



TEXAS HIGHER EDUCATION COORDINATING BOARD

Procurement Card Policies and Procedures Manual

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Section 1. Introduction

1.1 Purpose

The purpose of the Texas Higher Education Coordinating Board's (THECB) Procurement Card Policies and Procedures Manual is to establish an efficient, cost-effective method of purchasing and paying for goods and services while maintaining strict compliance with all state and federal laws, rules, and regulations governing procurement and accounting functions.

1.2 Application

This THECB Procurement Card Policies and Procedures Manual governs all procurement card activities and supersedes all previous policies and procedures relating to procurement cards.

Accounts Payable staff issues the procurement card to one staff member of the Financial Services Division. Additionally, up to three members of the Contracts and Procurement (C&P) Team have access to the procurement card to perform purchasing tasks for the agency. C&P staff are referred to as Cardholders. The Financial Services Division staff member is referred to as a Delegated Cardholder. The Cardholders and Delegated Cardholder are responsible for their procurement card and will be held accountable for any purchases made using their procurement card.

1.3 Glossary of Terms

The following are definitions for terms and acronyms that apply to this THECB Procurement Card Policies and Procedures Manual:

Appropriation Year – the budget period the expenditure should be counted in.

Comptroller Object Code (COBJ) – a code defining a specific category of revenue or expenditure that is required on all revenue or expenditure transactions.

Centralized Accounting and Payroll/Personnel System (CAPPS) Financial – the system used to enter purchase orders to encumber funds.

CobbleStone – the system used to obtain approval for purchase requests and contracts.

Historically Underutilized Business (HUB) – a business as defined by Texas Government Code § 2161.001(2).

National Institute of Government Purchasing (NIGP) Code – a universal classification for identifying commodities and services in procurement systems.

Procurement Card (P-Card) – a commercial charge card that is predominately used for transactions that require payment upfront. Typically, does not bind the agency into a contractual agreement.

Program Cost Account – Agency funding code to identify the program a purchase transaction is charged to.

Purchase Order (PO) – a document issued by a customer to a seller, indicating types, quantities, and agreed prices for products or services that the seller will provide to the customer.

Purchase Requisition (PRQ) – a request for the purchase of goods or services.

Splitting Purchases – splitting occurs when an employee acts in a manner that causes the circumvention of state and federal laws, rules, regulations, or policies. This is usually done by breaking up a large purchase into smaller purchases to circumvent state and federal laws, regulations, or policies. Splitting is prohibited, whether done knowingly or unknowingly.

Texas Correctional Industries (TCI) – the Institutional Division of Texas Department of Criminal Justice, which manufactures goods and services for sale to state agencies.

TxSmartBuy – the State’s central e-procurement system for non-IT goods and services.

Vendor – a potential provider of goods or services to the State.

Warrant Hold – the process whereby state payments issued to payees indebted to the state are held by the Comptroller until the debt is satisfied.

WorkQuest – an entity that offers goods and services for sale to a state agency through efforts made under law by the Texas Council on Purchasing from People with Disabilities.

Section 2. Policies and Procedures

2.1 General Information

All policies, procedures, and rules set forth by the Legislature, the State Procurement Division (SPD) of the Texas Comptroller of Public Accounts, and the THECB Procurement Card Policies and Procedures Manual must be adhered

to when using the P-Card for purchases. Splitting purchases is not allowed under any circumstance. See Glossary of Terms – Splitting Purchases.

Compliance with the THECB Procurement Card Policies and Procedures Manual is MANDATORY. Failure to abide by these policies and procedures may subject the user to disciplinary action up to and including termination from employment.

2.2 Initiation of Purchase

Each division starts the procurement process by submitting a [Request](#) and including a description of the items to be purchased, estimated cost, appropriation year, and if applicable the federal fiscal year. The Request will route to the Assistant Commissioner for Contracts and Procurement for approval to proceed with the procurement and then to the agency Budget Team for approval and assignment of the correct Program Cost Account (PCA). Once the Request receives both approvals, it is assigned to a Purchaser to create a Contract Record, provide the necessary financial coding elements, and route for overall agency approval.

After the Contract Record has received all approvals, the C&P team will create a Purchase Order in CAPPS Financial to encumber the funds and will initiate the payment. C&P may choose to complete the purchase by using either the P- Card or a PO.

If a division needs to make an immediate purchase for which there is inadequate time to complete the final approval process, the Division may request an exception to make the purchase on the P-card. The Assistant Commissioner for Contracts & Procurement will review and determine if the exception should be granted. Once the Assistant Commissioner for C&P grants approval, a Cardholder may make the purchase on the P-Card. The division must route approval through CobbleStone on the next business day following the purchase.

2.3 Purchasing Control Limits

The total amount of a single P-Card purchase (including handling charges, freight, service charges, processing fees, and transportation) must **not** exceed the established purchasing control limits listed below:

Single Purchase Transaction	<=\$5,000
Sum of All Purchases Not to Exceed Amount During One Billing Cycle	<=\$100,000

2.4 Warrant/Payment Hold Checks

Prior to making a purchase over \$500.00, the Cardholder must check the warrant hold status of the vendor. The Cardholder cannot proceed with a P-Card purchase over \$500.00 until the warrant hold has been released.

2.5 Duties and Responsibilities

Procurement Card Administrator (PCAdmin): C&P Assistant Director

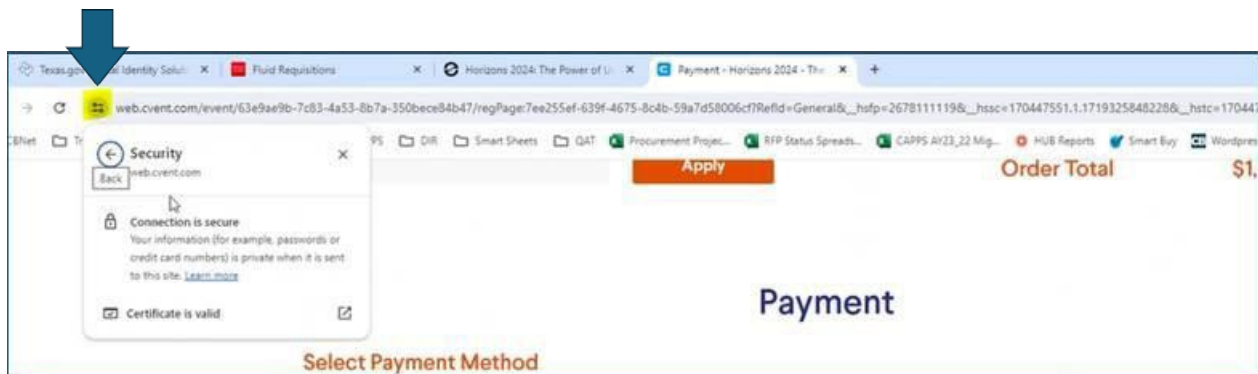
- Administers and maintains the Procurement Card Policies and Procedures Manual (If necessary, changes and updates should be made by October every year.);
- Accesses and attends U.S. Bank Card training;
- Develops and conducts training on the P-Card policies and procedures in conjunction with the Accounts Payable staff;
- Serves as a point of contact in assisting Cardholders and the Delegated Cardholder in determining if an item can be purchased with the P-Card;
- Serves as a primary point of contact between THECB and U.S. Bank for all issues except payment of charges;
- Maintains a current list of Cardholders and the Delegated Cardholder;
- Notifies U.S. Bank of card cancellations within three (3) days of notice for terminating Cardholders/Delegated Cardholder and any Cardholders identified as no longer in need of a P-Card;
- Ensures through a post payment audit of transaction logs, receipts, individual Cardholder and Delegated Cardholder statements, and all necessary supporting documents that Cardholders and Delegated Cardholder are complying with the THECB P-Card policies and procedures;
- Notifies the Cardholder or Delegated Cardholder via e-mail when procedures are not properly followed; and
- Maintains Merchant Category Codes

Procurement Cardholders: Contracts & Procurement Staff

- Accesses and attends U.S. Bank training;
- Determines and uses the P-Card when it is an appropriate method to procure goods and services;
- Ensures that P-Card purchases comply with applicable state law and this THECB Procurement Card Policies and Procedures Manual;
- Verifies vendor warrant hold status prior to doing business with the vendor

for non- emergency P-Card purchases exceeding \$500.00;

- Performs vendor verifications, if required, prior to purchase;
- Makes a good faith effort to utilize [HUB vendors](#);
- Reviews and audits P-Card requisitions to ensure vendor compliance and that the items are an acceptable purchase;
- Ensures documentation is uploaded into CobbleStone with each P-Card purchase;
- Notes best value determination, if applicable, in CobbleStone;
- Ensures the P-Card is maintained in a secure location;
- Serves as a point of contact for THECB employees requesting a PRO;
- Coordinates partial shipments directly with the vendor;
- Instructs vendors to charge only for the items being shipped and/or received;
- Advises vendors that purchases are for the State of Texas and are tax-exempt;
- Uses a "secure" web site for making Internet P-Card purchases (A "secure" web site will have a "lock" next to the URL address indicating SSL secured. Google Chrome will have an icon at the very front of the website address to click to confirm the URL address is secure. Cardholder's shall use only HTTPS sites to make Internet P-Card purchases and must upload a screen print of the "secure" Internet site in CAPPS Financial.);



- Obtains and uploads purchase receipts;
- Coordinates and verifies the receipt of goods with Receiving;
- Ensures THECB employee receiving the services or goods approves;
- Coordinates any returns and credits directly with the vendor;
- Reconciles individual billing statement with the Contract Record and vendor invoices to ensure accuracy;

- Coordinates with PCAdmin to provide all P-Card transactions from CAPPs and US Bank;
- Handles disputes of charges on the card with US Bank (unauthorized charges, duplicate charges, etc.);

Reports a lost or stolen card by contacting US Bank and notifies the PCAdmin or designee immediately by telephone or email; and

Surrenders P-Card upon termination of employment or upon request from the PCAdmin (Terminating employees shall surrender their P-Card to the PCAdmin or designated staff prior to final termination date and notify the PCAdmin via email.).

Delegated Cardholder

- The Financial Services Division staff member assigned a P-Card for emergency purchases only. The Delegated Cardholder has the same responsibilities as the Cardholder listed above.

Accounts Payable Staff: Financial Services Division

- Accesses and attends US Bank training;
- Issues credit cards;
- Notifies the PCAdmin of any changes in Cardholders or the Delegated Cardholder;
- Serves as primary point of contact for issues regarding US Bank payment;
- Retrieves the monthly US Bank statement from US Bank;
- Verifies a receipt/invoice for the goods has been uploaded to CAPPs by the Cardholder/Designated Cardholder;
- Once verified, the status will be changed to 3-way matched;
- Verifies any required justifications are documented;
- Verifies tax has not been charged;
- Participates in the [US Bank Rebate/Early Payment Discount](#) when possible;
- Enters the monthly US Bank payment in CAPPs based on the information from the US Bank Expense Report provided by the Cardholder/Designated Cardholder;
- Designates a backup to perform these duties when necessary;
- Keeps abreast of all policy and procedure changes; and
- Develops and conducts training in conjunction with the PCAdmin.

Section 3. Procurement Method Determination

The determination to deem a good or service acceptable is based on state and federal laws, rules, regulations, and policies governing procurement at THECB. In determining if the procurement card can be used, Cardholders/Delegated Cardholder will review the list of Procurement Card Unacceptable Purchases under Section 3.1. If the P-Card is considered the best procurement method, Cardholders will select a justification under Section 3.2 along with a best value standard determination under Section 3.3 and include it as part of the documentation in CAPPS Financial. There will be instances when a purchase order is determined to be the best procurement method. If a Cardholder/Delegated Cardholder has a question, they should contact the PCAdmin before making the purchase.

3.1 Procurement Card Unacceptable Purchases

- Purchases over \$5,000
- Purchases made without prior approval
- Purchase of a personal nature or any purchase not connected with official state business
- IT Commodity Items over \$3,000.00 as defined by [Texas Government Code § 2157.068](#)
- Items available from [WorkQuest](#), [Texas Correctional Industries](#), and/or [Comptroller Term Contracts](#)
- Items that are listed as prohibited or restricted in the Comptroller's State Purchase Policies Manual ([eXpendit](#))
- Reimbursing other state agencies for goods and/or services, including registration fees (State agencies must submit interagency payments for goods and services), unless P-Card payment is the only payment option.

3.2 Procurement Card Justification Documentation

Contracts and Procurement staff will determine the appropriate Procurement method prior to submitting a Contract Record for approval. If C&P staff determine that a Purchase Order is appropriate and Division staff request an exception to that determination, appropriate justification documentation shall be uploaded in CobbleStone.

TCI/WorkQuest is the first source, and the Comptroller of Public Accounts (CPA) term contracts are the second source for these goods or services. Review the CPA term contracts for goods or services availability at <http://www.txsmartbuy.com/contracts>. If the goods or services are not on term contract, the P-Card may be used as the method of payment if the expense is program-approved. If the needed goods or services are available via a CPA term contract, the requisition should be made via PO.

3.3 Procurement Card Best Value Standard Documentation

Procurement Card purchases shall contain documentation of Best Value. Per Texas Government Code § 2155.074, purchases for goods and services shall provide the best value for the state. "In determining the best value for the state, the purchase price and whether the goods or services meet qualifications are the most important considerations." However, the following other relevant factors may be considered:

- Installation costs;
- Life cycle costs;
- The quality and reliability of the goods and services;
- The delivery terms;
- Indicators of probable vendor performance, including past vendor performance, the vendor's financial resources and ability to perform, the vendor's experience or demonstrated capability and responsibility, and the vendor's ability to provide reliable maintenance agreements and support;
- The cost of any employee training associated with a purchase;
- The effect of a purchase on agency productivity;
- The vendor's anticipated economic impact to the state; and
- Other factors relevant to determining the best value for the state in the context of a particular purchase.

Section 4. Competitive Bidding

Competitive bidding is not required. However, as with all purchases, consideration should be given to purchasing from Historically Underutilized Businesses whenever possible. Purchasers will assess whether to use a P-Card or PO for each purchase.

Section 5. Budget Year

Payment for goods will be made from the budget year in which they are procured. In other words, goods cannot be procured during one budget year and paid for with funds from the next budget year. For payment of services, the budget year will be based on the beginning date of service. Some services beginning in one budget year and ending in the next budget year must be prorated (ex. beginning date of service 08/25/25; ending date of service 09/30/25). See Section 7 for Advance Payments.

Section 6. Sales Tax

THECB does not pay State of Texas sales tax. A Sales Tax Exemption Certification can be found at http://cbnet/Fin/documents/AP/Sales_Tax_Exempt_Cert.pdf.

NOTE: If sales tax was charged, contact the vendor to have the sales tax credited to the P-Card. If the vendor cannot credit the P-Card and will issue a refund check, ask that the refund check be sent directly to Texas Higher Education Coordinating Board, attention Cash Receipts Team, and ask the vendor to reference the P-Card requisition number in the remittance. The vendor may require a tax exemption certificate.

Section 7. Advance Payments

Goods and services may not be paid for before delivery unless the advance payment is necessary and serves a public purpose. A list of exceptions to this prohibition is located [here](#). Any advance payment purchase requires verification that the vendor provides the good or service and that any legal remedies are pursued to recover the payment if the vendor fails to provide the good or service. Documentation must be retained in the file explaining the necessity and proper public purpose of an advance payment. Please be sure to include this information with reconciliation packet and make notation in the comments field of the P-Card requisition line.

Section 8. Approval Process for Procurement Card

- Division staff submit a Request in CobbleStone, which routes to the Contracts and Procurement Assistant Commissioner and Budget Team for initial approval.
- The assigned Purchaser determines if the purchase will be made via the P-Card or a Purchase Order and creates a Contract Record in CobbleStone.
- The Contract Record is routed to the Budget Team for approval of financial coding elements, followed by the C&P team, and Division Assistant Commissioner for final approval before being sent back to the C&P team to make payment via the P-Card.
- Cardholder/Delegated Cardholder enters the transaction into US Bank's website and cross references the CAPPS number.

Section 9. Receipts

An itemized receipt/invoice should be provided by the vendor

- In the case of a credit, a credit slip should be provided by the vendor and uploaded into the CobbleStone record.
- In the case of a duplicate charge, a copy of the original receipt will suffice and should be uploaded into the CAPPS Purchase Order.
- If the receipt is lost, the Cardholder/Designated Cardholder must fill out the "in lieu of receipt" form (available upon request) and upload it into the CobbleStone Contract Record.

NOTE: The itemized receipt should show a zero balance. If the receipt does not show a zero balance, it should show the payment method.

Section 10. Entering Procurement Card Data into US Bank

See [US Bank FAQs](#) and links to training resources.

Section 11. US Bank Expense Report Reconciliation

The Expense Report will be reconciled monthly by the Cardholder and should be retrieved via the Internet. Only the Cardholder or their approved designee, can approve the Expense Report. The Delegated Cardholder is not authorized to approve the Expense Report.

Note: Signing the Cardholders name when the Cardholder is unavailable is considered fraud. When the Cardholder is unavailable an authorized signor should sign the Expense Report and make a note that the Cardholder was unavailable.

Section 12. Disputed Charges

If the Cardholder determines that a charge is disputable, the Cardholder must immediately investigate those charges to determine if any fraud has occurred or if the charges are valid. The Cardholder should first notify the vendor of the disputed charge and attempt to resolve the disputed charge with the vendor. If unsuccessful, the Cardholder will notify the Procurement Card Administrator who will dispute the charge using the Citibank online portal. The agency may withhold payment for the disputed amount during the investigation. The Cardholder will be notified of the resolution upon completion of the investigation. If the dispute is not settled in THECB's favor, the account will be charged for the disputed amount.

Section 13. Important Contacts and References

13.1 Contacts

Marcus Garcia Assistant Director, Contracts & Procurement Procurement Card Program Administrator	512.427.6141
Brad Broaddus Director, Accounts Payable	512.427.6194
Tamara Ramon Accountant II, Accounts Payable	512-427-6179
Citibank Customer Service	800.248.4553

13.2 References

[US Bank Contract](#)

[US Bank FAQs and Training](#)

[Comptroller Fiscal Management eXpendit](#)

[Comptroller Term Contracts](#)

[HUB Vendors](#)

[NIGP Codes](#)

[Sales Tax Exempt Certificate](#)

[State of Texas Procurement and Contract Management Guide](#)

[Texas Correctional Industries](#)

[TxSmartBuy](#)

[WorkQuest](#)