University P-card Report
Card: Room for Improvement

The results of Internal Audit’s yearly review of p-card purchases and reconciliation are in. Although the audit was effective overall, there are areas that have room for improvement such as p-card reconciliation, split transactions and separation of duties.

Procurement has determined the most common University-wide issues. If anything applies to your department, please work with your team to improve compliance. Remember: It is the responsibility of the cardholder to ensure p-card use conforms to University p-card policy and procedures. It is the responsibility of the Department P-card Administrator to ensure the cardholder knows and follows the p-card policy and procedures. It is the responsibility of the Department Manager, or P-1 to ensure those guidelines are followed by all in his or her area who are using a University P-card.

1) Purchasing Gift Cards against Policy and/or Lack of Documentation. Gift cards are considered cash equivalents and are taxable therefore, gift card purchases for any employees, including work-study students are not allowed for any dollar amount under any circumstances. With department manager’s approval, they are allowed for research incentives, (if allowed by the grant), raffles, surveys and blind studies. If purchased, the documentation must include the receipts, the full name of the recipient, the recipient’s signature (or e-mail verification of receipt). For blind studies, reasonable documentation such as the receipt/s with business purpose listed as well as the department manager’s and cardholder’s signature.

2) Shared Use of P-card. This is a common practice around the University but a violation of policy. A p-card should only be used by the cardholder. If there are multiple buyers in the department, multiple cards can be issued from the same chartstring. Please remember: The cardholder is the person responsible for receipt retention and ultimately is responsible for p-card misuse.

3) Cardholder P-card Reconciliation: Receipt comments. It is the responsibility of the cardholder to maintain supporting documentation for all transactions. If it’s an unusual purchase, a business purpose should be clearly defined on the receipt. If the transaction involves food from a grocery store, take-out establishment or any of BC’s Dining facilities, then a list of the attendees must be listed on the receipts as well as the business purpose. If the attendee’s list is larger than 25, the group name or event can be listed (ie: “Freshmen Orientation” or “PeopleSoft Training Class”)

4) Department P-card Administrator: P-card Reconciliation. Every department should have a P-card Administrator, usually the P-2 or Service Center designated by the Department Manager or P-1 to reconcile P-card transactions. This is done by matching individual monthly statements or an excel report from US Bank to a PeopleSoft Financials report BC_PCARD_DATA_BY_DEPT. It must be done every month to catch any possible fraudulent transactions and to ensure that all transactions are accurate, valid and associated with the correct chartstring. Please contact Cecilia McClay if you’re not sure who your P-card Administrator is or if your department has not assigned one.

5) Split Transactions. University-wide, this is the most frequent violation. Many departments have a supplier split an invoice over $5000 to avoid creating a requisition. A split transaction bypasses the University Bid Policy as well as the recording of the University’s capital assets. The p-card is a small dollar purchasing tool for goods or services under $5000 and $3000 for p-cards against grants. Departments that purchase contracted, non-capital, bulk items over $5000 such as food for Dining Services have higher p-card single transaction limits. If your department has a similar need, please contact Cecilia McClay in Procurement.
6) **Separation of Duties.** Many Department P-card Administrators have p-cards in their name. Although this is allowed, it is not the best practice. In general, the person buying in the department should not be the same person who reconciles those transactions. When the buyer must be the reconciler, it is critical that a supervisor reviews all of the buyer’s transactions and signs the reconciliation every month. Separation of duties is a deterrent to internal fraud and reduces the risk of inappropriate transactions.

7) **P-card Reimbursements and Travel:** The p-card is not a travel card. Although a p-card will work at stores and take-out establishments when you travel, travel expenses are not standard business purchases. Therefore, a p-card should not be used. In addition, there have been many instances where people inadvertently submit p-card receipts for reimbursement causing added paperwork and embarrassment to the traveler. Best Practice: *Never use a p-card when traveling.*

8) **Sales Tax Paid on P-card:** Boston College is a non-profit organization yet thousands of dollars are paid in sales tax on p-card annually. Although some taxes, such as meal tax and bottle deposits cannot be avoided, 90% of sales tax on p-card could have been saved by using contracted BC Suppliers. If you must purchase from a non-contracted supplier, please provide them with the ST2 and ST5 forms located at: [www.bc.edu/tax](http://www.bc.edu/tax)

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**Foreign Transactions Are Declining and You Can Stop It**

Since the conversion of the University P-cards to the new V-Chip technology, along with the rapid increase in fraud, most foreign transactions are being blocked by US Bank regardless of the address/ CVC code matching with sufficient funds available. This is a common trend with all banks.

The best solution is to be proactive. Contact US Bank before attempting any foreign transaction so it will not decline at the point of sale. Call: **1-800-344-5696**, US Bank will note the account.

If you have a decline after the fact, you can contact US Bank to release the “fraud alert” after you’ve verified the transaction. The following error codes in Access Online signal a “fraud alert”:

- **ADS I STRATEGY**
- **ADS FILTER**
- **ADS II Filter**

If you see any of these error codes, even for USA transactions, you can contact US Bank directly to release it.

*Please remember: Only the cardholder can contact US Bank to verify a charge.*

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**HOW CAN WE HELP?**

Email: [pcard@bc.edu](mailto:pcard@bc.edu)

Cardholders and Administrators can find all information about the p-card program as well as how to navigate and troubleshoot the p-card in US Bank’s Access Online at: [www.bc.edu/pcard](http://www.bc.edu/pcard). P-card classes will resume after fiscal year end in June 2016. If needed before FY end, your department may request training for one or more of the following classes:

- **Cardholder Training:** Overall review of the p-card program and policy as well as training in US Bank’s Access Online.
- **Department P-card Administrator Training:** P-Card Reconciliation including Access Online and PeopleSoft Reconciliation training.
- **P-Card Troubleshooting:** Advanced level for Department P-card Administrators on how to interrupt declines as well as resolve most p-card issues at the department level.