PROCUREMENT CARD HANDBOOK

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OVERVIEW

Welcome to the Howard College Business Services (“HCBS”) department. The HCBS department is a part of the Howard County Junior College District (“HCJCD” or “College”) which serves sites in Big Spring, San Angelo, and Lamesa; and includes the SouthWest College for the Deaf.

This Procurement Card (P-Card) Handbook is designed to provide you with basic information and training on P-Card policies and procedures. You will learn about the tools and resources available to you when making departmental purchases.

The College is a public entity, and as such, is accountable to many stakeholders: including the Howard County taxpayers, the State of Texas, various federal, state, and local governments, and private organizations and individuals. So, when making purchases for the College, it is incumbent upon you to avoid impropriety.

PURPOSE OF THE P-CARD PROGRAM

The purpose of the Procurement Card is to provide the district with an efficient and controllable means to make small routine dollar commodity, service, and travel purchases. The cards will be used primarily in place of petty cash, small dollar purchase orders, blanket purchase orders, and emergency purchase orders.

There are three major things you should consider before making any purchase:

USE COLLEGE PURCHASING POWER APPROPRIATELY

As an employee of the HCJCD, you are allowed to make purchases for official business use only. Make sure that you know what you are purchasing and why it is needed. If you have questions, check with your supervisor or Business Services.

Make every effort to ensure that you are getting quality goods at a fair price. This generally means using trusted vendors and shopping for the best price for the item needed.

Provide courteous, fair, and open competition to all potential vendors. Retain non-public information in confidence.

AVOID THE APPEARANCE OF FAVORITISM

Do not accept gifts or gratuities from vendors, either for business or personal enrichment. This could bring into question the reasons why the vendor was chosen and whether the decision was based on a legitimate business need.
AVOID THE APPEARANCE OF A CONFLICT OF INTEREST

The College prohibits the purchase, lease, or contracting for services with any employee or near relative who has an employee-vendor relationship. An employee-vendor relationship is defined as

- An employee, acting alone, proposes for a consideration to rent or sell goods or to provide services to the College, or an employee owns or controls more than 10% interest in any business that proposes for a consideration to rent or sell goods or to provide services to the College; or

- A near relative of an employee, acting alone, proposes for a consideration to rent or sell goods or to provide services to the College, or a near relative of an employee owns or controls more than 10% interest in any business that proposes for a consideration to rent or sell goods or to provide services to the College, and the employee has, in any connection with his or her College employment, any responsibility for, or will be involved in any manner in, the departmental decision to accomplish or approve the transaction.

PROCUREMENT ETHICS

- Demand ethical practices from all participants in the purchasing process.

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

- Foster a transparent environment by being fair and reasonable in all dealings

- Promote positive relationships by providing all competitive vendors courteous, fair, and equal treatment.

- Make reasonable efforts to negotiate equitable and mutually agreeable settlements of controversies with vendors.

- Under no circumstances accept directly or indirectly gifts, gratuities or other things of value that might influence, or appear to influence, purchasing decisions.

- Avoid involvement in any activity that could be considered to be a conflict between personal interests and the interests of HCJCD.

- Know and obey the State of Texas laws and HCJCD policies governing the purchasing function and remain alert to the legal ramifications of purchasing decisions.

- Retain all nonpublic information in a confidential manner.
GENERAL PROCEDURES

APPLYING FOR AN INDIVIDUAL PCARD

P-Card applications are located on the Howard College website. Navigate to the Business Services tab to locate the form.

Applications must be complete, and all signatures must be present. Scan and email the completed application to BusinessServices@howardcollege.edu.

The P-Card Administrator will notify the prospective Cardholder when their card has been received.

Prospective cardholders must read the P-Card Handbook and understand the requirements for card use.

Cardholder training and a passing quiz will be required prior to a Cardholder being issued the first card.

A College P-Card is not tied to an individual's personal credit line.

MANDATORY TRAINING

From time to time, Procurement Card training will be offered. Training sessions will cover card use and College purchasing policies, procedures, and guidelines. Cardholders who desire to continue their card usage are required to attend these training sessions.

Additional training may be required when an audit reveals that unauthorized purchases have been made or the card has been misused.

Business Services may deactivate a card if the cardholder has violated college purchasing policy.

CARD ISSUER

Wells Fargo is the Procurement Card issuer.

To report a lost or stolen card, dispute a charge, or contact Wells Fargo Customer Service, call 1.800.932.0036.

The Business Services Department should also be informed of lost or stolen cards and transaction disputes.
COLLEGE PROGRAM ADMINISTRATOR

The college Procurement Card Administrator is the District Chief Business Officer/Internal Auditor.

CARD POLICIES AND PROCEDURES

Secure P-Card & P-Card Information

Keep your P-Card and related papers in a secure place. Do not email or fax your P-Card account number to anyone. Cardholders should always monitor their accounts for vendor errors and fraudulent charges using the Wells Fargo portal. If you discover a problem, contact Wells Fargo and Business Services immediately.

Automatic Renewal of Cards

P-Cards will automatically renew, and Cardholders will be notified when cards are available to be picked up. Expired P-Cards are required to be surrendered when new cards are picked up.

Inactive Cards

Cards that have NOT been used for the last twelve months are subject to cancellation.

Cardholder Separation from Howard College

Prior to leaving Howard College employment, the Cardholder must return their P-Card to the P-Card Administrator or designee. All current P-Card transactions must be reconciled in the Wells Fargo P-Card portal, and the transactions approved by the Cardholder’s Primary Approver.

Transaction Limit Amounts

Most purchases are limited to $750.00 or less per single transaction and may be less based on the Cardholder’s monthly card limit. Higher limit transactions are allowed when the transaction adheres to College purchasing policy and approved by the P-Card Administrator.

Splitting transactions to remain under the per limit purchase transaction amount is prohibited and doing so may result in loss of P-Card privileges and/or disciplinary action.
Each conference registration is considered an individual transaction; however, a single Cardholder who registers multiple conference attendees using one card is NOT considered as splitting transactions.

Coaches and employee chaperones may reserve a block of rooms and/or provide food for team events under this policy.

To request a change to the monthly card limit amount, contact Business Services.

**Card Use and Restrictions**

Only the named Cardholder should use their P-Card. Exceptions would be when an Administrative Assistant orders goods or services at the Cardholder’s direction, such as departmental supplies or making travel arrangements.

All card transactions must adhere to the College purchasing policies, procedures, and guidelines.

If travel is expected to exceed $5,000, please notify the Business Service Department.

**Use Appropriate Vendors / Disallowed Vendors**

It is the cardholder’s responsibility to purchase from legitimate vendors. When possible, purchases should be made from Interlocal Cooperative Vendors.

Use caution when purchasing from online sites such as Amazon. Often vendors selling on these sites are located outside the United States and purchasing from foreign vendors are prohibited.

Vendors that owe funds to the State of Texas are disallowed and can be found on the State of Texas Comptroller Debarred Vendor List by navigating to:


**Shipping Addresses**

When making purchases that require a shipping address, always give one of the following addresses to be included on the outside of the package:

Howard College (Big Spring)
1001 Birdwell Lane
Big Spring, TX 79720
Under no circumstances should merchandise be received at an employee’s residence.

**Receipt & Non-Receipt of Order**

The Cardholder is responsible to:

- contact the vendor in the event an order is not received,
- make sure that the order is correct, and
- contact the vendor with any issues including receiving a correct receipt. The receipt must be itemized and contain the vendor name, item description, item quantity, shipping costs, tax when applicable, and purchase total.

**ALLOWABLE PURCHASES**

All purchases should be made within the cardholder monthly limits as established by Business Services. The following goods and services may be bought using a P-Card:

**Goods**

- Auto Parts
- Books
- Classroom & Lab Supplies
- Daycare Food Costs
- Equipment (limited to individual items which cost less than $500 each)
- Event Food Costs
- Maintenance Supplies including small tools
- Office Supplies
- Printing
- Publications
Services

- Advertising
- Conferences & Training Registration Fees
- Courier Services
- Employee Travel – Airfare
- Employee Travel – Ground Transportation Services such as shuttles, taxis & Uber vehicles
- Employee Travel – Hotels/Motels
- Employee Travel – Rental Car
- Employee Travel – Rental Car Insurance
- Employee Travel – Tolls
- Postage
- Student Medical Costs
- Student Group Travel – Food
- Student Group Travel – Hotels/Motels
- Student Group Travel – Transportation
- Vehicle Registration
- Vehicle Repairs
- Webinars

PREPAID SITUATIONS

All services that are purchased with a P-Card should end on or before August 31 of the College fiscal year, i.e. they should not extend into the next College fiscal year creating a prepaid event.

Cardholders must exercise caution when deciding to purchase services to ensure that this prepaid event does not occur. If the service to be purchased would extend beyond August 31, the purchase should be made using a College purchase order.

Any permission granted which allows for a P-Card prepaid event, must be obtained in advance and in writing from Financial Accounting and attached to the prepaid event item in the Wells Fargo portal when reconciling.

NON-ALLOWED PURCHASES

The following goods and services may **NOT** be purchased using a P-Card:

- Alcohol
- Capital Outlay Items
- Cash Advances
• Computers, laptops, tablets, printers, and other peripherals
• Contract Payments
• Cosmetology Supplies
• Dental Hygiene Supplies
• Electronic Equipment with an individual cost of $500 or more
• Equipment with an individual cost of $500 or more
• Entertainment Costs
• Food Costs, except as allowed by policy
• Foreign Country Purchases
• Gasoline
• Gift Cards, including those for students and employees
• Incentives, including those for students and employees
• Maintenance Contracts
• Payments to Consultants
• Payments to Employees
• Payments to Individuals
• Personal Purchases
• Prepaid Items (services that extend past August 31)
• Prizes, including those for students and employees
• Purchases which exceed the monthly cardholder limit
• Software and Accessories
• Student Kits
• Tools with an individual cost of $500 or more

**Exceptions to Non-Allowed Purchases**

In the event a vendor will not accept a Howard College check to satisfy payment in one of the categories below:

• Dues
• Certificates and Licenses
• Institutional Membership
• Subscriptions

A Cardholder may use their card to satisfy payment **IF** the following criteria is met:

• The Cardholder must make an advanced, written request to Financial Accounting stating that the vendor does not accept checks,

• The Cardholder must request permission to make a charge to a non-allowed category,
• The Cardholder must attach a written statement from the vendor which states, “they do not accept checks,” and

• The Cardholder must attach both the Cardholder’s statement and the vendor’s statement to the transaction in the Wells Fargo portal with the monthly reconciling of their card account.

P-CARD BLACKOUT DATES & ALLOWED PURCHASES DURING BLACKOUT

To facilitate the College’s financial year-end closing, P-Card purchases are restricted during a blackout period. The blackout dates apply to all sites, departments, and grants.

_Last Day to Use P-Cards._ The last day to _fully_ use a P-Card before the blackout period is the last working day of June, unless modified by Business Services. During the months of July and August, P-Cards use is limited. Please use a requisition to purchase items and services which are not authorized for purchase after this blackout date.

_Grant Expenditures with P-Cards._ Grants may not use P-Cards within the last 60 days of a grant which is officially ending (rollover funds are excluded). Please plan your purchases and travel expenditures accordingly.

**Allowed Purchases During Blackout**

• Conferences & Training Registration Fees
• Daycare Food Costs
• Employee Travel – Airfare
• Employee Travel – Ground Transportation Services such as shuttles, taxis & Uber vehicles
• Employee Travel – Hotels/Motels
• Employee Travel – Rental Car
• Employee Travel – Rental Car Insurance
• Employee Travel – Tolls
• Event Food Costs
• Maintenance Supplies
• Recurring Charges
• Student Medical Costs
• Webinars
TEXAS SALES AND USE TAX EXEMPTION

Please refer to Policy 4.1 for details regarding Texas Sales and Use Tax Exemption.

RECONCILING CARDS

As a Cardholder, you are responsible for reconciling your card transactions in a timely manner. Late reconcilements are considered violations and will be counted as a compliance violation.

An example of a September statement closure and reconcilement period is:

<table>
<thead>
<tr>
<th>Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Statement Closure Date</td>
<td>08/31</td>
</tr>
<tr>
<td>Cardholder Reminder Period</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td>09/01 to 09/03</td>
</tr>
<tr>
<td>Cardholder Grace Period</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td>09/04 to 09/06</td>
</tr>
<tr>
<td>Approval Period</td>
<td>3 days</td>
</tr>
<tr>
<td></td>
<td>09/07 to 09/09</td>
</tr>
<tr>
<td>Statement Payment Period</td>
<td></td>
</tr>
<tr>
<td></td>
<td>09/10 to 09/19</td>
</tr>
</tbody>
</table>

P-Card statements close at the end of each month.

Wells Fargo notifies each Cardholder in advance of upcoming statement closures and reconcilement deadlines through a series of e-mails which inform them of the statement closure date, the reminder period, and the grace period. Cardholders have three days in the reminder period and three days in the grace period to reconcile their card transactions through the Wells Fargo portal.

The Cardholder’s Primary Approver then has three days to approve the Cardholder’s reconcilement. Each Cardholder is also assigned a Secondary Approver in the event the Primary Approver is unavailable to approve the Cardholder’s reconcilement.

After the Cardholder’s grace period passes, the Cardholder is unable to access the reconcilement screen for that month’s transactions.

After the Approval Period date passes, the Cardholder’s supervisor is unable to access the reconcilement screen for that month’s transactions.

In reconciling card transactions, the Cardholder is responsible for:

- Reviewing charges for accuracy
• Obtaining itemized receipts which must match the transaction charge
• Forwarding the paper reconcilement documents to Account Payable.
• Attaching scanned receipts to each transaction when reconciling in the Well Fargo portal.

Itemized receipts must contain:

• vendor’s name,
• transaction date,
• item description,
• item quantity,
• unit price,
• extended price,
• shipping costs,
• tax when applicable, and
• total transaction amount.

**COMPLIANCE**

Business Services reserves the right to evaluate P-Card usage and suspend or terminate cardholder accounts if violations occur. Egregious acts can result in termination of employment while some lesser violations could result in disciplinary action. Based upon the violation and the perceived intent, a reinstatement opportunity may be offered to the Cardholder based on the number of Cardholder offenses.

*Consequential Violations*

Consequential violations include, but are not limited, to:

• Deliberate misuse of funds, including personal purchases, even if the cardholder intends to reimburse the College.
• Unauthorized charges.
• Noncompliance with State contracts and/or College purchasing policies, procedures, and guidelines.
• Splitting orders to avoid dollar limitations.
• Failure by the Cardholder to reimburse the College for non-allowable transactions or disallowed sale tax charges.
• Allowing others to use your card.
• Past due submissions by the Cardholder of one or more Wells Fargo portal reconciliements.
• Past due submissions by the Cardholder of one or more hard-copy reconcilement reports to Financial Accounting.
• Incomplete documentation, including, but not limited to, missing invoices/receipts and receipt totals that do not match transaction totals.

**Reinstatement Opportunities**

If a Cardholder is offered a reinstatement opportunity, the opportunity will be based on the historical number of Cardholder offenses, i.e. First Offense, Second Offense, or Third Offense.

1) **First Offense**

Within ten workdays from notice to the Cardholder of the offense, the Cardholder must:

- Review the P-Card and Purchasing Handbooks, and
- Attest in writing that he/she has reviewed the handbooks.

If the Cardholder has not complied within the ten-day period, their P-Card will be cancelled.

2) **Second Offense**

The P-Card will be suspended for thirty days.

Within ten working days from notice to the Cardholder of the offense, the Cardholder must:

- Review the P-Card and Purchasing Handbooks,
- Provide written attestation that he/she has reviewed the handbooks,
- Attend the next P-Card and Purchasing training class that is offered, and
- Pass a written test.

After the Cardholder has attended the training class and the thirty days have elapsed, the card will be reinstated. If the Cardholder chooses not to attend the class, their card will be cancelled.

3) **Third Offense**

The card will be suspended for forty-five days.

Within ten working days from notice to the Cardholder of the offense, the Cardholder must:
• Review the P-Card and Purchasing Handbooks,
• Provide written attestation that he/she has reviewed the handbooks,
• Attend the next P-Card and Purchasing training class that is offered, and
• Pass a written test.

After the Cardholder has attended the training class and the forty-five days have elapsed, the Cardholder may reapply by submitting a new P-Card application. The application must have a memo from the Cardholder’s supervisor explaining the steps that have been taken to prevent a similar situation from reoccurring. The memo must be also signed by the Cardholder’s Cabinet Member. If the Cardholder chooses not to attend the class or submit a new application, their card will be cancelled.

If after reinstatement and retraining, the Cardholder continues with violations, the card will be closed for a minimum of one year, or the Cardholder may not be granted the privilege to have a card.