

Southwest Texas Junior College

Business Office Policies

(While Southwest Texas Junior College's policies are maintained online by the Texas Association of School Boards and include both LEGAL and LOCAL policies, <https://pol.tasb.org/PolicyOnline?key=1174> the following reflect internal policies for the Business Office.)

I. Accounting (includes Budget)

The primary role of the Accounting Office is to maintain the general ledger and accounting records. The office reconciles cash to provide accurate information describing the College's financial position to internal and external users.

The financial information that is recorded is in compliance with Generally Accepted Accounting Principles, the Texas Higher Education Coordinating Board reporting requirements, and other pertinent industry guidelines.

A. General Ledger

- The general ledger is maintained via various postings within the College's Colleague Finance Module such as AP/AR postings, Student receivables, Payroll posting, the College's budget planning process, P-card and supply purchase uploads, Purchase order postings, etc.
- The Accounting Office is responsible for upkeep of the Chart of Accounts in the College's Colleague Finance software system.

B. Investments

1. General

It is the policy of Southwest Texas Junior College to invest public funds in a manner which will provide the highest investment return with the maximum security and safety while meeting the daily cash flow requirements and conforming to all state and federal statutes governing the investment of public funds. The Board of Trustees will review the SWTJC Investment Policy and Investment Strategy not less than annually.

2. Management

Each member of the governing board and all investment officers shall attend at least one training session relating to the person's responsibilities under the Public Funds Investment Act (PFIA) Government Code, Chapter 2256) within six months after taking office or assuming duties. The Chief Financial Officer and the Controller are authorized to administer the investment program according to the strategy, standard of care and conditions prescribed in the policy. Each investment shall be approved by the President of the College.

3. Standard of Care

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital as well as income to be derived. Investment of funds shall be governed by the following investment objectives, in order of priority; preservation and safety of principal, liquidity, yield and diversification. The standard of prudence to be used by investment officers shall be the “Prudent Person” standard and shall be applied in the context of managing an overall portfolio and whether the investment was consistent with the written investment policy of the district. Investment officers involved in the investment process who have a personal business relationship with an entity seeking to sell an investment to SWTJC shall file a statement disclosing that personal business interest. Any investment officer who is related within the second degree by affinity or consanguinity, as determined under Chapter 573, to an individual seeking to sell an investment to the SWTJC shall file a statement disclosing that relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and the Board of Trustees of SWTJC.

4. Internal Control

In conjunction with the annual financial audit, the Board of Trustees will request a compliance audit of the management controls on investments and adherence to the College’s established investment policies. The results of the compliance audit shall be reported to the State Auditor. At each regularly scheduled meeting of the Board of Trustees, but not less than a quarterly per annum, a written report describing the investment status for all funds for the preceding reporting period will be prepared. The report must conform to the contents of the Public Funds Investment Act and must be prepared and signed by all investment officers.

5. Authorized Investments

The College will pursue a conservative approach to investment activity. Although other investments are authorized by law, SWTJC may invest only in the following:

- a) Certificates of deposit if issued by a state or a national bank domiciled in this state. Each certificate of deposit must be guaranteed or insured by the FDIC or its successor or secured by obligations that are described by section 2256.009(a) of the Public Funds Investment Act.
- b) Treasury bills, treasury notes, and treasury bonds of the United States and other direct obligations of the agencies of the United States.
- c) State sponsored AAA-rated local government investment pools operated under the guidelines of the Texas Public Funds Investment Act.

SWTJC will diversify maturity dates and to the extent possible, match investments with anticipated cash flow requirements. Unless matched to a specific requirement, investment maturities will not exceed five (5) years at the time of purchase.

From time-to-time SWTJC has been endowed with other investments which no longer comply with the current investment policy. These investments will be liquidated when advantageous to the College.

6. Authorized Broker/Dealer

In accordance with section 2256.005(k) of the PFIA, a written copy of the investment policy will be presented to any person seeking to sell investments to the College. The registered principal of the business organization seeking to sell authorized investment shall execute a written instrument substantially to the effect that the registered principal has:

- a) Received and thoroughly reviewed the investment policy of the College; and
- b) Acknowledge that the organization has implemented reasonable controls in an effort to preclude imprudent investment transactions.

The College may not buy any investments or securities from a person or firm who has not delivered an instrument in substantially the form provided above according to the PFIA.

7. Transactions

All transactions will be executed on a delivery-versus-payment (DVP) basis.

8. Investment Strategy

Each major fund type has varying cash flow requirements and liquidity needs.

Specific strategies shall be implemented considering each fund's unique requirements.

The objectives and strategy for each fund are as follows:

- a) Current/Operating Funds – Investment strategies for current and operating funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity, while preserving and protecting principal balances. Short-term operating funds will be deposited in an interest-bearing bank account or approved local government investment pool. Depending on cash flow requirements, current funds may be invested in short-term certificates of deposit in a ladder structure. A dollar-weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each investment.
- b) Endowments – Investment strategies for endowment funds will have as the primary objective the ability to generate a dependable revenue stream to the appropriate fund while preserving and protecting principal balances. Endowment funds will be deposited in interest bearing bank accounts, with significant balances being invested in bank certificates of deposit using a ladder structure. A dollar-weighted average maturity of three (3) years or less will be maintained and calculated by using the stated final maturity date of each investment.

c) Debt Service Funds – Investment strategies for debt service funds shall have as the primary objective the assurance of stability and liquidity adequate to cover the College’s debt service obligations. Funds will be invested in interest bearing bank accounts, an approved local government investment pool or short-term certificates of deposit in a laddered structure, or any combination herein. A dollar-weighted average maturity of 365 days or less will be maintained and calculated by using the stated final maturity date of each investment.

d) Debt Service Reserve Funds – Investment strategies for debt service reserve funds will have as their primary objective security of principal and the ability to generate a dependable revenue stream. A dollar-weighted average maturity of five (5) years or less will be maintained and calculated by using the stated final maturity date of each investment.

Bids for Certificate of Deposit may be submitted orally, in writing, electronically or any combination of these methods. Market prices for invested funds will be monitored by the investment committee on a monthly basis.

9. Safekeeping

All bank deposits and investments of college funds shall be secured by pledged collateral equal to the amount of investment less FDIC coverage. Copies of original safekeeping receipts will be provided the College along with monthly reports showing the current market value of pledged securities. The Chief Financial Officer or the Controller will approve the release and/or replacement of pledged collateral.

All transactions will be executed on a delivery-versus-payment (DVP) basis. That is, funds shall not be wired or paid until verification has been made that the Trustee received the collateral. The collateral shall be held in the name of the College or held on behalf of the College.

10. Notification

A written copy of the investment policy shall be presented to any person offering to engage in an investment transaction with SWTJC or to an investment management firm under contract with SWTJC to invest in or manage the entity’s investment portfolio. The qualified representative of the business organization offering to engage in an investment transaction with SWTJC shall execute *a written instrument (sample below)* in a form acceptable to SWTJC and the business organization substantially to the effect that the business organization has:

- a) Received and reviewed the investment policy of SWTJC; and
- b) Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between SWTJC and the organization that are not authorized by the SWTJC’s investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of SWTJC’s entire portfolio or requires an interpretation of subjective investment standards.

Example of the above-named instrument:

BROKER/DEALER/BANKER CERTIFICATION FORM
As required by Texas Government Code 2256.005(k)
for

SOUTHWEST TEXAS JUNIOR COLLEGE

The college acknowledges that the only means the firm has to preclude imprudent investment activities arising out of transactions between the firm and the College is to confirm that all provisions of the College's Investment Policy are followed in investment transactions conducted between the firm and the college, and the paragraphs below should be read accordingly.

I, as a qualified representative for the firm, do hereby certify that I have received and reviewed the Investment Policy of the College, to the extent required by the above reference legislation.

I acknowledge that this firm has implemented reasonable internal procedures and controls in an effort to preclude imprudent investments between this firm and the College arising from transactions between the College and the firm.

Name of the Firm

Address of the Firm

Telephone Number of the Firm

QUALIFIED REPRESENTATIVE

Signature Date

Printed name

Title

-Investment policy revised/reviewed 09/15/2011 SWTJC Board of Trustees

C. **Audit**

The College is subject to annual audits. Audited financial statements may be found on the College's website at: <https://swtjc.edu/faculty-and-staff/faculty-and-staff-business-office.html>

D. **Financial Reporting**

The Accounting Office provides the following:

- Various reports to federal state and local agencies
- Grant reporting
- Monthly Financial reports to The Board of Trustees
- Annual financial reports

E. Billing and payments

1. Accounts Receivable (A/R)
 - a) Cashiering services
 - Tuition and fees
 - Childcare services
 - Application and Transcript fees
 - Other Miscellaneous fees
 - b) Student account collections
 - c) 3rd Party
 - d) Misc. A/R
 - All accounts due the college for goods or services purchased from the College must be paid within thirty days unless other arrangements are made with the Vice President Finance.

2. Disbursement processing:
 - a) Tuition refund (academic and continuing education)
 - b) Student loan disbursements
 - c) Petty cash

3. Deposits
 - a) Departmental deposits
 - b) Student organization deposits
 - Any fund-raising activities at the College must be approved by the appropriate Vice President

4. Interdepartmental entries

5. Any departments of the College that generate income or charge for services rendered should follow the following procedures for receiving payment:
 - Do not collect the money.
 - Issue a bill of charges to recipient for services.
 - Provide a copy of the bill immediately to the Business Office.
 - Instruct recipient to make payment at the Business Office.
 - Release goods or materials to the recipient when they show a receipt of payment from the Business Office.

6. Selling products, services and/or financial schemes during working hours at the College-by-College employees is prohibited.

F. Accounts Payable

Accounts payable is responsible for providing timely, accurate payments. All vendors must complete a W-9, https://swtjc.edu/documents/business_office/SWTJC_fw9.pdf, and have been previously entered in the College's Colleague vendor database.

1. Vendor payment

a) Checks will be processed on Thursday of each week. Invoices (with signed approval for Blanket PO and receipt verified for PO) must be delivered to Accounts Payable and online check requests, must be complete and approved, before noon on Tuesdays. Please follow instructions here for requesting a payment (check):

https://zoom.us/rec/play/AX09J8Ynsk-NnC6uXsu8kZcwk2KUYXJIFcB-00JhbwluG3QwygFLV2fh_rRTuKDqAi6ryw-00rXZKQ8l.zBPoUZ6SUXuilPhk?continueMode=true

b) All payments are made on a net 30 basis unless a discount is offered. Every effort should be made to maximize discounts.

c) Texas Sales Tax

SWTJC is a tax-exempt Political Subdivision/Community College. Merchants should be informed of our tax-exempt status at the time of the transaction. Merchants may request a copy of SWTJC's Tax Exemption Certificate. The SWTJC's Tax Exemption Certificate may be obtained on the Business Office website:

https://swtjc.edu/documents/business_office/swtjc_sales_tax_exempt_form.pdf.

2. Employee Reimbursements (including travel)

Employees may be reimbursed for expenses incurred on behalf of the College; however, it must be pre-approved by a VP and only in extreme circumstances with the exception of Travel. See **Part II Purchasing, Section C. Travel** below on [page 23](#).

G. Budget and Planning

- Assists departments in maintaining their budget throughout the fiscal year.

Note – Self Service instructions for checking budget may be found here:

https://zoom.us/rec/play/AX09J8Ynsk-NnC6uXsu8kZcwk2KUYXJIFcB-00JhbwluG3QwygFLV2fh_rRTuKDqAi6ryw-00rXZKQ8l.zBPoUZ6SUXuilPhk?continueMode=true

- Coordinates annual budget planning and implementation

H. Grants

The Accounting office serves as the financial and administrative liaison between college faculty/staff and grantors when dealing with grants and ensures that all sponsored programs activities are carried out in accordance with applicable regulations.

I. Transparency

See **Part II Purchasing, Section A. Purchase of Goods and Services, #9** below on [page 12](#) for applicable law.

II. Purchasing (Includes P-cards and Travel)

The Purchasing Department offers the following services:

- Processes requests for orders
- Offers a Procurement Card (P-card credit card) program
- Assists travelers with monetary and policy questions related to travel before or after a travel occurs; offers a Travel P-card

A. Purchase of goods and services

1. Requisition

A requisition is used to communicate a request for the purchase of goods or services from off campus suppliers. Requisitions are:

- a) Initiated by a campus department designee (requisitioner) for the purchase of goods or services
 - Requisitioner must describe each item in detail with such information as the quantity, size, color, trade name and catalog or model number along with a brief description.
 - If the item cannot adequately be described in the manner indicated above, the originating department is responsible for providing the necessary specifications to be written. Specification literature supplied by vendors should be attached to the requisition for any first-time equipment purchases or when unusual items are involved. Specifications should describe the article clearly and in sufficient detail to ensure purchase of the correct product. They must provide for open competition in bidding and should, insofar as is possible, permit the procurement of standard products rather than items of special manufacture. Consideration must also be given to the availability of parts and of responsible repair facilities. The Purchasing Department is available to assist in these endeavors.
- b) Submitted to the Purchasing Department via Self Service web requisition. Instructions may be found here: https://zoom.us/rec/play/AX09J8Ynsk-NnC6uXsu8kZcwk2KUYXJIFcB-00JhbwlUG3QwyqFLV2fh_rRTuKDqAi6ryw-00rXZKQ8l.zBPoUZ6SUXuilPhk?continueMode=true.
- c) Should include all appropriate authorization(s) at time of submission.
- d) **Precedes** the issuance of a Purchase Order by the Purchasing Department.

2. Purchase Orders

Purchase Orders are issued by the Purchasing Department to specific supplier(s) as an authorization for purchase and commitment of future payment.

- a) One-time Purchase Order

A one-time Purchase Order is issued to identify a specific requirement at a firm price, generally with a single delivery. One-time orders are:

 - Issued to off-campus suppliers
 - Identified by a unique Purchase Order number
 - Issued and authorized by the College's Purchasing Department
- b) Blanket Purchase Order

A Blanket Purchase Order is issued to identify recurring goods or services, or specific supplier/user within a fiscal year. Each Blanket Purchase Order will be issued to a single supplier and may not exceed bid limits except for the following items:

- (1) Utilities
 - (2) Telephone Service
 - (3) Recurring payments on leases or mortgages
 - (4) Goods or services under existing consortiums/contracts and have been competitively bid
- Other items as deemed necessary by the Purchasing agent and approved by the Vice President of Finance.
 - Each Blanket Purchase Order will have a unique Purchase Order number.
 - For a Blanket Purchase Order where monthly billing of goods or services varies, the invoice must be approved by an appropriate department representative prior to payment.

3. Purchase by Check

In situations where a check is necessary for a purchase to be made (example - prepayment for performance or travel) a Request for Payment must be entered online. See instructions here: https://zoom.us/rec/play/AX09J8Ynsk-NnC6uXsu8kZcwk2KUyXJIFcB-00JhbwluG3QwygFLV2fh_rRTuKDqAi6ryw-O0rXZKQ8l.zBPoUZ6SUXuilPhk?continueMode=true

Order forms, supporting receipts, registration forms, etc., should be included as backup documentation.

4. Changes to Requisitions and Purchase Orders

Requests to cancel or modify a Requisition may be made online via Self Service, if not already a Purchase Order. If a Purchase Order number has been issued, the requisitioner should consult the Purchasing Department to determine the status of the goods or services and the potential for canceling or modifying the order.

Once a Purchase Order has been issued, no person outside the Purchasing Department has authority to contact the vendor to make any changes in quantities or specifications. If an error is discovered by the originator when he reviews his copy of the requisition; or if circumstances dictate a change or deletion, immediate notification should be given to the Purchasing Department. Any such changes should be made before the vendor has filled the order, as changes or cancellations after delivery will often result in extra charges for handling or restocking.

5. Office Supplies Purchases

With appropriate authorization departments may purchase office supplies utilizing the current designated online program. User ID and instructions for ordering may be obtained from the Purchasing Department.

6. Procurement Card

With appropriate authorization general use P-cards may be checked out from the Purchasing Department for online, local store and small dollar purchases. Departments may obtain their own campus P-card. See **Section B. Procurement Card Program** below on [page 15](#).

7. Purchasing Department Role

The Purchasing Department reserves the option to purchase from other than suggested vendors, or supply alternate items for comparable services, supplies, and/or equipment if obtainable at a lower price or total cost or a better value. This may include items which are part of a pre-purchase contract. If changes are made to the requisition request for other reason(s) the requisitioner will be consulted.

The necessity to plan for equipment and supply requirements cannot be over-emphasized. The time required to process a requisition from initiation by the individual to issuance of a purchase order may vary from a few days to many weeks. The Purchasing Department must secure competitive prices when appropriate, obtain evaluation and approval of bids, and issue a purchase order. The time required for processing by the Purchasing Department may vary according to the nature and value of the transaction and the existing workload of the Purchasing Department staff. The lead time required for the vendor to complete the order will depend largely upon the type of merchandise or service involved.

When requests are made for purchase order follow-up or expediting, the Purchasing Department will contact the vendor, obtain detailed information about the status of the order, and relay the information to the person making the request. If the information obtained by the Purchasing Department as to the projected order completion date is unsatisfactory, the originating division may request alternative action. Action may be initiated in a manner that follows established procedure. Such action may include accepting a substitute or cancellation of the order and re-ordering from another vendor.

The procedures for allowing any sales, sales calls, and/or sales demonstrations at the College shall be:

- Any solicitations or sales calls must first be approved by the Purchasing Agent.
- If the demonstration is approved, the Purchasing agent will then set a time and place where the representatives may set up the demonstrations. Representatives shall not solicit or contact employees at their workstations.
- College employees may attend the demonstrations in their free time or at the discretion of their immediate supervisor.

8. Bidding

The Purchasing Department has a responsibility to solicit bids from two or more suppliers when the estimated value of the requested purchase is \$1,000 or more for goods (equipment, materials, supplies) or \$50,000 or more for services, unless the items can be obtained under existing contracts. The purchasing of goods over \$50,000 requires a competitive, sealed bid process. (Additional quantities may be purchased at the same bid price from the successful vendor.) For purchases over \$50,000, the Purchasing agent shall secure sealed competitive bids to be opened at a definite time (A sealed envelope or a password-protected electronic file will be considered “*sealed*” until accessed at the bid opening date). The Notice of Bid shall be published in the official section of a local newspaper at least fourteen days prior to the scheduled bid opening date. The Purchasing agent shall receive, and open the bids, make tabulation thereof, and make recommendations as to the lowest and best value bid. The final

approval for the purchase shall be required from the Board of Trustees. The Board may waive the right of final approval by prior action. (Note: Competitive bidding of professional services, such as a consultant, architect, attorney, or fiscal agent is prohibited by State law.) The Purchasing Department may bid any request regardless of the dollar amount when, in their judgment, it best serves the campus.

- a) Request for Quotation (RFQ) An RFQ is used to solicit vendors for specific goods via a simple quote (up to \$50,000).
- b) Request for Proposal (RFP) An RFP is used to solicit vendors in a competitive, sealed bid process (over \$50,000). The supplier response generally includes pricing, proposed implementation plan, and timeline for delivery of goods. RFP's must be published in the local newspaper once a week for at least two weeks. The Purchasing Department shall receive, and open the bids, make tabulation thereof, and make recommendations as to the lowest and best value bid. Final approval for the purchase shall be required from the Board of Trustees. The Board may waive the right of final approval by prior action.
- c) Request for Information/Qualifications (RFI/Q)
 - This request is issued to suppliers within a specific commodity or market to determine the viability of a concept and to obtain market information.
 - In the event professional services are required (and may not be bid), a preliminary selection process must be followed.

9. Transparency in Bidding

- a) HB1295 – An ethics law that requires a written disclosure of interested parties by business entities that enter- into certain contracts with governmental entities including community college districts. <https://www.ethics.state.tx.us/filinginfo/1295/>.
Electronic Filing Application:

<https://www.ethics.state.tx.us/TECCertInt/pages/login/certLogin.jsf>.

- b) Legislative Budget Board (LBB) reporting – Public junior colleges are required to provide an attestation letter for contracts reportable under section 7.12 of the General Appropriations Act but may omit certain affirmations.

Section 7.12 of the General Appropriations Act requires notice to be provided to the Legislative Budget Board for certain contracts. Pursuant to section 7.12(c), the notice must include certification by the executive director, institution administrator, or a designee stating, among other things, that the process used to award the contract, contract extension, or purchase complies with or is consistent with the State of Texas Contract Management Guide and the State of Texas Procurement Manual.

http://www.lbb.state.tx.us/contract_reporting.aspx.

10. Waiver of Competitive Bidding

The campus secures goods and services competitively wherever applicable. The Vice President of Finance and Purchasing agent may waive competitive bidding and approve waiver request(s)

when justified. This authorizes the Purchasing agent to purchase without competitive bidding, goods or services that exceed the bid thresholds. Lack of planning does not constitute a situation for emergency purchasing. Emergency purchases are defined by Education Code 21.901(e). It states, "contracts for the repair or replacement of a school building or school equipment that has been destroyed or severely damaged may be made without resort to competitive bidding if the Board determines that the time delay posed by competitive bidding would prevent or substantially impair the conduct of classes or other essential school activities".

The following are reasons to consider granting a waiver of competitive bidding:

- a) Sole Source: There is not another company who provides goods or services similar- to the requested purchase; the request for goods or services is unique in design, performance, or user specification.
- b) Emergency: The goods or services are needed to correct or prevent an emergency repair or replacement of existing equipment essential for daily operation.

11. Authorization for Procurement

a) Signing Authority

In general, all purchases require approval by a Vice President.

b) Special Approvals Review

The following purchases require additional approvals:

- (1) Computer Equipment/Software: Information Technology Department
- (2) Construction: Vice President of Finance
- (3) Leasing: Vice President of Finance
- (4) Insurance (Health and Risk Management): Vice President of Finance
- (5) Alcohol only for Criminal Justice program as necessary and with President's approval

c) Board of Trustees Approval

In general, Board of Trustees approval is needed only for unbudgeted items/services. Exceptions can be made for emergency repairs to buildings or grounds. Approval must be obtained at the next opportunity.

d) If merchandise is obtained by an unauthorized person; or in a manner that does not follow established procedures, the individual making the purchase will be deemed to have entered into a private transaction with the company involved. Payment for any unauthorized purchase shall be the responsibility of the person placing the order.

e) "Component purchases" means purchases of the component parts of an item that in normal purchasing practices would be made in one purchase. "Separate purchases" means purchases, made separately, of items that in normal purchasing practices would be made in one purchase. A trustee or employee shall not intentionally or knowingly make or authorize separate, sequential, or component purchases to avoid the competitive bidding requirements set out in this policy.

12. Special Buying Opportunities

Pursuant to action at the June 1993 Board meeting, Southwest Texas Junior College has adopted resolutions to participate in the services of several state and national purchasing consortiums. The Purchasing agent has been designated as the College official to interact with these consortiums. These consortiums have a multitude of products which have been bid on a statewide/nationwide basis. When purchasing an item, these contracts should be considered. Participation in this service satisfies all bidding requirements.

a) State Use Program/TCPD/TIBH

The Texas Council on Purchasing from People with Disabilities (TCPD) is a state agency whose purpose is to further the state's policy of encouraging and assisting persons with disabilities to achieve maximum personal independence by engaging in useful and productive employment activities. TCPD contracts with TIBH Industries, Inc. (TIBH) to market and provide program management for the State Use Program.

b) Texas Correctional Industries (TCI)

TCI is a division of the Texas Department of Criminal Justice (TDCJ) whose purpose is to provide inmates with marketable job skills to help reduce recidivism through a coordinated program of job skills training and other resources. Through the Prison-Made Goods Act of 1963, allows state agencies to buy prison-made products when specifications of standards and quality are met.

c) Historically Underutilized Business (HUB)

in Texas in which the owner(s) have proportionate interest and demonstrate active participation in the business' management and are identified as economically disadvantaged according to 34 TAC, §20.12. The HUB mission statement is: "To encourage and effectively promote the utilization of Historically Underutilized Businesses (HUBs) by all state agencies, including institutions of higher education."

13. Contracts/Consortiums

A purchase contract is usually the result of a bidding process identifying and combining volume requirements. Contracts with firm pricing or discounts for specific goods, services, and terms are established to obtain the best possible value for the College. Negotiation and approval of term contracts is coordinated by the Purchasing agent. Contracts will be reviewed for basic components and must be approved by the Vice President of Finance. The Vice President of Finance reviews for insurance liability, budgetary considerations, and determination/coordination of legal opinion.

The Purchasing Department encourages the use of the following contracts/consortiums, when possible, in order to obtain previously bid/negotiated pricing and other value-added features:

a) State of Texas Contracts

- Term Contracts - The Comptroller of Public Accounts (CPA) has established term contracts on certain commodities and services as a supply source for state agencies. These contracts are based on forecasted amounts specified by CPA and may be ordered as needed.
- Texas Multiple Award Schedule Contracts (TXMAS)- The TXMAS program was established by CPA to permit state agencies to take advantage of previously

competitively awarded federal (GSA) contracts. The price on the contract is considered the most favored customer pricing, but purchasers may seek to negotiate lower pricing.

b) Department of Information Resources (DIR)

DIR is a state agency that serves as the chief information office for the State of Texas. DIR provides contracts for computer hardware, software, technical services, and telecommunications infrastructure and services for the state. All DIR contracts are competitively bid and comply with applicable purchasing laws.

c) Educational and Institutional Cooperative (E&I) Contracts - A national consortium comprised of colleges and universities

d) BuyBoard

Buyboard is a local government Purchasing Cooperative that is an administrative agency created in accordance with Section 791.001 of the Texas Government Code. Its purpose is to obtain the benefits and efficiencies that can accrue to members of a cooperative, to comply with state bidding requirements, and to identify qualified vendors of commodities, goods, and services. The Cooperative also relieves the burdens of governmental purchasing by effectively using current technology and realizing economies of scale.

Other Buying Consortiums that may be utilized:

https://swtjc.edu/documents/business_office/swtjc-consortiums.pdf

B. Procurement Card (credit card) Program

Program Purpose

SWTJC's Procurement Card (P-Card) Program is designed to utilize a more efficient and cost-effective procurement and payment process for small dollar purchases from any vendor that accepts MasterCard. This program will allow the cardholder and authorized users to purchase approved commodities and services directly from our vendors. Each P-Card is issued to a named individual who will be held accountable.

1. Overview

- The SWTJC P-Card is a Citibank MasterCard credit card to be used for making departmental purchases.
- It is a convenient and efficient way to purchase goods and services.
- It can be used to purchase goods and services in person, by phone, fax, mail and via the internet.
- The P-Card can be used to pay for most purchases that are otherwise paid by purchase order or check request.
- Only designated Travel P-cards may be used for Travel expenditures.

2. Advantages of the P-card

The advantages of using the SWTJC P-Card are:

- The need for purchase orders and check requests is greatly reduced.
- Postage and mailing costs are reduced.
- Card users have the opportunity for discounts on internet orders.
- Payments to vendors are expedited.
- The processing of paperwork is substantially reduced.
- Orders can be placed, filled, and shipped in a timely manner.
- Reduces the need to use personal funds for “rush” orders.
- Ability to view and monitor transactions electronically
- Individuals may apply for a one-time use, Travel P-card for pre-approved travel (may be used for registration, rental car, lodging): See **Section C. Travel** below on [page 23](#).

3. Getting Started

Faculty and staff can begin enjoying the advantages of the P-Card upon receipt of their respective cards. Prior to receiving the card, prospective cardholders must attend a training session. Training in the proper use of the card is provided by the Purchasing Department to all prospective cardholders.

During this training, individuals will learn about:

- Card information
- Card capabilities, limitations, restrictions, and violations
- Recordkeeping and statement reconciliation
- Sales tax exemption
- Disputed charges
- Card application and activation
- Lost or stolen cards
- Forms
- Customer service contracts
- Purchasing Ethics
- Expenditure Policies

4. Card Information

There are four types of P-Cards as follows:

- Purchasing Department card which may be checked out to any College faculty or staff or their designee
- Department cards are signed out to authorized individuals within the department
- Travel cards for individuals for travel related expenses on a per trip basis.
- Ghost cards are used by the Accounts Payable in certain payment applications.

No personal charges may be made with the card. In using the card, individuals are authorizing the commitment of College funds and are accountable in the same way they would be held accountable for authorizing a purchase order or check request.

If the individual transfers to a different department or has any changes in the information supplied on the original card application, he/she should notify the Purchasing Department immediately. Departments are responsible for notifying the Purchasing Department regarding the transfer or termination of employees who are cardholders.

If a card is lost or stolen, it is the responsibility of the cardholder to notify Citibank and the Purchasing Department immediately. If unauthorized purchases are made as a result of the card being lost or stolen, the cardholder will not be held responsible if the situation is reported in a timely manner.

5. Card Capabilities, Limitations, Restrictions, and Violations

a) Capabilities

- Department P-Cards can be used to purchase the same goods and services that can be obtained using a check request or purchase order. In most cases, the transaction threshold will be \$500. Exceptions will be made on a case-by-case basis as determined by the appropriate approver. Purchases over the thresholds must be made using standard requisitioning procedures.
- Cardholders may use the card to make purchases in person at a merchant site, to place orders over the phone, and to place mail, fax, and internet orders.
- Travel P-cards may be used to pay for travel by and for the College. For example, these individual cards may be used for registration, airfare, and meals for students.

b) Limitations

- In most cases, Department P-Cards may be used for single transactions up to \$500, a daily limit of \$2,500, and a monthly total (credit line) of up to \$5,000. If cardholders exceed their preset limits, the transaction will be denied.
- In addition, at the discretion of and with approval by the budget manager, cards may be assigned to other individuals with smaller dollar limits.
- If a department's usage experience indicates that higher limits should be set, the SWTJC P-Card Administrator should be contacted. It will be the responsibility of the appropriate VP approver to determine the necessity of a limit adjustment.
- Travel cards may only be used for pre-approved travel-related expenses.

c) Restrictions

- **Cash advances are NOT permitted on any P-Card.** Furthermore, cardholders cannot benefit through any type of awards program associated with the P-Card (i.e., frequent flier miles, etc.)
- All merchants are classified with a Merchant Category Code (MCC). All merchants with travel-related MCC's are blocked for purchases on the Department P-cards. This restriction includes expenses for conference registrations, airfare, lodging, rental cars, buses, trains, and parking lots. However, Travel P-cards may be assigned to individuals with pre-approved travel on a case-by-case basis and may be used for travel related expenses.
- Some examples of the merchants that may be blocked include chemical companies, firearm manufacturers, producers of radioactive substances and recreational facilities. If a cardholder attempts to make a purchase with one of these merchants, the transaction will be denied. For example, an attempt to purchase class-related training manuals from a recreational facility might result in a declined transaction. Payment for such declined transactions should be made on a purchase order with an original invoice from the merchant.
- Please keep in mind that special approvals are still required per the SWTJC purchasing policy. See **Section A. Purchasing Goods and Services, #11** above on [page 13](#).
- Other unauthorized purchases include:
 - Alcohol (exception with President's approval)
 - Capital equipment
 - Non-College related purchases
- If a cardholder believes that his/her department has unique purchasing needs that cannot be met due to these restrictions, the P-Card Administrator should be contacted.

d) Violations

The following are examples of violations of the P-Card program:

- Personal Purchases – defined as anything that is not purchased for use and ownership by the College. It is a violation of College policy to affect ANY personal purchase or personal transaction with a College P-Card, whether or not the cardholder intends to reimburse the College for the purchase. Fraudulent use or abuse of the P-Card will result in immediate suspension of privileges and may result in corrective action up to and including termination and/or criminal action. In addition, the College will seek restitution for any inappropriate charges.
- Unauthorized Purchases – defined as purchases or services with State funds that may not be used to further the legitimate government purpose of the buying entity. This is clearly a violation of State purchasing law and the violator will have his card revoked.

- Cash or Cash-type Transactions – defined as cash, cash in addition to purchase, cash in lieu of credit for return or exchange of a purchase. It is a violation of College policy to make cash or cash-type transactions using the College P-Card.
- Split Purchases – “split” purchases occur when single purchases costing more than \$500, or your particular transaction limit, are split into multiple P-Card transactions to circumvent the \$500 maximum. It is a violation of College policy to “split purchases.”

6. Record Keeping and Statement Reconciliation

a) Obtain receipts/back-up for all purchases made. The individual making the purchase should note on the back of the receipt or on a reconciliation form the item description, GL account number, purpose, date, and the purchaser’s name. For your convenience, you may use the SWTJC P-card Reconciliation form (a fill-in-form):

https://swtjc.edu/documents/business_office/swtjc_pcard_reconciliation_form_pdf_fill-in.pdf and attach receipts.

b) In addition, it is Highly Recommended that Department P-cards transactions are logged as the card is checked in and out. Click here, scroll down, and choose the Transaction Log form to download:

https://swtjc.edu/documents/business_office/swtjc_p-card_transaction_log.xls.

c) For tracking of receipts and other back-up information for Department P-cards, the preferred method for cardholders when doing their monthly reconciliation will be as follows:

- You **must** scan receipts into the P-card reconciliation software and upload to individual transactions.
- Please make sure that your *Expense Description in GCMS includes the **Business Purpose*** of the purchase.
- Each Department should attach actual receipts to their transaction logs, and it is advisable to retain them for 90 days in the event there are questions.

d) For Travel P-cards, receipts must be attached to the pre-approved travel request form and returned to Travel Coordinator **along with the card as it will be deactivated upon conclusion of the travel.** In either case, please be mindful that it is important to keep receipts as copy retrieval through customer service is expensive.

e) As purchases are made, cardholders (or, in the case of department cards, the authorized reconciler) will update account information in the P-card software system (Citi Global Card Management System or GCMS). All cardholders and department reconcilers will be provided a login and password to access this data electronically for reconciliation purposes. Supervisors will be provided a login and password to access reports and information electronically. Upon initial login, each user will be prompted to change their password. At a training session after the card is received, you and your supervisor will learn how to access records, reconcile account numbers, approve, and run reports from SWTJC's P-card site.

f) The State of Texas has chosen to adopt a 30-day billing cycle that will end on the 3rd of every month. This means that user's available line of credit will run from the 4th of this month until the 3rd day of the following month. On the 4th of the following month, the cycle will repeat itself.

g) Since our billing cycle will end on the 3rd day, users will be responsible for reviewing all transactions posted against their account from the 4th of the previous month through the 3rd day of the month. All transactions must be reviewed and approved by the 10th day of the month. Failure to review and approve transactions prior to this day may result in all charges being posted against a cardholder's default account. If a cardholder fails to review transactions, card privileges may be restricted or revoked.

Important Monthly Dates to Remember:

- ***3rd of each month - Billing Cycle Ends***
- ***4th of each month – New Billing Cycle Begins***
- ***The period between the 4th of each month and the 3rd of the following month – all transactions must be reviewed and approved on-line***

7. Tax Information

a) Texas Sales Tax

SWTJC is a tax-exempt Political Subdivision/Community College. No taxes should be charged on the P-Card, with the exception of Federal Excise Tax and possibly some tourist assessments in the case of a Travel card. Merchants should be informed of our tax-exempt status at the time of the transaction. Merchants may request a copy of SWTJC's Tax Exemption Certificate for the files.

The Tax Exemption Certificate may be obtained on the Purchasing website forms page: https://swtjc.edu/documents/business_office/swtjc_sales_tax_exempt_form.pdf. For the Travel P-card, the Texas Hotel Occupancy Tax Exemption Certificate may be found here:

https://swtjc.edu/documents/business_office/texas_hotel_occupancy_tax_exemption_certificate_form_12-302.pdf. Be sure and check the box for *Educational Entity*.

If sales tax is inadvertently charged to the P-Card, it is the cardholder's responsibility to dispute the charge. Contact the merchant to have the tax removed. Tax credits will appear on the following month's statement.

b) Other Taxes

SWTJC is not always considered tax-exempt in other states. Certain taxes assessed by cities (tourist assessments) are legitimate and will be paid by the College. If there is uncertainty about a specific tax charge, the cardholder may proceed with the transaction and dispute the tax charge later if it is determined to be in error.

8. Disputed Charges

a) If any questionable transactions appear on the cardholder's online statement for which there is no information, or if the amount does not match receipts, process the transaction for payment as is and notify SWTJC's P-card Administrator in the Purchasing Department at (830) 591-7339 and follow up with a memo/email.

b) Contact the merchant listed regarding the disputed transaction. If the merchant agrees that an error was made, the merchant will make an adjustment which will be posted as a credit to the account. **The cardholder must review and approve the adjustment received (credit) on the website to the same general ledger account to which it was originally charged.**

c) If the merchant does not agree to make an adjustment, contact Citibank Customer Service at 800-248-4553. State that you want to dispute the charge in question.

d) A dispute should be made within 30 days of the transaction date. Citibank will contact the merchant and assist in resolution of the disputed transaction.

e) If a card is compromised, you may call Citibank's fraud early warning team at 800-945-3114.

f) It is the responsibility of the cardholder to dispute erroneous transactions in accordance with the process described above.

9. Card Application and Activation

a) When the need for a P-Card is identified, the application form may be found here: https://swtjc.edu/documents/business_office/swtjc_p-card_application_form.pdf.

b) along with a cardholder agreement form: https://swtjc.edu/documents/business_office/swtjc_p-card_cardholder_agreement_form.pdf

c) .

After the forms are completed and all appropriate signatures have been obtained, return to the Purchasing Department for processing. Once the requested card is received from the bank, the applicant will be contacted to establish a mandatory training session for the cardholder and the respective financial manager in the case of a Department P-card. The P-Card will be active upon receipt and ready for use.

d) For Travel P-cards, please complete the application found here: https://swtjc.edu/documents/business_office/swtjc_travel_pcard_application.pdf and return to the P-card Administrator in the Business Office.

10. Lost or Stolen Card

a) The P-Card is the property of SWTJC and should be protected and secured just like any other credit card.

b) If a card is lost, misplaced, or stolen, cardholder should notify SWTJC's P-card Administrator in the Purchasing Department (830) 591-7339 immediately, and contact Citibank Customer Service at 1-800-248-4553, the number on the back of the card. A temporary hold can be placed on the card to prevent further transactions until the status of the card is determined, and a replacement card can be generated.

c) If the card is found and a report of transactions shows that it has not been used fraudulently, the hold can easily be removed by notifying the SWTJC P-card Administrator.

d) If the card has been stolen, it must be cancelled immediately. Contact SWTJC's P-card Administrator in the Purchasing Department at (830) 591-7339 and follow up with a memo/email requesting immediate card cancellation. If the card is stolen in the evening or on the weekend when SWTJC staff are not available, contact Citibank Customer Service at 1-800-248-4553 to put a temporary hold on the card, and notify SWTJC's P-card Administrator as soon as possible that the card should be permanently cancelled.

e) At the request of the cardholder, a new card with a new account number will be issued if the card is permanently lost or stolen. The Purchasing Department will notify the cardholder when the new card arrives. It will be the responsibility of the cardholder to pick up and sign the card in person at the Purchasing Department.

11. Card Cancellation and Replacement

a) If the cardholder is leaving employment at the College, he/she must inform SWTJC's P-card Administrator and return the card to the Purchasing Department to ensure that the cardholder's account is cancelled.

b) Occasionally, a P-Card becomes so worn that it will not function in card reading equipment. Cardholders may request a replacement form from the P-card Administrator. This new replacement card will have the same account number as the previous card and will be sent directly to the cardholder whereupon the old card must be returned to the Purchasing Department to be properly destroyed.

C. Travel

It is Southwest Texas Junior College's policy to support travel expenses incurred on behalf of the College. Employees are expected to use prudent judgement when incurring these expenses.

Travel for attendance at local seminars, to meetings, recruiting sites, etc. do require formal pre-authorization, However, each departmental unit may have specific policies authorizing off-campus work time and, as such, employees should discuss this with their direct supervisor. Reimbursement for expenses related to local travel should be entered in Self Service, Request a Payment in the Financial Information section: https://zoom.us/rec/play/AX09J8Ynsk-NnC6uXsu8kZcwk2KUYXJIFcB-00JhbwlUG3QwyqFLV2fh_rRTuKDqAi6ryw-O0rXZKQ8l.zBPoUZ6SUXuilPhk?continueMode=true

If needed, there is a Local Travel Reimbursement Worksheet that includes local mileage amounts and links to mileage reimbursement rates, and maps: https://swtjc.edu/documents/business_office/swtjc-local-travel-reimbursement-form.pdf

. Instructions for the worksheet may be found here: https://swtjc.edu/documents/business_office/swtjc-instructions-local-travel-reimbursement-form.pdf

See also Local Travel below.

Overnight or non-local travel expenditures require employees to provide an estimate and obtain approval prior to incurring any liability for the College related to overnight travel. Faculty must obtain approval and be advised of their professional development funds via the College's Professional Development Officer in advance of traveling. The College will also assist employees in prepaying or provide a travel P-card (credit card) when requested. These expenditures are reported on an Overnight Travel Request/Reimbursement Request Form: https://swtjc.edu/documents/business_office/swtjc-overnight-travel-request-reimbursement-form.pdf
Instructions for the form may be found here: https://swtjc.edu/documents/business_office/swtjc-instructions-overnight-travel-form.pdf

. See Non-local/Overnight Travel below.

LOCAL TRAVEL Definition

1. Local travel is defined as travel that does not require an overnight stay. Local travel does not qualify for reimbursement for overnight or meal expenses. Occasionally exceptions may be made under this policy for special circumstances as determined by the appropriate VP.

Examples include events requiring evening or early morning activities.

a) Meals

Generally, meals are not reimbursable when incurred in connection with local travel. However, if travel is in conjunction with a business meeting which includes a meal, this may be considered an allowable expense. Documentation should be included with the backup provided to Accounts Payable in the Business Office and should include the following: business purpose, names of attendees, and itemized receipt. It is the College's policy not to reimburse for alcohol consumption. In addition to this, an effort should be made by the employee to keep meal expenses at a reasonable level.

b) Mileage Reimbursement

Whenever possible, the use of a College owned vehicle is preferred. Please check with the Transportation department for availability and complete the form here: https://swtjc.edu/documents/business_office/vehicle_req_form.pdf. When multiple individuals are traveling to a common destination, an effort should be made to carpool. Mileage reimbursement should only be requested for additional miles above and beyond your normal commute.

The use of personal automobiles on College business will be reimbursed at the GSA (US General Service Administration Mileage Reimbursement Rates) approved rate per mile <http://www.gsa.gov/portal/category/104715> Plus, tolls and parking. Employees are required to have appropriate public liability and property damage coverage for their automobiles before it is used on College business.

c) Registration

Registration is often prepaid for local travel using the College's P-card or may be done as a reimbursement after attendance.

NON-LOCAL/OVERNIGHT TRAVEL Definition

Non-local or overnight travel is defined as travel that includes an overnight stay. **Pre-approval is required for overnight travel.** In addition, **faculty must** obtain approval and be advised of their professional development funds via the College's Professional Development Officer in advance of traveling. Please utilize the College's Overnight Travel Request/Reimbursement Request Form:

https://swtjc.edu/documents/business_office/swtjc-overnight-travel-request-reimbursement-form.pdf

1.

a) Travel P-card/Credit card

Advances for overnight travel are available for employees in the form of a travel P-card/credit card (here is the link to the form to apply for the card:

https://swtjc.edu/documents/business_office/swtjc_travel_pcard_application.pdf) **It is the responsibility of the traveler to track all expenses and obtain itemized receipts for all transactions. All payments to vendors/supplier are the responsibility of the traveler with the issued card.** In general, advances for additional trips will not be made until settlement of a previous trip occurs.

b) Air Travel

Employees may make their own reservations using the Sparks card provided the appropriate travel forms with supporting documents and pre-approval was obtained. There can be substantial discounts for 14-, 21- and 30-day advance purchase of airfare, therefore, employees are encouraged to take advantage of this opportunity. Reservations should be made utilizing the lowest possible airfare. Upgrades are not allowable. Also, if there is a fee, the cost for only one piece of luggage will be covered. Upon return, an original receipt or ticket with the total price listed is required for the reconciliation process.

Assistance may be requested with these, and other travel matters via the Accounting department (acctpayable@swtjc.edu or 830-591-7339 or ext.7206).

c) Mileage expense

The use of a personal automobile when used on college business will be reimbursed at the GSA (US General Service Administration Mileage Reimbursement Rates) approved rate per mile <http://www.gsa.gov/portal/content/100715> Plus, tolls and parking. Employees are required to have appropriate public liability and property damage coverage for their automobiles before it is used on college business.

If a personal automobile is used in lieu of less expensive transportation, only the cost of the less expensive transportation is reimbursable. An example of this would be the choice to drive to a conference when there is a less expensive airfare available.

If a college vehicle is being used, the traveler should use the Voyager gas card provided by the Transportation Department and obtain itemized receipts.

d) Registration

Registration may be prepaid provided the appropriate pre-approval was obtained. The traveler may prepay using a College P-card, assigned Travel P-card, or may be done as a reimbursement after attendance. Receipt of payment must be obtained regardless. Registration may also be prepaid via the College's Self Service platform, Request for Payment. Please include a brochure or printout of the conference agenda with your travel reimbursement/reconciliation.

e) Automobile Rental

Automobile rental expenses should be incurred only when suitable public transportation is not available. Most rental car companies require the individual renting the automobile to have a credit card in their name. With this in mind, travelers should utilize the College's Travel P-card or use his/her own credit card and request reimbursement once the trip is complete.

The College is privy to rental rates via various contracts. For information regarding these please contact the Accounts Payable Agent acctpayable@swtjc.edu 830-591-7339 or 830-591-7206

f) Meals

Employees must use the standard per diem meal rate found on the GSA website (US General Service Administration Per Diem Rates)

<http://www.gsa.gov/portal/category/104711> Solicit a travel advance based on per diem. Receipts are NOT required for per diem allowances. It is the College's policy not to reimburse for alcohol consumption.

For the first and last days of travel, you will be allowed 75% of the daily per diem rate per the GSA website (General Services Administration Meals & I&E Breakdown)

<http://www.gsa.gov/portal/content/101518>.

If a meal is served on the plane, included in a conference registration fee, built into the standard single, hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed.

g) Hotel Accommodations

Hotel accommodations are made by the traveler. The traveler may choose to obtain a travel credit card with pre-approval or use a personal credit card to guarantee the reservation. Please be aware that booking hotels online via a third party (such as 'Expedia' or 'Orbitz') will immediately place a charge on your credit card. If you prefer, you may obtain a quote in advance for the hotel and submit a Request for Payment via Self Service if you wish to take a check with you. Please allow for enough time in advance for a check to be cut.

Hotel expenses are allowable at the conference rate. An itemized receipt from the hotel is required for reconciliation. Note: Keep in mind that the College is tax exempt, and you must inform the hotel when you check in. The form may be found here:

https://swtjc.edu/documents/business_office/texas_hotel_occupancy_tax_exemption_certificate_form_12-302.pdf

h) Incidental expenses

Incidental expenses incurred in connection with travel such as cab or shuttle fares and wi-fi (not in-room movies) are reimbursable expenses. Original receipts for items are **required** for reimbursement. An effort should be made to keep incidental expenses at a reasonable level.

i) Submission requirements

The College's Overnight Travel Request/Reimbursement Request Form:

https://swtjc.edu/documents/business_office/swtjc-overnight-travel-request-reimbursement-form.pdf

must be submitted to the employee's supervisor for review and approval prior to travel and again after returning from the trip within no more than 10 business days. Actual expenditures should be entered on the form on the appropriate lines of Section B, Actual Travel Expenses. Any amount due to the traveler will be reimbursed within 10 working days from receipt of completed, approved form in the Business Office.

j) Supporting Documentation

All receipts, as outlined on the College's Overnight Travel Authorization/Reimbursement Request Form https://swtjc.edu/documents/business_office/swtjc-overnight-travel-request-reimbursement-form.pdf

in section B, Actual Travel Expenses, are to be attached to the approved form when submitted for reimbursement. Documentary evidence in the form of an original receipt or a paid bill is required for expenses such as lodging, air transportation, car rental, etc.

k) Combination Business/Pleasure Trips

Only business-related expenses will be reimbursed with appropriate documentation.

SUMMARY

The College acknowledges that every travel expense cannot be defined and quantified, therefore the College relies on the professional judgement of the employee. Employees who substantially deviate from the policy should be prepared to provide a reasonable explanation to the appropriate VP.