Procurement Card
Program Description and Procedures

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1 Procurement Card Overview

OBJECTIVE
The objective is to enable the purchase and payment of non-restricted goods and services in an efficient direct access process using the individually issued Citibank MasterCard Procurement Card.

COMPLIANCE
The Procurement Card Program will be administered and monitored by the Purchasing Department in compliance with all applicable federal, State, and local laws and regulations.

2 Definitions
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.

Cardholder Agreement: Part of the Request Form, a form to be signed by all cardholders verifying that they have read the guidelines and understand their responsibilities as a Procurement Card Cardholder.

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 funding sources (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. Each Cardholder must have a designated Department Coordinator other than themselves.

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

Request Form: The form to be completed by prospective cardholders to obtain a Procurement Card or to change Department Coordinators for the respective Cardholder or to update funding source.

Funding Source Owner: The person with primary financial responsibility for departmental funding source, PeopleSoft Chart Field string (CFS). This person must have appropriate delegation authority.

Individual Account Statement: An email detailing transaction activity for an individual Procurement Card number for purchases made during the billing time period.

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 $10,000 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 Program Administrator will review any spending limit exception requests with the Director of Purchasing 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 primary UTMB pre-approved funding source (PeopleSoft CFS) assigned to an individual Cardholder’s Procurement Card. Each procurement card will have a primary default funding source assigned and approved by the department. Departments may choose
Procurement Card (p-card): A card issued to an employee of the University of Texas Medical Branch (UTMB) for the purpose of making authorized purchases on behalf of the University. The University will issue payment for charges made with the Procurement Card.

Procurement Card Program Administrator (PA): Purchasing employee responsible for administering the Procurement Card Program for the University and acting as the main contact between UTMB, Citibank and the Department Coordinators.

Reviewer: The UTMB employee from Purchasing responsible for sampling and testing Procurement Card transactions.

Secondary Funding Source (PeopleSoft CFS): The secondary UTMB pre-approved funding source (PeopleSoft CFS) 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. If the Primary Default Funding Source Project has expired or is not active and another funding source is not provided by the Cardholder or Department Coordinator, the Secondary Funding Source will be used.

Single Transaction Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Procurement Card. A single transaction cannot exceed $2,000 unless specific approval is obtained through the Procurement Card Program Administrator and the Director of Purchasing or his designee. A single transaction may include multiple items but cannot exceed the Cardholder’s pre-established transaction limit. Transactions may not be split to divide a larger purchase which is over the Cardholder’s pre-established transaction limit.

Split Transaction: Large transactions may not be split into smaller transactions in order to meet the specified transaction limits. “Splitting transactions” is defined as follows:

- Two or more transactions charged to the same chart field string for the same merchant within a time span for which it would be reasonable to assume that the need for the additional transaction could have been anticipated; or
- Two or more transactions charged to the same chart field string and issued to the same merchant on the same day, even if the transactions are for different products.

Splitting transactions may cause the Cardholder’s privileges to be suspended/revoked (See Compliance Reviews).

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. This form is provided by Citibank if needed.

Support Documentation: A 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.).

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).
3 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 Attachment D – Request Form, 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 for personal transactions at any time. In the event an accidental personal transaction is processed, the Cardholder needs to notify the Departmental Coordinator and the Departmental Coordinator needs to notify the Procurement Card Program Administrator. The Cardholder must reimburse UTMB for the transaction cost immediately. Failure to comply with this requirement may result in temporary suspension of the card and may prompt further audits/investigations.

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.

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, transfer and/or resignation from UTMB. The Department Coordinator is to notify the Purchasing Card Program Administrator immediately upon an employee’s termination, retirement, resignation, transfer, etc.

BENEFITS
- Reduces departmental purchase requisitions and small orders for qualifying purchases.
- Supplements departmental needs on emergency basis when a purchase order is not feasible.
- Merchant is paid by Citibank in 24 to 48 hours.
- Citibank 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 Purchasing and/or Internal Audits.

4 How it Works
- Cardholder checks availability of items in SciQuest Market Place on line:
  https://intranet.utmb.edu/research_marketplace/login.asp
- If item(s) is/are not available in the SciQuest Market Place, then Cardholder makes a purchase to merchant by charging it on the Citibank Mastercard.
- Each Cardholder is responsible and held accountable for the Procurement Card issued in their name.
- Citibank pays the merchant.
- UTMB pays Citibank 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)

• Procurement Card transactions may NOT be split to divide a larger purchase which is over the Cardholder's pre-established transaction limit.

5 Receiving the Procurement Card

A completed Attachment D – Request Form must be submitted for each approved Cardholder. These forms 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 signs the Request Form (if applicable). Once completed, the forms should be forwarded to the Procurement Card Program Administrator.

All approved Cardholders and Department Coordinators must complete an online training course (a refresher course is required annually). The approved Cardholder must sign and return the Request Form to the Procurement Card Program Administrator 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:

• Ensuring Procurement card training is completed (annual refresher course)
• Cardholder enrollment
• Procurement Card termination
• Liaison between Departmental Coordinators, Cardholders, merchants, and Citibank

See Attachment H – Forms Management and New Application Process

6 Tax Exemption

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.

For the current version of the Tax Exemption Certificate, please click on the following link: http://www.utmb.edu/supplychain/procard/

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, Cardholders must 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 card. If any audit determines that unauthorized or inappropriate purchases have been made, the Cardholder will be personally responsible for reimbursing the University. (See Authorized Card Use and Attachment D – Request Form).
7 Purchases over $500 – Vendor Warrant Hold

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 Purchasing 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 Texas Comptroller Vendor Warrant Hold search is user friendly, easily navigated and accessible to everyone and can be located at the below link:

 https://fmcpa.cpa.state.tx.us/tpis/search.html

If the vendor is not “ON WARRANT HOLD”, list the purchase details on the Transaction Log (See Attachment E - 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.

8 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 Comptroller of Public Accounts - Historically Underutilized Business (HUB) Web site:

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

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.

9 Transaction Log

The Cardholder must maintain a 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. 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 log, along with all supporting documentation, must be maintained in the department, according to the terms of the Certified Records Retention Schedule for purchasing documentation (Current Fiscal Year +3). 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 Procurement Card Program Administrator for that period’s purchases. Any discrepancies should be reported to Citibank/Procurement Card Program Administrator. A detailed description of the purchased item is required to validate the item is an allowable purchase under this policy. The “Receipt/Invoice” columns are used to check off that all purchases and documentation were received.

At the time of each monthly cycle, an email with a summary of the transactions posted during that period will be sent to the Department Coordinators with a copy to the Cardholder(s). Each purchase or credit will appear as a single transaction on this email. Upon receipt of the email, the information should be reconciled to the Procurement Card Transaction Log for each individual Procurement Card.

10 Authorized Card Use

AUTHORIZED/ALLOWABLE PURCHASES:

Common uses of the procurement card may include, but are not limited to:

- books
- copy charges
- periodicals
- printing (except Medical Record Forms, see iHOP 09.02.08 Patient Records)
- repair parts
- small dollar retail purchases
- registration fees for seminars and conferences
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 Director of Purchasing 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
- PDA’s, or other handhelds
- Hand Guns or Rifles

11 **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 procurement card with another employee or anyone else. Incidents of sharing procurement cards, regardless of the reason, may 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 Penal Code Section 39.01.

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 UTMB and possible criminal prosecution.

**UNAUTHORIZED/RESTRICTED PURCHASES:**

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 Procurement Card Program Administrator and the Director of Purchasing or his designee. (See Attachment G – Process for Purchase Exceptions)

- any single purchase exceeding the Cardholder's pre-established transaction dollar limit (including freight and handling)
- advertising
- alcoholic beverages
- animals
- capital assets
- cash advances
• cellular/portable phone
• computer peripherals - use preferred contract vendor via the SciQuest Marketplace
• 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 including gift cards
• entertainment
• food
• hazardous chemicals
• invoices (p-card to be used at point of sale only)
• leases or rentals (orders requiring signature of vendor agreements or documents, includes monthly copier charges)
• liquid nitrogen
• memberships (including institutional, professional or private)
• motor fuel, lubricants
• office supplies– use preferred contract vendor via the SciQuest Marketplace
• personal services and items (including personal memberships, gifts, etc.)
• postage
• purchases outside the USA
• purchases involving equipment trade-in
• radioactive materials
• subscriptions (annual or monthly recurring charges)
• telephone services
• travel related expenses (hotel rooms, airfare, car rentals, etc.)
• weapons and ammunition

12 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
• 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.

13 Billing Address

Cardholders must use Purchasing’s physical address noted below for the billing address for the any purchases requesting this information. If it not accurately provided, the purchases may decline.

20740 Gulf Freeway, Suite 110
Webster, Texas 77598
14  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 (RMA). (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 contact Citibank and report dispute immediately. Citibank will place the charge in a “State of Dispute” and the account may be given a provisional credit until receipt of adequate documentation from the vendor. 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.

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

15  Billing, Payment, and Cost Distribution

Citibank 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. Citibank makes available 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 facilitate the payment of the Central billing account’s invoice in full.

The Procurement Card Program Administrator will transmit Individual Account Statement(s) electronically via email to the Department Coordinator and Cardholder.

The UTMB email communication will include a deadline by which the Individual Account Statement(s) should be reconciled and approved. 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 Attachment D – Request Form 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 approval documentation is required. This documentation 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 may be cause for card cancellation.

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.

16 Reporting a Lost or Stolen Card

It is the responsibility of the Cardholder to notify the Citibank Customer Service Center immediately by calling the number on back of the card 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 via email 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 Citibank.

17 Card Termination

When a Cardholder terminates employment with the University or transfers to another department, 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.

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.

18 Review of Cardholder Transactions

To ensure compliance with the Procurement Card Program Procedures, periodic reviews and audits of p-card 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).

In the event of a suspicious charge during the monthly review, the Procurement Card Program Administrator will contact the Cardholder and Department Coordinator and request more information to assess the business need of the purchase and the compliance with the program guidelines.

Any irregularities detected during a p-card review will be reported at a minimum to the Default Funding Source Owner and p-card 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.
19 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 How it Works.

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 UTMB Records Retention Schedule for “Procurement Card Records” (Current Fiscal Year +3).

https://www.utmb.edu/compliance/records/default.asp

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 409-747-5900.

20 Compliance Reviews

Overview

A semi-annual compliance review will be conducted by selecting a random sample of the Cardholder population and reviewing the transaction logs and receipts associated with one month’s worth of transactions. A report of the findings will be prepared at the conclusion of each review. A copy of the report will be prepared for the Cardholder, Department Coordinator, Default Funding Source Owner and Purchasing Department Leadership.

A database will be maintained with the information gathered from the reviews. The information will be used to track the findings and identify any continued or prolonged misuse of the card. The information gathered will also help identify areas where additional training or education may be needed.

Violations

Violations of the program rules and procedures may jeopardize a Cardholder's continued participation in the program. Possible violations include, but are not limited to:

- Failure to reconcile transaction(s) prior to the monthly deadline
- Failure to maintain a transaction log
- Failure to utilize tax exemption status
- Failure to verify Merchant hold status with the State of Texas
- Failure to maintain proper receipts/documentation for transactions
- Failure to obtain signatures on the transaction logs
- Failure to keep documentation according to the Records Retention policy
- Splitting a transaction to bypass Cardholder or policy's purchase single transaction limit
- Purchasing an item that should not be purchased by using the p-card

Penalties for violations include:

- 1st and 2nd occurrence: A written warning of the specific violation will be sent to the Cardholder, Department Coordinator and the Default Funding Source Owner.
- More than two (2) occurrences: If a violation occurs after a 2nd occurrence, a written notice of the specific violation will be sent to the Cardholder, Department Coordinator, the default Funding Source owner and the Department Head stating that the Cardholder’s privileges may be suspended/revoked for a minimum of 30 days. Re-completion of the online training will be required before a Cardholder’s privileges will be reinstated.

21 Audits

The responsibilities under this policy for Internal and External Auditors may include scheduling periodic audits to ensure an adequate and effective system of internal controls to minimize the risk of improper, abusive, or fraudulent activity for the Procurement Card Program.
22  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. Work on behalf of the interests of UTMB solely, and avoid situations which may result in personal benefit or gain to the buyer.
23 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. Ref iHOP Policy 06.00.00 Institutional Compliance Plan.

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 contractor 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 – 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 Request Form for each prospective Cardholder and submit it to the Procurement Card Program Administrator.

4. Cardholder completes online training program and notifies Procurement Card Program Administrator.

5. Department Coordinator completes online training program and notifies the Procurement Card Program Administrator.

6. Procurement Card Program Administrator receives Procurement Card from bank and mails it via Campus Mail to Cardholder’s Mail Route.

7. Cardholder receives and activates card.

8. Cardholder follows guidelines on How it Works.


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


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

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

14. Department Coordinator and/or Cardholder retain documentation (for audit purposes) as per UTMB record retention schedule.

15. Department Coordinator and Cardholder complete annual refresher on-line training.
25  Attachment D – Request Form

Below is an example of the form. For the current form, please contact the Procurement Card Program Administrator.

Procurement Card Request Form

<table>
<thead>
<tr>
<th>Request Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To avoid delays in processing your request, complete form in its entirety.</td>
<td></td>
</tr>
<tr>
<td>Type of Request</td>
<td>Type of Card</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cardholder Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardholder Name</td>
<td>Employee ID#</td>
</tr>
<tr>
<td>Mail Route #</td>
<td>Last 4 digits of SSN</td>
</tr>
<tr>
<td>Work Phone</td>
<td>Email Address</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Department Name</th>
<th>Work Location (Building and Room #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department Coordinator Information</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Department Coordinator Name</td>
<td>Employee ID#</td>
</tr>
<tr>
<td>Mail Route #</td>
<td>Work Phone</td>
</tr>
<tr>
<td>Email Address</td>
<td></td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Position Title</th>
<th>Department Name</th>
<th>Work Location (Building and Room #)</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Funding Information</th>
<th>Requesting Department's Budgets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Primary Default Funding Source:</strong> (applicable)</td>
<td>(applicable)</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary Funding Source (applicable) as Primary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Authorization Signatures</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cardholder's Printed Name</td>
<td>Cardholder's Signature</td>
</tr>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department Coordinator's Printed Name</th>
<th>Department Coordinator's Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Funding Source Owner's Printed Name</th>
<th>Primary Funding Source Owner's Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Secondary Funding Source Owner's Printed Name (if applicable)</th>
<th>Secondary Funding Source Owner's Signature (if applicable)</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

This section is to be completed by Program Administrator

<table>
<thead>
<tr>
<th>Program Administrator's Printed Name</th>
<th>Program Administrator's Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
<td><img src="image.png" alt="Image" /></td>
</tr>
</tbody>
</table>

Once complete, please send via email to Program Administrator.
Procurement Card Request Form

Cardholder 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 THE UTMB PROCUREMENT CARD POLICIES AND PROCEDURES. 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 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's Printed Name: ___________________________  Cardholder's Signature: ___________________________  Date: ________________

Department Coordinator Agreement

The University of Texas Medical Branch at Galveston (UTMB) is pleased to offer the Procurement Card Program to your department. In order for UTMB to offer this program appropriate internal controls must be maintained by Department Coordinators as outlined in the Procurement Card Policies and Procedures. This delegation of responsibility and authority is vested 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 POLICIES AND PROCEDURES. As a Department Coordinator, I have been trained or have a reasonable basis for believing that I understand and comply with the terms and conditions of this Agreement and the Procurement Card Policies and Procedures to the best of my ability.

I ACKNOWLEDGE RECEIPT OF SAID AGREEMENT and confirm that I have read and fully understand the terms and conditions. I understand that UTMB is liable to Citi Bank MasterCard for all charges to the Procurement Card issued 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
- Serving 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's Printed Name: ___________________________  Department Coordinator's Signature: ___________________________  Date: ________________

Authorization Signature

Class (or Project with BUD Ref): ___________________________  Primary Funding Source Owner's Printed Name: ___________________________  Primary Funding Source Owner's Signature: ___________________________  Date: ________________

Once complete, please send via email to Program Administrator.

Cardholder: ___________________________  Page 2 of 2

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Rev. 04/19
### Attachment E - Transaction Log

Below is an example of the form.
For the current form, please contact the Procurement Card Program Administrator.

<table>
<thead>
<tr>
<th>Transaction Date</th>
<th>Merchant Name</th>
<th>Description of Purchase</th>
<th>Transaction Amount</th>
<th>Pooled/Soft Account Code</th>
<th>Class or Procurement Bldg</th>
<th>Vendor Status Or? Y/N or N/A</th>
<th>M/L Y/N</th>
<th>Invoice Amount Y/N</th>
<th>Order Received Y/N or N/A</th>
<th>Default Funding Source Y/N</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

*If funding is different from Cardholder’s default account, attach documentation of authorization.

Cardholder Signature: ____________________________ Date: ____________________________

Department Coordinator Signature: ____________________________ Date: ____________________________
Attachment F - Missing Receipt Documentation

Below is an example of the form. This form must be used when a transaction does not have receipt documentation. **For the current form, please contact the Procurement Card Program Administrator.**

### Procurement Card Missing Receipt Form

**Note: Using this form may be considered a violation.**

The use of this form does not replace the need for the individual to safeguard the original receipts or documentation required for reconciliation. UTMB recognizes that receipts can be lost or destroyed or in rare cases, a physical receipt may not be possible. This form is used, in these circumstances, to document the specific information regarding the expenditure and the disposition of the missing receipt.

This form should be completed by the individual with the information/knowledge to answer the questions; signed by the Cardholder, Department Coordinator and the Primary Funding Source Owner.

#### Cardholder Information

<table>
<thead>
<tr>
<th>Cardholder Name</th>
<th>Position Title</th>
<th>Department Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Department Coordinator Information

<table>
<thead>
<tr>
<th>Department Coordinator Name</th>
<th>Position Title</th>
<th>Department Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Transaction Information

<table>
<thead>
<tr>
<th>Merchant Name</th>
<th>Transaction Amount</th>
<th>Transaction Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Items Purchased (attach additional document if required)

<table>
<thead>
<tr>
<th>Purpose of Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

- Explain the circumstances resulting in the missing receipt

<table>
<thead>
<tr>
<th>Explain the action taken to request a duplicate receipt from the vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

- Attach official documentation which certifies the transaction occurred.
  (Example: Credit card statement from Program Administrator)

#### Authorization Signatures

I certify and attest that the above statements are true. I further certify that these expenses were for official UTMB purposes.

<table>
<thead>
<tr>
<th>Cardholder’s Printed Name</th>
<th>Cardholder’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Department Coordinator’s Printed Name</th>
<th>Department Coordinator’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary Funding Source Owner’s Printed Name</th>
<th>Primary Funding Source Owner’s Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Once complete, attach to respective Transaction Log.
28 Attachment G – Process for Purchase Exceptions

Cardholder makes email request for purchase exception to Procurement Card Program Administrator who documents the request information on the Cardholder Activity Report.

The Procurement Card Program Administrator then forwards the request to the Director of Purchasing, or his designee who reviews the request and determines the Approval or Non-Approval of the Request. A monthly report that includes this exceptions is submitted to the AVP for Supply Chain.

After the purchase the previous status is restored to the Cardholders account if the exception is made for a one time occurrence.

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

In order to approve it, the Procurement Card Program Administrator contacts the Bank to give ok to lift the purchase restriction (if applicable). An email response is made to the Cardholder by the Procurement Card Program Administrator or designee as to the status of the request. The purchase is completed and documented on the Cardholder Activity Report.

By the 10th day of the following month the report is sent to the AVP for Supply Chain.
Attachment H – Forms Management and New Application Process

When new requests are received from UTMB employees for a Procurement Card, the Procurement Card Program Administrator will send a short questionnaire to validate the need for a Procurement Card. Once approved, the Procurement Card Program Administrator emails the requestor the Procurement Card Request Form to be completed, along with instructions to complete the required on-line training for both Cardholder and Department Coordinator (if applicable).

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
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 Procurement Card Request Form appears on the Search Results. Also validate the limits listed in PeopleSoft are within the limits listed on the form.

5. If person listed on the form is not valid, the form is returned to applicant.

After verifying that the form is complete and validating Funding Source Owner, the Procurement Card Request Form is signed by the Procurement Card Program Administrator and dated. The electronic version of the form is maintained by the Program Administrator.

The Procurement Card Program Administrator then applies on line for the card using the information from the form and then sends the card to the Cardholder via campus mail.
30 Attachment I - Dispute Procedure

Please refer to the instructions below from Citi.

Dispute Procedures

Dispute Process FAQ
31  Procurement Card Program Administrator Contact

For any questions related to the program please refer to the below link for contact information.

https://www.utmb.edu/supplychain/procard/default.asp