MIDWESTERN STATE UNIVERSITY

Office of Purchasing/Contract Management

3410 Taft Boulevard Wichita Falls, Texas 76308-2099

P-Card Program Guide

Table of Contents

Overview

Introduction

The purpose of the Midwestern State University Procurement Card (P-Card) Program is to establish a more efficient, cost-effective method for paying for small orders and to delegate the authority and capability to make these purchases to the end-user. This program is intended to complement existing processes. The P-Card program will be administered in accordance with the terms of the State of Texas contract, University Policy 5.18 Procurement Card, and this Program Guide. The P-Card is not intended to avoid or bypass appropriate purchasing procedures or bidding requirements. This program is designed to empower the Cardholder to make needed small purchases without a delay and with minimal paperwork.

The P-Card

The P-Card is issued in the employee's name with the MSU logo and the wording 'Official Use Only' clearly indicated on the card. **The P-Card is to be used for official University business only and may not be used for any personal transactions.** The monthly bill is paid by the University, not the employee. Charges can be detailed to multiple FOAPALs. Changes to the default can be made by contacting the P-Card Administrator.

Activating the P-Card

The Procurement Card must be activated by the Cardholder before using it. Go online at cardactivation.citi.com. Upon receipt of the card, the Cardholder should sign the back of the Procurement Card and always keep the card and card number in a secure place.

Security of the P-Card

The Cardholder is responsible for the security of the card and card number. The card shall be treated with the same level of care that the Cardholder would use with his/her own personal charge cards.

Guard the P-Card account number carefully. It should not be posted in a work area or left in a conspicuous place. It must be kept in a secure location.

The only person authorized to use the P-Card is the Cardholder whose name appears on the card.

Points of Contact and Responsibility

Director of Purchasing and Contract Management

- *Administration of the program*
- *Establishing credit limits*
- *Establishing University policies related to the program.*
- *Tracy Nichols, ext. 4277, tracy.nichols@msutexas.edu*

P-Card Administrator

- *First point of contact for answering day-to-day questions*
- *Issuing cards*
- *Cardholder training*
- *Monitoring and maintaining documentation of P-Card activities*
- *Auditing of cardholders*
- *Jennifer Hudson, ext. 4740, jennifer.hudson@msutexas.edu*

Manager Approver

- *Designating Cardholders*
- *Approving each Cardholder's Transaction Log and Cardholder statements*
- *Reviewing supporting documentation to ensure purchases are within MSU policies and procedures*
- *Ensuring that all employees issued a card understand the department budget constraints under which cards are to be used*

Cardholder:

- *Following all P-Card policies, procedures, rules, and guidelines outlined in the University Policy 5.18 Procurement Card, Program Guide and updates*
- *Ensure that the fund, program, org code are correct.*
- *Maintaining the necessary documentation related to purchases made with the P-Card*

CitiBank Customer Service

- *Available 24 hours a day, 7 days a week*
- *Assists the Cardholder with general questions about the P-Card account*

If a P-Card is lost, stolen, or compromised, notify:

- *CitiBank Customer Service 1-800-248-4553*
- *MSU Police ext. 4239*
- *P-Card Administrator ext. 4740*
- *Manager Approver*

P-Card Controls

Credit Limits

All P-Cards will have Cardholder spending limits as approved by the Manager Approver. Purchases in excess of these limits will be denied at the point of sale.

- ***Monthly Limits*** *- will limit the dollar amount available toward purchases during a single billing cycle. Manager Approvers should request a payment cycle limit consistent with the anticipated use of the card.*
- ***Single Transaction Limits*** *- will limit the total dollar amount available toward a single purchase. A transaction includes the purchase price, plus any incidental charges.*
- ***Cardholder limits*** *- will be compared to actual expenditures every twelve months and adjustments made as needed in order to limit the University's risk of liability and exposure.*

Restricted Vendors

Vendors are assigned a Merchant Category Code (MCC) based on the type of business they operate. The P-Card program is restricted from use with certain types of suppliers and merchants. If the P-Card is used for payment to these vendors, the authorization request will be declined. If this happens and the purchase is within other guidelines, submit an Exception Form. Call the P-Card Administrator for additional information. The Cardholder may be required to submit a purchase requisition.

Please note that many vendors who operate within acceptable Merchant Category Codes may sell some items that are restricted from purchase on the P-Card. **Just because the vendor sells it does not mean the Cardholder can buy it.** See Acceptable and Unacceptable Purchases.

Lost, Stolen, or Compromised Cards

If a P-Card is lost, stolen, or compromised, immediately contact CitiBank Customer Service at 1-800-248-4553. After contacting CitiBank, notify MSU Police, the P-Card Administrator, and your Manager Approver.

Prompt, immediate action will reduce the possibility of fraudulent activity. It is imperative that the Cardholder contact the bank immediately to report a card lost, stolen, or compromised. The Cardholder may be required to reimburse the University from a failure to immediately report the loss, theft, or compromise of a card. The department may be subject to suspension or termination of all departmental cards for failure to report lost, stolen, or compromised cards. Any fraudulent charges made on a lost, stolen, or compromised card should be reported to the University Police Department and the P-Card Administrator. Keep in mind that the department may have to pay the full amount of card charges and work through the legal system to receive reimbursement.

Employee Termination or Transfer

When a Cardholder terminates employment with the University, the card will be closed prior to the employee termination date. A request may be made to the P-Card Administrator for the card to be shredded by the Manager Approver. Verification of card return will be part of an employee's exit interview with Human Resources. Any fraudulent charges made by a terminated employee after the employee's termination will be reported to the University Police Department. The terminated employee will be expected to reimburse the University.

When a Cardholder changes employment from one University department to another, the Cardholder must notify the P-Card Administrator. A request from the new Manager Approver for the employee to keep their P-Card must be received prior to the effective date of change.

Training, Issuing Cards, and Refresher Training

All applicants will be required to attend an in person training and sign a Cardholder Agreement before being issued a card. All Cardholders will be required to complete the Refresher Training Module on-line every two years. The Cardholder will have two weeks to complete the training and pass the test with 70% or higher.

All Approvers will be required to complete the Approver Training Module by accessing the Approver Training Module online. All Approvers will have two weeks to complete the training with no test required. All Approvers will be required to complete the Approver Training Module every two years.

Card Termination

Use of the credit card is a privilege that carries a great deal of responsibility, but one that will be worth it due to the ease with which purchases can be made. If any one Cardholder is allowed to abuse the use of the P-Card, the whole program is impacted. Therefore, abuse of the P-Card can result in immediate consequences with no appeal.

Certain P-Card rule violations will result in immediate suspension or cancellation of the Cardholder's card as noted herein and in University Policy 5.18 Procurement Card.

Occasionally, exceptions to the P-Card rules may be approved by the Director of Purchasing and Contract Management prior to the transaction. If so approved, the Cardholder and P-Card Administrator will have an Exception Form on file with the transaction.

Immediate Card Cancellation

Results in cancellation of a P-Card with no option to receive another one.

- ***Items purchased for personal use*** *– when determined to be intentional abuse or fraud*
- *Use of the P-Card to secure a cash advance*
- *Two lost, stolen, or compromised cards within 3 years after the first lost, stolen, or compromised card*

Immediate Card Suspension

1. *If the Transaction Log is not received by the required deadline, the P-Card will be suspended until the Log is received and all transactions have been examined to the satisfaction of the P-Card Administrator.*
2. *When a Cardholder commits the following violations, their P-Card will be suspended for a period of three months. P-Cards will only be reactivated after three months and the Cardholder attends training.*
    a) *Transaction Log is not received by the required deadline for three consecutive months or three months during a six- month period.*
    b) *Second offense of splitting purchases to avoid purchasing procedures.*
    c) *Failure to provide documentation within the requested timeframe.*
    d) *Except as noted above, second offense of purchasing from the Restricted Purchases list.*

Other Card Cancellations and Actions

- ***Non-Use*** *- If the Cardholder has not used the P-Card within one year, the P-Card will be cancelled. To receive a new card, the Cardholder will be required to submit a P-Card Application and attend training.*
- ***Termination of University Employment*** *- When a Cardholder terminates employment with the University, the card will be closed prior to the employee termination date. A request may be made to the P-Card Administrator for the card to be shredded by the Manager Approver. Verification of card return will be part of an employee's exit interview with Human Resources. Any fraudulent charges made by a terminated employee after the employee's termination will be reported to the University Police Department. The terminated employee will be expected to reimburse the University.*
- ***Transfer to a Different University Department*** *- When a Cardholder changes*

employment from one University department to another; the Cardholder must notify the P-Card Administrator. A request from the new Manager Approver for the employee to keep their P-Card must be received prior to the effective date of change.

- ***Failure to Promptly Report a Lost, Stolen, or Compromised Card -*** *If a Cardholder fails to make a report of a lost, stolen, or compromised card immediately upon discovery, the Cardholder may be required to reimburse the University for any charges made on the card until it has been cancelled. The Cardholder will be subject to a minimum 3-month waiting period before a new card will be issued and will be required to attend an instructor-led training.*
- ***Failure to Complete the Mandatory Refresher Training -*** *Any Cardholder who fails to complete the mandatory refresher training every two years will have their P-Card suspended until the refresher training is complete. If the refresher training is not completed within 90 days of card suspension, the P-Card will be cancelled, and the employee will be required to submit a P-Card Application and attend an instructor-led training before receiving a new card.*
- ***Administrative Authority*** *-The Manager Approver, supervising Dean, Vice President, or President has the authority to request that the P-Card Administrator suspend or cancel an employee's card at any time for any reason. Any cards so suspended or cancelled may be reactivated or new cards issued only with approval by the position that originally requested the suspension or cancellation. Upon the P-Card Administrator's determination or upon the request of the Internal Auditor or General Counsel's office, the P-Card Administrator may suspend an employee's card while transactions are being researched, investigated, or an audit is being conducted. At the conclusion of the research, investigation, or audit, the cards will be reactivated and/or appropriate action taken.*

Using the P-Card

The Cardholder is responsible to ensure all of the latest policies, procedures, rules, and guidelines are followed each time a purchase is made. All Cardholders are automatically subscribed to an electronic mail list for insuring that all Cardholders receive notice of changes and updates to the P-Card Program.

Making a Purchase

Determine if the transaction is an acceptable use of the card.

- *Splitting purchases to avoid purchasing procedures or bidding requirements is not allowed.*
- *Consider available contracts for best value. State Contracts, TX-MAS Contracts, and DIR.*
- *Always consider Recycled Products.*
- *See examples of Acceptable and Restricted Purchases.*

Determine if the transaction is within the spending limit.

- *A transaction includes the purchase price, plus freight and installation and excluding tax.*
- *NEVER split purchases to stay within the Cardholder's spending limit.*
- *Sales tax should never be charged. MSU is a tax-exempt agency. Sales tax is not a disputable item. If tax is charged, it must be paid and the department will be responsible for obtaining a credit from the vendor charging the tax, or reimbursing the University.*

Identify if the merchant is a HUB vendor.

State law mandates, on both state and local accounts, that MSU make a good faith effort to increase business with Historically Underutilized Businesses (HUB). Contact the P-Card Administrator, Purchasing, or the Business Office for help identifying HUB vendors. Remember that MSU's percentage of business with HUBs is considered during the state's biennial budget allocation process. HUBs may be searched at the State of Texas CMBL search site

Verify Vendor Hold Status

Prior to the commitment of funds, state law mandates that the Cardholder verify the Vendor Hold Status **FOR ANY PURCHASE EXCEEDING $500**. Contact Purchasing or the Business Office for questions on the Vendor Hold Search. The P-Card Administrator will also update Cardholders by email on all vendors who are on hold with the state that have been paid with the P-Card.

Complete the order

- *Confirm pricing includes shipping and excludes tax.*
- *The P-Card identifies Midwestern State University as being a **tax-exempt** entity of the State of Texas but does not automatically result in the charge being tax exempt. **Stress to the vendor that MSU is tax exempt.***
- ***P-Card deliveries should be sent to an MSU address**. Provide detailed shipping instructions with the department where delivery is to be made. Request that the Cardholder's name, extension and delivery address appear on all packing lists and box*

labels. This will help ensure that the shipment gets to the right person.

- *If a PO number is requested, use your name and extension.*
- *Secure a receipt or invoice, and/or* Missing Receipt/Invoice Form *to fully document the purchase and if applicable, any problems associated with the purchase. Always instruct the vendor to send the receipt/invoice directly to the Cardholder,* ***not to Accounts Payable****.*
- *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.*
- *Ensure receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.*

ACCEPTABLE PURCHASES

This list is not all-inclusive. A transaction includes the purchase price, plus freight and installation. Examples:

1. *Tools and hardware*
2. *Supplies: office, safety, lab, medical*
3. *Books*
4. *Janitorial supplies*
5. *Computer supplies and software*
6. *Registration for conferences, seminars, etc.*
7. *Membership dues*
8. *Subscriptions*
9. *Small equipment (not capital or controlled; see 17 below)*
10. *Purchases from the bookstore, unless otherwise prohibited below*
11. *Water*
12. *Food purchases that are intended for classroom or theatre prop use only. Description must include the 5 W's: Who, What, When, Where, Why*
13. *Breakroom supplies i.e. Coffee, tea, creamer, sugar and small snack items*
14. *Rentals (excluding vehicle rentals)*

RESTRICTED PURCHASES

The P-Card IS NOT TO BE USED for the following purchases. No Exceptions will be allowed.

1. *Items for personal use*
2. *Items purchased with HEAF funds*
3. *Cash advances or cash refunds*
4. *Food that is not for classroom or theatre prop use*
5. *Gift cards or gifts, including flowers, food and gift baskets, etc.*
6. *Alcoholic beverages*
7. *IT purchases not approved from Information Systems prior to the purchase*
8. *Promotional items with MSU branding purchased from a vendor that is not a Collegiate Licensing Company.*
9. *Printing that requires approval from University Marketing*
10. *Travel, entertainment and related expenses*
11. *Controlled, hazardous, or radioactive materials*
12. *Fuel for automobiles*
13. *Insurance (Except Athletics)*
14. *Donations*
15. *Professional and consultant services, or other services requiring a written contract*
16. *Services that require the service be performed on campus*
17. *Smartphones, tablets, and other hand held devices must be tagged*

Returns, Credits and Disputed Charges

The Cardholder shall make every attempt 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. Sales tax is not a disputable charge.

Returns and Credits

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. If an item is accepted as a return by the supplier, a credit for this item may appear on the same statement on which the original charge is posted. If not, the credit will appear on the following statement.

Disputed Charges

Reasons for a disputed charge:

- *Item may have been received and returned, but a credit has not been issued or is in the process of being issued.*
- *Item may have been ordered, but cancelled before the goods were shipped and the credit has not been issued or is in the process of being issued.*
- *A vendor may have keyed in an incorrect card number when submitting the transaction. A complete charge or portion of a charge may be disputed.*

How to dispute a charge:

Contact Citibank at 1.800.248.4553. The representative will collect required information in order to initiate your claim.

Contact the P-Card Administrator, x4740.

MSU will pay CitiBank in full each month. Your organization will be charged for disputed items. If a credit is issued, a credit will appear on your CitiBank Statement either in the current month or in following month. Detail the credit to the **same** FOAPAL to which it was originally detailed. The description should read “Credit for disputed item”.

If disputed, CitiBank will place the charge in a 'State of Dispute' and the account may be given a provisional credit until receipt of adequate documentation from the vendor is provided. If the documentation appears to be in order, 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. An investigation of the charge will continue and a provisional credit will be issued. A new card will then be re-issued to the Cardholder, if appropriate. If, after the investigation, the disputed charge appears to be legitimate, the transaction will then post to the new account.

P-Card Transaction Detail and Documentation

Each Cardholder is responsible to retain documentation on each purchase. Each individual purchase must be detailed, showing a detailed description, the fund, org, and program code(s) to which the charges apply and the associated amounts.

Acceptable paper documentation for each transaction may include:

- *Sales Receipts/Invoices or printed internet or email confirmation* ***(always required)***
- *Packing Slips*
- *Credit Receipts/Slips/Invoices*
- *P-Card Documentation/Problem Resolution Forms*
- *CitiBank Disputed Item Form*
- *Other information or correspondence related to the purchase*
- *P-Card Exception Form*

Monthly Statement Reconciliation and Approval

At the end of each billing cycle a monthly statement will be mailed, or made available to download, a statement to each Cardholder posting purchases made with the P-Card. The statement can be downloaded from CitiBank.
https://home.cards.citidirect.com/CommercialCard/Cards.html

The Transaction Log must be received by the Purchasing Department on or before the 25th day of the month following the billing cycle close date shown on the CitiBank Statement. If the 25th falls on a weekend or holiday, the Transaction Log is due the next business day. If the Transaction Log is not received by the required deadline, the card will be suspended until the Log is received and all transactions have been examined to the satisfaction of the P-Card Administrator.

The statement total must match the Transaction Log grand total. It is the Cardholder's responsibility to resolve all discrepancies.

After reconciliation of the Transaction Log with the CitiBank Statement, attach all receipts and invoices (in order of the transactions on the Transaction Log) and any other documentation, to the Transaction Log.

Any loose credit card receipts must be attached to its corresponding invoice or to a blank sheet of paper.

The Cardholder is required to keep a copy of the Transaction Log and all other documentation.

The Transaction Log must be signed by the Cardholder and routed to the Manager Approver for approval and signature.

The Manager Approver is responsible to review all transactions listed on the Transaction Log to verify that all purchases are appropriate expenditures for the department and fund/org charged. If the Manager Approver questions any transaction, they should bring it to the attention of the Director of Purchasing and Contract Management, P-Card Administrator, or report it anonymously through the University's fraud and ethics reporting process. Reported transactions will be audited and appropriate action taken as specified herein and in the University Policy 5.18 Procurement Card".

Audit

Monthly statements, Transaction Logs, and associated documentation will be audited by the P-Card Administrator. Upon receipt of a request to audit, the Cardholder must forward copies of all documents to the P-Card Administrator within 48 hours. The Cardholder should keep copies for the department's records.

The Internal Auditor may also conduct P-Card audits at any time without notice to the Cardholder or the P-Card Administrator.

The documentation identified in the P-Card Program Guide must be kept for three (3) years plus the current fiscal year to comply with the state of Texas Records Retention Schedule. These are official University records. The records for P-Card purchases will be required for periodic audits by the Purchasing Department, Internal Auditor, or the State of Texas.

P-Card Payment

MSU's statement closing date is the third of the month. The billing cycle is always the fourth of the month to the third of the next month. Purchasing will receive a summary billing listing all transactions during the period by each Cardholder. Accounts Payable will pay the summary billing in full. Payment will be made from a clearing account and all charges posted to the account identified in the Banner System. Payment will be made from the department accounts even if there is insufficient budget.

At the same time the summary billing is issued, CitiBank will mail, or make available to download, a statement to each Cardholder that is to be used for the reconciliation. The statement can be downloaded from CitiBank. https://home.cards.citidirect.com/CommercialCard/Cards.html

End-of-Year Procedures

All expenditures posting on the CitiBank statement (not necessarily purchases made) through 08/31/YY will be charged to the fiscal year.

Charges made through 8/31/YY but **not posted by the vendor** until after 8/31/YY will be charged to the next fiscal year. The only exception will be for those expenditures for which the requests funds remain encumbered for charges that were made prior to 8/31 but were not posted by the vendor until after 8/31.

Please remember that Purchasing and Contract Management is your partner in this venture and is willing to assist in any way.

Transaction Log Spreadsheet Instructions

P-Card Transaction Log Spreadsheet

Section 1

1. Enter your name
2. Manager Approver's name and title
3. The last four numbers from your card
4. Department
5. Phone
6. Statement Date

Section 2

Column:

B. Enter the posting date from your Citibank statement.
C. Enter the last four numbers from the reference numbers.
D. Enter the merchant name.
E. Enter a detailed description of the purchase. Examples are toner, paperclips, office chair, and computer keyboard.
F. Enter the amount of the transaction from your Citibank statement.
G. Enter the Fund.
H. Enter the Org.
I. Enter the Prog.

If you need to divide a purchase over 2 or more FOAPALs, use the next rows as needed.

When all transactions have been listed, compare the Citibank "Total amount of Memo Item(s)", to cell N1. If these two numbers match, your Transaction Log is complete.

Midwestern State University Purchasing Card – Transaction Log

******* Transaction Logs are due in the Purchasing Department no later than the 25th of each current month. *******

Cardholder's Name: _____	Supervisor's Name: _____	Statement Date: _____
Cardholder's Signature: _____	Supervisor's Signature: _____ *I acknowledge I have reviewed these transactions for accuracy and they are legitimate MSU business purchases*	Card Number: XXXX-XXXX – __ __ __ __ (Last 4 Digits)
Ext: _____ Dept: _____ Date: _____	Title: _____ Date: _____	

	Posting Date	(Last 4 Digits) Reference Number	Merchant Name	DETAILED Purchase Description	Transaction Amount	FOAPAL			Purchasing Use Only
						Fund	Organization	Prog.	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
				Amount Total					

Vendor hold status must be checked for any purchase above $500. Go to the Purchasing/Procurement Card website for additional information and forms.
If you have any questions regarding your Procurement Card or Transaction Log, please call ext. 4740.

Rev. 1/17

Reference Documents and Forms

CitiBank Dispute Instructions

DPV Instructions

Exception Form

Missing Invoice/Receipt Form

P-Card Agreement

P-Card Application

P-Card Quick Reference

P-Card Transaction Log

Texas Tax Exempt Certification

P-Card Quick Reference

1. Determine if the transaction is an acceptable use of the card. Refer to the P-Card Program Guide 10-115, Page 7, for details.
2. Determine if the transaction is within your spending limit. A transaction includes the purchase price, plus freight and installation and excludes tax.
3. Identify the vendor and if the transaction amount exceeds $500 verify the merchant's *Vendor Hold Status.*
4. Stress to the vendor that MSU is tax exempt.
5. Place the order. Confirm pricing includes shipping and excludes tax.
6. P-Card deliveries should be sent to an MSU address. Request that the Cardholder's name, extension and delivery address appear on all packing lists and box labels. This will help ensure that the shipment gets to the right person.
7. Keep all receipts/invoices and any other supporting documentation.
8. Ensure receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods.
9. After reconciliation of the Transaction Log with the CitiBank Statement, attach all receipts and invoices (in order of the transactions on the Transaction Log) and any other documentation, to the Transaction Log.
10. Any loose credit card receipts must be attached to its corresponding invoice or to a blank sheet of paper.
11. Forward the reconciled Transaction Log, CitiBank statement, all receipts/invoices, and any other supporting documentation to the Manager Approver/Reviewer for review and signature.
12. Retain your copy of the monthly Transaction Log, CitiBank Statement, all receipts/invoices, and any other supporting documentation in a secure place for three years plus the current fiscal year.
13. Information Technology purchases must receive Information System's approval prior to making the purchase. This approval may accompany receipts/invoices when submitting the P-Card Transaction Log.
14. The Transaction Log must be received by the Purchasing Department on or before the 25th day of the month following the billing cycle close date shown on the CitiBank Statement. If the 25th falls on a weekend or holiday, the Transaction Log is due the next business day.