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A8.200 Procurement

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P 1 of 23

A8.266 Purchasing Cards

1. Purpose

The purpose of the University of Hawaii Purchasing Card Program is to provide operational efficiency for the purchase of small dollar goods and services without sacrificing fiduciary control. It is designed to streamline the procurement process, while ensuring the purchases serve the public purpose, further the goals of the University of Hawaii, and adhere to policy and procedures defined in the UH Systemwide Administrative Procedures.

As a large public institution, the University of Hawaii is held to a high degree of public scrutiny and accountability for its business practices. Issuance of a University of Hawaii purchasing card is a privilege and every reasonable effort must be made to ensure that the purchasing card is used responsibly in a manner consistent with the University's mission.

The guidelines herein act as the minimum standards for the operation of the UH Purchasing Card Program and Departments/Colleges may establish more stringent supplemental procedures.

2. Preferred Method of Purchase

In order to improve the efficiency and effectiveness of the University's small dollar procurements, the purchasing card has been designated as the preferred method of purchase for small dollar goods and services less than \$2,500 (exceptions are listed in the purchasing card website, hawaii.edu/oprpm/pcard/).

3. Definitions

- a. Card Issuer: The bank with whom the University has contracted to issue purchasing cards to University employees, bill the University for all purchases made on the cards, and make payment to merchants on behalf of the University.
- b. Cardholder: An employee of the University who completes training and is approved by the Approving Official to use the purchasing card to execute purchase transactions on behalf of the University and is accountable for all charges made with that card.
- c. Default Account: The UH 7-digit account code assigned to a purchasing card.
- d. Default Object Code: The UH 4-digit object code assigned to a purchasing card.
- e. Monthly (Card) Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during the monthly billing cycle (billing cycle begins on the 15th of the month and ends on the 14th of the following month). This amount may not exceed \$24,999 for Cardholders (other than selected Fiscal Administrators with higher purchasing card authority). Departments may establish lower limits on a per Cardholder basis.
- f. Parceling: The artificial or intentional division or fragmentation of a purchase of same, like, or related items of goods, services, or construction into several purchases of smaller quantities, in order to evade procurement requirements or the limits of delegated purchasing authority.
- g. PCDO: The KFS Procurement Card Document that is the reconciliation tool for Purchasing Card transactions.
- h. Personal Use: Purchase of goods or services intended for non-work related use or use other than official University of Hawaii business.

- i. Purchasing Card: A corporate liability card issued to an individual employee of the University that works similarly to a personal credit card, but includes built-in limits and accounting features.
- j. Small-Dollar Goods and Services: Goods and Services that are less than \$2,500 per transaction.
- k. Transaction Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each transaction made with the purchasing card. A single transaction may include multiple items but cannot exceed the transaction limit. Departments may establish lower limits on a per cardholder basis.

4. Conditions for Use

- a. Personal use of the University of Hawaii purchasing card is not allowed.
- b. Use is for official University business only.
- c. Transaction Limit is less than \$2,500 for all Cardholders other than selected Fiscal Administrators with higher purchasing card authority.
- d. Use must be in accordance with applicable laws, rules and regulations and established University policies and procedures.
- e. Purchases shall not be parceled or split into smaller purchases in order to circumvent the Transaction Limit.
- f. Any procurement for construction must be made in accordance with the procedures set forth in Section A8.281(2).

5. Purchasing Card Program Roles and Responsibilities

a. Cardholder

The role of the Cardholder is to use the Purchasing Card responsibly to make University authorized purchases. Use must be in accordance with all pertinent policies, procedures, guidelines and

regulations. Only the Cardholder has the authority to use his or her purchasing card and is accountable for all charges on her/his purchasing card account. For lost, stolen and compromised cards, see item 14.

The Cardholder shall not authorize or allow anyone to use the Cardholder's assigned P-Card. Violations may be subject to suspension of P-Card privileges and/or disciplinary action, see below Section 21, Purchasing Card Compliance Policy.

The responsibilities of the Cardholder are as follows:

- Understand what can be purchased with the Purchasing Card. Be familiar with allowable transactions and understand how University policies impact purchasing card use.
- Use the Purchasing Card in a conscientious and ethical manner consistent with University of Hawaii policies and procedures and maintain support documentation for all transactions.
- Ensure fair and reasonable pricing is being obtained and purchases are justifiable, have a legitimate business purpose and are in the best interest of the University.
- Adhere to the purchase limits and restrictions of the Purchasing Card.
- Ensure purchases are not parceled.
- Ensure that purchases do not exceed budgeted funds.
- Retain itemized receipts for every purchase. When an itemized receipt is not available, accompany the receipt with itemized supporting documentation (e.g. packing slips, order confirmations).
- Obtain all appropriate forms and approvals related to the purchase and verify that the documentation complies with the requirements for the type of commodity/service purchased.

- Certify that goods/services were received in good order and condition.
- Protect and safeguard the Purchasing Card and keep the card number confidential.
- Work with the vendor for credits, exchanges and problems. Report disputed transactions to the Purchasing Card Administrator immediately and ensure that appropriate credits for the reported disputed item(s) or billing error appear on a subsequent statement.
- Shall not accept cash in lieu of a credit.
- Report lost, stolen or compromised card to the Card Issuer immediately and notify the Department Card Coordinator or Fiscal Administrator in writing at the first opportunity during business hours.
- Notify the Department Card Coordinator or Fiscal Administrator upon termination of employment, transfer to another department, or change in employment that no longer includes the purchasing function.
- Shall not misuse the purchasing card.
- Shall make payment to the University for purchases which are not in accordance with the procedures established for the proper use of the purchasing card.
- Understand that all card use is subject to review and audit.
- Shall review and approve PCDO eDoc within a reasonable period of time, attaching necessary receipts and documentation to support the business purpose of purchases.

The Cardholder is the first approver in the PCDO process. Refer to the Kualifinancial System PCDO Process Document, which is available at <http://www.hawaii.edu/kualifinancial>, for detailed information regarding the Cardholder's PCDO processing responsibilities.

b. Reallocator

- The role of the Reallocator is to reallocate the purchasing card transactions in PCDO from the default account number and object code to the correct account and object code and verify that the proper documentation is received from the Cardholder. In some instances, the Reallocator may also be responsible for scanning the receipts and documentation for the Cardholder.
- If there is insufficient documentation for the transaction, the Reallocator should contact the Cardholder and obtain the necessary backups before approving the PCDO eDoc.

Refer to the Kualifinancial System PCDO Process Document, which is available at <http://www.hawaii.edu/kualifinancial>, for detailed information regarding the Reallocator's PCDO processing responsibilities.

c. Approving Authority (Account Supervisor)

The role of the Approving Authority (Account Supervisor) must be performed by an individual who has the authority to certify that the purchase supports the program objectives. For extramural funds, authorization must be certified by the Principal Investigator. The Approving Authority is responsible for ensuring the purchases are reasonable, support the program objectives and allowable under the terms of the sponsored program account for which the purchase was made.

The Approving Authority's PCDO responsibilities are reviewing and approving the eDocs in the Action List. Refer to the Kualifinancial System PCDO Process Document, which is available at <http://www.hawaii.edu/kualifinancial>, for detailed information regarding the Approving Authority's PCDO responsibilities.

d. Fiscal Administrator

The role of the Fiscal Administrator is to provide fiscal, policy and internal control management of its Purchasing Card Program, ensuring the validity of the Purchasing Card transactions. The responsibilities of the Fiscal Administrator are as follows:

- Maintain knowledge of UH policies and procedures on the use of the Purchasing Card.
- Monitor purchases and account activity for proper use of the Purchasing Card.
- Review transactions for compliance, making certain that transactions are appropriate University expenditures.
- Certify that funds are available for the transactions.
- Ensure proper accounting of charges.
- Verify that goods and services have been received in good order and condition.
- Work with the Cardholder and if applicable, Purchasing Card Administrator, Approving Authority and/or Approving Official, when an issue arises.
- Notify Purchasing Card Administrator of any unresolved disputes.
- Notify Purchasing Card Administrator of changes in Cardholder related information.

- Ensure lost, stolen or compromised cards have been reported to the Card Issuer.
- Upon notification of Cardholder's termination or transfer, immediately request closure of Cardholder's account.
- If during the review process, serious irregularities are detected, immediately notify the Purchasing Card Administrator.
- If a department does not have a Department Card Coordinator, act as the Purchasing Card liaison and disseminate information to Cardholders.
- Adhere to the year-end cut-off date(s) published by the Financial Management Office for proper and accurate recording of all purchasing card transactions.

The Fiscal Administrator does the final review and approval in PCDO. Refer to the Kualifinancial System PCDO Process Document, which is available at <http://www.hawaii.edu/kualifinancial>, for detailed information regarding the Approving Authority's PCDO responsibilities.

e. Reconciler

The role of the Reconciler is to ensure the reliability of and maintain the purchasing card financial records. The responsibilities of the Reconciler are as follows:

- Print PCDO report from PageCenterX.
- Obtain receipts from Cardholder and attach receipts to PCDO report.
- Generate bank statement in CentreSuite.
- Reconcile PCDO report to bank statement on a monthly basis.

- Ensure all PCDOs are fully approved and post to KFS.
- Ensure all goods and/or services have been received.
- File PCDO report, receipts and bank statement.
- Maintain documentation for auditing purposes.
- Ensure that statements, receipts and other source documents are filed in a manner which enables them to be retrieved upon request. These records may be maintained and filed by the Reconciler or the Cardholder as determined by the department. These records must be retained in accordance with Executive Policy E2.216, Institutional Records Management and Electronic Approvals/Signatures.

f. Approving Official

The role of the Approving Official must be performed by a University official, i.e., Vice President, Chancellor, Dean or Director. Through their oversight, Approving Officials provide the key point of control to maintain appropriate spending activities for their Cardholders and protect their department's funds. An efficient and effective Purchasing Card Program requires commitment, coordination and cooperation between the Cardholder, Reallocator, Approving Authority, Department Card Coordinator, Fiscal Administrator and Approving Official. An Approving Official, based upon the level of his or her position, may delegate some administrative tasks involved in the approval process; however, final authority and responsibility ultimately rests with the Approving Official. The responsibilities of the Approving Official are as follows:

- Approve purchasing cards for appropriate individuals within the department (University employees who have a true business need to purchase small-dollar goods or services and will responsibly make purchases on behalf of the University).
- Set the card limits and determine the exceptions/restrictions for the Cardholder.

- Establish processes within the department to support the Purchasing Card program.
- Work with the Purchasing Card Administrator, the Office of Procurement and Property Management and if necessary, the Vice President for Administration or designee, regarding disciplinary action for Cardholders under his/her supervision that inappropriately or fraudulently use their purchasing cards.

g. Department Card Coordinator

The role of the Department Card Coordinator is to act as a liaison between the department and the Purchasing Card Administrator for all matters relating to the Purchasing Card Program. The Department Card Coordinator may have some of the responsibilities of the Fiscal Administrator.

h. Purchasing Card Administrator

The role of the Purchasing Card Administrator is to administer the Purchasing Card Program for the University and act as the University's intermediary in correspondence with the Card Issuer. The responsibilities of the Purchasing Card Administrator are as follows:

- Provide overall control of the program.
- Establish administrative procedures to ensure compliance with University purchasing rules and regulations.
- Provide initial and ongoing training for Cardholders, Reallocators, Reconcilers, Fiscal Administrators and Department Card Coordinators.
- Review, approve, process, and maintain Purchasing Card applications and agreements.

- Provide ongoing support to Cardholders, Department Card Coordinators, Fiscal Administrators, Approving Officials, and auditors of the UH Purchasing Card program.
- Communicate Purchasing Card Program policy and changes to Program users.
- Handle disputed charges/discrepancies not resolved by Cardholder, Department Card Coordinator or Fiscal Administrator.
- Assist Cardholders, Reallocators, Department Card Coordinators, Fiscal Administrators and others as necessary with problem resolution.
- Review usage of Purchasing Card data for appropriateness. Supplement (but not replace) the Fiscal Administrator's basic review responsibility and examine Purchasing Card transactions on a sample basis to identify possible improper, unauthorized, fraudulent, or split purchases.
- Serve as the main contact with the Card Issuer regarding issues and problems.
- Override Merchant Category Code blocks as necessary.
- Ensure that all lost/stolen and replacement cards are processed as required by the Card Issuer.
- Review and update the Purchasing card procedures and training as required.
- Maintain Purchasing Card Program records.
- Evaluate and make recommendations for Purchasing Card Program improvements.
- Act as the CentreSuite Administrator.

6. Cardholder/Program Participant Eligibility

Criteria for eligibility are as follows:

- a. Applicant must be an employee of the University and may be issued only one (1) Purchasing Card. Due to the short-term nature of their employment, emergency hires, casual hires, and lecturers shall not be eligible to be Cardholders. RCUH employees shall not be issued purchasing cards.
- b. Applicant's Approving Official must approve her/his request for a Purchasing Card.
- c. Applicant must have the support of his/her supervisor and Fiscal Administrator and Department Card Coordinator.
- d. All Purchasing Card Program Cardholders/participants shall participate in the University's purchase card training prior to card issuance/appointment and take refresher or supplemental training as required by the University. Upon completion of University purchasing card training each cardholder/participants shall complete and sign a statement: (a) certifying that they have participated in the University's purchasing card training, (b) that they understand and are committed to complying with the rules and procedures associated with the purchasing care program and (c) that they have been informed of the potential consequences of inappropriate actions or use of purchasing cards.
- e. Each Cardholder must sign a Cardholder Agreement. By signing this agreement, the Cardholder indicates that he/she understands the intent of the program, and will comply with all guidelines of the University Administrative Procedures and the Purchasing Cardholder Procedures.

7. Guidelines for the Use of the Purchasing Card

- a. The University Administrative Procedures, the Purchasing Card Program guidelines, as well as good business practice, shall be adhered to in using the purchasing card and supporting the purchases.

- b. Use of the purchasing card shall not preclude compliance with current University requirements contracts and State Procurement Office (SPO) price lists in which the University has agreed to participate.
- c. Cardholders utilizing extramurally sponsored project accounts must comply with OMB Circular A21, Section J.
- d. Purchases may be made in person, over the telephone, by facsimile, or through a secured Internet connection with any merchant that accepts the purchasing card. Transactions are approved electronically, based on the Cardholder's single and monthly purchase limits and approved commodities.
- e. Cardholders are encouraged to receive their own shipments and retain packing slips, mail order form copies, etc. related to the purchase.

8. Receipts and Support Documentation

- a. Receipts must be obtained for purchasing card transactions.
- b. Original receipts are preferred, however, in accordance with Section 40-57.6, HRS, the State Comptroller has determined the acceptability of the following documents in lieu of an original bill for purchases made by the purchasing card:
 - 1) Customer sales slip or charge receipt reflecting the vendor's name, date of purchase, description and cost of goods purchased.
 - 2) Electronic purchase confirmation (for internet purchases) reflecting the vendor's name, date of purchase, and description and cost of goods purchased.
 - 3) Itemized packing slip (if an itemized invoice is not provided) reflecting the

vendor's name, date of purchase, and description and cost of goods purchased.

- 4) E-mail confirmation of purchase from the vendor identifying the vendor's name, date of purchase, and description and cost of goods purchased.
- c. Purchasing card transactions must be supported by appropriate documentation for the type of commodity/service purchased.
 - d. When charges are made prior to receipt of goods for purchasing card transactions, Cardholder shall confirm that goods ordered and paid by the purchasing card are actually received and are in good order and condition.
 - e. If goods are not received in good order and condition, vendors should be contacted to determine if the goods will be replaced or account will be credited.
 - f. Charges for services should be made upon satisfactory completion of the services unless advance payment has been authorized in accordance with Section A8.275.

9. Restricted Commodities

- a. Although the purchasing card is available for most small purchases of less than \$2,500, certain commodities are restricted due to tax reporting requirements, University policies and procedures and state and federal regulations. Restricted commodities include "Items Not to be Purchased" in Administrative Procedure A8.225 and commodities that require prior approval, special permits, etc. Purchases of the restricted commodities listed in the "Usage Guidelines" section of the Purchasing Card website (www.hawaii.edu/oprpm/pcard/) and purchases \$2,500 or greater must continue to be processed in accordance with established procurement and disbursement policies and procedures.
- b. Exceptions may be granted by OPRPM, on a limited basis upon a showing of sufficient justification or extenuating circumstances.

10. Blocked Merchant Categories

Merchant Category Codes (MCC's) are assigned by a vendor's merchant bank based on the type of goods or services that the vendor typically provides. Allowing or blocking certain MCC's, while not a fail-safe protection against unauthorized use of the card, does provide a measure of protection against unauthorized or prohibited purchases. By policy, the University has established that the Purchasing Card may not be used at certain categories of merchants and has blocked their MCC's. A list of the blocked MCC's can be found on the Purchasing Card website at www.hawaii.edu/oprpm/pcard/.

11. Extramural Funding Restrictions

- a. When utilizing extramural funds, the Cardholder shall be responsible for ensuring that all purchases meet the requirements and regulations of the extramural funding agency.
- b. The use of the purchasing card versus any alternate form of procurement does not change the existing costing, charging, and document retention requirements that must be met. Cardholder is still required to demonstrate that the item procured is not expressly prohibited by sponsor regulations or by other federal guidance and that the item purchased is necessary (allocable) for the project.
- c. For specific questions regarding using sponsored project funds, Cardholders should contact the Office of Research Services.

12. Returns, Credits and Exchanges

- a. If merchandise is returned for credit, the Cardholder should obtain a credit receipt from the vendor and retain the receipt with the support documentation. Receiving cash or checks to resolve a credit is prohibited.
- b. If merchandise is exchanged, the Cardholder is responsible for returning the merchandise to the vendor and obtaining a replacement as soon as

possible. Documentation showing the proper resolution of the exchange should be retained.

- c. If the matter is not resolved with the vendor, the transaction becomes a disputed item and Cardholder must notify the Purchasing Card Administrator.

13. Erroneous Declines

If it appears that the purchasing card has been declined in error by a vendor, Cardholder should contact the Fiscal Administrator, Department Card Coordinator or Purchasing Card Administrator for assistance.

14. Lost, Stolen or Compromised Cards

If the purchasing card is lost or stolen or appears to be compromised, Cardholder must immediately notify the Card Issuer's 24-hour, 7-day a week Customer Service Center at 844-4444 or 1-808-847-4444 (toll-free number: 888-844-4444), dial "0" for customer assistance, and the account will be closed. It is very important that the Cardholder notify the Card Issuer immediately, since there is no limit to the University's liability for charges made on the lost, stolen or compromised card until it is reported. Cardholder must also notify the Purchasing Card Administrator in writing and the Purchasing Card Administrator will request the Bank Issuer to transfer the Cardholder to a new number.

If unauthorized transactions post to the Cardholder's account as a result of the lost, stolen or compromised card, Cardholder must request the Purchasing Card Administrator to initiate a dispute with the Card Issuer.

A Purchasing Card that is found after it has been reported lost or stolen must be destroyed.

The department will be responsible for all charges made on the Purchasing Card until the Card Issuer is notified that the card has been lost or stolen.

15. Disputes

- a. It is essential to file disputes in a timely manner because there is only a 60-day period in which disputes can be filed with the Card Issuer. If an unauthorized or erroneous transaction appears on PCDO or the bank statement, Cardholder must contact the Purchasing Card Administrator in writing immediately.
- b. The Purchasing Card Administrator will forward the information to the Card Issuer and the Card Issuer will send a dispute form to the Cardholder.
- c. Cardholder must fill out and submit the "Cardholder Dispute Form" to the Card Issuer for processing, otherwise, a credit will not be issued. Disputes and the final resolution of the dispute should be documented and the documentation should be retained with the Statement of Account on which the disputed charge appears.
- d. If a credit is not issued in a timely manner, Cardholder is responsible for following up with the Purchasing Card Administrator.

16. Replacement Card/Changes

Cardholder should contact the Purchasing Card Administrator to request a replacement card or report name or address changes.

17. Canceling the Purchasing Card

The purchasing card may be canceled for the following reasons:

- a. Cardholder suspects the card number has been used without authorization;
- b. Cardholder transfers to another University department;
- c. Cardholder seldom or never uses the card;
- d. Cardholder terminates University employment; or

- e. Cardholder is requested to surrender card due to violation of policies.

The Department Card Coordinator or Fiscal Administrator should send a request to the Purchasing Card Administrator to cancel the card.

18. Purchasing Card Statement

In accordance with Section 40-57.6, Hawaii Revised Statutes, which grants the Comptroller the authority to determine the acceptability of any document submitted in lieu of an original bill, the State Comptroller has determined that the portable document format (pdf) copy of the consolidated purchasing card statement will be accepted as an original invoice. The pdf copy of the Card Issuer statement from CentreSuite shall be considered an acceptable substitute for the hard copy Card Issuer statement.

19. CentreSuite

Fiscal Administrators/business offices have access to CentreSuite, the online reporting tool for Purchasing Cards, and are able to monitor the Purchasing Card transactions at will. Frequent monitoring of the Purchasing Card accounts is encouraged in order to minimize Purchasing Card problems.

20. Internal Controls

Each department/college should establish an internal control structure to address the use of the Purchasing Card. The following standards are recommended for departmental internal control systems:

- a. Qualified and continuous supervision is to be provided to ensure that internal control objectives are achieved.
- b. Transactions and other significant events are to be promptly authorized by persons acting within their scope of authority.

- c. Key duties and responsibilities should be assigned systematically to a number of individuals to ensure that effective checks and balances exist.
- d. Appropriate separation of duties shall exist between the person making the transactions (Cardholder) and the people who review and approve the transactions. If the person who reviews or approves the transaction is a Cardholder, there should be independent review of his/her account activity.
- e. There should be appropriate review and approval of purchases.
- f. All transactions and other significant events are to be promptly recorded and properly classified.

21. Purchasing Card Compliance Policy

Participation in the Purchasing Card Program is a revocable privilege. Purchases or reallocations which do not appear to comply with the administrative procedures, purchasing card policies and procedures, or other relevant rules, regulations or guidelines should be scrutinized and suspected misuse should be immediately reported to the Purchasing Card Administrator.

a. Unauthorized and/or Inappropriate Card Use

The following will subject a Cardholder to the purchasing card three strike violation process and/or disciplinary action:

- Card is used for personal use or unauthorized purposes.
- A purchase is split or parceled into smaller purchases in order to circumvent the purchasing card limits established by the University.
- Card is used to purchase any substance, material or service which violates policy, law or regulation.
- A purchase is split among Cardholders to circumvent the purchasing card limit.

- Failure to provide support documentation for purchases.
- Failure to provide, when requested, information about any specific purchase.
- Violation of any grant restriction or requirement.
- Failure to approve the PCDO eDoc within a reasonable period of time.
- Violation of any policy or procedure in this Section or established by institutional policy.

b. Three Strike Violation Process

The Purchasing Card Administrator will work with the Fiscal Administrator or Department Card Coordinator to initiate corrective action when Cardholders or other parties involved are not complying with applicable University of Hawaii procedures. A three strike process will be followed and three instances of non-compliance may result in the revocation of the purchasing card.

Violation Number 1

The first violation will result in notification sent to the Cardholder, Cardholder's supervisor, Fiscal Administrator, Department Card Coordinator and Approving Official. The notification will be placed in the department's compliance file and serves as a warning and explanation of corrective actions necessary to prevent a repeated occurrence.

Violation Number 2

A second violation may result in the Cardholder, Approving Official and Fiscal Administrator or Department Card Coordinator having a meeting with the Purchasing Card Administrator, the Director of Procurement and/or the Vice President for Administration. The purpose of this meeting will be to discuss the matter, provide additional training and specify the corrective action required of the Cardholder and the department. Notification will be sent to the Cardholder and applicable parties

regarding the violation and the result of the meeting. The notification will be placed in the department's compliance violations file.

Violation Number 3

A third violation by a Cardholder may result in the immediate termination of the Cardholder's participation in the Purchasing Card Program.

Repeated violations within a department may result in the entire department losing purchasing card privileges for one year.

c. Serious Violations

If the Cardholder's offense is deemed to be deliberate, fraudulent or illegal misuse, the Cardholder may be subject to immediate card cancellation and/or disciplinary action, up to and including, termination of employment, in accordance with applicable collective bargaining agreements and University procedures. In addition, the matter may be referred to the Office of the University General Counsel for appropriate civil action against the Cardholder to recover University funds expended as a result of the unauthorized and/or inappropriate use of the purchasing card.

The Vice President for Administration, in consultation with the Vice President for Legal Affairs, will determine the appropriate course of action for the serious violations of purchasing card policies based on standards applicable to all University employees.

The University prohibits retaliation against any individual who in good faith may initiate actions to fulfill their responsibilities in accordance with this policy.

22. Fiscal Administrator Purchasing Card Limits

The purchasing card transaction limit was increased for selected Fiscal Administrators in accordance with the Interim PCard Procedures dated May 16, 2012. Accordingly, the purchasing card transaction limit for selected Fiscal Administrators is under \$25,000, depending on their current

purchasing authority. Any violations or policy noncompliance may result in revocation of the increased Fiscal Administrator limit.

All procedures set forth in Sections A8.200-A8.299, Procurement, must be followed for purchasing card purchases of \$2,500 or more and one of the following methods of source selection must be utilized:

Competitive Sealed Bidding (Section A8.235)
Competitive Sealed Proposals (Section A8.240)
Professional Services Procurement (Section A8.245)
Professional Services Procurement for Architects, Engineers, Land Surveyors, and Landscape Architects (Section A8.246)
Small Purchases (Section A8.250)
Sole Source Procurement (Section A8.255)
Emergency Procurement (Section A8.260)
Construction Procurement (Section A8.281)

If a purchase of \$2,500 or more is exempt from the standard methods of source selection, the procedures set forth in Section A8.220, paragraph 9, Exempt Procurements, shall apply.

Additionally, Fiscal Administrators shall:

- Document the method of source selection utilized and complete all necessary paperwork associated with the method of source selection.
- Create a requisition for purposes of certifying that funds are available for the particular purchase and to obtain approval for the purchase from the departmental Approving Authority certifying the purchase supports program objectives. The requisition and the supporting purchasing documents for the \$2,500 or more transactions must be maintained and retained in the purchasing card file.
- Obtain a Certificate of Vendor Compliance for procurements of \$2,500 or more where applicable.

23. Audits

To ensure the continued success of the Purchasing Card Program and to meet the audit requirements of the University, periodic audits will be made of the Cardholder accounts to ensure policies and procedures are being followed and items have been received.