



CISCO COLLEGE



Purchasing Card Policy

For Cardholders

Revised 1/12/2016

Cisco College, Procurement Card Policy

I. Purpose

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

II. Program Overview

Only transactions as delineated in the District Purchasing Card Policy are allowed with the Citi Purchasing Card. The card is not a personal line of credit used for personal transactions. The cardholder should contact the Purchasing Office (5116) before making any purchase they have questions about, or make payment personally and seek reimbursement afterwards. Please remember, reimbursements for any out-of-pocket purchases are subject to approval and may be denied. Any purchase made with the Citi credit card that violate College Policy subject the employee making the purchase to disciplinary action.

A. Approved transactions:

1. Transactions that do not exceed a limit set by the cardholder's Department Administrator.
2. Services, and Supplies, any frequently made over-the-counter retail purchases normally made using a requisition *or* store charge account, and petty cash.
3. Travel transactions in compliance with the Cisco College Travel Policies.

B. Non-Approved Transactions: (transaction must be made using the standard purchase order process)

1. Transactions that exceed approved limits set by their Department Administrator.
2. Purchase Card Prohibited Transactions. See (Section VIII – Restrictions and Exemptions)
3. Any purchase that is not currently an approved budget item.

C. Advantages of the card system are:

1. Time efficiencies gained from reduces processing and paperwork generated by small transactions.
2. Facilitating quick payment to the vendor.
3. Revenue generation back to the College.

III. Duties and Responsibilities

A. Cardholder

1. A "Cardholder" is any College employee who is issued a Citi Purchasing Card. The purchasing card is setup with transaction limits for total spend limit per month total, and limits on the type of merchant where the card may be used. Single Transactions Limits may be applied.

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III. Duties and Responsibilities (Continued)

2. Each cardholder will have access to their Purchasing Card account via the Citi Website to verify their transactions and reconcile their monthly statement for payment. Department Administrators if desired, will have access to employees they supervise via the Citi Website. Each employee issued a card will have a unique card number, and a user ID/password for secure access to their account.
3. Cardholders are prohibited from loaning another employee his/her card even if it is for college use. For security purposes, there are no exceptions to loaning a card. If your position requires you to make purchases utilizing the Purchasing Card, you must apply for a card specifically issued in your name.
4. Cardholders shall use the card for authorized purchases only. **A hardcopy receipt listing what was purchased must be obtained from the vendor each time the card is used. Any online or telephone charges must be supported with a detailed receipt.** Any unauthorized transactions may be required to be immediately reimbursed to the College by the Cardholder.
5. The Cardholder is responsible for immediately reporting a lost or stolen card. The employee must notifying Citi Bank, their Department Administrator and the Purchasing Director immediately upon discovering their card has been lost or stolen. Immediately report a lost or stolen card to Citi Bank by calling the help desk at (800) 248-4553. Upon returning to work, submit the Lost Card Form to the Program Administrator.
6. Before issuing a District Purchasing Card, the employee will receive instruction concerning the Purchasing Card Program, policies, and management procedures. Upon completion of the training, the employee will sign the Purchasing Card Agreement verifying they understand and agree to the card policy and usage rules. Failure to abide by the Purchasing Card Policy may result in card suspension, disciplinary action up to and including termination of employment.
7. Cardholders are required to check their statement on a weekly basis at a minimum to verify their charges and process any transactions that appear. Frequent review will provide added security from fraudulent charges.
8. By the **10th** of each month, the cardholder will log in to GCMS, expense out each item, print their expense report, assemble the accumulated receipts in the order they appear on the report, sign, and submit the documents to their Department Administrator/Approver to review, sign, and forward to the Program Administrator/Purchasing Office for processing. **If a cardholder does not have an Approver, they should forward expense report with original receipts to Program Administrator/Purchasing Department.**
9. Upon resignation or termination of any employee that has a Purchasing Card, that employee's Department Administrator shall collect the card and notify the Purchasing Director to close the account.

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B. Department Administrator Responsibilities

1. The Department Administrators are responsible for designating cardholders. The Department Administrator shall designate which employees will be issued a card with their transaction amount limits. The Department Administrator insures that purchases are authorized and within District policies. Each **department may implement more stringent internal authorization procedures that its cardholders must follow in order to make purchases with the card.** By the 10th of each month, the Department Administrator/Approver shall collect the expense reports from all cardholders within their department, approve the expense report for each Cardholder, and forward the approved expense reports to the Program Administrator/Purchasing Department. Signed and approved Expense Reports should be turned in by the **17th** day of each month to facilitate a timely payment to the vendor.

III. Duties and Responsibilities (Continued)

C. Program Administrator (Purchasing Director)

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

The Program Administrator reports to the Dean of Business Services for any potential infractions to the system.

Administrator:

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IV. Citi Bank Payment Processing

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

1. On the **3rd** of each month, you should receive an email that your statement is ready to view. Sign on to the GCMS website using your individual cardholder's password. See PowerPoint presentation for step by step instructions.
2. Select the just completed billing cycle and click on the VIEW button.
3. Daily / Weekly reconcile any transactions by verifying all transactions are valid transactions. You must reconcile your account by the **10th** of each month. Once all transactions for that billing cycle are accounted for and verified, print the Expense Report Statement, attach all detailed receipts in the order they appear on the statement. Sign the statement and forward it to your Department Administrator/Approver to sign.
4. The Department Administrator/Approver will review and sign the Expense Report statement and forward the

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report to the Purchasing Office for processing by the 17th of each month.

5. Failure to properly reconcile the Expense Report by the required date on a continuing basis may result in revocation of cardholder privileges.

V. Transaction/Card Limits

Each individual purchasing card will have transaction and spending limits. These limits are set by the transaction amount allowable or the monthly limit allowable. Other controls the types of merchants the card can be used with. Any time one of these control limits are exceeded, the transaction will be denied. The Department Administrator; ie: The President, The Dean of Business Services, VP of Student Services, VP of Instruction, and Division Chairs will determine limits within their departments.

****At any time the Program Administrator can make a change in these limits effective immediately once approved.**

This approval will be obtained by emailing the Program Administrator/Purchasing Department the request and copying your Department Administrator or an Executive Council Member for an increase to your card. The reason must be included in the email.

VI. Sales Tax

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

VII. Returns

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

VIII. Restrictions and Exemptions Employees may not use the Purchasing Card for any of the following:

1. **Advertisements.** Advertisements should be reviewed and approved by the College Relations Office or Human Relations office for employment advertisements.
2. **Alcoholic Beverages.** Alcohol or liquor of any kind must not be paid for with the purchasing card.
3. **Cash Refunds or Advances or Cash-Like Transactions.** The Card may not be used to obtain cash, money orders or traveler's checks. Cardholders are prohibited from receiving cash as a credit for the return of an item. Cash-like transactions, such as gift cards are prohibited (Department shall use the District Purchase Order system for these items if needed)
4. **Chemicals, Compressed Gases, Toxins, Radioactive, Hazardous and Controlled Substances.** Only employees authorized or licensed to make hazardous materials purchases are allowed to use their Card for these transactions.
5. **Donations or Charitable Contributions.** Any donation or charitable contribution, if allowed by the College policy, must be processed in the DPS requisition/purchase order system.

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6. **Equipment / Electronic Items/ Software.** Any electronic equipment or software item is prohibited on the P-Card, with the exception of the IT Department. Email or phone your request to IT to process the order. These items may have to be processed through the DPS requisition/purchase order system to assure the district obtains the proper discount and complies with the State Competitive Bid Laws, with the exception of the IT having authorization to order on their P Card. Equipment/Electronic/Software can be, but not limited to: Computers, Cameras, Lenses, Network Hubs, Switches, Routers, Wireless access points, etc., Printers, Projectors, Scanners, Stereo Systems, Kindle, iPads, Sony e-books, MP3 players, Video Recorder, Camcorder, DVD Player, Televisions and any other electronic gadget regardless the prices. These items are subject to Asset Tracking and must be properly tagged with an asset ID tag.
7. **Foreign Purchases.** Foreign vendors are blocked by the State of Texas P-Card program. Therefore these transactions must be processed through the DPS requisition/purchase order system.
8. **Fuel Charges.** Fuel may only be purchased with the P Card for fuel for a rental car. College owned vehicles being used for college business use the Com Data card in the vehicle bag. Personal fuel use is prohibited. Personal purchase of fuel used for College business will be reimbursed through a Travel Reimbursement requisition.
9. **Gifts, Awards, and Prizes.** Gifts, Awards, and Prizes may require IRS tracking. Therefore these purchases must be processed through the DPS requisition/purchase order system. The current use of Petty Cash to distribute small dollar amounts to prize recipients should only be used when designated by your Administrator and approved by Purchasing Department via email.
10. **Meals-** Meals while conducting College Business and/or with students or clients are allowed and must include the purpose of the business meal and the names in attendance.

VIII. Restrictions and Exemptions (continued)

11. **Insurance.** There are restrictions on types of insurance all insurance purchases must be reviewed and approved. Therefore these purchases must be processed through the DPS requisition/purchase order system.
12. **Personal purchases.** Including: spouse/family expenses incurred while traveling. Only approved District business expenses for the employee are allowed.
13. **Personal Meals.** Personal meals including those not part of overnight travel covered by your Per-Diem are not allowed on your card. Meals while conducting College Business and/or with students or clients are allowed and must include the purpose of the business meal and the names in attendance.
14. **Required Items within the Approved Budget.** Purchase of any item that is not an approved item within your budget or approved by your Department Administrator may not be purchased with the Credit Card. Purchase of any goods or services not considered prudent or of good judgment are prohibited.
15. **Sales and Use Tax.** The Cisco College District is a tax-exempt entity and does not pay Texas State sales tax. The cardholder should present a sales tax exemption form when making a purchase. Online purchases must be Texas sales tax exempt.
16. **Separate, Sequential, and/or Component Purchases.** Made with the intent to circumvent District Purchasing Policy or State Law are prohibited on the Credit Card. This includes any other purchase specifically excluded in the District Purchasing Policy.
17. **Services from individuals.** This type of purchase has special documentation required by the IRS. These transactions must also be tracked so that any payee receiving **\$600** or more per year is reported to the IRS. Therefore any service **over \$600** must be processed through the DPS requisition/ purchase order system.

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18. **Software from Foreign Vendors.** The IRS has rules governing the taxation of software from a foreign vendor. Therefore these purchases must be processed through the DPS requisition/purchase order system.
19. **Telephone Services and Equipment.** This service and equipment require special approval. Therefore these purchases must be processed through the IT Department *or* Purchasing Department.
20. **Travel and Related Services.** The Credit Card may be used for Meals, Air Travel, Registration, Hotel (excluding personal items) Fuel for rental card only, parking fees.
21. **Utilities.** Must be processed through the Purchasing Department.
22. **Vehicle Rental.** These purchases must be processed through the DPS - Travel purchase order system.

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IX. Obtaining a Purchasing Card

A. Steps for requesting a College Purchasing Card:

1. The Department Administrator person / Director requests a procurement card by completing the Citi credit card application form from the Purchasing Dept.
2. Employee submits a completed signed application form to the Program Administrator.
3. The Purchasing Department will request issue of a purchasing card from Citi Bank.
4. Upon receipt of the card, the Program Administrator will schedule training with the cardholder. After completion of training, the cardholder signs the cardholder agreement in the presence of the Program Administrator, and the Program Administrator issues the card to the new cardholder.

IX. Obtaining a Purchasing Card (Continued)

5. The new cardholder receives copies of:
 - a. Cardholder Agreement.
 - b. Purchasing Card Policy Document.
 - c. User Guide for the Citi's Global Card Management System (GCMS) website.
 - d. Purchasing Card

X. Policy Violations

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

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

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

The following items will constitute policy violations. Repeated violations will result in the sanctions detailed in these guidelines.

1. **Split Purchases** – According to the College Purchasing Policies and the Texas Education Code 44.032, it is prohibited to split a purchase into multiple orders to circumvent the bid/quote requirements. If the purchase is over \$5,000 and not more than \$25,000, three (3) quotes are required, via phone, fax, or email with name of contact, and quote amount. This documentation should remain with your receipt of the purchase. A list of purchasing coops will be provided for easily obtaining these quotes. You may attach a statement of "Sole Source" or "Best Value" because of time constraints on the purchase to use local businesses or established vendors that have met or exceeded Cisco Colleges' expectations for pricing and performance.
 - a. A total purchase of one item totaling \$5,000 or more (including shipping) is a violation if the purchase is made in two or more transactions to keep the total under the \$5,000 quote limit; or,

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b. The purchase of a group of items totaling over \$5,000 (including shipping) for a single purchase need. The single need is a group of items that are similar and purchased from one vendor. Example: purchasing identical supplies of \$4,500 on Tuesday and then purchasing the similar or same supplies on Wednesday for \$1,000 constitutes a split transaction.

2. **Sales Tax on Transactions** – Cisco College as a Public Sub-Division is tax-exempt from Texas Sales tax. Each cardholder is provided with a tax exemption card/certificate. If a certificate is needed for documentation one may be obtained from the Purchasing Office. Out-of-State vendor's transactions may have State Sales Tax on them if the goods are delivered out of state. It is the cardholder's responsibility to assure tax is not charged on in State transactions. Repeated failure to provide vendors with the required tax exemption evidence may constitute a violation of policy.
3. **Failure to Provide Evidence of Documentation/Incomplete Documentation** – Cardholders are required to provide original receipts and any required supporting documentation for each transaction by the reconciliation deadline of the 10th of the month to their Department Administrator/Approver and they then will forward by the 17th of the month.
4. If the Cardholder is unable to obtain a valid receipt, a Missing Receipt Form must be completed and signed by the Cardholder and their Department Administrator. Failure to provide the documentation may be construed as a policy violation. The Missing Receipt Form is found on the Citibank website.
5. **Purchase of a Prohibited Product/Service** – The purchase of any item(s) listed in the “Restricted and Exempt” items Section VIII of this document with your P-Card without an Exemption Form, signed by the appropriate Department Administrator will constitute a policy violation.

X. Policy Violations (Continued)

5. **Personal Purchases** – Any purchases for personal use is a violation of District policy and prohibited. Any violation of this policy requires immediate reimbursement to the College and immediate loss of privileges as prescribed in the “Violation Sanction Guidelines” listed below.
6. **Card Abuse / Cardholder Fraud** – Any suspected abuse or fraud with a District P-Card must be reported to the Purchasing Office and Dean of Business Services immediately. Any Employee or Department Administrator is required to report such abuse immediately so it may be investigated.

XI. Revocation of the Purchasing Card

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

XII. Violation Sanction Guidelines

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

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

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The following guidelines apply to all P-Card Holders.

1. **First Violation – Notification of Infraction/Possible Temporary Suspension of Card Use**
An email will be sent to the Cardholder, their Department Administrator, and the Dean of Business Services detailing the infraction and possible results from future violations of that nature.

2. **Second Violation – Revocation of PCard privileges**
If a second violation occurs the P-Card may be cancelled and the Cardholder will no longer be eligible to obtain a P-Card. The Department would be required to use the Purchase Order system or arrange for someone in the department to take over the P-Card duties. Other disciplinary actions may be taken, up to and including termination of employment.

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

NOTE:

The Director of Purchasing has the authority to revoke the privilege of ANY cardholder at the Director's discretion. The President/ Executive Council would be the only over riding authority on that type of decision.

XIII. Summary

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

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