

AMARILLO COLLEGE

PROCUREMENT CARD PROGRAM GUIDE

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PROCUREMENT CARD PROGRAM GUIDE

OVERVIEW

Procurement Card Program

Purchasing Services is delighted to offer to all Amarillo College departments an exciting and innovative program that simplifies the way in which you may order and pay for goods. The procurement card program is a fast and flexible purchasing method for processing purchases from suppliers that accept credit cards. The purpose of the procurement card program is to establish a more efficient, cost-effective method of the delegated purchasing and payment for small dollar transactions. If used to its potential, the program will result in a significant reduction in the data entry of limited purchases, receiving invoices, vouchering and reduction in related documentation included in invoices and checks. The procurement card can be used with any supplier that accepts Master Card as a form of payment.

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

PROCUREMENT CARD CONTRACT

The terms and conditions of the Procurement Card contract were specified and awarded by the General Services Commission for the State of Texas. Amarillo College (AC) is utilizing the State of Texas contract for procurement card services with JP Morgan Chase. AC will comply with the terms and conditions of the state contract in the implementation of this program.

PROCUREMENT CARD PROGRAM GUIDE

The Procurement Card Program Guide provides the guidelines for using the procurement card. Please read it carefully. Your signature on the Procurement Card Agreement (Exhibit A) shows that you understand the intent of the program and agree to follow the established guidelines.

IMPORTANT POINTS OF THE PROGRAM

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

Your Procurement Card is issued in your name. All purchases made on the Purchasing Card must be only *yours*. You are responsible for the security of the Purchasing Card and the transactions made with it. **Monies must be available in your budget before using the procurement card.**

If you do not follow the procurement card guidelines when using the Procurement Card, you

could receive corrective action, including termination.

. You can use the Procurement Card at any vendor that accepts Master Card and is not considered a restricted blocked item. It may be used for in-store purchases, mail, and telephone or fax orders.

. You may use the Procurement Card to purchase supplies within your delegated limits.

. Use must not exceed the monthly credit limit assigned to the procurement card.

. Reconciliation of the statement is required to ensure all charges are accurate. Statement reconciliation needs to be completed within seven days of receipt of the statement and forwarded to Purchasing Department.

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

. The Procurement Card is **not for personal use.**

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

GENERAL INFORMATION

Duties and Responsibilities

Program Administrator:

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

Amarillo College Program Administrator/Coordinator:

Vickie Shelton
806- 371-5017
vlshelton@actx.edu

Department Manager:

The department head/manager, or equivalent, is responsible for designating cardholders and approving monthly Procurement Card statements of cardholders to ensure they are within AC's policy. The Department Head may also assist in assigning cardholder limits and regulations.

Cardholder:

The person designated by the Department Head to utilize the Procurement Card by purchasing small dollar supplies is the cardholder. The cardholder is responsible for following the purchasing guidelines of AC in regards to purchases, selection of vendors, security of card and monthly reconciliation.

JP Morgan's Customer Service:

The Procurement Card program is serviced using a team approach with JP Morgan Chase'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 Procurement Card account. If a Procurement Card is lost or stolen, Customer Service should be notified immediately.

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

PROCUREMENT CARD CONTROLS

Credit Limits:

All Procurement Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator. Questions regarding the limits shall be sent to the Program Administrator in writing or via e-mail through the Department Head. Review of the request and a response will be initiated by the Administrator.

If the request is approved, the Program Administrator will then forward the request to JP Morgan Chase for processing.

*** Please allow 2 to 4 working days to process any changes.**

Transaction Limits:

Your Procurement Card has a single transaction limit. This is the amount available on the Procurement Card for a single purchase. A transaction includes the purchase price plus freight and installation. Cardholders should not attempt to make a purchase greater than his/her approved amount. Changes to the transaction limit must be handled by the Program Administrator.

Restricted Vendors:

The Procurement Card program may be restricted from use with certain types of suppliers and merchants. If you present your Procurement Card for payment to these vendors, the authorization request will be declined due to a merchant code which has been blocked by AC.

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.

MAINTAINING YOUR PROCUREMENT CARD

Transaction Log:

Enclosed in this Procurement Card Program Guide is a Transaction Log (Exhibit B). The transaction log is not required; it is strongly recommended to be utilized and provides an additional method for expenditure tracking for the card user while using the Procurement Card.

AC suggests that each cardholder use a new log for each month's purchases. Record in the log each time a purchase is made. 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. The cardholder should retain this transaction log in their office.

Always obtain a receipt when using the Procurement Card. It is every cardholder's responsibility to ensure there is a receipt for each purchase. The receipts should be kept with the transaction log. This information should be retained in the department. ***Please keep in mind that in grant (restricted) purchases, copies of the receipts are required to be sent in with your procurement card form.*** The receipts will be required for future audits and will be the College's official record for this transaction.

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 Procurement Card charges.

Cardholder Empowerment:

At the end of each billing cycle, every cardholder will receive a Cardholder Activity Statement, which lists purchases made on that card. Upon receipt of this statement, the cardholder shall reconcile the statement with their receipts and other documents for each purchase, verify that all purchases are valid. Then, forward the statement to the Department Head for review and approval. Cardholders need to prepare a Procurement Card reconciliation form available on the AC website to assign account numbers to be charged. The last step is to send the approved procurement card form directly to Purchasing Department. **When Grant (restricted) purchases are made, please include copies of receipts with procurement card form.**

Sales and Use Tax:

AC is Texas sales tax (only) exempt and the credit card identifies us being tax exempt within the State of Texas. A cardholder should carry an Amarillo College tax exemption card with their procurement card or if ordering via internet, phone, or fax you should include a Fed ID # 75-6000031. Tax exempt forms and cards are available from the Business office. (Exhibit C)

Security of the Procurement Card:

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 Procurement Card 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 Procurement Card is the cardholder whose name appears on the card. **The card is to be used for business purposes only. Amarillo College has disciplinary procedures related to unauthorized use of the Procurement Card.**

Employee Termination:

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

Lost or Stolen Cards:

If a Procurement Card is lost or stolen, immediately contact JP Morgan Chase's Customer Service at **1-800-890-0669**. After contacting JP Morgan Chase, notify the Program Administrator and the Department Head.

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

Procedures

Obtaining a Procurement Card:

To obtain a Procurement Card the following process shall be followed:

- The department head will need to e-mail the Program Administrator with name, department, and last 4 digits of his or her social security number to request a Cardholder to have a card. The Department Head's approval will be the required documentation along with Cabinet member's approval. The Dean of Finance and Administrative Services will give final approval to purchasing to order the card.
- The Program Administrator will request issuance of the procurement card from JP Morgan Chase. (Requires 2 to 3 weeks)
- The Program Administrator will schedule the applicants for Procurement card training. **Applicants must bring a photo I.D. to the training class for verification and identification.**
- The **applicant attends a training session and signs Cardholder Procurement Card Agreement (Exhibit A).**
- Card issued to you.

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

1. Cardholder Procurement Card Agreement (Exhibit A): This is an agreement between the cardholder and AC, which affirms that the cardholder has read and understands the policy and procedures for the Procurement Card. This agreement is signed at the end of the training session by the cardholder.
2. Procurement Card Program Guide: This document outlines AC procedures in regard to its Procurement Card. It also outlines some approved types of purchases.
3. Procurement Card form: The cardholder shall use the form available on the AC Website to record current transactions with general ledger numbers, send attachment of receipts if required and return the form along with required attachments to purchasing to be reconciled and sent to the Business Office for payment.
4. Statement of Disputed Items Form: The cardholder will need to contact the Customer Service at 1-800-890-0669.
5. Procurement Card. Upon signing the Cardholder Procurement Card Agreement and proper identification and verification, the card will be issued and signed in the presence of the Program Coordinator.

About the Card

A Procurement Card will be in your name with the wording Amarillo College clearly indicated on the card. This card is for College business purposes only and **may not** be used for any personal transactions. **It is important that you understand that you are personally responsible and accountable for this Procurement Card.**

- **The single transaction limit for cards is \$2,000.00.**
- **The billing cycle is \$20,000.00**

Procurement Card Activation

The cardholder must call 1-800-890-0669 to activate the Procurement Card before using it. Upon receipt of the card, the cardholder should sign the back of the Procurement Card and always keep the card in a secure place.

Purchasing Guidelines:

As a tax supported public institution, all purchases must be in accordance with the laws of the State of Texas and the purchasing procedures of Amarillo College. The cardholder is responsible for compliance and strict adherence to all purchasing guidelines within their departmental delegated authority.

As a reminder, the departmental delegated authority is for limited purchases. State law mandates that large purchases may not be broken down into small purchases to meet delegated limits. To do so would be a violation of state law and of AC's Purchasing Policies.

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 Procurement Card:

1. Determine if the transaction is an acceptable use of the card, **if it is within the cardholder's spending limit, are monies available in the department's budget.**
2. Identify the vendor, call, and fax or visit the vendor; to place your order or purchase the items.
3. If order is by mail, specify cardholder name, company name, department name and shipping instructions. Also, specify the Procurement Card number, expiration date and name as it appears on the card.
4. Confirm pricing and freight.
5. Request that a hard copy of the pricing and freight be faxed to the cardholder and/or included in the shipment of supplies.
6. Request that the supplier indicate your name and the words "Procurement card" appear on all packing lists and box labels. This will enable the receiving department to facilitate delivery of your supplies. Request that all deliveries are to either **your specific Campus & office area with attention to the person placing the ordering to; or** to AC Central Shipping and Receiving, 2011 S. Washington Street, Amarillo, Texas 79109. If using the CR address, please use the form on the AC Web intranet page (notification of procurement card form) to help CR know who deliver the order to. For Moore, Hereford, West and East campus just specify the address, office area and persons name.

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 the AC policies and procedures. The College prefers not to pay for goods before their delivery. The purchaser needs to ensure goods will be received before the statement due date. Our statement closing date will be the 4th of each month with payment due within 14 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 been delegated purchasing authority. The Procurement card may be used for many various purchases such as:

- | | |
|-------------------------|---|
| * Tool/Hardware | * Teaching Supplies |
| * Florists (gift funds) | * Subscriptions |
| * Books | * Postage Stamps |
| * Medical Supplies | * Registration Fees for Training Courses and Seminars |
| * Janitorial Supplies | * Lab Supplies |
| * Office Supplies | * Conference Registrations |
| * Videos | * Safety Supplies |
| * Bookstores | |

Restricted Purchases

- * Entertainment (movies, plays, etc)
- * Prescription Drugs/Controlled Substances

Unacceptable Purchases

The Procurement Card may not be used for the following purchases:

- **Items for Personal Use**
- Capital/Controlled Equipment**
- Animals
- Travel (transportation) and related expenses
- Services (i.e. consulting or other 1099 reportable services)
- Controlled/hazardous/radioactive materials
- Social Club Dues
- Cash Advances
- Alcohol
- Donations
- **Purchases made payable to AC (ex: bookstore, registration for class)**
- **Furniture**
- **Software**
- **Technology related purchases over \$100.00**
- **Personal communication devices ie -cell phones, pagers, POA's, blackberrys, etc.**
- ** **Capital equipment is any equipment with a cost \$1,000.00 or greater (\$500 or greater for computers, computer related items and software). The State of Texas**

Comptroller has defined "controlled assets" as facsimile machines, stereo systems, cameras, video recorders/players, televisions, projectors, microcomputers, computers, printers, cellular/portable phones costing between \$500 and \$1,000. Firearms and cash registers for any amount are controlled. If you need further clarification regarding "controlled assets", please call the Fixed Assets area in the Business Office at (806) 371-5198.

Note: No contract or grant account can utilize the Procurement Card for purchases until contacting the Grant Accountants for approval, for clarification call 371-5004 or 5005.

Receiving Supplies

It is your responsibility for ensuring receipt of goods and following 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 by you.

Invoices with no amount due are the most optimal documentation since they itemize the purchases and show any sales tax that was incurred. 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 Payables 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.

Transaction Log and Documentation Suggestion Only Not Mandatory

The cardholder/department is responsible for maintaining a Purchasing Card Transaction Log. The log shall be reconciled to the Statement from JP Morgan Chase within seven days of receipt of the statement. The following documentation could be retained and kept with the log: Note: The log is not mandatory it is just an aid.

- 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 transaction log shall contain the following (See Attachment B)

- | | |
|----------------------------|-----------------------|
| -Card Holder Name | -Merchant Name |
| -Transaction Period | -Purchase Description |
| -Department | -Transaction Amount |
| -Card Holder Signature | - AC Account Number |
| -Department Head Signature | -Date Received |
| -Transaction Date | -Accounting Audit |
| -Reference Number | |

Reconciliation

Upon receipt of the credit card statement, the cardholder/departmental personnel will reconcile the transaction log if the log is desired to be used. 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.

Audit of Logs

The supporting documentation becomes the official record and shall be maintained in the department in accordance with the College's Record Retention Schedule. The records for procurement card purchases may be audited by the AC Business Office, Purchasing Services or Dean of Finance and Administrative Services. The statements will be retained in the Business Office files.

Statement & Payment

A statement for each cardholder will be mailed by JP Morgan Chase to the departments for reconciliation. The statement, transaction log and all supporting documentation will be filed and kept within the department.

JP Morgan Chase will mail one summary billing to the Program Administrator, listing all transactions during the period by cardholder. The Business office will pay the summary billing in full and will expense various accounts instructed by the department. The payment cycle is set up to be on the 4th of each month. Payment is required within fourteen days to JP Morgan Chase. The merchants are paid by JP Morgan Chase between 24-48 hours of your placing your order or picking up merchandise.

Purchasing Card Payment

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. The Purchasing Card program carries corporate and individual liability.

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 Purchasing Card Transaction Log.

X 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.

- X Credits: If an item is accepted as a return by the supplier, a credit for this item should appear on the following month's statement. All credits should be indicated in the transaction log.
- X 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 should complete the Statement of Disputed Item Form (provided by JP Morgan Chase). JP Morgan Chase will place the charge in a "Statement of Dispute" and the account may be given a provisional credit until receipt of adequate documentation from the vendor. 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, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

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

Card Termination

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

Multiple notifications to a single department for insufficient budgets by the Business Office may result in revocation of all departmental cards.

Non-compliance to State and AC 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.

Key Program Contacts

Purchasing Department: Program Administrator/Coordinator
Vickie Shelton 371-5017 or Maureen Hood 371-5015

Business Office: Accounts Payables
Sara Long 371-5009 or Michael Sugden 371-5237

Attachments

- Cardholder Procurement Card Agreement (A)
- Transaction Log (B)
- Tax Exemption Certificate (C)