

Purchasing Card Policies and Procedures Manual

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1 INTRODUCTION

1.1 Overview

The University of Cincinnati Purchasing Card (P-Card) Program has been established to provide a convenient means with which to make purchases and, at the same time, reduce the costs associated with initiating and paying for those purchases. The P-Card allows the cardholder to charge work-related expenses directly to the appropriate university account. University employees must be at least 80% FTE before a P-Card can be issued.

The Central Purchasing department is responsible for managing the program and each academic or administrative organizational unit is responsible for managing its Cardholder accounts. Three areas of responsibility have been defined within each organizational unit to assist in this management effort. They are the **Cardholder**, **Card Verifier** and **Independent Reviewer**. It is important to understand that these three areas of responsibility do not necessarily equate to three separate individuals within the organizational unit but **one individual cannot perform all functions**. It is permissible for one individual to be assigned one or more of these responsibilities as defined in these Policies and Procedures. The ultimate decision as to how each of these responsibilities is assigned will be made within each organizational unit.

1.2 Definitions

Account Allocator: Account Allocators have the ability to allocate individual charges to various non-default organizational unit accounts in UC Flex. The Account Allocator role can be used in conjunction with the Cardholder, Card Verifier, or Independent Reviewer roles. There can be no more than four Account Allocators per card.

Cardholder: University employee whose name appears on the Purchasing Card and is accountable for all charges made with that card. A Cardholder may have more than one card, with each card defaulting to a different UC Flex account number. If a Cardholder has more than one card, it is recommended that something be placed on the third line embossing to distinguish one card from another. A cardholder should not give their Purchasing Card, or card number to others to use. If another individual in the organizational unit needs a Purchasing Card, the Business Manager should request one for that individual.

Cardholder Verification Code (CVV): This is the three-digit number on the back of the Purchasing Card. This number appears after the last four digits of the card, as part of the signature line. This number is a fraud prevention strategy that was set up by VISA and MasterCard. The only person that has access to this number is the Cardholder. When placing mail orders, phone orders, or Internet orders, there is a good chance the Cardholder will need to provide this number to the vendor.

Card Verifier: University employee(s) within each organizational unit responsible for verifying that all charges against the Cardholder's account are backed up by supporting documentation and that the documentation is retained within the organizational unit. The Card Verifier signs the memo statement from the bank each month indicating they have completed the verification process and that the transactions are appropriate to the operations of their organizational unit. Once the Card Verifier signs the memo statement of a Cardholder, he/she is attesting to the validity of the Cardholder's purchases.

Default Account: The University UC Flex account code assigned to an individual Cardholder's Purchasing Card. Only one Default Account can be assigned to any one Purchasing Card and all charges made with the Purchasing Card will be posted into the Default Account unless those charges are reallocated in UC Flex. Make certain the entire account budget line is valid and active in UC Flex. A sponsored program account should never be the default account when more than one sponsored program needs to be charged. Separate Purchasing Cards should be utilized in this case. The university will not do Journal Voucher Adjustment (JVA) for organizational units.

Independent Reviewer: University employee(s) within each organizational unit responsible for sampling and testing Purchasing Card transactions to verify that they are appropriate and supported by adequate documentation. To be effective, the Independent Reviewer must be in a position to objectively question any and all Cardholder purchases. Cardholders may not be their own Independent Reviewers and whenever possible, the Independent Reviewer should not be a subordinate with a reporting line to the Cardholder.

Cycle Spending Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each billing cycle. This amount may

not exceed \$10,000 unless the Associate Vice President, Purchasing and Materiel Management Services has granted approval to the Cardholder. Organizational units may establish lower limits on a per Cardholder basis. If the Cardholder needs a monthly limit greater than \$10,000 it is necessary for the organizational unit, or their designee, to send a letter explaining why such a large monthly amount is necessary.

Program Administrator: Central Purchasing employee responsible for administering the Purchasing Card Program for the university and acting as the main contact between the university and the bank.

Purchasing Card (P-Card): A credit card issued to an employee of the University of Cincinnati for the purpose of making authorized purchases on the university's behalf. The university will issue payment for charges with the Purchasing Card.

Pyramiding Charges: Using multiple transactions to circumvent per-transaction limits. For example, if an employee with a \$500 per-transaction limit made a purchase of \$900 by requesting the vendor process one transaction for \$500 and another transaction for \$400 to circumvent the \$500 per-transaction limit. Note that this is pyramiding whether the transaction is for several items or for one item. **PYRAMIDING IS NOT PERMITTED WITH THE PURCHASING CARD.**

Statement of Account: A listing of all transactions charged to the Cardholder's card account up to the end of the monthly billing cycle. The Bank sends this statement directly to the Cardholder, on a monthly basis. Cardholders **should not** wait until they receive the statement to allocate their transactions. The Cardholder should attach all documentation (i.e., receipts) to the statement each month. The Cardholder should sign the statement to indicate that the transactions have been reviewed and are legitimate business expenses. The statement should then be forwarded with receipts, to both the Card Verifier and Independent Reviewer. The Card Verifier and Independent Reviewer should also sign the statement indicating they have verified and reviewed the transactions.

Support Documentation: A merchant-produced or non-university document that records the relevant details for each item purchased including quantities, amounts, and a description of what was purchased, the total charge amount and the merchant's name and address (i.e., sales receipt, original invoice, packing slip, credit receipt, etc.) A packing slip alone is not acceptable support documentation unless it meets the criteria above.

Transaction/Charge Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total charge made with the Purchasing Card. The default amount is \$500 unless the Associate Vice President, Purchasing and Materiel Management Services has granted approval to the Cardholder. Organizational units may establish lower limits on a per Cardholder basis. A single transaction/charge may include multiple items but cannot exceed the Cardholder's per transaction limit. If a Cardholder needs a per-transaction amount greater than \$2,000, it is necessary for the organizational unit, or their designee, to send a letter explaining why such a large per-transaction amount is needed.

2 CARD SET UP & MAINTENANCE PROCEDURES

2.1 Obtaining a Purchasing Card

All prospective Cardholders must be at least an 80% full-time employee of the university before a card can be issued. To request a card, an employee will need to sign a [Cardholder Set-Up Form \(Exhibit A\)](#), [Cardholder Agreement Form \(Exhibit B\)](#), obtain the necessary organizational unit approvals and then forward the forms to the Program Administrator. All prospective Cardholders must also complete an on-line P-Card training session before the Purchasing Card will be released to the Cardholder. If the Cardholder will also be a Card Verifier, they must complete the UC Flex P-Card Training.

2.2 Travel

A request for travel as part of an employee's Purchasing Card privileges requires submission of [Exhibits A](#) and [B](#) along with signature approval of the dean, AVP, or their designee of the organizational unit requesting the employee be granted travel purchasing privileges.

If a current Cardholder wants to add travel, the Cardholder's Dean, AVP, or their designee must sign an [Account Maintenance Form \(Exhibit C\)](#) requesting travel be added. Section 3.7 lists some Purchasing Card travel tips. These are the minimum; individual organizational unit may establish additional requirements of the Cardholder.

2.3 Cardholder Account Maintenance

Whenever any of the information contained on a Cardholder's Set-Up Form changes, an [Account Maintenance Form \(Exhibit C\)](#) must be completed. After the appropriate designee in the organizational unit has signed the form, the form should then be forwarded to the Program Administrator. For per-transaction, cycle limit and travel authorization changes, the Program Administrator will notify the Cardholder when modifications have been made.

2.4 Card Security

It is the Cardholder's responsibility to safeguard the Purchasing Card and Purchasing Card account number at all times. Purchasing Cards must be kept in a secure location and should only be used to process transactions by the respective Cardholder. In order to prevent exposure to fraud, the full Purchasing Card account number should not be recorded electronically or on paper. If the number must be recorded it should be truncated to the last six digits.

2.5 Card Expiration

A Purchasing Card will expire at the end of the month shown on the card. For example, a card with an expiration date of 06/11 will expire at the end of June. The Cardholder will receive a replacement card during the first or second week of the month the card is due to expire. If a replacement card is not received by the end of the second week, the Cardholder should contact the Program Administrator for assistance. Once the replacement card is activated, the Cardholder should destroy the old card.

2.6 Lost, Stolen or Damaged Purchasing Card

If a Purchasing Card is lost, stolen or damaged, during normal university business hours, the Cardholder must notify the Program Administrator immediately so it can be reported to the bank. If the Purchasing Card is lost, stolen or damaged after normal business hours, the Cardholder must notify the bank immediately at 1-888-449-2273. Fraudulent transactions must be reported to the bank within 60 days of the date of occurrence in order for the university to recover losses. Replacement cards should not be requested directly from the bank. If an account is closed through direct contact with the bank, the Cardholder should follow up with the Program Administrator on the next business day to request a replacement.

After the above notification procedures have been completed, the Program Administrator will issue a new Purchasing Card to the Cardholder pending approval of his or her unit's Business Administrator.

A Purchasing Card that is found after it has been reported lost or stolen must be destroyed by cutting it in half. The same procedure applies if a card is damaged.

2.7 Preauthorized Charges

If arrangements have been made for preauthorized charges such as a magazine subscription or weekly shipment of an item and the Cardholder leaves the university, the vendor must be notified that the account has been closed and all preauthorized charges should stop. Failure to contact the vendor regarding a closed account number that a vendor has on file will result in future transactions being placed on the card, regardless if the account was closed.

If a Cardholder reports a card lost/stolen and has preauthorized charges, the Cardholder should contact the merchant and provide them with the new replacement card information so there is no interruption in service.

2.8 Transfer within the Same Organizational Unit

Cardholders who transfer to a new position within the same unit and require the use of a Purchasing Card as part of their new duties may continue to use the same card if the default account remains the same. Cardholders who will no longer require a Purchasing

Card in their new position must surrender their Purchasing Card(s) and corresponding supporting documentation to their immediate supervisor so the account can be closed.

2.9 Transfer within the University

Cardholders who transfer within the university to another unit must surrender their Purchasing Card and all supporting documentation to their immediate supervisor before leaving to close the account. If the Cardholder will require the use of a Purchasing Card in his/her new position, he/she must submit [Exhibits A](#) and [B](#) signed by the unit head or designee authorized to sign for Purchasing Cards, in the new unit and then forward them to the Program Administrator.

2.10 Separation from the University

Prior to separation from the university, Cardholders must surrender their Purchasing Card(s) and corresponding support documentation to their immediate supervisor. It is the unit's responsibility to assure the return of the Purchasing Card(s) during the exit interview process and notify the Program Administrator to immediately cancel the card(s).

2.11 Card Cancellation

An e-mail message should be sent to the Program Administrator requesting the Cardholder's account be placed on hold if he/she is leaving the university. The organizational unit must then follow up by sending a completed [Exhibit C](#) to the Program Administrator requesting that the account be closed.

If a card is to be cancelled due to theft or fraud, an email should be sent immediately to the Program Administrator. If the card is to be replaced, an e-mail message from the unit head or their designee is required before the Program Administrator will request a replacement card.

3 USING THE PURCHASING CARD

3.1 Making a Purchase with the Purchasing Card

The Cardholder must ensure he/she has appropriate unit purchase approval (if required) before making a purchase with the Purchasing Card.

The Cardholder should purchase from UC's term contract vendors whenever possible in order to fulfill the university's contractual obligations.

In addition, the Cardholder must confirm that the selected merchant accepts VISA. If not, another vendor should be chosen or if the cost is less than \$300, the Small Dollar Invoice transaction in UC Flex may be used. If either of these alternative methods is not

possible, a request must be submitted to Purchasing so that the purchase can be made via a Purchase Order.

When making purchases in person, the Cardholder must sign the charge receipt and retain the customer copy. The Cardholder must have itemized original receipts to back up their purchases. The Cardholder should verify that either the charge receipt or sales receipt complies with the requirements for supporting documentation.

The University of Cincinnati is exempt from Ohio state sales tax. It is the Cardholder's responsibility to ensure that this tax is not charged. The university tax identification number is printed on the front of the card in the top right hand corner.

When making purchases via telephone, the Internet, and mail order, Cardholders should give the merchant the account number embossed on their card and direct the merchant to include the following on the shipping label and/or packing slip:

- A. Cardholder name and phone number;
- B. Organizational unit name;
- C. Complete campus delivery address including building name and room number;
- D. The words "VISA Purchase."

Note: Vendor should not include the account number and expiration date on the shipment or packing slip.

Regardless of who receives the shipment, the Cardholder is responsible for obtaining all documentation (packing slips, mail order form copies, etc.) related to the purchase and verifying that the documentation complies with the requirements for supporting documentation.

3.2 Recommended Uses for the Purchasing Card

Cardholders are authorized to use the Purchasing Card to purchase many business related goods and services needed to perform their duties as an employee of the university. Transactions that are placed on the Purchasing Card should not conflict with any of the University Financial Policies or the violations and restrictions in section 3.3 of this manual.

Personal purchases may not be made with the card, even if the Cardholder's intent is to reimburse the university. Personal purchases made with the card subject the Cardholder to disciplinary action up to and including possible card cancellation, termination of employment at the University of Cincinnati and criminal prosecution.

Suggested Uses for the Purchasing Card

- Supplies and equipment
- Tools and hardware
- Dues and subscriptions
- Books
- Catering services
- Memberships (professional organizations only)

- Employee recognition
- Shipping charges (e.g., UPS, Federal Express, etc.)
- Meeting rooms, meals, rooms for personnel recruiting at Kingsgate Conference Center or other local hotel
- Travel and travel-related expenses, if card has travel privileges

3.3 Unauthorized Card Use

General Types of Purchasing Card Violations

The general types of Purchasing Card violations include abuse, misuse, negligence and fraud. Abuse, misuse and negligence are violations for which no personal gain results. Fraudulent violations are those in which deception was deliberately practiced for unfair or unlawful gain.

Examples of Purchasing Card Violations:

- Any transaction that violates University Financial Policy
- Goods and services requiring an agreement to be signed, including agreements that may have been previously approved via an A-910 Contract Approval Cover Sheet
- Computer software and hardware containing electronic terms and conditions, except as noted below under “Additional Restrictions and Notes”
- Deposits to Bearcat Campus Card
- Donations to charitable organizations
- Construction trades work
- Items for personal use and items for non-university purposes
- Cash advances
- Electronic auction houses (e.g., eBay)
- Alcoholic beverages
- Travel and travel-related expenses if the cardholder **does not have** travel privileges (e.g., hotels, airfare, etc.)
- Employee relocation expenses
- Payments to individuals and employees
- Radioactive materials
- Laboratory animals (order via the Laboratory Animal Facility)
- Prescription drugs and controlled substances
- Weapons & ammunition
- Hazardous chemicals
- Biological select agents (CDC guidelines)
- Any purchases prohibited by university policy or not related to university business
- Payment of tuition, student fees or to purchase books or supplies for a student (Process these transactions by way of an E-160 form to ensure Student Financial Aid oversight. If you have questions about an E-160, contact Student Financial Aid.)

- Gift Cards except for non-employee, non-student research subject compensation. (Consult with the Office of the Treasurer on gift card purchases. For gift card purchases for research subjects consult the [Academic Health Center's instructions](#).)

Additional Restrictions and Notes:

- Only the Cardholder whose name is embossed on the Purchasing Card is authorized to use the card and is responsible for ensuring that all charges made with the card are in compliance with these Policies and Procedures.
- Pyramiding charges is prohibited (use of multiple transactions to circumvent per-transaction limits). See definition in Section 1.2.
- Software that has electronic terms and conditions may not be purchased with a Purchasing Card. Exceptions are software for which the university has a licensing agreement, and as described in the following paragraphs regarding on-line low-risk purchases. Questions may be directed to the Office of General Counsel.

Software purchases may be made on-line with p-cards and without the need for Contract Approval Cover Sheets under the following low-risk circumstances. (Note that all criteria must be met.)

1. The total cost of the software is \$1000 or less.
2. The software is downloaded from the web and the only agreement to be executed is associated with the "I accept" button necessary to initiate the download and/or installation of the software. (Any other form of agreement that requires an actual UC signature must be routed with a Contract Approval Cover Sheet and the entry of a UCFlex requisition. A p-card cannot be used.)
3. The purchaser is not aware of any claims for intellectual property infringement against the seller.
4. There is no risk to human life or safety by using the software.
5. There is no risk of property damage by using the software.
6. The use of the software does not involve processing, storing or compiling confidential information (defined as information proprietary to the university or a third party or information that is held confidential for one of many reasons including contract provisions, federal regulations such as HIPPA or FERPA, Social Security Numbers, trade secrets, or research data).
7. To the best of the purchaser's knowledge and belief, the use of the software is not covered by US Export Control regulations.

If any of these criteria are not met, the software may not be procured in this manner. In such circumstances, a Contract Approval Cover Sheet and UCFlex requisition are required.

- Consequences for misuse of the Purchasing Card are described in the [Purchasing Card Violations Policy \(2.8.1\)](#)

Abuse/Negligence Violations

Examples of abuse, misuse, and negligence include:

- Buying products from a source other than the university's contracted vendor(s)
- Intentionally splitting a purchase to circumvent delegated authority or transaction limits (See pyramiding changes in Section 1.2)
- Failing to maintain receipts and other documentation, or obtain approvals
- Other breaches of policies and procedures as specified in this manual

Fraudulent Use of the Purchasing Card

- Use of the card for personal or non-university purchases will result in card termination and the cardholder may be subject to potential disciplinary action up to and including termination of employment and criminal prosecution. All reports of personal use of the Purchasing Card will be referred to Internal Audit to determine which circumstances warrant discussion with Human Resources, Public Safety and General Counsel. Public Safety and General Counsel will determine which cases warrant criminal prosecution.
- In addition, a Cardholder found to have fraudulently used a Purchasing Card is personally liable for any fraudulent charges and shall be required to reimburse the university for such charges.

3.4 Merchandise Credit/Exchange

The Cardholder is responsible for contacting the merchant when merchandise purchased with the Purchasing Card is not acceptable (incorrect, damaged, defective, etc.) and for arranging a return for credit or an exchange.

If merchandise is returned for credit, the Cardholder is responsible for obtaining a credit receipt from the merchant and retaining that receipt with the supporting documentation for that purchase. **RECEIVING CASH OR CHECKS TO RESOLVE A CREDIT IS PROHIBITED. THE VENDOR MUST CREDIT YOUR ACCOUNT.**

If merchandise is to be exchanged, the Cardholder is responsible for returning the merchandise to the merchant and obtaining a replacement as soon as possible. Documentation showing the proper resolution of the exchange is to be retained with the supporting documentation for that purchase.

3.5 Charge Dispute Resolution

In the case of a disputed charge, the Cardholder should try to resolve the dispute directly with the merchant. If the dispute cannot be resolved the Cardholder should follow the instructions located on the back of the bank memo statement and return the completed form to the bank. A copy of the form should be retained for the Cardholder's records.

3.6 Vendor Rebate

University of Cincinnati Cardholders should take advantage of rebates when offered by vendors. Rebates must benefit the University of Cincinnati, never the individual employee. If the vendor sends a check to the individual Cardholder, the check should be endorsed by the individual and deposited to the organizational unit account. The rebate should never go to the individual Cardholder.

Rebates to the university in the form of a prepaid debit card should be used for university business only and the use must adhere to university policy. Itemized receipts pertaining to the prepaid debit card purchases must be filed with the respective Purchasing Cardholder file.

3.7 Travel

Travel expenses include hotel reservations, airline tickets, ground transportation, and meals while traveling on university business. Travel privileges must be approved by a dean, vice president, or designee when the card is set up, or through use of a Cardholder Maintenance Form.

- Personal expenses may not be charged to the Purchasing Card.
- The Purchasing Card may not be used for alcohol or excessive meal costs. All itemized receipts must be submitted with the Statement of Account.
- Rental company insurance should not be purchased for vehicle rentals in the U.S. University insurance provides coverage. However, when renting a car in a foreign country, it is best to buy the basic rental company insurance offered.

The university's [Travel Expenses Policy](#) provides guidelines and recommendations on managing travel-related Purchasing Card expenses

3.8 Meals

There are various types of meal expenses that can be paid for by way of the Purchasing Card. Alcohol is not allowed on the Purchasing Card regardless of the situation.

The university's [Travel Expenses](#) policy provides guidelines and recommendations for managing travel-related Purchasing Card expenses.

3.9 Sponsored Accounts and the Purchasing Card

Extra measures need to be taken when using Purchasing Cards to purchase items charged to a sponsored account. These include but are not limited to:

Record Retention: All sponsors and agencies require the university to retain records relating to expenditure on sponsored awards. It is not uncommon for some retention periods to be 5 - 7 years. As a result, organizational units may wish to keep records relating to sponsored purchases separate to help reduce storage needs.

Expense Support: Receipts or packing slips that detail the purchase are required. Charge slips or receipts with only the dollar amount are not acceptable and will result in an audit finding.

Coding: Proper coding is required.

Note: All Cost Accounting Standards (CAS) must be followed. Audit disallowances as a result of a Purchasing Card purchase are the responsibility of the organizational unit.

3.10 Tax

The University of Cincinnati is exempt from paying Ohio sales tax on its purchases. It is the Cardholder's responsibility to ensure that the merchant does not charge Ohio sales tax on the purchase. The Cardholder should advise the merchant about UC's tax-exempt status before they ring up the purchase. Each Purchasing Card contains a "TAX EXEMPT" notation in the upper right-hand corner, indicating that UC is exempt from paying Ohio sales tax. The notation also includes the university's federal taxpayer identification number.

Cardholders can also download a copy of the [university's Ohio Sales Tax Exemption Certificate](#) from the university [Tax Compliance website](#). Cardholders should be prepared to present this certificate to any Ohio merchant as a necessary verification of our tax-exempt status. Certificates for other states are also available there, for use while traveling outside Ohio. Sales tax laws differ by state, and the university is not exempt from every state's sales tax.

For questions about sales taxes on UC purchases, Cardholders and units may contact the Director, Tax Compliance at 556-5899 or by e-mail at tax@uc.edu.

4 DOCUMENTATION

4.1 Receipts

All receipts for P-Card purchases must be detailed and itemized. Receipts should show all items purchased not just a total amount. The same would apply for restaurant receipts. Payment-alone signature receipts will not be considered by the auditor as proof of the purchase if it is not accompanied by the vendor's itemized receipt.

To document online purchases, the Cardholder should make a copy of the screen that indicates the purchase was paid with a credit card. The screen print should also show the date of the transaction, items purchased, and the total dollar amount. Just like other purchases, on-line purchases must be documented with detailed/itemized receipts.

4.2 Record Retention

Cardholder Responsibility: The Cardholder is responsible for obtaining purchase documentation from the merchant (sales receipt, packing slip, etc.) to support all purchases made with the Purchasing Card and verifying that the documentation complies with the requirements for supporting documentation.

Note: In addition to obtaining the documentation, it is recommended that the Cardholder also record the details of each purchase in a transaction log.

Card Verifier Responsibility: It is the Card Verifier's responsibility to assure that all supporting documentation and the corresponding Cardholder Statement of Account are retained within the organizational unit per the University of Cincinnati retention schedule.

4.3 Travel

Original receipts should be kept with Purchasing Card statements, but the amounts must be noted on the Travel Expense Report as pre-paid expenses to prevent double-reimbursement.

Purchasing Card receipts must be retained with the Purchasing Card Statement of Account within the Cardholder's organizational unit.

5 ALLOCATION OF CHARGES, VERIFICATION & REVIEW

5.1 Charge Allocation to Non-default Accounts

For any given charge, the Account Allocator has the option to perform an on-line allocation from the default account. In order to make these changes, the Account Allocator must have completed the UC Flex P-Card training and been given the security access to this transaction. If the allocation option is not exercised the total amount of the charge will be posted into the default account.

A sponsored program account should never be the default account when more than one sponsored program needs to be charged. Separate Purchasing Cards should be utilized in this case.

Note: Reallocation to Revenue or Salary accounts is not permitted.

5.2 Charge Allocation to Non-default Accounts - Sponsored Accounts

If a particular charge allocation involves one or more sponsored accounts care should be taken to ensure the charge is allowable. If in doubt, prior to purchase, Cardholders should consult award documentation, the Cost Accounting Standards (CAS) manual or contact the appropriate Sponsored Research Services Grant Administrator.

To prevent complications within UCFlex, if a Purchasing Card account line defaults to a Grant it must be modified before the grant expires. Failure to modify the default account before the grant expires will result in a hold being placed on the account or closure of the card.

5.3 Verification of Charges by Cardholder

Cardholders are accountable for all charges made with their Purchasing Cards and are responsible for checking all transactions against the corresponding supporting documentation to verify their accuracy and propriety. This check should be done at least weekly in UC Flex.

If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation must be retained with the Statement of Account on which the disputed charge appears.

After all transactions have been checked, the Cardholder must sign his or her Statement of Account. The signed statement and all supporting documentation must then be forwarded to both the Card Verifier and the Independent Reviewer.

5.4 Verification of Cardholder charges by Card Verifier

The Card Verifier is responsible for reviewing each transaction on the monthly bank statement to verify charges and note any discrepancies. The Card Verifier may also allocate individual charges to various non-default organizational unit accounts in UC Flex.

For a charge to be supported, there must be adequate documentation available so that the Card Verifier can ascertain that the purchase is valid.

For there to be a discrepancy associated with a charge, one or more of the following situations may exist:

- Insufficient supporting documentation (may or may not cause the transaction to be disputed to the merchant).
- One or more of the criteria for authorized card use have not been met (may or may not cause the transaction to be disputed to the merchant).

All discrepancies must be investigated and resolved. The disposition of each discrepancy must be documented and retained with the supporting documentation and/or statement of account. Cardholders are accountable for all discrepancies.

Note: If a discrepancy cannot be resolved, the Independent Reviewer must be notified.

After all transactions have been verified, the Card Verifier must forward the supporting documentation and Statement of Account to the Independent Reviewer.

5.5 Independent Review of Cardholder Transactions

The transactions on the Cardholder's Statement of Account must be reviewed monthly, preferable by an independent non-subordinate, to ensure compliance with these policies and procedures. The Independent Reviewer should test a sample of transactions from each statement to verify that each of the transactions is supported by adequate documentation and meets all the criteria for authorized card use. Questionable transactions should be especially scrutinized for purchases of items for personal use, or for non-university purposes. The number of transactions reviewed should be sufficient to ensure that the review is effective. Review results must be documented by the Independent Reviewer and retained with the supporting documentation and corresponding statement.

For questionable transactions or transactions that lack adequate supporting documentation, the Independent Reviewer must contact the Cardholder to obtain an explanation, supporting documentation and/or reimbursement. Questionable charges for which satisfactory explanations or documentation cannot be obtained will be deemed unauthorized and/or inappropriate.

If during the review process, serious irregularities are detected, the Independent Reviewer must notify the organizational unit head, who in turn must notify the Program Administrator.

After the independent review process has been completed, the Independent Reviewer must sign the Cardholder Statement of Account. The Cardholder Statement of Account and corresponding supporting documentation are retained by the organizational unit per the record retention requirements.

5.6 In-Person Compliance Reviews

To ensure compliance with university Purchasing Card Policies and Procedures, the Central Purchasing conducts in-person reviews of each unit's Purchasing Card practices and record management.

The scope of the review is to verify that the responsibilities and duties of the Cardholder, Card Verifier, and Independent Reviewer are clearly understood, that all Purchasing Card activities are compliant, and to identify any potential process improvements.

5.7 Weekly Justification Requests

In-house weekly justification requests are conducted by Central Purchasing through a series of reports generated using bank software programmed to search for sensitive transactions. To ensure that Cardholders are within policy and to help prevent fraudulent activity, Cardholders may receive an email from Purchasing asking if they are aware of the transaction(s) in question. A brief justification of the business nature of the

transaction(s) and a copy of the original receipt pertaining to the transaction(s) may also be requested.

Note: Central Purchasing may contact a Cardholder via e-mail to request information regarding Purchasing Card transaction(s) any e-mail from what appears to be Bank of America regarding your Purchasing Card account should be deleted immediately. These emails are "phishing" attempts at accessing account information and should not be responded to in any way.

5.8 Audits

Internal/External Auditors will conduct periodic audits of each Cardholder's transaction file and monthly summaries. In addition, organizational units may conduct their own Cardholder audits. Examples of what an organizational unit should look at/for include:

- Monthly bank statement reconciled, approved and original detailed receipts attached.
- Multiple charges to the same vendor to circumvent Purchasing Card per-transaction limit.
- Travel-related purchases should only occur if the Cardholder has travel privileges.
- Personal purchases.
- Unauthorized purchases.

6 FORMS

The Purchasing Card forms allow the user to type data directly into the form before printing. The form must then be given to the Cardholder's supervisor for signature. After the forms have been approved, they should be sent to the Purchasing Card Program Administrator:

Chad A. Anton
Central Purchasing
Mail Location 0089

The forms can be found on the [Central Purchasing](#) website or via the links below.

6.1 [EXHIBIT A Cardholder Set-Up Form](#)

6.2 [EXHIBIT B Cardholder Agreement Form](#)

6.3 [EXHIBIT C Cardholder Account Maintenance Request Form](#)