



Texas A&M University
Payment Card Program



*Cardholder
Guide*



JPMorganChase 

TABLE OF CONTENTS

1. OVERVIEW.....	3
1.1 Payment Card Program	3
1.2 Payment Card Contract	3
1.3 Payment Card Program Guide	3
1.4 Important Points of the Program.....	3
2. GENERAL INFORMATION	4
2.1 Duties and Responsibilities.....	4
2.1.1. Program Administrator	4
2.1.2. Program Coordinator	4
2.1.3. Department/Division Manager	4
2.1.4. Cardholder	4
2.1.5. Accounting Personnel	5
2.1.6. JP Morgan Chase's Customer Service.....	5
2.2 Payment Card Controls	5
2.2.1. Credit Limits	5
2.2.2. Transaction Limits	5
2.2.3. Restricted Vendors.....	5
2.3 Maintaining Your Payment Card	5
2.3.1. Payment Card Internal Order Transaction Log.....	5
2.4 Sales and Use Tax	6
2.5 Security of the Payment Card.....	6
2.6 Employee Termination.....	6
2.7 Lost or Stolen Cards.....	6
3. PROCEDURES.....	7
3.1 Obtaining the Payment Card	7
3.2 About the Card	7
3.3 Payment Card Activation	8
3.4 Purchasing Guidelines.....	8
3.4.1. General Information.....	8
3.4.2. Examples of Acceptable Purchases	8
3.4.3. Restricted Purchases	9
3.4.4. Unacceptable Purchases	10
3.5 Receiving Supplies	10
3.6 Payment Card Internal Order Transaction Log and Documentation	10
3.7 Guidelines for Reconciling Payment Card Statement	11
3.8 Audit of Logs.....	11
3.9 Statement and Payments	11
3.10 Payment Card Payment.....	12
3.11 Returns, Credits, and Disputed Charges	12
3.12 Card Termination.....	13
4. KEY PROGRAM CONTACTS	13
4.1 Purchasing Services.....	13
4.2 Financial Management Operations-Payment Card Office.....	13
5. FREQUENTLY ASKED QUESTIONS AND ANSWERS	13
6. ATTACHMENTS/FORMS.....	15
Attachment A – Cardholder Payment Card Agreement	16
Attachment B – Payment Card Internal Order Transaction Log	17
Attachment C – Statement of Disputed Item.....	18
Attachment D – Payment Card Charges/Usage.....	20
Attachment E – Tax Exemption Certificate	21

1. OVERVIEW

1.1 Payment Card Program

FMO-Payment Card Office is delighted to offer to all Texas A&M University (Texas A&M) Departments/Divisions an exciting, innovative program that simplifies the way in which you may order and pay for goods. The Payment Card Program is a fast, flexible purchasing method for processing delegated orders from suppliers that accept credit cards. The purpose of the Payment Card Program is to establish a more efficient, cost-effective method of the delegated purchasing and payment for delegated dollar transactions. If used to its potential, the program will result in a significant reduction in the data entry of small orders, receiving, invoices, and vouchers and reduction in related documentation including invoices, checks, and prompt pay interest. The Payment Card can be used with any supplier that accepts Master Card as a form of payment.

The Payment Card program is designed to delegate the authority and capability to purchase limited items directly to the person to whom it most matters - YOU, the user. The Payment Card will enable you to purchase under your delegated authority non-restricted commodities directly from the vendors without the issuance of a purchase order.

1.2 Payment Card Contract

The terms and conditions of the Payment Card contract were specified and awarded by the Texas Building and Procurement Commission for the State of Texas. Texas A&M is utilizing the State of Texas contract for Payment Card services with JP Morgan Chase. Texas A&M will comply with the terms and conditions of the state contract in the implementation of this program.

1.3 Payment Card Program Guide

The Payment Card Program Guide provides the guidelines for using the Payment Card. Please read it carefully. Your signature on the Cardholder Payment Card Agreement shows that you understand the intent of the program and agree to follow the established guidelines.

1.4 Important Points of the Program

The following important points should be reviewed before using the Payment Card:

- Your Payment Card is issued in your name. All purchases made on the Payment Card must be only *yours*. You are responsible for the security of the Payment Card and the transactions made with it. **If you do not follow guidelines when using the Payment Card, you could receive corrective action, including termination.**
- You can use the Payment Card at any vendor that accepts Master Card and is not on the restricted list. It may be used for in-store purchases, mail, telephone, fax orders, or internet purchases.
- You may use the Payment Card to purchase supplies within your delegated limits.
- Use must not exceed the monthly credit limit assigned to the Payment Card.
- Reconciliation of the statement received from JP Morgan Chase to ensure all charges are accurate is required. Statement reconciliation needs to be completed by the reallocation and approval deadline each month which is around the 26th of each month.
- The Payment Card **is not intended to avoid or bypass appropriate purchasing or payment procedures.** This program compliments the existing processes available.
- The Payment Card is **not for personal use.**

- The Payment Card must be returned to the Program Coordinator upon your transfer or termination.
- Each department that utilizes the payment card must designate someone to have access to Pathway Net. This is due to reallocation requirements on certain transactions.
- The personnel must have attended training (cardholder and software) to understand the use of cards.

2. GENERAL INFORMATION

2.1 Duties and Responsibilities

2.1.1. Financial Management Operations-Payment Card Office:

The Payment Card Office is designated for questions, issues and administration of the program. The administrators of the program are knowledgeable on all procedures in the Payment Card Program Guide and the Disbursement Guidelines.

Evonne Crocker
979-845-1373
evonnecrocker@tamu.edu

Clint Merritt
979-845-8772
c-merritt@tamu.edu

The Payment Card Office staff is charged with Payment Card maintenance or issues in using the card and Pathway Net maintenance for Texas A&M. The staff is knowledgeable about the program, the guidelines and related forms. Cardholders shall first contact the Payment Card Office staff, who will answer questions in regards to the program or potential problems. The staff may refer questions to the administrators when necessary. Compliance reviews will also be processed by this area.

Tiffany Groce
979-862-1341
tgroce@vpfn.tamu.edu

2.1.2. Department/Division Manager:

The department/division manager, or designee, is responsible for designating cardholders and approving monthly Payment Card statements of cardholders to ensure they are within Texas A&M's policies. The Department Manager should assist in assigning appropriate cardholder limits and regulations. Also responsible for designating accounting personnel to have access to Pathway Net to ensure reallocation of required transactions to their appropriate accounts and expenditure codes, reconciliation and obtaining signature of the cardholder and division/department manager for approval.

The department/division manager, or designee, shall review the usage of the Payment Cards and cancel cards based on non-usage to limit our liability. Should also review the credit limits and make appropriate recommendations to reduce the limit if the card is not close to reaching the monthly limit, also to limit our liability. The review should be done at least twice a year.

2.1.3. Cardholder:

The person designated by the Department/Division Manager to utilize the Payment Card by purchasing small dollar supplies is the cardholder. The cardholder is responsible for following the purchasing guidelines and Disbursement Guidelines of Texas A&M University in regards to purchases, selection of vendors, documentation of purchase and security of card.

2.1.4. Accounting Personnel

Each department shall have employee(s) responsible for the accounting processes of the payment cards in the department. These personnel shall take online cardholder training to learn guidelines and instructions given to cardholders. They shall also attend classroom training for Pathway Net to be able to reallocate charges to accounts and object codes. The accounting personnel are usually responsible for reconciliation and obtaining appropriate signatures for approval of the Pathway Net cardholder statement or transaction log.

2.1.5. JP Morgan Chase's Customer Service:

The Payment Card program is serviced using a team approach with JP Morgan Chase's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist **the cardholder** with general questions (decline reasons, balance available, etc.) about the Payment Card account. If a Payment Card is lost or stolen, Customer Service should be notified immediately.

The Customer Service number is: **1-888-685-2896**

2.2 Payment Card Controls

2.2.1. Credit Limits:

All Payment Cards have monthly cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator. Questions regarding the limits shall be sent to the Program Coordinator in writing or via e-mail through the Department Manager. Review of the request and a response will be initiated by the Coordinator.

If the request is granted, the Program Administrator will process with JP Morgan Chase.

*** Please allow 1-2 working days to process any changes.**

2.2.2. Transaction Limits:

Your Payment Card has a single transaction limit (which is normally defaulted to the delegated purchase limit of \$5,000.00). This is the amount available on the Payment Card for a single purchase. A transaction includes the purchase price plus tax, freight and installation. Cardholders should not attempt to make a purchase greater than his/her approved amount. Changes to the transaction limit must be handled by the Program Administrator.

2.2.3 Merchant Category Codes:

There are some types of merchants or vendors that are already blocked from being able to be used based upon their merchant category code (MCC). This code groups merchants/vendors into common categories. So if a department manager prefers to block certain ranges of merchants for a particular cardholder the Payment Card Office can accommodate this. For example if all they want the card to be valid for is business meals then we can restrict all MCC classifications except restaurants.

2.2.3. Restricted Vendors:

The Payment Card program may be restricted for use with certain types of suppliers and merchants. If you present your Payment Card for payment to these vendors, the authorization request will be declined.

If you feel a particular vendor should be added or deleted, submit a written request or e-mail to the Program Coordinator. The request will be evaluated and a response initiated by the Program Coordinator.

2.3 Maintaining Your Payment Card

2.3.1. Payment Card Internal Order Transaction Log:

Enclosed in this Payment Card Program Guide is an example of the Payment Card Internal Order Transaction Log (See Attachment B). The transaction log is to be used (if the Cardholder Report 121 run from Pathway Net is not to be used) and provides an additional method for expenditure tracking while using the Payment Card. The form is available in PDF or Excel format located at <http://finance.tamu.edu/fmo/pc/docs/purchasing-card-log.xls>.

If the department will use the transaction log and not the Pathway Net Cardholder Report 121 Statement, Texas A&M requires that each cardholder use a new log for each month's purchases. The Payment Card Internal Order Transaction Log shall be filled out as each order/purchase is made, not at the end of the month. This includes purchases at restaurants. Use a detailed description of the item to recognize the purchase as an authorized one. For auditing purposes use the "Delivery Date" column to verify that all purchases and documentation were received.

Always obtain an itemized invoice when using the Payment Card. It is every cardholder's responsibility to ensure there is an itemized invoice for each purchase. All receipts/invoices should be kept with the transaction log. Screen prints are acceptable for internet orders and order forms for fax/mail orders *if* a receipt/invoice is not provided by the vendor. If either of these two are used, they must show price. This information is to be retained in the department. It will be required for future audits. This will be Texas A&M's official record for this transaction.

Another use for the log would be for a cardholder to keep track of his/her expenditures. The log and the receipts will be each cardholder's back up to the monthly Payment Card charges.

At the end of each billing cycle, every cardholder will receive a Cardholder Statement which lists purchases made to that account. By the reallocation deadline (around the 26th of each month), the cardholder or Bookkeeper shall reconcile the mailed statement with their Payment Card Internal Order Transaction Log. If using the Pathway Net Cardholder Statement Report 121, then reconciliation occurs between that report and the receipts and not other reconciliation is necessary. Attach all documentation, note any additional information pertinent to the purchase, verify that all purchases are valid and forward the package to the Department Manager for review and approval.

For more information on using a transaction log or using the Pathway Net Cardholder Statement Report 121 please see [How to for the Payment Card Approval Process](#).

2.4 Sales and Use Tax

Texas A&M, as an agency of the State of Texas, is tax exempt and the credit card identifies Texas A&M as being tax exempt within the State of Texas. A cardholder should carry a [Texas Sales Tax Exemption Form](#) with their Payment Card.

2.5 Security of the Payment Card

The cardholder is responsible for the security of the card. This card shall be treated with the same level of care as the cardholder would use with his/her own personal charge cards. Guard the Payment Card account number carefully. It shall not be posted in a work area or left in a conspicuous place. It should be kept in an accessible, but secure location.

The only person authorized to use the Payment Card is the cardholder whose name appears on the card. **The card is to be used for business purposes only. Texas A&M has disciplinary procedures related to unauthorized use of the Payment Card.**

[Compliance Reviews: What are the findings and actions taken?](#)

2.6 Employee Termination

The Payment Card must be cancelled/destroyed upon your transfer to another department or termination. Send an e-mail to the Payment Card Office at paymentcard@vpfn.tamu.edu with cardholder name and last four digits of the MasterCard number.

2.7 Lost or Stolen Cards

If a Payment Card is lost or stolen, immediately contact JP Morgan Chase's Customer Service at **1-800-890-0669**. After contacting JP Morgan Chase, notify the Program Coordinator and the Department Manager.

Prompt, immediate action can reduce our liability of fraudulent activity. It is imperative that you contact the bank immediately for suspension of your card because Texas A&M is responsible for all charges made on the card until it has been cancelled.

3. PROCEDURES

3.1 Obtaining a Payment Card

3.1.1. To obtain a Payment Card the following process shall be followed:

- 3.1.1.1. Online Cardholder training and subsequent test must be completed prior to applying for the Payment Card. [Click here](#) to begin the training session. The training session and test will take about 30 minutes to complete.
- 3.1.1.2. Complete the following [Payment Card Agreement/Application](#). Please review this Agreement/Application prior to completing training.
 - 3.1.1.2.1. Complete the application and have the cardholder read the agreement and sign
 - 3.1.1.2.2. Route to the department head or delegate for approval
 - 3.1.1.2.3. Then mail to FMO-Payment Card App Processing MS 6000
- 3.1.1.3. The application will be processed to JP Morgan Chase within 24 hours of successfully completing the training session or receipt of the application, which ever is later. The application will not be processed until the training session is completed. JP Morgan will ship the card within 7-10 business days.

- 3.1.1.4. The card will be mailed directly to FMO. Then FMO will mail the card to the cardholder and notify the cardholder via email that the card has been mailed.
 - 3.1.1.4.1. This email will contain a check list that should be referenced when using the card
 - 3.1.1.4.2. This same information is also available on the [Cardholder Resources](#) web page.

3.2 About the Card

A Payment Card will be in your name with the Texas A&M University seal and the wording "For Official Use Only" clearly indicated on the card. This card is for University business purposes only and may not be used for any personal transactions. **It is important that you understand that you are personally responsible and accountable for this Payment Card.**

Please Note:

- The cards have the FAMIS account numbers to which the charges default to.
- The default single transaction limit for the cards is \$5000.00, it can be changed to be lower but cannot be changed to be greater than the delegated limit of \$5,000.00.
- Charges can be reallocated to different accounts and object codes changed to reflect usage.

3.3 Payment Card Activation

The cardholder must activate the Payment Card before using it. Instructions on how to activate the card are provided in the checklist that accompanies the email and the card. Upon receipt of the card, the cardholder should sign the back of the Payment Card and always keep the card in a secure place.

3.4 Purchasing Guidelines

3.4.1. General Information

As a State institution, we are bound by certain State, Local, and Federal guidelines and laws. All purchases must be in accordance with the laws of the State of Texas and the purchasing procedures of the Texas A&M University System and Texas A&M. The cardholder is responsible for compliance and strict adherence to all purchasing guidelines within their departmental delegated authority.

All cards have a single transaction limit of \$5,000.00

As a reminder, the departmental delegated authority is for small orders. State law mandates that large purchases may not be broken down into small purchases to meet delegated limits. To do so would be a violation of state law and of Texas A&M's Purchasing Procedures.

Cardholders should promote and encourage positive interactions with suppliers. Honesty and courtesy are essential ingredients in all aspects of a buyer/supplier relationship.

All cardholders shall follow these guidelines when using the Payment Card:

- 3.4.1.1. Determine if the transaction is an acceptable use of the card, and if it is within the cardholder's delegated spending limit (usually less than 5k, but can be set lower by the department).
- 3.4.1.2. Determine if a HUB vendor can be used by visiting [Strategic Sourcing HUB Directory](#) or [CMBL](#) (State of Texas website that allows searching by name, commodity code or city)
- 3.4.1.3. Identify the vendor

- 3.4.1.3.1. If vendor has a Master Order with TAMU, verify that we receive contracted pricing.
- 3.4.1.3.2. Do not allow the vendor to split the purchase to remain in the delegated limit. To do so would be a violation of State of Texas, TAMU System and TAMU Strategic Sourcing rules.
- 3.4.1.4. If the purchase is greater than \$150.00:
 - 3.4.1.4.1. Verify that the vendor is not on the [State of Texas Vendor Hold List](#), [State of Texas Debarred Vendor List](#) or the [Excluded Parties List](#).
- 3.4.1.5. Determine if the item is available from the [Texas Industries for the Blind and Handicapped](#).
- 3.4.1.6. If required by department, record on [Internal Order Transaction Log](#).
- 3.4.1.7. Do not pay Texas Sales Tax! Present the [Texas Sales Tax Exemption Form](#) to the vendor prior to purchase, if purchase is within the State of Texas.
- 3.4.1.8. If you allow another person to use your Payment Card, then document that on the [Payment Card Check In/Out Log](#).
- 3.4.1.9. Confirm pricing and freight.
- 3.4.1.10. Request that a hard copy of the invoice with the pricing, and freight be faxed to the cardholder and/or included in the shipment of supplies.
- 3.4.1.11. Ask the supplier if a purchase order number is required. If a supplier requests a purchase order number, use a combination of initials and FAMIS Acct.; e.g. John Doe, FAMIS Acct #521977 would be purchase order number "JD-521977.
- 3.4.1.12. Request that the supplier indicate your name and the words "Payment Card" appear on all packing lists and box labels. This will enable the receiving department to facilitate delivery of your supplies.

3.4.2. Examples of Acceptable Purchases:

All purchases must be made in accordance with the Texas and United States Constitutions, applicable statutes and regulations, the State Comptroller's rules, Texas A&M University System regulations, and Texas A&M rules. A state agency may not pay for goods before their delivery to the agency. The purchaser needs to ensure goods will be received before the statement due date. Our statement closing date will be the 5th of each month with payment due within 30 days. Vendors should only charge the account when goods are shipped. Back orders should not be charged until the goods are shipped.

(Refer to Guidelines for Disbursement of funds

http://finance.tamu.edu/fmo/purchase/docs/disbursement_manual.pdf)

A typical cardholder is any employee who has delegated purchasing authority. The Payment Card may be used for many various purchases such as:

- Speakers/Lecturers – Travel Expenses ** (5434)
- Employee Gifts ** (5240) - Recipient's name and social security number must be entered in Pathway Net. If it is equal to or over \$100.00 or a gift certificate in any amount, submit "Tax Withholding Form" to FMO for approval.
- Non-Employee Gifts** (5241) - Recipient's name if less than \$600.00. Recipient's name, address, and social security if greater than \$600.00. All info must be entered in Pathway Net.
- Books, Films and Ref Materials** (5765)
- Registration Fees (Employee Training) ** (5215) – Full name of conference – no abbreviations.
- Business meals** (6340) – Local only.
- Postage/Postal Services ** (5655)
- Allowable Travel Expenses for Employees in Qatar - local funds only ** (3310)
- Alcohol ** (6341) – Account that allows.
- Memberships and Dues - local funds only ** (5211, 5212, 5213)
- Subscriptions, Periodicals ** (4025)
- Student Travel/Transportation Expenses for Students only (except air fare) ** (3410)
- Videos
- Social Club Dues** - (5212) – Employee's name, address, and social security number must be entered in Pathway Net.
- Film Services (Development and processing of color and B/W film and E-

Cardholder must then indicate who, what, where, when, and why on the Transaction Log. 6 color slides.

- Food Purchases ** (6339) – Local only. Cardholder must then indicate business purpose for the food purchase on the Transaction Log.
- Tickets purchased
- Lab supplies
- Medical Supplies
- Office supplies (Office Max retail stores only)
- Controlled Equipment ***

**** MUST be reallocated to appropriate expenditure code during reallocation time period.**

******* The State of Texas Comptroller has defined "controlled assets" as facsimile machines, stereo systems, cameras, video recorders/players, VCR, DVD, camcorder, televisions, micro-computers, computers, servers, mini-computers, printers, silver service, tractors, graders/loaders, trucks, vans, all terrain vehicles, golf carts, motorcycles, motor driven farm/shop equipment, forklifts, boats. Firearms and cash registers for any amount are controlled. If you need further clarification regarding "controlled assets", please call the Property Management Department at 979-845-8147. Controlled Assets must be reallocated.

Inventoried equipment can be purchased with access to Pathway Net. The object code must be changed in Pathway Net for these purchases. You will set up a Limited document in FAMIS just as if you were paying for this item as a direct bill. Complete the 240-242 screens and the 360-362 preliminary fixed asset screens, and the 320-326 receiving screens, **DO NOT** set up screen 341. On screen 242, you will close the document, but you will **NOT** route it. Once the document has been set up and the asset number is assigned, you will go to screen 243 and enter a "Y" for complete PO to release the encumbrance for that document. After this is done, send a copy of the Payment Card Statement with the document number written on it and a copy of the invoice to Marilyn Conover in Property Management at MS 6000.

3.4.3. Restricted Purchases:

- Food (if allowable on the account)- State 5 IRS (w/s) on log
- Florist (on allowable accounts)
- Prescription Drugs/Controlled Substances (if allowable on the account)

3.4.4. Unacceptable Purchases:

The Payment Card may not be used for the following purchases:

- **Items for Personal Use**
- Animals **
- Capital Equipment*
- Cash advances, Instruments or Refunds
- Consulting Services
- Travel/Transportation and related expenses for employees (only exception is student travel expenses)
- Controlled, Hazardous, Radioactive Materials **
- Fuel or auto parts for state owned vehicles **
- Tuition and Fees
- Prospective Employee Travel

* Capital equipment is any equipment with a cost of \$5000.00 or greater.

** Note that this is generally an unacceptable purchase, however certain departments may be allowed to purchase these items using the Payment Card.

Note: No contract or grant account (4xxxxx) can utilize the Payment Card for purchases unless you are a Pathway Net user and all expenditures are reallocated to the appropriate expenditure code during the reallocation period.

3.5 Receiving Supplies

It is your responsibility for ensuring receipt of goods and follow up with vendors to resolve any delivery problems, discrepancies and/or damaged goods. A copy of the charge slip, sales receipt or any other information related to the purchase must be kept.

Invoices with no amount due are the most optimal documentation since they itemize the purchases. A vendor's entry system usually prints an automatic invoice with the processed order. Instruct the vendor not to send the invoice to the Accounts Payable Department but directly to the individual cardholder making the purchase (this will prevent duplicate payments to vendors). If a purchase is made via mail or telephone, ask the vendor to include the receipt with the goods when shipping the product.

3.6 Payment Card Internal Order Transaction Log and Documentation

If the department requires the log in lieu of the Pathway Net Cardholder Statement Report 121, the cardholder/department is responsible for maintaining a Payment Card Internal Order Transaction Log containing the information listed below. Purchases should be recorded on the log (See Attachment B) as they are made, and a new log should be used for each monthly billing cycle:

- Card Number (Acct. # and Support Acct.#)
- Card Holder Name and Signature
- Statement closing date
- Order Date
- Cross Reference # for attached documentation
- Vendor Name
- Vendor Number (required only on State Fund cards)
- Description
- Dollar Amount of Purchase
- Delivery Date
- Returned, Credited, or Disputed Item information (if any)
- Departmental signature approval
- "Account/Code moved to" if reallocated in Pathway Net

Additionally, the following documentation must be retained and kept with the log or the Pathway Net Cardholder Statement Report 121:

- All Purchase Voucher Requirements apply to Payment Card transactions
- Sales Receipts
- Packing Slips
- Credit Card Receipts/Slips
- Other information or correspondence related to the purchase
- Screen prints are acceptable for internet orders

The log or Pathway Net Cardholder Statement Report 121 shall be reconciled to the monthly JP Morgan Chase statement by the reallocation deadline which usually falls on the 26th of each month. Any discrepancies identified shall be promptly investigated and resolved by the cardholder/department. Documentation of any action taken to resolve a discrepancy must be recorded as an attachment.

For more information on using a transaction log or using the Pathway Net Cardholder Statement Report 121 please see [How to for the Payment Card Approval Process](#).

3.7 Guidelines for Reconciling Payment Card Statement

- 3.7.1. All cardholders are required to keep a monthly Payment Card Internal Order Transaction Log for each card (or a Pathway Net Cardholder Statement Report 121 may be used in place of the transaction log as indicated in section 3.6). This log should be a record of all orders/purchases placed on the Payment Card. It is the cardholder's responsibility to ensure there is an itemized invoice/receipt for each purchase. Screen prints are acceptable for internet orders and order forms for fax/mail orders if a receipt/invoice is not provided by the vendor. Attach itemized invoices, receipts, and other supporting documentation to the log. All purchase voucher requirements apply to Payment Card transactions. The log should be filled out as each order/purchase is made, not at the end of the month.
- 3.7.2. Upon receipt of your mailed Payment Card statement or printing out the Pathway Net Cardholder Statement Report 121, reconciliation is required to be done prior to the reallocation deadline around the 26th of each month. This reconciliation should reflect that all receipts were on the transaction log or the Pathway Net Cardholder Statement Report 121 and then any receipts that were not on the log or statement or charges that may not have receipts will be reconciling items. This itemization could be accomplished by noting all outstanding charges or by attaching a log of these items. The reconciler must initial and date the log or Pathway Net Cardholder Statement Report 121 to show that the reconciliation has been completed. This reconciliation must be complete prior to forwarding for signatures from the Cardholder and/or Department Approver.

Any discrepancies identified shall be promptly investigated with documentation of action taken recorded as an attachment to the log or statement. It is the cardholders/department responsibility to resolve all discrepancies.

- 3.7.3. During the reconciliation of the transaction log or Pathway Net Cardholder Statement Report 121, the reconciler should be aware of potential fraudulent transactions. The fraud indicators below should be considered during the reconciliation process.

Fraud Indicators

- Unusual vendor names
- Same Vendor address and employee address
- Only one employee ever uses a specific vendor
- Unusual activity for a given cardholder
- Repeated misuse by cardholder
- Round number purchases
- Transactions with missing receipts or altered documentation
- Sequential or unnumbered receipts
- Duplicate charges
- Purchases made outside of regular business hours
- Activity by non-cardholders and terminated employees
- Cardholder approving his or her own transactions.

For more information on reconciling using a transaction log or using the Pathway Net Cardholder Statement Report 121 please see [How to for the Payment Card Approval Process](#).

3.8 Compliance Reviews and Audits

The Payment Card Internal Order Transaction Log or the Pathway Net Cardholder Statement Report 121, along with the supporting documentation become the official records and shall be maintained in the department in accordance with Texas A&M's Record Retention Schedule.

Previously the purchase vouchers sent to Financial Management Operations were considered the official records. The records for the Payment Card purchases will be required when Texas A&M is audited by the Texas Building Procurement Commission and State Comptroller. Compliance Reviews may also be made by Financial Management Operations-Payment Card Office. Audits may be made by System Internal Audit and other external entities (i.e. State of Texas Auditors, Public Accounting Offices). So all documentation supporting the purchase including the reallocation, reconciliation and approval documentation must be kept according to the records retention period of 3 Fiscal Years plus the current Fiscal Year.

3.9 Statement and Payment

A statement for each cardholder will be mailed by JP Morgan Chase to the departments for verification of the reconciliation of the receipts to the log or the Pathway Net Cardholder Statement Report 121. The statement, transaction log or Pathway Net Cardholder Statement Report 121 and all supporting documentation will be filed and kept within the department.

JP Morgan Chase will mail one summary billing to Financial Management Operations-Payment Card Office, listing all transactions during the period by cardholder. Financial Management Operations-Payment Card Office will pay the summary billing in full and will charge the default account set for each card. The payment cycle is set up to be on the 5th of each month. Payment is required within thirty days to JP Morgan Chase. The merchants are paid by JP Morgan Chase between 24-48 hours of your placing your order or picking up merchandise.

The Texas Government Code requires the Financial Management Operations-Payment Card Office to audit all vouchers before they are submitted to the State Comptroller's office for payment. For this reason all Payment Card transactions on state accounts will require the department to submit original documentation to Financial Management Operations-Payment Card Office prior to the reallocation deadline around the 26th of each month. The original documentation must include: detailed receipt, state documentation (showing charged amount equals expected ordered amount and quantity), transaction log or Pathway Net Cardholder Statement Report 121 reconciled and approved. This documentation may be submitted via campus mail using the green mail bags, but must be inserted into a Red Rush Campus Mail Envelope with Payment Card Office written on it. The documentation may also be set to FMO via FTP. See the following link for information on how to set up the FTP process <http://finance.tamu.edu/fmo/imaging/docs/guidelines-to-ftp-imaged-invoices.pdf>.

3.10 Payment Card Payment

Employees do not pay their own monthly statement. The program does not affect your credit rating in any way. The Payment Card program carries corporate and individual liability.

3.11 Returns, Credits, and Disputed Charges

Should a problem arise with a purchased item or charge, every attempt shall 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. The returned, credited or disputed item shall be noted on the Payment Card Internal Order Transaction Log.

- **Returns:** If a cardholder needs to return an item to a supplier, contact the supplier and obtain instructions for return. Note that some suppliers may charge a restocking or handling fee for returns. All returns should be indicated in the transaction log.
- **Credits:** If an item is accepted as a return by the supplier, a credit for this item should appear on the following month's statement. All credits should be indicated in the transaction log.
- **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. All disputed items should be indicated in the transaction log. A copy of the form and letters shall be kept as documentation.

If a cardholder cannot resolve a disputed item directly with the vendor, the cardholder shall complete the Statement of Disputed Item Form and forward to the Program Coordinator. JP Morgan Chase will place the charge in a "Statement of Dispute" and the account may be given a provisional credit until 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, continue to have a provisional credit (if given) and an investigation of the charge will continue. A new card will then be re-issued to the cardholder, if appropriate. If the charge appears legitimate, the transaction will then post to the new account.

Please remember that the Payment Card Office is your partner in this venture and is willing to assist in any dispute resolution.

For more information on "How to Dispute a Payment Card Transaction" please go to the following link <http://finance.tamu.edu/fmo/pc/docs/cardholder-resources.asp> and scroll down to the question and answer section and look for "How do I dispute a transaction".

3.12 Card Termination

When a cardholder terminates employment with Texas A&M, the department has the specific obligation to destroy the Payment Card and e-mail the Payment Card Office at paymentcard@vpfn.tamu.edu. Failure to do so may result in revocation of all departmental card privileges.

Non-compliance to State and University purchasing procedures and Disbursement Guidelines will be grounds for revocation of cards. Non-adherence to these procedures will result in revocation of individual cardholder privileges and may result in revocation of all division or departmental Payment Cards.

4. KEY PROGRAM CONTACTS

4.1 Financial Management Operations-Payment Card Office

- 4.1.1. Payment Card Administrator – Card issuance, general questions and back up for all of the below:

Evonne Crocker
979-845-1373 phone
979-458-4208 fax
evonnecrocker@tamu.edu

Clint Merritt
979-845-8772
c-merritt@tamu.edu

- 4.1.2. Payment Card Staff – Pathway Net and Payment Card maintenance, new cardholder applications, general Payment Card questions

Tiffany Groce
979-862-1341 phone
979-458-4208 fax
tgroce@vpfn.tamu.edu

- 4.1.3. Payment Card Staff – Pathway Net user password changes, unlocking users and account set up.

5. FREQUENTLY ASKED QUESTIONS AND ANSWERS

1. **For what types of purchases should I use the Payment Card?**

Texas A&M's Purchasing policies and procedures governs how you can use the Payment Card. The current purchasing guidelines for delegated purchasing authority will determine the type of purchases for which you are authorized. See Purchasing Procedures Section 25.99-02.M1 for examples of acceptable purchases (<http://rules.tamu.edu/urules/200/259902m1.htm>) and sections 3.4.2, 3.4.3 and 3.4.4 for additional guidance.

2. **In what ways do I benefit from using the Payment Card?**

When you use the Payment Card, you enjoy reduced paperwork, quick and efficient order processing, faster delivery, no prompt payment interest, no more phone calls from the vendors asking where their money is and the ability to monitor purchases on-line through out the month instead of waiting for invoices to come in.

3. **How does Texas A&M benefit from the Payment Card Program?**

When employees use the Payment Card, Texas A&M enjoys greater productivity as a result of reduced paperwork and savings from consolidated multiple supplier invoices to one statement from JP Morgan Chase.

4. **What should I do if my Payment Card is lost or stolen?**

You should call JP Morgan Chase Customer Service toll-free at **1-888-685-2896** immediately to report the Payment Card missing and request a replacement. Then call the Payment Card Office at 862-1341 and your department manager to advise that you have called JP Morgan Chase to report the card lost or stolen.

5. **What do I do if a purchase is denied?**

Your purchase may have exceeded a spending or transaction limit, Texas A&M excluded that type of merchant or the vendor is not equipped to accept MasterCard as payment. Contact the Payment Card Office at 862-1341 to determine the reason or the cardholder may contact JP Morgan Chase Customer Service toll-free at **1-888-685-2896** directly.

6. **Is it possible for someone else to use my card?**

According to the Cardholder Agreement that you signed, you are responsible for all charges and the safekeeping of the card. Yes, it is possible in some instances that someone else could use the card if your department has a documented internal procedure that would allow you to designate the use of the card. This procedure shall be written and must be approved by your Division/Department Head or Director. For examples of written procedures, contact the Payment Card Office. Be aware this will not relieve you of the responsibility to which you have agreed. [Payment Card Usage Form](#) must be complete and turned in to FMO-Payment Card Office prior to sharing your card.

Note: Vendor's may also refuse to let someone else use your card.

7. **What should I do if a supplier does not accept the Payment Card?**

Contact the Payment Card Office at 862-1341 and provide the supplier's name, address, and phone number. This will be sent to JP Morgan Chase. JP Morgan Chase will enroll the supplier in the FAST program and work with Texas A&M to bring the supplier into the program.

8. **Will use of the Payment Card affect my credit report?**

No. The Payment Card is a corporate liability card and carries no personal liability for cardholders who use the Payment Card.

9. **Whom should I contact to resolve an error or dispute concerning my account?**

You should first contact the supplier. Most exceptions or issues can be resolved between you

and the supplier. If you cannot resolve an issue with the supplier, complete the Dispute Form in your Cardholder Guide packet, and fax to Payment Card Office at 458-4208.

10. **When I use my Payment Card to make a purchase, how is the transaction authorized?**

When you use the Payment Card to make a purchase, the supplier verifies the account number with JP Morgan Chase. Your spending limits are checked automatically against preset Texas A&M limits.

11. **What about Texas A&M being tax exempt?**

The card is identified as a "State of Texas" official business, tax-exempt card. You are encouraged to advise the supplier (at the time of order or check out) that the purchase is to be tax exempt. You must present a copy of the Texas A&M tax exemption certificate when making a purchase. Texas A&M is exempt from paying sales tax on business meals when we are direct billed. Payments made by the Payment Card are considered direct bills. If ordering by phone or the internet, the vendor must be told that we are exempt and a form can be faxed.

6. ATTACHMENTS/FORMS

- A. Cardholder Payment Card Agreement Attachment A
- B. Payment Card Internal Order Transaction Log..... Attachment B
- C. Statement of Disputed Item Attachment C
- D. Payment Card Charges/Usage..... Attachment D
- E. Tax Exemption Certificate..... Attachment E

ATTACHMENT B - Payment Card Internal Order Transaction Log

To access this form visit: <http://finance/fms/ap/forms.asp>

TEXAS A&M UNIVERSITY							
Purchasing Card Internal Order Transaction Log							
Card Number: _____				Department Approval: _____			
(FAMIS Account & Support Account)				Cardholder Signature: _____			
Cardholder Name: _____				Statement Closing Date: _____			
Order Date	Cross Ref #	Vendor Name Vendor # *	Description	Amount	Delivery Date	Moved To Account/Code	Date Reconciled/ By Whom
	1						
	2						
	3						
	4						
	5						
	6						
	7						
	8						
	9						
	10						
	11						
	12						
	13						
	14						
			TOTAL	\$0.00			

* Vendor ID is only required on state accounts

I returned the merchandise and have not received credit

- Reason for return: _____
- Date of return or credit voucher date ___/___/___
 ** Must provide proof of return or copy of credit receipt, if applicable
- If you merchandise was accepted for return, did you receive an in-store credit slip? ____ .
 ** If in-store credit voucher was received, original must be sent via certified mail to Bank One
- Does the merchant display a policy for returns? _____ If so, please describe that policy: _____
- If the merchandise was shipped/mailed back to merchant, to what address was it sent to?

- Is there a postal/UPS receipt? ____ ** If yes, must provide copy as supporting documentation

Please include additional comments that are pertinent to your dispute: _____

** Supporting documentation may be faxed to 1(847) 931-8861 or Mailed to JPMorgan Chase
PO Box 2015

Elgin, IL 60121-2015
Attn: Dispute Department

JPMorgan Chase USE ONLY Circle applicable reason code 32 41 53 55 56 57 60 59 (RS1 RS2 RS3 RS4 RS5)

“I certify that the facts were obtained from my discussion with the cardholder and are accurate to the best of my knowledge”

Chargeback representative _____ Date _____

Recap of representatives attempt to resolve dispute with merchant directly: _____ Check

applicable regulation for appropriate timeframes and member message fields

Call Taken By/Ext. _____ / _____ Date: _____

Supervisor _____

Best Time to call _____ Number we may reach customer back at _____

ATTACHMENT D – Payment Card Charges/Usage

To access this form visit: <http://finance.tamu.edu/fmo/pc/forms/procardcu.pdf>

TEXAS A&M UNIVERSITY PAYMENT CARD PROGRAM PAYMENT CARD CHARGES/USAGE

As a cardholder for Texas A&M University, I have agreed to comply with the terms and conditions of the Cardholder Payment Card Agreement and the Payment Card procedures. If at anytime my card is to be used by another employee of Texas A&M University for official business only, I will assure the employee has been properly instructed as to the usage, the usage (by another employee) is recorded on the transaction log, that all receipts and back up documentation is provided for the transaction log, and that the utmost security processes were implemented until the card is returned to my possession. I agree that usage of my card will strictly adhere to all applicable Texas A&M funding procedures.

This signed, original form must be on file in the Department of Purchasing Services before allowing usage by another employee. (Mail this form to the Department of Purchasing Services, Mail Stop 1477)

Cardholder Name (Print/type)

Cardholder Signature

Date

Supervisor Name (Print/type)

Supervisor Signature

Date

State law requires that you be informed of the following: (1) you are entitled to request to be informed about the information about yourself collected by use of this form (with a few exceptions as provided by law); (2) you are entitled to receive and review that information; and (3) you are entitled to have the information corrected at no charge to you.

ATTACHMENT E - Tax Exemption Certificate

To access this form visit: <http://finance.tamu.edu/fmo/pc/forms/tx-sales-tax-exemption.pdf>

01-339(Bank)
(Rev. 11-95/3)

TEXAS SALES AND USE TAX EXEMPTION CERTIFICATE

Name of purchaser, firm or agent Texas A&M University	
Address (Street & Number, P.O. Box or Route Number)	Phone (Area code and number) (979)
City, State, ZIP Code College Station, TX 77843-	

I, the purchaser named above, claim an exemption from payment of sales taxes for the purchase of taxable items described below or in the attached order or invoice.

Seller: _____

Street address: _____ City, State, ZIP code: _____

Description of items to be purchased, or on the attached order or invoice.

All purchases for Texas A&M University

Purchaser claims this exemption for the following reason:

This property is being secured for the exclusive use of the State of Texas.

I understand that I will be liable for payment of sales or use tax which may become due for failure to comply with the provisions of the Tax Code: Limited Sales, Excise, and Use Tax Act; Municipal Sales and Use Tax Act; Sales and Use Taxes for Special Purpose Taxing Authorities; County Sales and Use Tax Act; County Health Services Sales and Use Tax; The Texas Health and Safety Code; Special Provision Relating to Hospital Districts, Emergency Services Districts, and Emergency Services Districts in counties with a population of 125,000 or less.

I understand that it is a criminal offense to give an exemption certificate to the seller for taxable items which I know, at the time of purchase, will be used in a manner other than that expressed in this certificate and, depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

Purchaser sign here	Title	Date
------------------------	-------	------

NOTE: This certificate cannot be issued for the purchase, lease or rental of a motor vehicle.

THIS CERTIFICATE DOES NOT REQUIRE A NUMBER TO BE VALID.

Sales and Use Tax "exemption Numbers" or "Tax Exempt" Numbers do not exist.

This certificate should be furnished to the supplier. Do **not** send the completed certificate to the Comptroller of Public Accounts.