**CBE. Procurement Card Policy**

**PURPOSE**

The purpose of the Purchasing Card Program is to provide South Plains College with an efficient and controllable method for completing small dollar transactions for supplies, services, and travel purchases. The purchasing card will reduce or eliminate the need for petty cash, repetitive small value purchase orders, blanket purchase orders, emergency purchase orders, and all store credit cards. This card policy is not intended to replace, but rather supplement the District’s existing purchasing policies.

**Program Overview**

Only transactions as delineated in the District Purchasing Card Policy are allowed with the Citi Purchasing Card. The card is not a personal line of credit used for personal transactions. The cardholder should contact the Purchasing Office before making any purchase they have questions about or make payment personally and seek reimbursement afterwards. Reimbursements for any out-of-pocket purchases are subject to approval and may be denied. Any purchase made with the Citi credit card that violate College Policy subject the employee making the purchase to disciplinary action.

1. Approved transactions:
   1. transactions that do not exceed $300 per month unless approved the Director of Purchasing and Vice President for Business Affairs.
   2. small frequently made over-the-counter retail purchases normally made using a store charge account, blanket purchase order, or petty cash for student travel.
   3. travel transactions in compliance with the South Plains College Travel Policies
2. Non-Approved transactions:(transactions must be made using the standard purchase order process)
   1. purchase card prohibited transactions-see Section: Restrictions and Exemptions
   2. any purchase that is not currently an approved budget item
3. Advantages of the card system are:
   1. Time efficiencies gained from reduces processing and paperwork generated by small transactions.
   2. Facilitating quick payment to the vendor
   3. Facilitate student travel and employee travel.
   4. Revenue generation back to the College

**Duties and Responsibilities**

1. Cardholder
   1. a” Cardholder” is any College employee who is issued a Citi Purchasing card. The purchasing card is setup with transaction limits for total spend limit per month total, and limits on the type of merchant where the card may be used. Single transactions limits may be applied.
   2. each card holder will access to their Purchasing Card account via the Citi Website to verify their transactions and reconcile their monthly statement for payment. Supervisors will have access to employees they supervise via the Citi website. Each employee issued a card will have a unique card number, and a user ID/password for secure access to their account.
   3. cardholders are prohibited from loaning another employee his/her card even if it is for college use. For security purposes, there are no exceptions to loaning a card. If your position requires you to make purchases utilizing the Purchasing card, you must apply for a card specifically issued in your name.
   4. cardholders shall use the card for authorized purchases only. A hardcopy receipt listing what was purchased must be obtained from the vendor each time the card is used. Any online or telephone charges must be supported with a detailed receipt. Any unauthorized transactions may be required to be immediately reimbursed to the College by the cardholder.
   5. the cardholder is responsible for immediately reporting a lost or stolen card. The employee must notify Citi Bank, their supervisor, and the Purchasing Director immediately upon discovering their card has been lost or stolen. Immediately report a lost or stolen card to Citi Bank by calling the help desk at (800) 248-4553. Upon returning to work, submit the Lost Card Form to the Program Administrator.
   6. before issuing a District Purchasing Card, the employee will receive instruction concerning the Purchasing Card Program, policies, and management procedures. Upon completion of the training, the employee will sign the Purchasing Card Agreement verifying they understand and agree to the card policy and usage rules. Failure to abide by the Purchasing Card Policy may result in card suspension, disciplinary action up to and including termination of employment.
   7. cardholders are required to check their statement on a weekly basis at a minimum to verify their charges and process any transactions that appear. Frequent review will provide added security from fraudulent charges.
   8. by the 10th of each month, the cardholder will print an expense report, assemble the accumulated receipts in the order they appear on the statement, submit the documents to their Supervisor to review, sign and forward to the Purchasing Office for processing. The signature must be legible.
   9. Upon resignation or termination of any employee that has a Purchasing Card, that employee’s Supervisor shall collect the card and notify the Purchasing Director to close the account.
2. Department Supervisor Responsibilities
   1. The Cardholder’s Supervisor is responsible for approving the cardholder’s purchases before the purchase is made.
   2. The Department supervisors are responsible for designating cardholders. The supervisor assures that purchases are authorized and within District policies. Each department may implement more stringent internal authorization procedures that its cardholders must follow to make purchases with the card. At the end of each month, the supervisor shall collect the card statements from all cardholders with their department, approve the expense report for each Cardholder, and forward the approved statements to the Program Administrator. Statements should be turned in by the 10th day of each month to facilitate a timely payment to the vendor.
3. Program Administrator (Purchasing Director)

The “Program Administrator” manages the purchasing card program. The Program Administrator is the main contact for the District’s card program. The Administrator is responsible for monitoring all card activity and point of contact to answer all questions or problems as they arise. The Administrator has approval power over card transactions including verification of all information about the transaction prior to download to the General Ledger. The Administrator may modify or revise the Purchasing Card Policy after seeking approval from the Vice President for Business Affairs to address problems that may prompt revision to the policy. The Program Administrator is responsible for ensuring all cardholders are properly trained in the District Policies and use of the purchasing card before the card is issued.

The Program Administrator reports to the Vice President for Business Affairs any potential infractions to the system.

Administrator: Assistant Administrator:

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**Citi Bank Payment Processing**

Each Cardholder must login to the Citi Bank Global Card Management System (GCMS) and perform the following steps:

1. Sign on to the GCMS website using your individual cardholder’s password.
2. Select the just completed billing cycle and click on the VIEW button.
3. Daily/Weekly reconcile any transactions by verifying all transactions are valid transactions. Reconcile your account by the 10th of each month. Once all transactions for that billing cycle are accounted for and verified, print the Expense Report Statement, attach all detailed receipts in the order they appear on the statement. Sign the statement and forward it to your supervisor to sign.
4. The Chairperson/Director will review and sign the Expense Report statement and forward the report to the Purchasing Office for processing.
5. Failure to properly reconcile the Expense Report by the required date on a continuing basis may result in revocation of cardholder privileges.

**Transaction/Card Limits**

Each individual purchasing card will have transaction and spending limit set at $300 per month. Any time this control limit is exceeded, the transaction will be denied. The Vice President for Business Affairs and the Director of Purchasing may approve a limit increase if requested for student or employee travel or certain other unusual circumstances as warranted.

**Sales Tax**

As a tax-exempt Public Subdivision, South Plains College does not pay Texas sales tax. Cardholders are responsible for assuring the merchant does not include sales tax. To assist the Cardholders, a copy of the District’s tax exemption certificate is available in the Purchasing Office. If a receipt is submitted with tax charged, the cardholder must have the tax removed or reimburse the tax amount to the College. Any transaction that takes place with an Out-of-State vendor will include the State’s sales tax on the transaction if the goods are delivered to an out-of-state location. Repeated failure to provide vendors with the required Texas tax exemption evidence will be considered a policy violation.

**Returns**

Each cardholder is responsible for coordinating returns with the vendor and making sure a proper credit slip is obtained. Credit shall be issued to the cardholder account. **Cash refunds are not allowed.**

**Restrictions and Exemptions**

Employees may not use the Purchasing Card for any of the following:

1. **Advertisements.** Advertisements should be reviewed and approved by the College Relations Office or Human Resources Office for employment advertisements.
2. **Personal purchases.** Including: spouse/family expenses incurred while traveling and gifts for employees. Only approved District business expenses for the employee are allowed.
3. **Cash Refunds or Advances or Cash-Like Transactions.** The Card may not be used to obtain cash, money orders or traveler’s checks. Cardholders are prohibited from receiving cash as a credit for the return of an item. Cash-like transactions, such as gift cards are prohibited. (Departments

shall use the District Purchase Order system for these items if needed.)

1. **Alcoholic Beverages.** Alcohol or liquor of any kind must not be paid for with the purchasing card.
2. **Chemicals, Compressed Gases, Toxins, Radioactive, Hazardous and Controlled Substances.** Only employees authorized or licensed to make hazardous materials purchases are authorized to use their Card for these transactions.
3. **Donations or Charitable Contributions.** Any donation or charitable contribution, if allowed by the College policy, must be processed in the District purchase order system.
4. **Equipment/Electronic Items.** Any electronic/equipment item is prohibited on the P-Card. These items must be processed through the District purchase order system to assure the District obtains the proper discount and complies with the State Competitive Bid Laws, Equipment/Electronic can be but not limited to: Computers, Cameras, Lenses, Network Hubs, Switches, Routers, Wireless access points, etc., Printers, Projectors, Scanners, Stereo Systems, Kindle, iPads, Sony e-books, MP3 players, Video Recorder, Camcorder, DVD Player, Televisions and any other electronic gadget regardless the prices. These items are subject to Asset Tracking and must be properly tagged with an asset ID tag. The items must be purchased through the District purchase order system.
5. **Foreign Purchases.** Foreign vendors are blocked by the State of Texas P-Card program. Therefore, these transactions must be processed through the District purchase order system.
6. **Gifts, Awards, and Prizes.** Gifts, Awards, and Prizes may require IRS tracking. Therefore, these purchases must be processed through the District purchase order system.
7. **Insurance.** There are restrictions on types of insurance-all insurance purchases must be reviewed and approved. Therefore, these purchases must be processed through the District purchase order system.
8. **Vehicle Rental.** There is a special contract for vehicle rental that is direct billed through Purchasing. Therefore, these purchases must be processed through the District purchase order system.
9. **Services.** This type of purchase has special documentation required by the IRS. These transactions must also be tracked so that any payee receiving $600 or more per year is reported to the IRS. Therefore, these purchases must be processed through the District purchase order system.
10. **Software from Foreign Vendors.** The IRS has rules governing the taxation of software from a foreign vendor. Therefore, these purchases must be processed through the District purchase order system.
11. **Telephone Services and Equipment.** This service and equipment require special approval. Therefore, these purchases must be processed through the District purchase order system.
12. **Travel and Related Services.** The Credit Card may be used for Air Travel, Registration, Hotel (excluding personal items), Fuel for the rental car only, and parking fees. Reservations may not be made until all approvals have been obtained through the District purchase order system.
13. **Utilities.** Must be processed through the District purchase order system.
14. **Separate, Sequential, and/or Component Purchases.** Made with the intent to circumvent District Purchasing Policy or State Law are prohibited on the Credit Card. This includes any other purchase specifically excluded in the District Purchasing Policy.
15. **Required Items within the Approved Budget.** Purchase of any item that is not an approved item within your budget or approved by your supervisor may not be purchased with the Credit Card. Purchase of any goods or services not considered prudent or of good judgment are prohibited.
16. **Weapons.** Weapons must be purchased through the District purchase order system.

**Obtaining a Purchasing Card:**

1. Steps to requesting a College Purchasing Card:
   1. The Departmental Chairperson/Director requests a procurement card by completing the Citi credit card application form found on the purchasing website.
   2. Employee submits a completed signed application form to the Program Administrator.
   3. The Purchasing Department will request issue of a purchasing card from Citi Bank.
   4. Upon receipt of the card, the Program Administrator will schedule training with the cardholder. After completion of training, the cardholder signs the cardholder agreement in the presence of the Program Administrator, and the Program Administrator issues the card to the new cardholder.
   5. The new cardholder receives copies of:
      1. Cardholder Agreement.
      2. Purchasing Card Policy Document.
      3. User Guide for the Citi’s Global Card Management System (GCMS) website.
      4. Purchasing Card.

**Policy Violations**

It is the responsibility of the Cardholder to assure all transactions comply with the District Procurement Card policies. Each cardholder and their supervisor will review all transactions for each cycle period to identify any transactions that might violate those policies.

If the supervisor, upon review determines a violation has occurred, they must notify the Program Administrator of the violation. Repetitive violations may result in the cardholder’s P-Card privileges being reduced or revoked.

The Purchasing Office audits all transactions for possible violations and may request specific documentation to determine if a violation has occurred. Failure to provide the requested documentation within seven (7) business days may be grounds for card deactivation.

1. **Sales Tax on Transactions** – South Plains College as an educational organization, is tax-exempt from Texas Sales tax. Each cardholder is provided with a tax exemption card/certificate. If a certificate is needed for documentation one may be obtained from the Purchasing Office. Out-of-State vendor’s transactions may have State Sales Tax on them if the goods are delivered out of state. It is the cardholder’s responsibility to assure tax is not charged on in State transactions. Repeated failure to provide vendors with the required tax exemption evidence may constitute a violation of policy.
2. **Failure to Provide Evidence of Documentation/Incomplete Documentation** – Cardholders are required to provide original receipts and any required supporting documentation for each transaction by the reconciliation deadline of the 10th. If the Cardholder is unable to obtain a valid receipt, a Missing Receipt Form must be completed and signed by the Cardholder and their supervisor. Failure to provide the documentation may be construed as a policy violation.
3. **Purchase of a Prohibited Product/Service** – The purchase of any item(s) listed in the “Restricted and Exempt” section listed above with a P-Card without an Exemption Form, signed by the appropriate supervisor will constitute a policy violation.
4. **Personal Purchases** – Purchases for personal use are a violation of District and P-Card policy and prohibited. Any violation of this policy requires immediate reimbursement to the College and immediate loss of privileges as prescribed in the “Violation Sanction Guidelines” listed below.
5. **Card Abuse/Cardholder Fraud** – Any suspected abuse or fraud with a District P-Card must be reported to the Director of Purchasing and the Vice President for Business Affairs immediately. Any Employee or Supervisor is required to report such abuse immediately so it may be investigated.

**Revocation of the Purchasing Card**

The purchasing card is subject to revocation at any time at the discretion of the Program Administrator. The Program Administrator may also recommend to the Vice President for Business Affairs, and Department Chairperson/Director that the card be revoked upon indication of any violation of the Purchasing Card policy and procedures. When a card is revoked, changes are made on-line and take effect immediately. The Program Administrator is further authorized to temporarily suspend use of the card via electronic methods if unauthorized use is discovered and such use poses a threat to internal financial controls.

**Violation Sanction Guidelines**

Sanctions must be in place to assure violations are dealt with in a manner that protects both the College and the Cardholder. Non-adherence to the policies will result in notifications or possible loss of privileges as detailed in this section. Serious infractions could result in disciplinary action, criminal charges, and/or a combination.

All P-Card users and administrators that supervise are responsible for knowing the policies and guidelines.

The following guidelines apply to all P-Card Holders.

1. **First Violation – Notification of Infraction**

An email will be sent to the Cardholder, their supervisor, and the Vice President for Business Affairs detailing the infraction and possible results from future violations of that nature.

1. **Second Violation – Temporary Suspension of Card use**

If a second violation is committed, the Cardholder privileges may be suspended for up to thirty (30) days. Reinstatement of the privileges may occur upon meeting with the Program Administrator and a review of the Program Policies are conducted and acknowledged by the Cardholder.

1. **Third Violation-Ninety (90) Day Suspension of Card use**

If a third violation is committed, the Cardholder privileges may be suspended for up to ninety (90) days. Reinstatement of the privileges may occur upon completion of a P-Card training session. A letter of acknowledgement will be required for suspension removal by the Cardholder and their supervisor.

1. **Forth Violation – permanent Revocation of P-Card Privileges**

If a fourth violation occurs the P-Card may be cancelled, and the Cardholder will no longer be eligible to obtain a P-Card. The Department would be required to use the Purchase Order system or arrange for someone in the department to take over the P-Card duties.

All alleged violations will be thoroughly investigated by the Program Administrator. Additional information may be requested from the Cardholder prior to any card sanction to assure the validity of the sanction or card deactivation.

**Summary**

As a public entity, the District must demonstrate to the public that it has spent their tax dollars wisely. All participants in the purchasing card program are responsible for insuring purchases made with the card are in accordance with the District’s purchasing policies.

Therefore, the cardholder must make sure he/she has approval and adequate documentation, including a clear explanation of exactly what the purchase is for.

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Approved: Executive Council