

Section 2.45

The State Payment Card PCC - H

View the [State of Texas Charge Card Program](#) for procurement and travel information.

Introduction

State agencies may only use credit cards issued under the TPASS Term Contract No. [946-M1 Payment Card Services \(Procurement/Travel\)](#).

Instructions for Participation in the Payment Card Services Contract

1. Adopt procedures governing the issuance and security of payment cards and the use of those cards by the agency's officers and employees. TPASS requires these procedures as a part of the procurement audit review.
2. File and maintain these procedures in the agency's Procurement Plan and forward to mark.kaspar@cpa.texas.gov.

Using the Payment Card

The payment card may be used to pay for the purchase of commodities and services for dollar amounts within an agency's delegated purchasing authority.

1. Agency/Cardholder Responsibilities: Adhere to all purchasing statutes, rules, policies, and procedures when using the payment card. *The use of a payment card does not automatically exempt a state agency, its officers or its employees from any purchasing requirement of state law or TPASS⁵.*
2. Procurement File or Log: A file or log must be maintained for each card transaction and must include the NIGP Class/Item code(s) and best value determination.
3. Receipts: Keep each payment card transaction receipt in the procurement file. Each receipt must contain a description of the good or service sufficient to support TPASS's expenditure object code used for the type of items being purchased. Credit card receipts must be made available to TPASS upon request.
4. Capital or Controlled Assets: The payment card may be used to pay for capital or controlled assets, utilizing the expenditure object code established for the type of assets being purchased. The Texas Identification Number/Payee Identification Number/Vendor Identification (TIN/PIN/VID) of the selling vendor must be entered into USAS, rather than the TIN/PIN/VID of the state credit card issuer.

Prohibited Uses of the Payment Card

Per [Texas Administrative Code, Title 34, Part 1, Chapter 5, Subchapter E, Section 5.57\(g\)](#), a participating state agency may not use a payment card and may not reimburse an officer or employee for the use of a payment card for:

- A purchase of a personal nature or any other purchase not connected with official state business.
- A cash advance.
- A purchase of a consulting service.

- A purchase of a good or a service that may not be purchased without the prior approval of another state agency.
- A purchase that the office of the Texas Comptroller of Public Accounts audits before payment.
- A purchase from a vendor if a payment to the vendor is prohibited by:
 - Government Code [§403.055](#) or [§2107.008](#).
 - Education Code [§57.48](#), or [§57.482](#).
 - Family Code [§231.007](#).

Furthermore, a participating state agency may not use a payment card and may not reimburse an officer or employee for the use of a payment card for:

- A purchase that violates any provision of the General Appropriations Act regarding the occurrence of excess obligation provisions.
- The purchase of automotive fuel. The Council on Competitive Government (CCG) Contract [946-C1 Retail Fuel Card](#) shall be used.

Payment to the Payment Card Issuer

State agencies are required to pay the payment card contractor through an electronic funds transfer. Payment or credit card statements are to be paid in full, less credits or disputed transactions, within 30 days of receipt, per the Texas Prompt Payment Act. A state agency *may not accept a cash refund* for a purchase if the agency paid for the purchase with a payment card.

Information regarding the Fiscal Policy and Procedure (FPP) *,Processing Third Party Transactions in USAS for Payment/Travel Cards, Direct Bill Payments and Reimbursements*, is available at:

<https://fm.x.TPASS.state.tx.us/fmx/notices/fm05/43/index.php>

Liability Requirements

State agencies may be liable for late payment fees and transactions charged to lost and stolen cards if lost or stolen cards are not reported immediately. Customers will have no liability for transactions that occur after notification of a card being lost or stolen. For unauthorized charges made prior to the card being reported lost or stolen, Customer's liability is limited to a maximum of \$50 per card (up to \$100,000).

Historically Underutilized Business (HUB) Reporting

The payment card contractor develops HUB reports to provide state agencies with the payment card transaction data for HUB vendors to assist in preparing statewide HUB reports. View instructions for [generating HUB reports from the payment card contractor](#).