I. Procurement Card Procedure

A. Employee completes and submits a Cardholder Application/Approval form for a University Procurement Card to his unit manager. The application is forwarded to the University Center & Associated Facilities Director. Upon approval by the Director, the form is sent to the Procurement Card Program Coordinator.

B. Only the Cardholder to whom the card is assigned is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with Procurement Card policies.

C. The Cardholder should purchase from preferred merchants whenever possible to take advantage of pricing and terms negotiated on a university-wide contract basis.

D. Confirm that the selected merchant accepts MasterCard. If not, choose another vendor or use the Voucher process.

E. When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy.

F. When making purchases from Texas vendors, claim exemption from State of Texas Sales Tax using the university’s Tax Exemption Certificate (Attachment C).

G. When making purchases that require delivery, cardholders should give the merchant the card account number and expiration date embossed on the card and the following information:
   1. Cardholder name and phone number
   2. Department name
   3. Complete campus delivery address including building name and room number.

H. Cardholders are encouraged to receive their own shipments. However, if someone else will be receiving a shipment on the Cardholder's behalf, the Cardholder should notify them in advance. Regardless of who receives the shipment, the Cardholder is responsible for verifying that the order was received and obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase.

I. Cardholder must prepare and submit to the UC Business Office an Expenditure Request within three business days of making a purchase. Each purchase must be supported with appropriate supporting documentation.

J. Supporting Documentation:

   1. A merchant produced or non-university document that records the relevant details for each item purchased including quantities, amounts, and a description of item(s) purchased the total charge amount and the merchant's name and address (e.g. sales receipt, original invoice, packing slip, credit receipt, etc.).
2. Expenditure Report

II. Merchandise Return and Exchange

A. The Cardholder is responsible for contacting the merchant when merchandise purchased with the Procurement Card is not acceptable (incorrect, damaged, defective, etc.) and arranging a return for credit or an exchange.
B. 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 is prohibited.
C. If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.

III. Cardholder Verification of Charges

A. The Cardholder will receive an Expense Report to review to determine whether any charges should be disputed. The Cardholder will sign the Report indicating that all charges were made by him, and note any exceptions on the Report. The Expense Report must then be signed by the card holders supervisor.
B. If disputed charges exist, the Cardholder should complete the Statement of Disputed Item form B (See MAPP 04.01.11) and send the form to the UC Business Office immediately. The UC Business Office will review the exceptions on the report and forward it to the Procurement Card Program Coordinator.
C. The Cardholder should verify that a credit appears on the next statement or the following statement for the disputed charge. If a credit does not appear on one of the next two statements, the Cardholder should notify the UC Business Office staff who will notify the Program Coordinator.

IV. Recording & Verifying Transactions in the Financial System

The UC Business Office creates a journal entry in the university financial system based on cardholder receipts or transactions in the banking system as follows: (Child Care Center prepares their own journal entries.)

A. Debit: Appropriate department cost center and expense account
B. Credit: Default P-Card clearing cost center and P-Card liability account (20109)
C. For reporting purposes, the following information should be entered on the journal:
   o Journal Header Reference: Type “P-Card” (without quotation marks)
   o Journal Line Description: Type the vendor’s name (Dell Computer, e.g.)
   o Journal Line Reference: Type the cardholder’s name (Doe, John, e.g.)
D. UC Business Office or Cardholder’s department verifies transactions in banking system, match receipts and supporting documentation, as well as the journal entry, in the university financial system.

E. UC Business Office or Cardholder’s department verifies a business purpose is provided for each transaction on the journal entry.

F. UC Business Office or Cardholder’s department obtains any missing receipts or additional documentation/information needed from the cardholder.

G. UC Business Office or Cardholder’s department enters the corresponding journal ID number on each transaction in the online bank system.

H. The completed journal is reviewed and signed by the card holder and supervisor and then it is submitted to the Director of the University Center and Associated Facilities for approval.

I. Once the Director has approved the journal, it is returned to the UC Business Office for final processing.

J. The UC Business Office scans the journal, expense report and supporting documentation into a PDF format. The scanned documents are uploaded into PeopleSoft and then submitted electronically to General Accounting for processing.

V. Monitoring & Verifying the P-CARD Liability Account Balance

A. P-Card transactions are verified against PeopleSoft Financial by the responsible Financial Staff on a monthly basis in accordance with the applicable MAPP.

B. UC Business Office should verify that all P-Card liability accounts for their college/division have a balance of zero each month after the system-created voucher and department journal entry have posted. Liability account balances that are not zero should be investigated and resolved as quickly as possible.

UNAUTHORIZED AND/OR INAPPROPRIATE CARD USE

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 termination of employment from the university, and criminal prosecution.

Unauthorized and inappropriate use of the Procurement Card includes:

1. Items for personal use;
2. Items for non-university purposes;
3. Cash advances;
4. Travel-related expenses, other than for registration fees;
5. Gasoline for a rental car or personal vehicle;
6. Financial services;
7. Scholarships, stipends, tuition, and fees;
8. Purchases that require a Purchase Order;
9. Radioactive or hazardous materials;
10. Animals;
11. Leases;
12. Transactions greater than $5,000.00;
13. Other purchases prohibited by university policy (e.g., flowers for employees or family members of employees);
14. Professional membership fees ([http://www.uh.edu/finance/Doc_Ref/General_Ref.htm](http://www.uh.edu/finance/Doc_Ref/General_Ref.htm)) to an organization not approved by the President;
   Note: If any portion of membership fees paid to an approved organization is designated for political activities, the cardholder must refund that portion of the membership fees to the university with a personal check, since university funds may not be used for political-related activities.
15. Advertisements that have not been approved by Human Resources for staff employment ads, by Affirmative Action for faculty employment ads, or by the Office of Publications for non-employment ads;
16. Off-campus printing services where two or more bids were not obtained, one of which must be from the UH Printing Department.
17. Other restrictions issued by the Cardholder’s department or college/division;
18. Items charged to state funds (only local funds may be used to pay for P-Card transactions directly; if appropriate and necessary, P-Card transactions can be reallocated to state funds); and,

Items charged to contracts/grants that are not allowed by sponsor.

References
MAPP 04.01.11

Last revised on 8/31/2012

REVIEW AND RESPONSIBILITY
Responsible party: Student Life Policy Team
Review: Every two years on or before August 31st

APPROVAL
Dr. Noel J. Clarke, Director Business Operations