

The University of Texas at Austin Procurement Card Program Information

The University of Texas at Austin
Purchasing Office
(512) 471-4266

This document may be accessed online at
<http://www.utexas.edu/admin/procard/information.pdf>

The Procurement Card Program may be accessed online at
<http://www.utexas.edu/admin/purchasing/procard>

Welcome to the University of Texas Procurement Card Program

The University of Texas is pleased to offer a purchasing card program to faculty and staff. On these pages you will find detailed information about the procurement card.

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How to obtain a procurement card

If you would like to apply for a procurement card you must first be approved by a department head, project director, or other administrative official who has signature authority.

Once you are approved, you must become familiar with the rules and regulations governing the use of a procurement card at The University of Texas. When you are satisfied that you have thorough knowledge of the material, you must take the Procurement Card Certification Exam, and then you will be able to fill out an application.

To prepare for the exam, please read through these informational pages. They contain all the relevant information for potential cardholders and will also serve as a comprehensive reference once you have received your procurement card.

If you prefer, you may view the information on the Procurement Card Program web site.

Procurement Card Program: <http://www.utexas.edu/admin/purchasing/procard/>

You may also want to look through the online FAQ and alphabetical Content list to review before you take the Procurement Card Certification Exam.

FAQ: http://www.utexas.edu/admin/purchasing/procard/res_faq.html

Content list: http://www.utexas.edu/admin/purchasing/procard/res_contents.html

Overview

Introduction

The University of Texas at Austin Purchasing Office is delighted to offer University departments a MasterCard Procurement Program for ordering supplies or business services. The program is a fast, flexible method of processing low dollar value purchases from vendors that accept the MasterCard credit card. This program eases the process of purchasing commodities for The University.

The procurement card works like a credit card, and carrying one is a privilege based on trust. In order to obtain a procurement card, an applicant must first become certified in its use.

The Procurement Card Program is authorized by a Texas Building and Procurement Commission contract with Bank One. With the procurement card one may purchase non-restricted commodities of \$999 or less directly from vendors without issuing a purchase order or entering an accounting transaction. This program will reduce the time and effort required to make payments for University purchases.

The use of the procurement card to pay for a purchase does not exempt The University or its officers and employees from the purchasing requirements of state law and the TBPC.

Responsibilities and Liabilities

Cardholder Responsibilities

Cards are issued to an individual employee and not to an office, department, or other cardholder group. The employee listed on the card has sole responsibility for the control and use of the card.

After a purchase is made, the cardholder is responsible for verifying that all transactions listed on the statement are valid and that the amount charged is accurate. Transactions and VP7 documents shall be verified by an approving official.

Procurement cardholders not abiding by University policies will have their card privileges suspended.

Account Responsibilities

Use of credit cards results in charges that must be paid but that will not have been encumbered. It is important that users not make charges in excess of available balances. The invoice from Bank One must be paid in a timely manner; therefore it is necessary for the Office of Accounting to promptly pay the Bank from the cardholder's default account. The cardholder's cooperation is essential in this matter.

Cardholder Liability

There is a personal liability associated with the procurement card. Any cardholder making an unauthorized purchase will be held personally liable for reimbursing The University for the amount of the purchase.

The University's Liability

The State of Texas procurement card contract terms assign The University liability for unauthorized purchases made using lost cards up to \$10,000.00 or the billing cycle limit of the card, whichever is lower.

Procedures

How to use a procurement card

The procurement card works like a credit card. The cardholder may make low dollar value purchases (\$999.00 or less) from vendors that accept the MasterCard credit card. The card may be used for purchases of goods or business services that are specifically related to the cardholder's area of expertise and/or their job-related duties at The University. The cardholder must keep all receipts or documentation for any purchases made with a procurement card.

How to report a lost card

If a procurement card is lost or stolen the cardholder should notify Bank One immediately by calling 1-800-3890-0669. The bank should be informed that the card in question is a procurement card. They will deactivate the old card and issue a new one. The bank must send the replacement card to:

Procurement Card Administrator
The University of Texas at Austin
Main Building, Room 132
Inner Campus Drive
Austin, TX 78712

The new card must be sent to the Procurement Card Administrator so the new card number can be entered into our records and the old card number removed. As soon as the Bank has been notified concerning a lost or stolen card, the cardholder must also inform the Procurement Card Administrator.

If a procurement card is lost or stolen, it is imperative the Bank be notified **immediately**. The University is responsible for all charges incurred against a card until the Bank receives notification that the card has been lost or stolen. This liability limit is \$10,000.00.

How to dispute a transaction

A cardholder may dispute a charge that is not recognized or that appears to be incorrect. The cardholder should first make a good-faith effort to settle a claim or dispute for purchases directly with the vendor. If you cannot resolve the issue with the merchant, call Bank One at 800-890-0669.

Statement of Disputed Item: <http://www.utexas.edu/admin/purchasing/procard/dispute.doc>

Disputes must be sent to Bank One within 45 days of the billing close date. The closing date for the previous billing cycle is always on the 5th of the next month.

How to cancel a card

It is important to notify the Purchasing Office if a cardholder terminates employment with The University or changes departments or approving officials and must cancel his card. The procurement card should be cut into pieces and a notification to cancel the card sent to the Procurement Card Administrator prior to the employee's departure. The cancellation notification should list the cardholder's name and last 8 digits of the procurement card number.

How to report fraudulent use of a procurement card:

Contact the Procurement Card Administrator, and then call UT Office of Internal Audits at (512) 471-7117.

<http://www.utexas.edu/admin/purchasing/procard/information.pdf>

Policies and Guidelines - General Use

Application policy

Any University of Texas employee may request a procurement card if approved by a department head, project director, or other administrative official who has signature authority. Departmental Approving Officials must be senior to the cardholder or not be directly supervised by the cardholder.

Cardholder policy

The cardholder cannot be the approving official for payment of his own purchases. The cardholder may not sign as the Departmental Approving Official unless the cardholder is the head of a budgetary unit.

Personal use policy

The procurement card is NOT for personal use!

The procurement card will have the State of Texas Seal and the wording "For Official Use Only" clearly indicated. This card is for business purposes only and may NOT be used for personal transactions.

Allowed Purchases

The procurement card may be used for purchase of goods or business services costing \$999 or less. Some examples of allowable purchases include office supplies, research supplies, printing, duplicating, repairs, conference registration fees, and computer supplies.

Policies and Guidelines - Prohibited Purchases

Disallowed Purchases

The procurement card may not typically¹ be used for purchasing the following items:

Alcoholic beverages	Entertainment	Personal items
Ammunition	Flowers ¹	Plants ¹
Animals	Food ¹	Radioactive materials
Cash advances	Gasoline	Travel
Consulting services	Hazardous chemicals	Weapons
Controlled substances	Leases	
Cylinder gases	Liquid nitrogen	

¹Auxiliary units that currently have delegated authority to purchase food items may use the procurement card for purchasing food. All other areas must obtain the written permission of their Dean or Chairman in order to purchase food items with the procurement card. A special occasions form should be completed for each function where the procurement card is used to make such purchases. The card may not be used for purchases involving trade-in of UT equipment.

Special occasions form: <http://www.utexas.edu/business/accounting/forms/occasion.pdf>

Disallowed Vendors

These vendor types are disallowed and the procurement card charge will be rejected at the retailer site:

Airlines	Railroads
Airports	Restaurants
Bars, taverns, nightclubs	Service providers: financial institutions, insurance
Duty-free stores	Transportation services; boat rentals, cruise lines, marinas, steamships
Hotels, lodging, campgrounds	Travel agencies
Package stores, beer, wine, liquor	Personal service providers: laundries, barbers, funeral services, dating services, health spas
Professional services, membership organizations	
Doctors, hospitals, schools	

Prohibited Merchant Category Codes

3000 - 3299	All Airlines	5814	Fast Food Restaurants
3351 - 3440	All Rental Agencies	5921	Package Stores, Beer, Wine, Liquor
3501 - 3744	All Hotels	6010-6300	Financial Institutions and Cash Disbursements
4121	Taxicabs & Limousines	7011	Lodging Hotels, Motels, Resorts
4131	Bus Lines	7012	Timeshares
4411	Cruise Lines	7261	Funeral Services & Crematories
4722	Travel Agencies & Tour Operations	7273	Dating and Escort Services
5541 - 5542	Service Stations, Fuel Dispensers	7276	Tax Preparation Service
5812	Eating Places, Restaurants	7297	Massage Parlors
5813	Bars, Cocktail Lounges, Discotheques, etc.	7298	Health & Beauty Spas

<http://www.utexas.edu/admin/purchasing/procard/information.pdf>

Policies and Guidelines - Rules

Limits

The following control limits are flexible and customizable per individual cardholder. If departments do not wish to specify limits, the default values will apply. To obtain a billing cycle limit greater than \$5,000.00, an administrative official must send a letter justifying the need to the Procurement Card Administrator.

Transaction or "single purchase" limit	default = \$999.00
Spending limit per card per billing cycle	default = \$5,000.00
Number of authorizations per day	default = no limit
Number of credit card transactions per cycle	default = no limit

Purchase Orders

If the total payment to be made to a vendor for a purchase, including freight, is \$999.01 or more, a purchase order must be used. Do not split payments to bypass the proper purchasing procedure. This will result in loss of card privileges.

Contracts

Contract and grant accounts (26 accounts) will need to identify certain items by object code. The codes and any required account number changes must be made on the VP7 document.

Office supplies must be coded 1401
Equipment over \$500 must be coded 1837
Computers must be coded 1847
Telecommunication must be coded 1867

Blanket Orders and State Term Contracts

If the item to be purchased is on a State Term Contract or UT Blanket Order, the cardholder must verify that the vendor will accept a procurement card for payment. If the vendor does not accept the procurement card, a Purchase Order must be used.

State Term Contracts: http://www.tbpc.state.tx.us/cat_page/
UT Blanket Orders: <http://www.utexas.edu/admin/purchasing/blanket.html>

Sales tax

All purchases made with a procurement card are exempt from State of Texas sales tax. The cardholder should monitor all transactions to ensure that tax is not charged on any procurement card purchases.

Verification of vendor taxpayer status

For all purchases over \$150.00, the cardholder is responsible for verifying that a potential vendor is in good tax standing with the State Comptroller, which can be done by searching for the vendor's name or VID number on the State of Texas Taxpayer and Vendor Account Information.

Taxpayer and Vendor Account Information: <http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>.

Credits and returns

By rule of the State Comptroller, cardholders are not allowed to receive a cash refund for returned merchandise. All credits or refunds must be applied to the same cardholder account that was used for the original purchase.

<http://www.utexas.edu/admin/purchasing/procard/information.pdf>

Policies and Guidelines - Post-purchase

Shipping and Receiving

It is the cardholder's responsibility to ensure receipt of goods and services and to follow up with vendors to resolve any delivery problems, discrepancies, or damaged goods. In order to maintain internal controls, an employee other than the cardholder (but in the same department) is responsible for verifying the receipt of the goods or services purchased. No shipments, including subscriptions, should be made to personal residences.

Billing Address

Orders are usually delivered to the cardholder at their University department. The vendor may ask for the billing address, which is always:

Purchasing Office
The University of Texas at Austin
Main Building, Room 132
Inner Campus Drive
Austin, TX 78712

Approval of Payment Vouchers

VP7 payment vouchers are created at the end of each 30-day cycle, charging the account specified on the cardholder application for each transaction. VP7(s) will be electronically routed for approval to the individual(s) designated by the department's office manager. The cardholder must have submitted to the approver all receipts and supporting paperwork related to his procurement card transactions, and the transaction log for the procurement card should also be made available for reconciliation with the VP7 document.

The designated departmental personnel must verify the charges and approve the VP7s in a timely manner. Failure to timely review and approve VP7s will result in actions by the Procurement Card Program as follows:

First failure to timely approve VP7s: warning letter
Second failure to timely approve VP7s: 30-day suspension of card privileges
Third failure to timely approve VP7s: loss of card privileges

Record-keeping

The cardholder must retain documentation for all purchases. Receipts must be matched to the VP7 during the reconciliation process in order to approve the VP7 document. The cardholder has three days from the date of purchase to submit a transaction receipt to his Approving Official. If the procurement card is used by more than one person, a transaction log must be maintained by the approving official.

Transaction log: <http://www.utexas.edu/admin/purchasing/procard/log.doc>
Multi-user log: http://www.utexas.edu/admin/purchasing/procard/docs/multi_log.xls

For phone orders, ask the vendor to include a sales receipt in the package. For Internet orders, print the online order confirmation or print a copy of the confirmation email received from the vendor.

Billing cycle close date

The closing date for the billing cycle is always on the 5th of the next month.

Auditing

For audit purposes, all procurement card documentation must be retained for eight years by the department. The Office of Internal Audits will audit all departmental procurement card procedures and cardholders at intermittent

<http://www.utexas.edu/admin/purchasing/procard/information.pdf>

times. Records will also be reviewed monthly by the Office of Accounting, the Purchasing Office, and the Office of Internal Audits via electronic reports from the Bank.

Exam Instructions

After you have read through the Procurement Card Program information, you may want to browse through the FAQ and Site Contents list to make sure you are ready for the Certification Exam. If you have not yet read through the material, start with the Overview and follow the navigational buttons until you have come back to this Exam Instructions page.

There are twenty (20) questions on the exam and you must answer fourteen (14), or 70%, correctly, to be eligible to receive a procurement card.

Once you have successfully completed the exam you will be directed to an online application input screen. Here you will enter your cardholder and departmental information. You will be asked for the VP7 Approver's name, the VP7 approver's mainframe logon ID, and the UT account from which your charges will be paid. Make sure you have this information ready before beginning the exam/application process.

After entering the cardholder and departmental information, the Cardholder Setup form will display the information you have typed in. **Print this form; it will not be saved.** To complete your application, specify a Reconciler and backup Reconciler and have them sign the application. The completed form should then be sent to:

Procurement Card Administrator
The University of Texas at Austin
Main Building, Room 132
Inner Campus Drive
Austin, TX 78712

Once you mail the completed application to the Procurement Card Administrator it will take 5 to 7 working days for you to receive your procurement card. You will be notified when you may pick up your card at the Purchasing Office.

You may take the Procurement Card Certification Exam online at:
<https://utdirect.utexas.edu/procard/procard.WBX> (requires UT EID)

Contact List

Purchasing Office
The University of Texas at Austin
Main Building, Room 132
Inner Campus Drive
Austin, TX 78712

Mail code: D0300
Phone: (512) 471-4266
Fax: (512) 471-7745

Procurement Card Administrator
Rita Mosley
rmosley@mail.utexas.edu
(512) 232-3464

Purchasing Office Director
Floyd Self
fself@mail.utexas.edu
(512) 471-4266

Bank One
1-800-890-0669
To dispute a transaction:
Contact a Chargeback Specialist
888-297-0768

University of Texas
Office of Internal Audits
intaudit@www.utexas.edu
(512) 471-7117

Don't know whom to contact?

Do you need help defining allowable commodity purchases or with vendor sources?
Contact a member of the Purchasing Staff. See <http://www.utexas.edu/admin/purchasing/directory.html>

Do you need to ask general questions?
Contact Procurement Card Administrator Rita Mosley.

Do you need to report a lost or stolen card?
First call Bank One, and then contact Procurement Card Administrator Rita Mosley.

Do you need to report a disputed transaction?
Fill out a Statement of Disputed Item and fax it to Bank One.

Do you need to report fraudulent use of a procurement card?
Contact Procurement Card Administrator Rita Mosley, and then contact UT Internal Audits.

<http://www.utexas.edu/admin/purchasing/procard/information.pdf>