Procurement Card Program

Program Description and Procedures
March 1, 2015
# PROCUREMENT CARD

## PROGRAM GUIDE

*March 1, 2015*

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PROCUREMENT CARD
OVERVIEW
March 1, 2015

OBJECTIVE

To enable the purchase and payment of non-restricted goods and services in an efficient direct access process using the individually issued Citi Bank MasterCard Procurement Card.

COMPLIANCE

The Procurement Card Program will be administered and monitored by Business Operations and Facilities in compliance with all applicable federal, State, and local laws and regulations.

ACCOUNTABILITY

The Cardholder is accountable for the safekeeping and authorized use of the Procurement Card in compliance with policies and procedures outlined in this document. The Cardholder is to notify the department coordinator immediately upon retirement and/or resignation from UTMB. The coordinator is to notify the Purchasing Card Program Administrator immediately upon an employee’s termination, retirement, resignation, etc.

BENEFITS

- Reduces departmental purchase requisitions and small orders for qualifying purchases.
- Merchant is paid by Citi Bank in 24 to 48 hours.
- Citi Bank submits one central invoice for all procurement card purchases.

RESPONSIBILITIES

- Procurement Card purchases require budget planning and monitoring.
- Each Cardholder must maintain a Procurement Card Transaction Log that will be periodically audited by Business Operations and Facilities and Internal Audits.
PROCUREMENT CARD
PROGRAM DESCRIPTION & PROCEDURES
March 1, 2015

1.0 INTRODUCTION

The UTMB Procurement Card offers a simplified method to purchase non-restricted goods and services costing up to the Cardholder’s pre-established transaction limit, but no more than $2,000, without special authorization. It is a fast, flexible alternative for processing low dollar value purchases from vendors that accept the MasterCard Credit Card.

With the completion of the Procurement Card Enrollment Form (Attachment E), a Procurement Card will be issued in your name with the State of Texas Seal and the wording “Official Use Only” clearly indicated on the card. The Procurement Card is for University business purposes only and must not be used at any time for any personal transactions.

As a State of Texas institution, certain State and Federal guidelines and laws bind all transactions. To ensure compliance with these requirements, follow the guidelines outlined in this Procurement Card Program Guide. All State and UTMB purchasing policies and procedures must be followed when utilizing the Procurement Card. The total amount of a single purchase (including freight and handling) must not exceed the Cardholder's pre-established transaction limit. When the authorization for or appropriateness of a particular purchase is not clear, questions may be directed to the Procurement Card Program Administrator.

The Procurement Card does not, in any way, supersede the UTMB goal with Historically Underutilized Businesses. Departments should strive to meet or exceed the HUB goal as per the requirements set forth in the attached HUB Program Guidelines (Attachment C). A complete listing of HUB vendors can be accessed through the Texas Facilities Commission web site at https://mycpa.cpa.state.tx.us/tpassport/search/index.jsp (see Attachment C for additional information). If you cannot locate a HUB vendor, contact the Supplier Management area of Logistics at 409-747-8000: ask for the HUB Program Manager.

2.0 HOW IT WORKS

- You make a purchase by charging it on the Citi Bank Mastercard.
- Citi Bank pays the merchant.
- UTMB pays Citi Bank once each billing cycle.
- The Department authorizes payment on their respective funding source by using the departmental pre-approved PeopleSoft CFS (class/project), and the correct account code for all charges in the billing cycle. (Ex: General Supplies account code 515020)
3.0 DEFINITIONS

Procurement Card: A card issued to an employee of the University of Texas Medical Branch for the purpose of making authorized purchases on behalf of the University. The University will issue payment for charges made with the Procurement Card.

Cardholder: The UTMB employee whose name appears on the Procurement Card and is the individual held accountable for all charges made with his or her Procurement Card.

Department Coordinator: The UTMB employee within each Department responsible for receiving and disseminating Procurement Card information within their Department and for relaying Procurement Card information from within the Department to the Procurement Card Program Administrator. The Department Coordinator is also responsible for verifying that all charges against each Cardholder’s procurement card for that Department are backed up by supporting documentation and that the documentation is retained within the Department according to the current UTMB Record Retention Schedule. Department Coordinators have the ability to allocate individual charges to several Universities funding source (PeopleSoft CFS). (This may also be done by the Cardholder.) Each Department utilizing the Procurement Card will have one Department Coordinator. A Department Coordinator may oversee more than one Cardholder, depending on how the individual Department elects to manage its process. An employee designated as a Department Coordinator may not be a Procurement Card Cardholder.

Reviewer: The UTMB employee from Business Operations and Facilities responsible for sampling and testing Procurement Card transactions.

Procurement Card Program Administrator: Business Operations and Facilities employee responsible for administering the Procurement Card Program for the University and acting as the main contact between UTMB, Citi Bank and the Department Coordinators.

Transaction/Charge Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Procurement Card. NO transaction can exceed $2,000 unless specific approval is obtained through the Procurement Card Program Administrator and the Vice President of Business Operations and Facilities or his designee. A single transaction may include multiple items but cannot exceed the Cardholder’s pre-established transaction limit.

Monthly Spending Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each monthly billing cycle. This amount may not exceed the cardholders monthly limit which is set at $20,000 or less based upon departmental authorization. The Procurement Card Program Administrator is responsible for coordinating any exceptions to the base monthly spending limit. The Procurement Card administrator will review any spending limit exception requests with the Vice President of Business Operations and Facilities or his designee and obtain direction as to approve or deny. The results will be relayed to the cardholder.

Primary Default Funding Source (PeopleSoft CFS): The UTMB pre-approved funding source (PeopleSoft CFS) is assigned to an individual Cardholder’s Procurement Card. Each Procurement Card will have a primary default funding source assigned to it and approved by the department. Departments may choose to use their project (non-capital) chart field string only if a secondary funding source (Class) is provided. All charges made with the Procurement Card will be posted to the primary default funding source unless the charges are reallocated by the Department Coordinator or Cardholder. (See Section 11)
Support Documentation: A merchant produced or non-UTMB document that describes the relevant details for each item purchased including quantities, dollar amounts, and a description of what was purchased, the total charge amount, the merchant’s name and address (i.e. sales receipt, original invoice, packing slip, credit receipt, etc.)

Funding Source Owner: The person with primary financial responsibility for departmental funding source, PeopleSoft Chart Field string (CFS).

Individual Account Statement: A report (electronic or paper) detailing transaction activity for an individual Procurement Card number for purchases made during the billing time period.

Procurement Card Enrollment Form: The Form to be completed by prospective Cardholders to obtain a Procurement Card.

Cardholder Procurement Card Agreement: An Agreement Form to be signed by all Cardholders verifying that they have read the guidelines and understand their responsibilities as a Procurement Cardholder.

Department Coordinator Agreement: An Agreement form to be signed by all Department Coordinators verifying that they have read the guidelines and understand their responsibilities as a Department Coordinator.

Statement of Dispute Form: A Form to be completed by the Cardholder when disputing charges on their Procurement Card which the Cardholder has been unable to resolve with the merchant.

Transaction Log: A Log (document or electronic record) that identifies all card activity (charges, returns, etc.) A Transaction Log must be maintained by each Cardholder. (Think of this as a check register)

4.0 RECEIVING THE PROCUREMENT CARD (See Attachment I – Procard Forms Management and New Application Process)

A completed Procurement Card Enrollment Form (Attachment E) must be submitted for each prospective Cardholder. This form must be signed by the Primary Default Funding Source Owner to authorize charges to the primary default funding source (PeopleSoft CFS). Additionally, the secondary/backup Funding Source Owner must also sign the form (if applicable). The form should be forwarded to the Procurement Card Program Administrator.

All prospective Cardholders must attend a training session and sign a Cardholder Procurement Card Agreement Form (Attachment F) to be eligible to receive a Procurement Card.

The Procurement Card Program Administrator will be responsible for answers to questions, issues, and administration of the program. The Procurement Card Program Administrator is also responsible for:

- Procurement Card training
- Cardholder enrollment
- Procurement Card termination
- Liaison between Departmental Coordinators, Cardholders, suppliers, and Citi Bank.
5.0 GUIDELINES

Each Cardholder is responsible and accountable for the Procurement Card issued in their name.

All Procurement Card purchases are exempt from State sales taxes. Although the UTMB Procurement Cards clearly state on the face of each card that UTMB is exempt from sales taxes, it is extremely important to note:

**UTMB Procurement Cards DO NOT AUTOMATICALLY DEDUCT OR EXCLUDE SALES TAXES FROM THE PURCHASE PRICE. The Cardholder must inform the merchant and provide a completed "Texas Sales and Use Tax Exemption Certificate" to the merchant.**

UTMB is exempt from sales taxes and each Cardholder is responsible for ensuring that his or her purchases are exclusive of sales taxes. Each Cardholder should carefully inspect receipts at the time of purchase. If sales taxes have been charged, please take action immediately by contacting the merchant involved to obtain a credit for the amount of sales taxes charged.

The Department Coordinator and Primary default funding source owner are responsible for ensuring that sufficient funds are available in the primary default funding source designated for each Procurement Card. If any audit determines that unauthorized or inappropriate purchases have been made the Cardholder will be personally responsible for reimbursing the University. *(See Section 7.0 and Attachment F - Cardholder Procurement Card Agreement)* Procurement Card transactions may not be split to divide a larger purchase which is over the Cardholder’s pre-established transaction limit.

**UTMB Procurement Card Purchases in Excess of $500.00**

The Texas State Comptroller has developed and adopted guidelines to ensure that State agencies are NOT entering into contractual purchase commitments with vendors that are "ON WARRANT HOLD" with the State of Texas.

Before a UTMB Procurement Card purchase is made in excess of $500.00 the UTMB Procurement Cardholder must verify the potential vendor is not "ON WARRANT HOLD" with the State of Texas. This must be done for each and every Procurement Card commitment to purchase goods or services in excess of $500.00 before the purchase transaction occurs.

We have established a link on the UTMB Logistics web site with up to date information downloaded daily from the Texas State Comptroller’s Office to provide immediate inquiry access to vendor “ON WARRANT HOLD” information.

The UTMB Logistics search link is user friendly, easily navigated and accessible to anyone with a UTMB User ID. The “Texas Comptroller Vendor Warrant Hold UTMB Search” Internet address is:

[http://intranet.utmb.edu/warranthold/](http://intranet.utmb.edu/warranthold/)

**Operating Procedure:**

1. Select item(s) to be purchased and the potential vendor.
2. Search “ON WARRANT HOLD” status for potential vendor on “Texas Comptroller Vendor Warrant Hold UTMB Search” web link using the Texas Payee Information System (TPIS) number or by entering the vendor name.

3. If the vendor is not “ON WARRANT HOLD”, list the purchase details on the Transaction Log including the fact that you have verified the hold status of the vendor. If the vendor is on “ON WARRANT HOLD”, select another vendor and return to Step 2.

4. Complete credit card purchase as per the UTMB Procurement Card Guidelines.

If you have any questions concerning this procedure, please contact the Procard Administrator via link below:
Procurement Card Program

6.0 PROCUREMENT CARD TRANSACTION LOG

The Cardholder must maintain a Procurement Card Transaction Log listing the details of all card transactions. The Cardholder must retain the original charge sales receipt, packing slip, invoice, or any other information related to the purchase and attaches this supporting documentation to the Transaction Log sheet. It is every Cardholder’s responsibility to ensure there is a receipt for each and every purchase or credit transaction when using the Procurement Card. It is imperative the receipts be kept organized and with the respective Transaction Log. This Log must be used to provide a method for expenditure tracking while using the Procurement Card.

The Transaction Log, along with all supporting documentation, must be maintained in the Department, according to the terms of the Certified Records Retention Schedule. The Log and supporting documentation will be needed for audits.

The Cardholder should list all individual card charges on a separate line of the monthly Transaction Log. This Transaction Log should agree with the Individual Account Statement issued by the Procard Administrator for that period’s purchases. Any discrepancies should be reported to Citibank/Procard Administrator. A detailed description of the purchased item is required to validate the item is an allowable purchase under this policy. The "RCVD" and Receipt/Invoice" columns are used to check off that all purchases and documentation were received.

At the time of each billing cycle, an Individual Account Statement document (electronic or paper) will be created. This document will be sent to the Cardholder and Department Coordinator. Each purchase or credit will appear as a single transaction on this document. Upon receipt of the Individual Account Statement, the information should be reconciled to the Procurement Card Transaction Log for a given Procurement Card.

7.0 CARD USE

The use of the Procurement Card for the following purchases are restricted. Exemptions may be granted based upon departmental needs and emergency situations. Special procedures that ensure compliance with state/federal laws and institutional policies will be required prior to granting certain purchases. Exemptions are obtained through the Pro-Card Administrator and the Vice President of
Business Operations and Facilities or his designee. (See Attachment H – Process for Cardholder Purchase Exceptions)

- any single purchase exceeding the Cardholder’s pre-established transaction dollar limit (including freight and handling)
- advertising
- alcoholic beverages
- animals
- capital equipment
- cash advances
- cellular/portable phone
- computer hardware
- computer software (with a unit cost of $1,000 or greater)
- contract services or any other service (includes consulting & professional services, maintenance services and programming services)
- any controlled or prescription drugs
- gas cylinder rental charges or cylinder gases
- gifts of any kind
- entertainment
- equipment regardless of cost
- food
- leases or rentals (orders requiring signature of vendor agreements or documents)
- liquid nitrogen
- memberships (including institutional, professional or private)
- motor fuel, lubricants
- office supplies—use current contract vendor—Procurement help desk ext. 7-8000
- personal services and items (including personal memberships, gifts, etc.)
- postage and postal items
- purchases outside the USA
- purchases involving equipment trade-in
- radioactive materials
- telephone services
- travel related expenses (hotel rooms, airfare, car rentals, etc.)
- weapons and ammunition

Certain property (equipment) has been designated by the State of Texas as Controlled Property (Equipment).

The following Controlled Property (Equipment) items may not be purchased with the Procurement Card regardless of the cost unless given special permission by the Vice President of Business Operations and Facilities or his designee.

- Fax machines, Tele-copiers
- Stereo systems
- Cameras, video cameras,
- Video recorders/camcorders, televisions, VCR combination television sets, video cassette recorders
- Laser disk / DVD players & recorders
• Microcomputer hardware, desktop or laptop workstations, personal computers of any kind - (CPUs)
• Computer hardware: printers, laser printers, scanners, plotters
• Cellular phones

• Palm Pilots, PDA's, or other handhelds
• Hand Guns or Rifles

Common uses of the Procurement Card may include, but are not limited to:

• books
• copy charges
• lab tests
• lab supplies
• periodicals
• printing
• repair parts
• reprints
• small dollar retail purchases
• subscriptions
• registration fees for seminars and conferences

8.0 UNAUTHORIZED AND/OR INAPPROPRIATE CARD USE

Only the Cardholder whose name is embossed on the Procurement Card is authorized to use that card. The Cardholder is prohibited from lending or sharing their UTMB Procurement Card with another employee or anyone else. Incidents of sharing Procurement Cards, regardless of the reason, will be cause for Card cancellation.

The Cardholder is responsible for ensuring all charges made with his or her card are in compliance with the Procurement Card Policies and Procedures.

An employee's use of a UTMB issued credit card for any type of purpose other than an official UTMB business expense is a misapplication of State resources and may violate Section 39.01 of the Penal Code.

The Procurement Card must never be used to purchase items for personal use or for non-University purposes even if the Cardholder intends to reimburse the University. A Cardholder who makes an unauthorized purchase with the Procurement Card, or uses the Procurement Card in an inappropriate manner will be subject to disciplinary action including possible card cancellation, termination of employment at the University of Texas Medical Branch and possible criminal prosecution.

9.0 RECEIPT OF MATERIALS AND SERVICES

The Cardholder is responsible for ensuring receipt of materials and services and to follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. If materials are ordered by phone, the Cardholder is responsible for advising the vendor to include a sales receipt
with the package as it will be used for supporting documentation. To ensure proper delivery of merchandise, the Cardholder must inform the vendor to include the following information on the outside packaging label:

- Cardholder's first and last name
- Intra-institutional address (including campus route, building name and room number plus "L" number)
- Phone number of cardholder

Note: The "L" number is the bar-coded label usually placed on the center hinge of the door to your room or office. The door needs to be opened in order to view this bar-coded label.

10.0 RETURNS, CREDITS AND DISPUTED CHARGES

It is the responsibility of the Cardholder to contact the merchant when merchandise purchased with the Procurement Card is not acceptable (incorrect, damaged, defective, etc.) and arrange a return for credit or exchange.

If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the support documentation for that purchase. Receiving cash or checks to resolve a credit or return is prohibited. If the supplier or vendor accepts an item as a return, a credit for this item should appear on that cardholder's Individual Account statement. All credits must also be listed on the Transaction Log by the cardholder.

If a Cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return and a return authorization number. (Note that some suppliers may charge a restocking fee for returns.) All returns and credits must be listed on the cardholder's Transaction Log.

Disputed Charges: If a Cardholder or a Department Coordinator finds transaction discrepancies on the monthly Statement, the Cardholder should contact the supplier and attempt to resolve the problem directly. If a Cardholder cannot resolve a disputed item directly with the vendor, the Cardholder should complete the Procurement Card Statement of Disputed Items form. Citi Bank 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. 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, will 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 be posted to the Cardholder's account.

Any returned, credited, disputed items and/or restocking charges should be noted on the Transaction Log of the Cardholder.

11.0 BILLING, PAYMENT, AND COST DISTRIBUTION

Citi Bank will make payment to the merchants between twenty-four (24) and forty-eight (48) hours from the time the merchant presents the credit card deposit to the bank. Citi Bank will mail one summary billing to the Procurement Card Program Administrator listing all transactions, by
Cardholder, during that billing period. The summary billing matches the total of all the Procurement Card activity statements that will be distributed to the Department Coordinators and Cardholders each month. The Procurement Card Program Administrator will pay the summary billing in full and distribute the charges to the departmental funding source (PeopleSoft CFS) on a monthly basis.

The Procurement Card Program Administrator will transmit Individual Account Statement(s) electronically via E-MAIL to the Department Coordinator and Cardholder. Department Coordinators/Cardholders will be notified by regular UTMB E-MAIL when the Individual Account Statement(s) are available for review. The UTMB E-MAIL communication will include a deadline by which the Individual Account Statement(s) should be approved. Note: If there is no action taken by the Department Coordinator/Cardholder by the deadline, the Individual Account Statement will automatically process utilizing the established primary default funding source and a default expense account.

It is the responsibility of the Department Coordinator/Cardholder to review Individual Account Statement(s) and reconcile all cardholder statements to the Transaction Log(s) immediately upon receipt. It is extremely important to allocate charges to the correct funding source (PeopleSoft CFS) and expense account (Code) the first time the transactions are processed into the General Ledger. The primary default funding source number listed on the Cardholder’s Procurement Card Enrollment Form (Attachment E) will appear on the Individual Account Statement document with a defaulted expense account (Code). At this point, the Department Coordinator/Cardholder has the option of changing the funding source and / or expense account (Code). If another funding source number is selected other than the primary default funding source, an authorized signature is required. This signature must be on the Transaction Log and becomes part of the official record to be maintained by the department as supporting documentation.

It is the responsibility of the Department Coordinator/Cardholder to ensure that departmental funds are available for any and all charges, including the primary default funding source. Repeated incidents of insufficient funds will be cause for Card cancellation.

12.0 REPORTING A LOST OR STOLEN PROCUREMENT CARD

It is the responsibility of the Cardholder to notify the Citi Bank Customer Service Center immediately by calling 1-800-248-4553 if the Procurement Card is lost or stolen. The Customer Service Center is available 24 hours a day, 7 days a week. The Cardholder must also immediately notify in writing the Procurement Card Program Administrator, Department Coordinator and the Default Funding Source Owner.

Upon receiving the Cardholder's notification by phone, the bank will immediately suspend the Procurement Card.

NOTE: The Cardholder is responsible for all charges made on the card until it has been suspended or canceled at Citi Bank.

13.0 CARD TERMINATION

If it is found that a Cardholder has not used the Procurement Card for an extended period of time, the card may be revoked at the discretion of the Procurement Card Program Administrator. The
Procurement Card Program Administrator will solicit from the Cardholder any reasonable explanation for non-use of this privilege before the card is revoked.

When a Cardholder terminates employment with the University, the Department Coordinator has the specific obligation to reclaim the Procurement Card and return it to the Procurement Card Program Administrator prior to the employee's termination date. Failure to do so may result in revocation of all Department card privileges. If a terminated employee continues to use this card the Department will be liable for all charges. The terminated employee may also be subject to criminal prosecution. Non-adherence to these procedures will result in revocation of individual Cardholder privileges and may result in revocation of all of that department's Procurement Cards.

14.0 REVIEW OF CARDHOLDER TRANSACTIONS

To ensure compliance with the Procurement Card Policies and Procedures, periodic reviews and audits of Procard activity will be conducted. The reviews will include data analysis for various items to ensure compliance by departments to UTMB's policy and procedures (i.e. transactions exceeding dollar limits, monthly limits, prohibited expenditures).

Any irregularities detected during a Procard review will be reported at a minimum to the Default Funding Source Owner and Procard privileges may be terminated.

After the review process is complete, corresponding support documentation is filed within the Department in accordance with the record retention requirements set forth in the Procurement Card Policies and Procedures.

15.0 RECORD RETENTION

The Cardholder is responsible for obtaining purchase documentation from the merchant (invoice, sales receipt, packing slip, etc.) to support all purchases made with the Procurement Card and verifying that the documentation complies with the requirements for support documentation set forth in Section 3.0.

It is the Department Coordinator's responsibility to assure all support documentation and the corresponding Cardholder Individual Account Statements are retained per the official UTMB Retention Schedule. Documentation for all purchases on all funds must be retained according to the terms of the Certified Records Retention Schedule.

Note: It is recommended that the Department Coordinator retain all Cardholder documentation within a central depository and coordinate the record retention function with the departmental Records Management contact. If you have any questions concerning records retention, please call Records Management at 409-747-5905.
Attachment A

PROCUREMENT CARDHOLDERS
CODE OF ETHICS

1. Give first consideration to the objectives and policies of UTMB.

2. Strive to obtain the maximum value for each dollar of expenditure.

3. Decline personal gifts or gratuities of any kind.

4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.

5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.

6. Demand honesty in sales representation whether offered through the medium of a verbal or written Statement, an advertisement, or a sample of the product.

7. Obtain consent from the originator of proprietary ideas and designs before using them for competitive purchasing purposes.

8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of UTMB permit.

9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.

11. Foster fair, ethical and legal trade practices.

12. Work on behalf of the Interests of UTMB solely, and avoid situations which may result in personal benefit or gain to the buyer.
Attachment B

ANTI-KICKBACK CLAUSE

PURPOSE
The purpose of this clause is to inform all Procurement Card Cardholders of the responsibility to act in an ethical manner that brings the best overall value to UTMB and not to solicit and/or accept personal gain from any transaction.

DEFINITION
"Kickback" as used in this clause means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime contractor (University and/or Principal Investigator), prime contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract.

CLAUSE (FAR 52.203-7)
The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act) prohibits any person from:

1. Providing or attempting to provide or offering to provide any kickback;

2. Soliciting, accepting or attempting to accept any kickback; or

3. Including directly or indirectly, the amount of any kickback in the contract price.

APPLICABILITY
This clause is designed to work hand-in-hand with our Procurement Cardholders Code of Ethics to ensure UTMB is represented in a professional manner that brings the best value to UTMB in all purchases.
Attachment C

UTMB HUB PROGRAM GUIDELINES

The Procurement Card does not, in any way, supersede the goal of The University of Texas Medical Branch at Galveston (UTMB) with respect to the use of Historically Underutilized Business (HUB) firms.

A complete listing of HUB vendors is available and can be accessed through the Texas Procurement and Support Services (TPASS) historically Underutilized Business (HUB) Web site:

https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp

HUB Program Purpose:

In accordance with the rules and policies of the State of Texas and UT System, The University of Texas Medical Branch at Galveston (UTMB) has established the Historically Underutilized Business (HUB) Program to facilitate and provide access, opportunities and education to minority and women owned firms interested in doing business with UTMB.

It is the policy of UTMB, to maximize opportunities for Historically Underutilized Business firms to provide materials, supplies, equipment, and services needed to support the mission, administrative, and logistical operations of UTMB. UTMB is committed to increase the number and value of business transactions with HUB firms consistent with the State’s functional goal to build a solid foundation for social and economic prosperity.

UTMB’s HUB Program:

The UTMB HUB Program is under the direction of the Manager of Supplier Diversity Programs/HUB Coordinator, (phone 409-747-8000).
It is everyone’s responsibility to support and participate in UTMB’s efforts to utilize HUB firms when purchasing goods and services.

How can you help?

- Encourage the use of HUB firms in obtaining the goods and services needed to support your operation.

- If you or your staff needs assistance in finding HUB firms or need additional information, please call 409-747-8000; ask for the Manager of Supplier Diversity Programs/HUB Coordinator.
Attachment D

STEP BY STEP
PROCUREMENT CARD PROCESS

1. Determine feasibility of card use for your Department.

2. Determine who will be the Cardholders and the Department Coordinator.

3. Complete a Procurement Card Enrollment Form for each prospective Cardholder and submit it to the Procurement Card Program Administrator.

4. Cardholder attends Training program and signs Cardholder Agreement.

5. Department Coordinator attends Training Program and signs Department Coordinator Agreement.


7. Cardholder selects prospective vendor and confirms Texas State Comptroller vendor status via the Comptrollers web site. (Page 8).

   http://intranet.utmb.edu/warranthold/

8. Cardholder confirms if vendor is a HUB vendor.

   https://mycpa.cpa.state.tx.us/tpasscmblsearch/index.jsp

9. Cardholder places order with merchant utilizing Procurement Card.


11. Cardholder receives merchandise with support documentation and updates Transaction Log.


13. Department Coordinator and/or Cardholder reallocate charge(s) to appropriate account(s) (if necessary).

14. Department Coordinator and/or Cardholder approve charges and notify Procurement Card Program Administrator of any necessary funding source or expense reallocations (via e-mail) by established deadline.

15. Department Coordinator and/or Cardholder retain documentation (for audit purposes) as per UTMB record retention schedule.
Attachment E
THE UTMB - GALVESTON PROCUREMENT CARD - Enrollment Form

Cardholder Information
Circle one: Sci-Alley Application (used only @Sci-Alley) Regular Pro Card Application

Cardholder Name: ___________________________ Employee ID: __________
UTMB E-mail address: ________________________ Mail Route: ______________________
Phone: ________________ Last 4 digits of SSN: ________________
Cardholder Location (Building & Room No.): ______________________________________

Department Coordinator Information

Dept. Name: ____________________ Dept. Number: _______ Phone: __________
Signature of Dept. Coordinator: _______________________________ Employee ID: __________
Printed Name: ____________________________________________

E-mail address: ___________________________ Mail Route: __________
Coordinator Location (Building & Room No.): __________________________

Funding Information

All Applications must provide Primary CFS; Projects must provide a secondary CFS

Primary Default Funding Source:

PeopleSoft CFS: ______/_______/_______/________/________
Fund Op. Unit Dept. Class (or Proj. with Bud. Ref)

Secondary Funding Source (if applicable):

PeopleSoft CFS: ______/_______/_______/_______
Fund Op. Unit Dept. Class


Approval Signatures

Signature of Cardholder: ___________________________ Date: __/__/

Signature of Primary Funding Source Owner: ____________________________
Printed Name: ____________________________________________

Signature of Secondary Funding Source Owner: ____________________________
(If applicable): Printed Name: ________________________________________

Pro Card Program Administrator: ___________________________ Date: __/__/
Attachment F
THE UNIVERSITY OF TEXAS
MEDICAL BRANCH AT GALVESTON
CARDHOLDER PROCUREMENT CARD AGREEMENT

The University of Texas Medical Branch at Galveston (UTMB) is pleased to present you with a UTMB Procurement Card (Card). It represents trust in you as a responsible agent of UTMB to purchase, safeguard and protect UTMB assets.

I, ____________________________, HEREBY ACKNOWLEDGE RECEIPT OF A UTMB PROCUREMENT MASTERCARD. As a Cardholder, I agree to comply with the terms and conditions of this Cardholder Procurement Card Agreement (Agreement) and the UTMB Procurement Card policies and procedures.

I ACKNOWLEDGE RECEIPT OF SAID AGREEMENT and a copy of the UTMB Procurement Card policies and procedures, and I confirm that I have read and fully understand the terms and conditions of each. I understand that UTMB is liable to Citi Bank MasterCard for all charges/transactions on my Card.

I AGREE TO USE THIS CARD FOR UTMB APPROVED PURCHASES ONLY and agree not to charge any personal or non-allowable purchases on my Card. I understand that UTMB will audit the use of my Card and report any irregularities or improper use, such as personal purchases, to the Vice President of Business Operations and Facilities.

I FURTHER UNDERSTAND THAT IMPROPER USE OF MY CARD WILL RESULT IN DISCIPLINARY ACTION, up to and including termination of employment at UTMB, and referral for possible criminal prosecution. Should I use this Card for other than UTMB approved purchases, I understand that UTMB will withhold from me any and all payments that are due until such time that an amount equal to the amount of the debt or the discrepancy is repaid by me, regardless of my UTMB employment status. If UTMB initiates legal proceedings to recover amounts owed by me under this Agreement, I agree to pay all legal fees incurred by UTMB in such proceedings.

I UNDERSTAND that UTMB may terminate my right to use the Card at any time for any reason. I agree to return this Card to UTMB immediately upon request or upon termination of employment.

My Signature below indicates that I have read this Agreement, understand it and agree to be bound by it, and any subsequent amendments or addenda, for as long as I am a Procurement Card Cardholder at UTMB.

**CARDHOLDER:**

Signature: ____________________________ Date: _____/_____/______

Printed Name: ____________________________ Phone: ______________

**APPROVING UTMB OFFICIAL:**

Funding Source Owner

Date: _____/_____/______ Phone: ______________

Printed Name of Funding Source Owner
Attachment G
THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON
Department Coordinator Agreement

The University of Texas Medical Branch at Galveston (UTMB) is pleased to be able to offer the Procurement Card Program to your department. In order for UTMB to offer this program appropriate internal controls must be maintained by all Department Coordinators as outlined in the Procurement Card Program Procedures. This delegation of responsibility and authority represents trust in you as a representative of your department and a responsible agent of UTMB to safeguard and protect UTMB assets.

I, _________________________________________, HEREBY ACKNOWLEDGE RECEIPT OF THE UTMB PROCUREMENT CARD PROGRAM PROCEDURES. As a Department Coordinator, I have been trained in the use of the Procurement Card and my responsibilities. I fully understand and agree to comply with the terms and conditions of this Department Coordinator Agreement and the UTMB Procurement Card Program Procedures to the best of my ability.

I ACKNOWLEDGE RECEIPT OF SAID AGREEMENT and I confirm that I have read and fully understand the terms and conditions. I understand that UTMB is liable to Citi Bank for all charges to the Procurement Card made by the Cardholders in my department.

I UNDERSTAND that UTMB will audit the use of all Procurement Cards and I will cooperate fully with the Reviewer and the Procurement Card Program Administrator.

I FURTHER UNDERSTAND MY RESPONSIBILITIES INCLUDE:
• Receiving and disseminating Procurement Card information
• Serve as primary contact for the Procurement Card Program Administrator
• Verification of supporting documentation on all charges
• Retaining supporting documentation according to the UTMB Record Retention Schedule
• Allocation of transactions to appropriate UTMB accounts
• Overseeing the departmental Procurement Card internal controls

I UNDERSTAND that UTMB may terminate the rights of any and all of my department Cardholders at any time for any reason. I understand and agree to return any Procurement Cards issued to my department to the Procurement Card Program Administrator immediately upon request or upon termination of employment of any of my Department’s Cardholders.

My Signature below indicates that I have read this Agreement, understand it and agree to be bound by it, and any subsequent amendments or addenda, for as long as I am a Department Coordinator at UTMB.

Department Coordinator:
Signature: _______________________________ Date: ____/____/____
Printed Name: ___________________________ Phone: _______________
Building and Room #:__________________________ Employee ID: _____________

Funding Source Owner:
Signature: _______________________________ Date: ____/____/____
Printed Name: ___________________________ Phone: _______________
Attachment H

Process for Cardholder Purchase Exceptions

Cardholder makes email request for Purchase Exception to Program Administrator who documents the request information on the Monthly Exceptions Report:

<table>
<thead>
<tr>
<th>Procurement Card Exceptions Report</th>
<th>Mar-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardholder Name: Requested By:</td>
<td></td>
</tr>
<tr>
<td>Exception Approved by: Yes/No Date</td>
<td></td>
</tr>
<tr>
<td>Reason for Exception:</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td></td>
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<tr>
<td>Prior Status:</td>
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</tbody>
</table>

The Program Administrator then forwards the request to the VP of BOF, or his designee who reviews the request and determines the Approval or Non-Approval of the Request.

An email response is made to the Cardholder (cc: Program Administrator) by VP or designee as to the status of the request.

If approved, the Program Administrator contacts the Bank to give ok to lift the purchase restriction. The purchase is completed and documented on the Exceptions Report as complete.

After the purchase the previous status is restored to the Cardholders account.

If the Exception Request is not approved, the reason for not approving is documented as well.

By the 5th of the following month the Exceptions Report is sent to the VP of BOF.
Attachment I

Procard Forms Management and New Application Process

When new requests are received from UTMB employees for a Procurement card, the Procard Administrator will send an email to the requestor along with three forms attached (Enrollment Form E, Agreement Form F, and Department Coordinator Form G) to be completed, along with the link for the Procard Program Description and Procedures and a PowerPoint presentation (training document). New Cardholder applicants must return all three completed forms to the Procard Administrator.

Forms are reviewed to verify completeness and that the funding source owner listed is the correct person for the Chartfield String provided as the Primary and Secondary (if applicable) Funding Source.

Check to ensure all lines on the form are completed (unless non-applicable).

To validate funding source owner(s) both Primary and Secondary (if applicable)

1. In Peoplesoft FMS, go to the Signature Table (screen shot below)
2. Click on Advanced Search

![Signature Table](image)

Search by: [Empl ID] begins with

3. If validating Class information, search by Department, if validating Project information, search by Project. Below is screen shot of search by Department.
4. Make sure that person listed as funding source owner on the Enrollment Form appears on the Search Results. Also validate the limits listed in Peoplesoft are within the limits listed on the Enrollment form.

5. Once validated, initial and date the Enrollment Form to indicate Signature for Funding Source Owner has been validated.

6. If person listed on the form is not valid, forms are returned to applicant along with screen shot of current active names from the Signature Table.

After verifying that the Forms are complete and validating funding source owner, Enrollment Form is signed by the Program Administrator, or designee, and dated. The hard copy is the official record.
All three Forms are maintained in a binder (alphabetically by last name) by the Program Administrator.

The Program Administrator then goes to the Citi Bank website and logs in to open an online application. The information from the hard copy Enrollment form E is used to create the Cardholder’s account on CitiBank’s website. Once processed by CitiBank, the Cardholder’s card is sent to the Program Administrator, who in turn sends to the Cardholder’s location via campus mail.
Texas Comptroller Vendor Warrant Hold Inquiry

State agencies are only required to check warrant hold for non-emergency procurement card purchases over $500.

Institutions of higher education (UTMB) must also verify warrant hold status for local fund purchases over $500.

For procurement card purchases over $500, agencies must verify that the vendor is not on warrant hold before making the purchase.

Vendor Warrant Hold – UTMB Inquiry / Search

(Inquiry for State of Texas Comptroller's Warrant Hold information for a Vendor)

Please enter an eleven digit Texas Payee Information System (TPIS) number: ____________________________

- OR -

Please enter Vendor name: ____________________________

Search

http://intranet.utmb.edu/warranthold/

Based upon the search criteria entered, the vendor TPIS number or the vendor name is not currently "ON WARRANT HOLD" status with the State of Texas Comptroller.

Copyright 2008 The University of Texas Medical Branch. Please Review Our Site Policies and Required Links. Contact UTMB Department of Public Affairs  • Phone: (409) 772-2618 • Toll Free: (800)228-1841  • Fax: (409) 772-6216

301 University Boulevard, Galveston, Texas, 77555-0144  • UTMB Maps & Directions
Inquirer's Name: ___________________________ Date: ___________________________

Cardholder's Name: ___________________________
Account Number: ___________________________

Cardholder: Please provide a copy of any information/forms requested below along with the statement where the disputed charge appears and send via fax or mail to:
FAX TO: 605-357-2019 OR MAIL TO: Citibank® Commercial Cards
701 E. 60th ST. N Mail Code 3270
P.O. BOX 6125
Sioux Falls, S.D. 57117

This form must be filled out completely and forwarded to the Program Administrator and Citibank within 60 days of the disputed charges' posting date so that we may investigate.

Program Administrator: This is to notify you of an error on my billing statement:
Date: __________________________ Dollar Amount of Charge: $ __________________________
Merchant: __________________________

Cardholder Signature: __________________________

Please read carefully each of the following descriptions and check the one most appropriate to your particular dispute. If you have any questions, please contact us at 1-800-248-4533 (overseas call collect, 904-954-7630). We will be more than happy to advise you in this matter.

- UNAUTHORIZED TRANSACTION
  [ ] I have not authorized this charge to my account.

- DUPLICATE PROCESSING—THE DATE OF THE FIRST TRANSACTION WAS ____________
  [ ] The transaction listed above represents a multiple billing to my account. I only authorized one charge from this merchant for this amount.
  My card was in my possession at all times.

- MERCHANDISE OR SERVICE NOT RECEIVED IN THE AMOUNT OF $ ____________.
  (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)
  [ ] My account has been charged for the above transaction, but I have not received the merchandise or service. I have contacted the merchant, but the matter was not resolved.

- MERCHANDISE RETURNED IN THE AMOUNT OF $ ____________.
  (Please provide a separate statement detailing the merchant contact, and the expected date to receive merchandise.)
  [ ] My account has been charged for the above listed transaction, but the merchandise has since been returned.

***Enclosed is a copy of my postal or UPS receipt.***

- CREDIT NOT RECEIVED
  [ ] I have received a credit voucher for the above listed charge, but it has not yet appeared on my account. A copy of the credit voucher is enclosed.

- DIFFERENCE IN AMOUNT
  [ ] The amount of this charge has been altered since the time of purchase. Enclosed is a copy of my sales draft showing the amount for which I signed. The difference of amount is $ ____________.

- COPY REQUEST
  [ ] I recognize this charge, but need a copy of the sales draft for my records.

- SERVICES NOT RECEIVED: Please enclose a separate statement with the date of the merchant contact and response.
  [ ] I have been billed for this transaction; however, the merchant was unable to provide the services.
  [ ] Paid for by another means. My card number was used to secure this purchase; however, the final payment was made by check, cash, or another credit card. Enclosed is my receipt, canceled check (front and back), copy of credit card statement, or applicable documentation demonstrating that payment was made by other means.

- NOT AS DESCRIBED
  [ ] The item(s) specified do not conform to what was agreed upon with the merchant. (The cardholder must specify what goods, services, or things of value were received. The cardholder must have attempted to return the merchandise and state so in his/her complaint.)

- If none of the above reasons apply:
  Provide a complete description of the problem, attempted resolution and outstanding issues. Use a separate sheet of paper and sign and date your description statement.

25
### UTMB Procurement Card Transaction Log

**Dept Name:**

**Cardholder Name:**

**And Signature:**

<table>
<thead>
<tr>
<th>Trans: Date</th>
<th>Vendor Name</th>
<th>Description of Purchases and Intended Use</th>
<th>Transaction Amount $</th>
<th>Expense Account Code</th>
<th>Class</th>
<th>Vendor Status O.K.</th>
<th>HUB YN</th>
<th>Invoice Attached YN</th>
<th>Order Received YN</th>
<th>Authorized Signature</th>
<th>COMMENTS</th>
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**Cardholder Instructions:**

- It is accountable for the safekeeping and authorized use of the card by the Cardholder.
- Complete the Transaction Log daily as card is used and attach support documentation.
- Present Transaction Log to Coordinator to review and sign monthly (or weekly, if preferred).
- Transaction Log, with attached receipts, is to be kept in a safe and secure place (known by both Cardholder and Coordinator) for any future review or audit.
- Every Month, if you have no transactions, you must fill out "No Activity" on the form for that Month/Year.

This blank transaction log can be found on the following link:

[http://www.utmb.edu/supplchaimaboard/forms/Transaction%20Log%202019%202018.pdf](http://www.utmb.edu/supplchaimaboard/forms/Transaction%20Log%202019%202018.pdf)
Name of purchaser, firm or agency
The University of Texas Medical Branch at Galveston
Address (Street & number, P.O. Box or Route number)  Phone (Area code and number)
301 University Boulevard  (409) 747-8000
City, State, Zip code
Galveston, TX 77555-0005

I, the purchaser named above, claim an exemption from payment of sales and use taxes for the purchase of taxable items described below or on the attached order or invoice form:

Seller:  
Street address:  

Description of items to be purchased or on the attached order or invoice:  
Any/all allowable under Texas Law.

Purchaser claims this exemption for the following reason:  Exempt organization: The State of Texas, its unincorporated agencies and instrumentalities.

Texas ID: 74-6000949

I understand that I will be liable for payment of sales or use taxes which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provisions Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

<table>
<thead>
<tr>
<th>Purchaser</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sign here</td>
<td>Purchasing Manager</td>
<td></td>
</tr>
</tbody>
</table>

NOTE: This certificate cannot be issued for the purchase, lease, or rental of a motor vehicle.
THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.
Sales and Use Tax “Exemption Numbers” or “Tax Exempt” Numbers do not exist.

This certificate should be furnished to the supplier. Do not send the completed certificate to the Comptroller of Public Accounts.
Notes