

## Purchasing Card Policy

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### I. Title

Purchasing Card (P-Card) Policy

### II. Policy

#### A. Purpose

This Policy sets forth the requirements for the use of a P-Card purchases to ensure compliance with Texas Wesleyan University purchasing policies and Federal regulations regarding the use and reporting of business expenses.

#### B. Overview

The Texas Wesleyan University Purchasing Card (Pcard) offers a way to make purchases when a vendor does not accept a purchase order.

The purchasing card is for TxWes business purposes only and may never be used for any personal transactions.

To ensure compliance with Texas Wesleyan University purchasing policies, follow the guidelines outlined in this document. The total amount of a single purchase (including freight and handling) must not exceed your single purchase limit designated by your budget officer and the card administrator as your single purchase limit. Questions concerning allowability to a particular purchase, when not clear, may be directed to the card administrator.

If there is any question about the allowability of a purchase, please follow the guidelines set up in the University Expense Policy and/or Travel Policy.

**C. How does it work?**

1. You make a purchase by charging it on the purchasing card.
2. The card supplier pays the vendor the next day.
3. The card supplier bills the university once a month.
4. The department reconciles their accounts and uploads receipts.

**D. Who can get a purchasing card?**

An employee may be issued a pcard if the division cabinet member determines the employee frequently needs to make purchases with vendors that do not accept purchase orders. The employee must complete the purchase card application.

**E. Obtaining a Purchasing Card**

1. The card administrator is the Purchasing Coordinator. They will be responsible for questions, issues, and managing of the program. All purchasing card requests must go through the card administrator. The card administrator is also responsible for cardholder enrollment, training, termination and changes, liaison between cardholders, suppliers and card provider. A new card application (found on Purchasing website) must be completed, signed by the budget officer, division vice president, and Vice President for Finance and Administration. The card administrator will assist the budget officer and the Business Office to determine proper purchase limits based on your expectations for expenditures and your budget account limits;
2. It takes approximately 5 business days to receive the pcard after the completed application is submitted to the Purchasing Coordinator. Training and signing the cardholder agreement is required prior to receiving the pcard.
3. A cardholder making an unauthorized purchase will be held personally liable to reimburse Texas Wesleyan University for the purchase and be subject to card removal and/or disciplinary action.
4. The budget officer is responsible for designating cardholders and approving monthly purchasing card statements of cardholder to ensure they are within the policies set by this document. The budget officer will determine cardholder spending limits and any restrictions,

other than those set by this document. The budget officer is responsible for ensuring that detail receipts are uploaded correctly to the banking website.

5. Guidelines:

- a. Each cardholder is responsible and accountable for their own purchasing card;
- b. For department cards, the department head is responsible for keeping track of who checks out the pcard.
- c. Detailed receipts need to be submitted online each month when allocating charges;
- d. **All purchases are exempt from sales tax.** The card administrator will supply the cardholder with a tax exemption form at orientation and this form must be presented to vendors at the time of purchase.

**F. Limit Adjustments**

Standard limits may be temporarily modified due to business needs. Temporary limit adjustment must be requested by the budget officer and division vice president. The request should include specific dollar amounts requested for the single purchase limit, the monthly limit and the reason for the adjustment. Unless specified otherwise, card limits will revert to the normal approved limits at the end of each month.

**G. Card Declines**

If your charge is declined, most likely it is either because the limits are insufficient for the charge, or because the Merchant Category Code (MCC) falls under items that are blocked. If this happens, please contact the Purchasing Department to resolve the issue. If an increase to either your single purchase limit or your monthly limit is required, we will need approval from your budget officer and division vice president to adjust those limits. In order to minimize declines, please review your available balance and/or single purchase limit prior to traveling and before making large charges.

**H. Reporting a Lost or Stolen Purchasing Card**

1. The cardholder is responsible for reporting the loss/theft of his/hers card immediately to PNC bank, the card administrator and his/her budget officer;
2. The cardholder should notify the bank immediately if the purchasing card is lost or stolen by calling 877- 558-8814. The cardholder should also notify the card administrator via email;
3. Upon the cardholder's phone call, the bank will immediately suspend

the purchasing card and reissue the card with a new account number;

4. It is imperative that the cardholder contact the card administrator immediately for suspension of the purchasing card so that there are no liability questions.

## **I. Card Termination**

1. A change in business needs can result in a pcard being terminated.
2. When a cardholder terminates employment with the University, the department has the specific obligation to reclaim the purchasing card and return it to the card administrator prior to the employee's termination date. Failure to do so may result in the revocation of all department privileges. If a terminated employee continues to use this card, the department will be liable for all charges.
3. Failure to allocate charges in a timely manner or failure to properly upload appropriate detailed receipts consistently may result in suspension of cardholder privileges. After the suspension is removed, continued failure to perform these responsibilities may result in permanent card termination, and/or disciplinary action.
4. Improper use of the purchasing card, including intentional use of the purchasing card for personal purchases, will result in disciplinary action and card revocation.

## **J. Billing, Payment and Account Distribution**

1. PNC Bank will send one summary billing to the card administrator, listing all transactions during the period by the cardholder. The summary billing matches the total of all purchasing card activity statements that are received each month. The Business Office will electronically pay the summary billing in full and charge the GL based upon each card's pre-assigned department number. The GL code assigned to each card will be determined by the budget officer and the card administrator at the time of the card's issuance.
2. All charges are allocated through the banking website. Training on that system will be provided at the end of the statement month when your first charge appears.
3. Each cardholder will be responsible for allocating their charges to specific object codes each month online banking website. A message will be sent out stating the deadline, the statement will automatically be approved and sent to the Business Office for payment and charges will be posted to the default account. Any disputes or credits due should be reported to the card administrator, but as stated above, the cardholder will be responsible for dealing with the vendor as a first line of resolution. Charges in dispute must

still be allocated online with a note that a dispute is in process.

## **K. Card Use**

1. The purchasing card is designed for purchases with vendors who do not accept purchase orders or for emergency purchases.
2. When using the card, transactions may not be split to circumvent the single purchase limit. For instance, if a purchase is \$1250, and the cardholder's single purchase limit is \$1000, the cardholder may not ask the vendor to split the transaction into two separate transactions of \$625 so that the charge will go through. This split violates the intent of a cardholder's single purchase limit. In this case, the cardholder should contact their supervisor and ask the supervisor to authorize Purchasing to temporarily increase the cardholder's single purchase limit. Requests to increase a single purchase limit will follow the delegated purchasing approval authority given to the supervisor, so the request may require more than one approval.
3. Certain items are blocked from being used on the purchasing card to ensure purchases that follow specific policy guidelines receive the proper approval. With that in mind:

### **The purchasing card may NOT be used for the following purchases:**

- a. Computers and software
  - b. Cash advances
  - c. Alcoholic beverages
  - d. Furniture
  - e. Firearms/ammunition
  - f. Telecommunications material or services
  - g. Contract printing that requires any use of the logo
  - h. Other restrictions may apply subject to the needs of your department.
  - i. Any purchase that can be made through the requisition and purchase order process
4. All purchases must adhere to the following with regard to documentation:
    - a. A detailed receipt must be kept for each transaction and uploaded to the banking website.
    - b. Monthly statements must be verified and turned into your budget officer by the deadline set each month.
    - c. Expense description entered into the card allocation site must be thorough and properly set forth the business purpose of the transaction.
    - d. Accidental Charges must be supported by a detailed receipt and

must be reimbursed to the university within 30 days of the initial charge. Receipt(s) must be reviewed and signed by the Division VP.

**L. Travel**

1. Refer to the Travel Policy for information regarding the use of travel cards.

**M. Gift Cards**

1. The purchase of gift cards is not allowed except as noted in the Expense Policy.

**N. Returns, Credits and Disputed Charges**

1. If a problem arises with a purchased item, service, or charges, every attempt should be made to first resolve the issue directly with the supplier. Review of future statements is vital to ensure the account is properly credited for returns, credits, and disputed charges;
  - a. Returns: if a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for returns. Note that some suppliers may charge restocking fees;
  - b. Credits: if an item is accepted as a return by the supplier, a credit for this item should appear on the next month's statement;
  - c. Disputed Charges: if a cardholder finds a discrepancy on a monthly statement, the cardholder should contact the supplier and attempt to resolve the problem directly.
2. If the cardholder cannot resolve a disputed item directly with vendor, the cardholder should contact the card administrator, who will then contact the bank. The bank will place the charge in a "State of Dispute" and the account may be given a provisional credit until the 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, continued to have a provisional credit (if given) and investigation of the charge will continue. A new card will be reissued to the cardholder, if appropriate. If the charge appears to be legitimate the transaction will then post to the new account.

**O. Ethics and Conflicts of Interest**

1. As a general rule, employees of the University have an obligation to avoid activities or situations that may appear to be, or could result in, a conflict of interest. Employees must not use their University

positions to influence outside organizations or individuals for the direct financial, personal, or professional benefit of themselves or members of their families. Any potential conflict of interest between a Texas Wesleyan employee and a potential vendor should be disclosed prior to the purchase.

- 2 Selection of vendors should always be based on best value to the University and not influenced by any special treatment or favors offered by an outside company.

### III. Definitions

**Custodian:** The faculty or staff member in the department disbursing the Purchasing Cards that is responsible for the documentation, internal control, and other requirements of this policy.

**Purchasing Card:** A corporate credit card that allows employees to make business-related purchases.

**Purchasing Card Request Form:** A form used to request a Purchase Card.

**Cardholder Agreement:** A document signed by the cardholder before the purchasing card is issued. The cardholder takes the responsibility to properly use University resources and agrees to undertake the responsibilities listed on the agreement.

**Purchasing Card Allocation Process:** Matches purchases to the correct expense account. This process ensures that department cardholders' purchases are recorded accurately.

### IV. Relevant Federal and State Statutes

Internal Revenue Code (I.R.C.) Publication 463

<https://www.irs.gov/pub/irs-pdf/p5137.pdf>

### V. Relevant TXWES Policies, Procedures, and Forms

*TXWES Expense Policy*

*TXWES Expense Procedures (forthcoming)*

*TXWES Travel Policy*

*TXWES Travel Procedures (forthcoming)*

### VI. Who Should Know

All employees who will be issuing or are in possession of a Purchasing Card.

**VII. TXWES Office(s) Responsible for Policy**

**Responsible Officer:** Vice President of Finance and Administration

**Sponsoring Department:** Business Services

**VIII. Dates Approved or Amended**

Approved by President's Cabinet on March 3, 2025.

**IX. Contact Information**

All questions regarding this policy should be directed to Office of Finance & Administration: [ooofa@txwes.edu](mailto:ooofa@txwes.edu)