

During the University's 2010 State Audit, purchasing card violations were identified by the State Auditors and reported to the Board of Trustees. In response to these violations, the Board of Trustees has asked that the University implement and reemphasize important internal controls that ensure minimal risk and protection of University assets.

No significant changes are being made to the purchasing card policy. Instead, important existing controls are being reemphasized and violations of those controls will now be subject to card cancellation and/or other consequences. While purchasing cards make procuring necessary supplies and services convenient, they also introduce significant risk to the University. Thus, no chances can be taken; when a violation is noted, it must be addressed.

The following are important reminders regarding the use of University purchasing cards:

- ❖ Purchasing cards are not to be used for fuel or food (except when the meal has a specified business purpose and the appropriate forms are completed).
- ❖ Sales tax should not be paid on purchasing card transactions. The University's tax exempt number is printed on each purchasing card for your convenience.
- ❖ Purchases cannot be split into smaller orders to circumvent transaction limits.
- ❖ Purchasing cards can only be used by the cardholder.
- ❖ Gift cards cannot be purchased with purchasing cards.
- ❖ All transactions must be supported with original, detailed receipts. The credit card authorization slip is not sufficient; the receipt must list what goods and/or services were purchased.
- ❖ *For supervisors:* Supervisors are required to review and approve all purchasing card statements and supporting documentation. Your approval serves as evidence that all transactions have been reviewed and are appropriate business expenses. While the account manager can facilitate the organization of statements and receipts, they do not have the authority to approve purchases.
- ❖ *For account managers:* Monthly audits are required and cannot be, unless authorized in advance by the auditors, postponed to the following month. If consecutive audits are postponed, all cards in that department may be suspended until the audits are current.

Procedures have been updated to ensure that purchasing cards continue to provide their intended benefits while not exposing the University to undue risk. The following procedures are now in place:

- ❖ The default limits for a purchasing card are \$1,000/transaction and \$5,000/month. If a cardholder needs a higher limit, they can request an increase by contacting the purchasing office at Ext. 7733 or purchasing@suu.edu. If approved, the increase will be valid for specified purchases, after which the limits will return to the default.
- ❖ Monthly audits will include random inventory audits of goods purchased.

Policy violations have consequences. The following list describes possible violations and what will consequences will result if they occur.

- ❖ If a transaction is split to circumvent the transaction limit, if cards are shared or used by someone other than the cardholder, or if the card is used inappropriately, the cardholder will lose all purchasing card privileges and the card will be cancelled.
- ❖ If a transaction does not have sufficient documentation (detailed receipt), the card will be suspended until the cardholder provides adequate documentation. Repeat offenses will result in card cancellation.
- ❖ If a purchasing card is used for personal expenses, the cardholder will be expected to pay back the University and the violation will be noted. A second offense will result in card cancellation and may include disciplinary action.
- ❖ *For supervisors:* If statements have not been reviewed and signed prior to the scheduled monthly audit, a reminder will be sent to the supervisor. A second offense will result in the cancellation of all cards under the purview of that supervisor, including their own card.
- ❖ *For supervisors:* If your review is not adequate and individual cardholder violations occur frequently, purchasing card privileges for your department will be revoked and all cards cancelled.

Please complete this form and return it to your account manager to be included with the documentation for your March 2011 purchasing card statement.

I have read the purchasing card memorandum dated February 20, 2011 and I am aware of and understand the policies, procedures, and responsibilities of having a University purchasing card.

Print Cardholder Name

Date

Cardholder Signature