application/Approval form. This application will provide the Purchasing Department with the necessary information about you (the cardholder), the budgeted account number for payment, and provide the appropriate budget authority's approval of your application and subsequent designation of your delegated purchasing authority within the procedures of Angelo State University.

    b. Submit completed and signed application/approval form to the Program Administrator

    c. Program Administrator will request issuance of the ProCard from JPMorgan.

    d. Program Administrator will schedule the applicants for ProCard Training. **Applicants must bring a photo I.D. to the training class for verification and identification.**

    e. **Applicant attends training class (approximately 1 1/2 hours) and signs Cardholder ProCard Agreement**.

    f. Card issued

2. The following items should be provided to you, the cardholder, during training:

    a. Cardholder ProCard Agreement: This is an agreement between the cardholder and Angelo State University which affirms that the cardholder has read and understands the policy and procedures for the ProCard. This agreement is signed at the end of the training session by the cardholder.

    b. ProCard Program Guide: This document outlines Angelo State University's procedures in regard to its ProCard. It also outlines some approved types of purchases.

    c. ProCard Internal Order Transaction Log (required): The cardholder shall use this form to record purchases, returns and during the reconciliation process.

    d. Statement of Disputed Items Form: The cardholder shall use this form if they are disputing a transaction that appears on their Cardholder Statement. Contact the Program Administrator for this form.

e. ProCard. Upon signing the Cardholder ProCard Agreement and proper identification and verification, the card will be issued and signed in the presence of the Program Administrator.

B. About the Card:

A ProCard will be in your name with the State of Texas emblem and the wording "Official Use Only" clearly indicated on the card. This card is for University business purposes only and may not be used for any personal transactions. **It is important to understand that the individual indicated on the card is responsible and accountable for their respective ProCard.**

C. ProCard Activation:

The cardholder must call **1-866-602-8170** to activate the ProCard before using it. Upon receipt of the card, the cardholder should sign the back of the ProCard and always keep the card in a secure place.

D. Purchasing Guidelines:

1. General Information

As a State institution, certain State, Local and Federal guidelines and laws bind us. All purchases must be in accordance with the laws of the State of Texas and the purchasing procedures of Angelo State University and the Texas Tech University System. The cardholder is responsible for compliance and strict adherence to all purchasing guidelines within their departmental delegated authority.

All Cards	Single Transaction Limit	$1,000.00
	Monthly Dollar Limit	$5,000.00

Once again it will be essential that users not make charges in excess of their departmental operating budget. As a reminder, the departmental delegated authority is for small orders. State law mandates that large purchases may not be broken down into small purchases to meet designated limits. To do so would be a violation of state law and of Angelo State University purchasing procedures.

Cardholders should promote and encourage positive interactions with suppliers. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders shall follow these guidelines when using the ProCard:

A.

1) Identify the type of item against the list provided on the user's guide to see

if the purchase is allowed using the ProCard.

2) Determine if the transaction is an acceptable use of the card, and if it is within the cardholder's spending limit.
3) Departments should check the State of Texas Term Contract for goods first and if the Term Contract offers the best value for the University then a requisition must be completed and forwarded to the Purchasing Department for processing.
4) Departments should check if the items are considered CISV (Catalog Information Systems Vendor). If so, departments are required to purchase such items through an authorized CISV vendor, if it is the best value for the University.
5) Departments are required to comply with the TIBH set-a-side contracts.
6) Departments are responsible for contacting the Purchasing Office to verify a vendor's warrant hold status for credit card purchases over $500.00. The vendor must be in good standing with the Texas Comptroller of Public Accounts in order to do business with the University.
7) Proceed as follows (Steps 1-5 below).

B.

1) Call, fax or visit the vendor, or use the Internet to place your order.
2) If order is by mail, specify cardholder name, company name, department name and shipping instructions. Also, specify the ProCard number, expiration date and name as it appears on the card.
3) Confirm pricing and freight.
4) Request that a hard copy of the pricing, and freight be faxed to the cardholder and/or included in the shipment of items.
5) Request that the supplier indicate your name and the words "ProCard" appear on all packing lists and box labels. This will enable the receiving department to facilitate delivery of your order.

2. Examples of Acceptable Purchases:

All purchases must be made in accordance with the Texas and United States Constitutions, applicable statutes and regulations, the State Comptroller's rules, and Angelo State University's policies and procedures. A state agency may not pay for goods before their delivery to the agency. The purchaser needs to ensure goods will be received before the statement due date. Our statement closing date will be the 5th of each month with payment due within 30 days. Vendors should only charge the account when goods are shipped. Back orders should not be charged until the goods are shipped.

A typical cardholder is any employee who has delegated purchasing authority for orders less than $1,000. The ProCard may be used for many various purchases such as:

- Tool/Hardware
- Grounds Supplies
- Books
- Medical Supplies
- Janitorial Supplies
- Lab supplies

- Safety supplies
- Videos
- Bookstore purchases
- Subscriptions
- Maintenance Supplies
- Office, educational and other operating supplies

3. Unacceptable Purchases:

The ProCard may not be used for the following purchases:

- **Items for Personal Use**
- Controlled Equipment** (exceeding $500.00)
- Any single purchase exceeding $1000.00
- Computer Hardware
- Computer Software
- Controlled Prescription Drugs
- Animals
- Travel (transportation) and related expenses
- Cash advances
- Any contracted services (i.e. consulting or other 1099 reportable services)
- Controlled/hazardous/radioactive materials
- Printing/Copying
- Fuel/Laboratory Gas
- Entertainment
- Alcohol
- Food***
- Leases or Rentals
- Purchases involving equipment trade-in
- Memberships
- Business Lunches

** Controlled equipment is defined as the following: facsimile machines, stereo systems, cameras, video recorders/players, televisions, projectors, computer equipment, computers, printers, cellular/portable phones, firearms, medical equipment, scientific and lab equipment and copy machines. If you need further clarification regarding "controlled equipment", please call the Purchasing Department at 942-2376.

***Auxiliary accounts that currently have delegated authority to purchase food items may use the ProCard for purchasing food. All other local accounts must obtain the written permission of their Dean or Vice President in order to purchase food items with the ProCard. Food may not be purchased with state funds. Each food receipt must be documented with the five W's: Who, What, When, Where and Why.

E. Receiving Supplies

It is your responsibility for ensuring receipt of goods and follows up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. A copy of the

charge slip, sales receipt or any other information related to the purchase must be kept.

Invoices with no amount due are the most optimal documentation since they itemize the purchases. A vendor's entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made via mail or telephone, ask the vendor to include the receipt with the goods when shipping the product.

F. ProCard Internal Order Transaction Log and Documentation

The cardholder/department is responsible for maintaining a ProCard Internal Order Transaction Log. The log shall be reconciled to the Statement from JPMorgan within five working days of receipt of the statement. The following documentation must be retained and kept with the log:

- Sales Receipts
- Packing Slips
- Credit Card Receipts/Slips
- Other information or correspondence related to the purchase

To facilitate the record keeping and the reconciliation process, a ProCard Internal Order Transaction Log shall contain the following (See Attachment B)

- Card Holder Name and Signature
- Card Number (Acct.#)
- Transaction Date
- Vendor Name
- Amount
- Comptroller Object Code
- Description
- Tax Status Checked
- Date Recd
- Cross Reference # for attached documentation
- Name of Person/Persons that Reconciled Statement
- Budget authority
- Statement closing date

G. Reconciliation

Upon receipt of the credit card statement, the cardholder/departmental personnel will reconcile the ProCard Internal Order Transaction Log. Each item on the statement must match the transaction, per the log. The transaction date shall be entered for each item posted. If one person reconciles the entire log, they shall indicate "reconciled by (their name)" on the log. If more than one person is reconciling the log, line item transactions shall be individually initialed.

Any discrepancies identified shall be promptly investigated with documentation of action taken recorded as an attachment to the log. It is the

cardholders/department responsibility to resolve all discrepancies.

H. Statement and Payment

Forward the transaction log and all receipts, along with the supporting documentation and the statement after it has been approved by the Budget Authority to Purchasing within five business days from the end of the month statement. Only the transaction log needs to be approved. If the Budget Authority is the individual cardholder then the transaction log will have to be approved by their respective dean or vice-president. Purchasing will receive a monthly master statement listing all ProCard transactions for Angelo State University by each individual's credit card. Purchasing will review the master statement and audit it against the transaction logs before forwarding to Accounts Payable. Accounts Payable will pay the invoice and maintain supporting documentation for audit purposes. Any documentation required for departmental inquiry should be copied prior to forwarding to Purchasing. Audits may be performed by the Internal Auditor and other external entities (i.e. State of Texas Auditors, Public Accounting Offices).

I. ProCard Payment

The University will pay the reconciled statement; cardholders will **not** pay their monthly statement to JPMorgan. The program does not affect your credit rating in any way. The Purchasing Card program carries corporate and individual liability.

K. Returns, Credits and Disputed Charges

Should a problem arise with a purchased item or charge, every attempt shall be made to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits and disputed charges. The returned, credited or disputed item shall be noted on the ProCard Internal Order Transaction Log.

- Returns: If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns should be indicated in the transaction log.

- Credits: If the supplier accepts an item as a return, a credit for this item should appear on the following month's statement. All credits should be indicated in the transaction log if they appear on the JPMorgan statement.

- Disputed Charges: If a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly. All disputed items should be indicated in the transaction log. A copy of the form and letters shall be kept as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder shall contact the Program Administrator. The Program Administrator will contact

JPMorgan for assistance in resolving the dispute.

Please remember that the Purchasing Department is your partner in this venture and is willing to assist in any dispute resolution.

L. Card Termination

If it is found that a cardholder has not used the ProCard for six consecutive accounting periods, (months), this card may be revoked at the discretion of the Program Administrator.

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

Use of a ProCard by a department with insufficient funds may result in revocation of all departmental cards.

Non-compliance of State and University 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 division or departmental procurement cards.

IV. KEY PROGRAM CONTACTS

A. Purchasing Department

Program Administrator:	Margaret Mata 915-942-2012 Margaret.Mata@angelo.edu

B. Accounts Payable

Billing Questions:	Candy Woodul 915-942-2014 Candy.Woodul@angelo.edu

V. ATTACHMENTS

A. Cardholder ProCard Agreement ..... Attachment A

B. ProCard Internal Order Transaction Log ..... Attachment B

C. Cardholder Application/Approval Form ..... Attachment C