

 <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p>	<p><i>Policy Title:</i> Purchasing Card Violations</p> <p>Effective Date: 06/03/2019</p> <p>Prior Effective Date: 07/06/2016, 09/20/2010, 05/01/2009, 02/01/2008</p> <p>Enabling Act(s):</p>	<p><i>Policy Number:</i> 2.8.1</p> <p>Policy Owner: Sr. VP for Administration and Finance</p> <p>Responsible Office: Purchasing</p>
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BACKGROUND

Issuance of a Purchasing Card is based on business need. Cardholders must use the card responsibly and in a manner consistent with the university's mission and ethical practices and applicable laws. Misuse, abuse, and/or fraudulent use of the card may result in progressive administrative and/or disciplinary action, including criminal prosecution.

POLICY

Purchasing Card Cardholders, Cost Object Approvers, and Independent Reviewers are expected to stay current with and abide by the Purchasing Card Policies and Procedures Manual, including the duties of their roles in appropriate card use enforcement.

DEFINITIONS

Any and all terms used in this policy (2.8.1) have the same meaning as in the Purchasing Card Policies and Procedures Manual, which can be found by following the Related Links listed at the end of this policy.

DUTIES OF PURCHASING CARD ROLES

Purchasing Card Administrator is the Central Purchasing employee responsible for administering the Purchasing Card Program for the university and is expected to serve as the main contact between the university and the bank.

Independent Reviewers are expected to sample and test Purchasing Card transactions quarterly to verify that those transactions are appropriate and supported by adequate documentation.

Cardholders are expected to check all of their Purchasing Card transactions against the supporting corresponding documentation to verify accuracy and propriety on a weekly basis in Concur. Any discrepancy or error should be reported to the Purchasing Card Administrator upon discovery.

Cost Object Approvers (COAs) are expected to verify that all charges against the Cardholder's account are backed by supporting documentation and that the supporting documentation is retained within Concur. Once reviewed, the Cost Object Approver must approve or reject the expenses in Concur.

For more information on Purchasing Card roles and information about the Purchasing Card program, see the Purchasing Card Policies and Procedures Manual.

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. Note that any cash withdrawals or advances from a Purchasing Card, for any reason, amounts to misuse of the Purchasing Card and may result in progressive administrative and/or disciplinary action, including criminal prosecutions. Fraudulent violations are those in which deception was deliberately practiced for unfair or unlawful gain.

ABUSE/MISUSE/NEGLIGENCE VIOLATIONS

Examples of abuse, misuse, and negligence include, but are not limited to:

- Buying products from a source other than the university's contracted vendor(s) (see University Contracted Vendors link);
- "Pyramiding" or intentionally splitting a purchase to circumvent delegated authority or transaction limits;
- Failing to maintain original receipts and other documentation within Concur;
- Cash withdrawals or advances from a Purchasing Card account; and
- Other breaches of policies and procedures specified in the Purchasing Card Policies and Procedures Manual or other university financial rules and policies.

Standard administrative actions in response to these violations are outlined below. At the time of the 2nd and 3rd violation for abuse, misuse and/or negligence, Purchasing reserves the right to review the severity of the violation and length of time leading up to the warning before activity is interrupted.

ABUSE/MISUSE/NEGLIGENCE ADMINISTRATIVE ACTIONS

1st Violation – The Cardholder's business office or Purchasing Card Administrator shall send a warning letter to the Cardholder and their organizational unit head. If a warning is issued by an Independent Reviewer, then the Purchasing Card Administrator must be copied.

2nd Violation – The Cardholder's business office or Purchasing Card Administrator shall send a second warning letter to the Cardholder and organizational unit head. If a warning is issued by an Independent Reviewer, then the Purchasing Card Administrator must be copied. The Cardholder's account may be suspended for 30 days following a review by the Purchasing Card Administrator.

3rd Violation – The Cardholder's business office or Purchasing Card Administrator shall send a letter to the Cardholder, their organizational unit head, and also copy Internal Audit, Purchasing, and the appropriate senior administrator (senior vice president, vice president, dean, or higher), stating that the cardholder may no longer participate in the

university Purchasing Card program. The Cardholder's account may then be terminated following a review by the Purchasing Card Administrator. Reinstatement of a level-three violator as a Cardholder may only be authorized following a review and approval by the Purchasing Card Administrator and the appropriate vice president or senior vice president.

FRAUDULENT USE OF THE PURCHASING CARD

Use of the Purchasing Card for personal or non-university purchases will result in termination of the Purchasing Card account 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.

Organizational units may institute policies more, but not less, restrictive than this policy (2.8.1) if desired.

Related links:

[Purchasing Card Policies and Procedures Manual](#)
[University Term Contract Vendors](#)

Phone Contacts:

Purchasing
Unit Business Administrator

556-6742