

A8.266 Purchasing Cards

1. General

The University of Hawaii Purchasing Card Program is a voluntary program that offers an alternative to the University's existing small purchase process. It is designed to simplify and expedite the procurement process for small-dollar goods and services, while ensuring that 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. 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. Authority to Purchase

Cardholders are delegated the authority to purchase non-restricted small-dollar goods and services with their Purchasing Cards, subject to the limitations contained in this section. As de facto purchasing agents for the University of Hawaii, cardholders and program participants must have a minimum understanding of University policy and procedures and be familiar with the State of Hawaii Ethics Code.

3. Conditions for Use

- a. The University of Hawaii Purchasing Card may be used for purchases of \$2,500 or less that are related to University business only.
- b. Use must be in accordance with all pertinent policies, procedures, and guidelines, and in compliance with applicable federal regulations, state laws and contract and grant terms and conditions.

- c. Use must be in accordance with any additional guidelines, if any, as defined and supported by Cardholder's department.

4. Unauthorized and/or Inappropriate Card Use

- a. Under no circumstances is a Cardholder permitted to use the Purchasing Card for personal purchases.
- b. Purchases shall not be parceled or split into smaller purchases in order to circumvent the single purchase limit.
- c. Corrective action will be taken when Cardholders, Department Liaisons, or Approving Officials 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 revocation of the Purchasing Card or Department Liaison/Approving Official privileges, as applicable.
- d. In certain instances, non-compliance may be deemed as significant and the card and/or Department Liaison/Approving Official privileges may be revoked immediately.
- e. Significant non-compliance may subject the cardholder to card cancellation and/or disciplinary action, up to and including, termination of employment, in accordance with applicable collective bargaining agreements and University administrative procedures. In addition, the matter shall 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 to the Purchasing Card.

5. Definitions

- a. Approving Authority: Individual who is authorized to certify that the purchase supports program objectives. This individual must be someone other than the Department Liaison. For federal contract and grant expenditures, authorization must be certified by the Principal Investigator or designee.
- b. Approving Official: The University official, i.e., Vice President, Chancellor, Dean or Director, who assigns the Department Liaison, selects the Cardholders and determines the Cardholders' limits.
- c. 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.
- d. Cardholder: An employee of the University who is approved by her/his 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.
- e. Default Account: The 7-digit account code/and 4-character object code assigned to a Purchasing Card. All transactions made with a Purchasing Card will be posted to the card's default account unless the charge is reallocated.
- f. Department Liaison: Employee who is responsible for monitoring transactions and account activity to ensure proper use of the Purchasing Card within the department/college.
- g. Monthly/Card Limit: A dollar limitation of purchasing authority assigned to the Cardholder for the total of all charges made during each 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 \$25,000. Departments may establish lower limits on a per Cardholder basis.

- h. 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.
 - i. PVSNet/TSYS iSolutions: Online reporting/processing tool for reviewing and reconciling purchasing card transactions
 - j. Purchasing Card: A corporate liability card issued to an individual employee of the University for the purpose of making authorized purchases of goods and services on behalf of the University with a value less than such amount designated by the University.
 - k. Purchasing Card Administrator: The central administrator located in the Office of Procurement and Real Property Management (OPRPM) who administers the Purchasing Card program for the University and acts as the University's intermediary in correspondence with the Card Issuer.
 - l. Transaction Limit: A dollar limitation of purchasing authority assigned to the Cardholder for each total transaction made with the Purchasing Card. This amount must not exceed \$2,500. A single transaction may include multiple items but cannot exceed the transaction limit. Departments may establish lower limits on a per Cardholder basis.
6. Purchasing Card Program Roles and Responsibilities
- a. Purchasing Card Administrator responsibilities:
 - 1) Serve as the official liaison between the University and the Card Issuer.
 - 2) Provide overall control of the program.
 - 3) Establish administrative procedures to ensure compliance with UH purchasing rules and regulations.

- 4) Provide initial and ongoing training and support for fiscal administrators and cardholders.
- 5) Review, approve, process, and maintain Purchasing Card applications and agreements.
- 6) Provide ongoing support to Deans, Directors, fiscal administrators, cardholders, and auditors of the UH Purchasing Card program.
- 7) Communicate all Purchasing Card Program and policy changes to Program users.
- 8) Handle disputed charges/discrepancies not resolved by Cardholder or Department Liaison. Assist Cardholders, Department Liaisons and others as necessary with problem resolution.
- 9) Review usage of Purchasing Card data for appropriateness. Supplement (but not replace) the Department Liaison's basic review responsibility, and review Purchasing Card transactions on a sample basis to identify possible improper, unauthorized, fraudulent, or split purchases.
- 10) Serve as the main contact with the card provider regarding issues and problems.
- 11) Ensure that all Purchasing Card problems are resolved in a timely manner.
- 12) Override Merchant Category Code blocks as necessary.
- 13) Ensure that all lost/stolen and replacement cards are processed as required by the Card Issuer.
- 14) Review and update the Purchasing Card procedures and training annually or as required.
- 15) Maintain Purchasing Card program records - applications, training, status changes, exception requests, discipline, etc.

- 16) Evaluate and make recommendations for Purchasing Card program improvements.
- 17) Act as the PVS Net/CentreSuite Administrator.

b. Approving Official Responsibilities:

- 1) Select and request purchasing cards for appropriate individuals within the department (those with the responsibility of making purchases), and determine the card limits and exceptions/restrictions for each Cardholder.
- 2) Designate Department Liaison(s) for the department and assign a Department Liaison for each Purchasing Card application.
- 3) Establish processes within the department to support the Purchasing Card program.
- 4) Take appropriate disciplinary action in accordance with applicable collective bargaining agreements and University administrative procedures with Cardholders under her/his supervision who inappropriately or fraudulently use their Purchasing Cards.

c. Approving Authority Responsibilities:

- 1) The Approving Authority shall review the purchase documentation and confirm that all purchases are reasonable and support program objectives.

d. Department Liaison Responsibilities:

- 1) Maintain knowledge of UH Purchasing Card policy and UH policies and procedures on the use of the Purchasing Card and related accounts.
- 2) Immediately notify the Purchasing Card Administrator in writing when a cardholder resigns, transfers or is terminated from employment.
- 3) Assign the default account and object codes.

- 4) Monitor transactions and account activity to ensure that the Purchasing Card is being used properly, and purchases are for legitimate UH business use and are in accordance with Purchasing Card program policies and procedures.
- 5) Review transactions in a timely manner.
- 6) Collect documentation from Cardholders and reconcile to Card Issuer's billing statements and Kualii Financial System (KFS).
- 7) Maintain documentation for auditing purposes.
- 8) Ensure proper accounting of charges.
- 9) Notify Purchasing Card Administrator within thirty (30) days of any unresolved disputes, noting the reason for dispute.
- 10) Notify Purchasing Card Administrator of changes in the default account, object codes, address, name or any cardholder related information.
- 11) Notify Purchasing Card Administrator immediately of lost or stolen cards and ensure Cardholder has notified Card Issuer.
- 12) Request closure of Cardholder's account for employees who have terminated or transferred or have lost their Purchasing Card privileges.
- 13) Notify Approving Official of purchases or reallocation which violates any portion of the administrative procedures, Purchasing Cardholder Procedures, or other relevant rules, regulations or guidelines.
- 14) Ensure availability of funds for transactions.
- 15) Act as a Liaison with the Purchasing Card Administrator and disseminate information to the Cardholders.

- 16) 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.

e. Cardholder responsibilities:

- 1) Be familiar with allowable transactions and understand how University policies impact your Purchasing Card use.
- 2) 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.
- 3) Ensure purchases are not parceled.
- 4) Adhere to the purchase limits and restrictions of the Purchasing Card and ensure that purchases do not exceed budgeted funds.
- 5) Ensure that the Purchasing Card is not used by anyone other than the cardholder.
- 6) Protect and safeguard her/his Purchasing Card and keep the card number confidential.
- 7) Promptly review and submit documentation to the Department Liaison by internally established deadlines.
- 8) Verify that goods and services received are consistent with what was ordered.
- 9) Work with the merchant to correct any problems, exchanges, or credits.
- 10) Assure that the purchase is properly coded in the accounting system.
- 11) Ensure that an appropriate credit for the reported disputed item(s) or billing error appears on a subsequent Cardholder statement.

- 12) Shall not accept cash in lieu of a credit to the Purchasing Card account.
 - 13) Report lost or stolen card to the Card Issuer immediately and notify the Department Liaison in writing at the first opportunity during business hours.
 - 14) Notify the Department Liaison upon termination of employment, transferring departments, or change in employment that no longer includes the purchasing function.
 - 15) Shall not misuse the Purchasing Card.
 - 16) 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.
 - 17) Understand that all card use is subject to review and audit.
- f. The General Accounting and Loan Collection Office is responsible for:
- 1) Reconciling a System-wide purchasing card clearing account.
 - 2) Following up on reconciling items with appropriate department liaisons.
- g. Information Technology Services is responsible for:
- 1) Downloading the transactions from the online purchasing card reporting system to the University accounting system.
 - 2) Posting the transactions to KFS.
- h. The Financial Management Office is responsible for:
- 1) Approving payment to the Card Issuer.

- i. The Disbursing Office is responsible for:
 - 1) Ensuring that the monthly payment is made to the Card Issuer on a timely basis.
 - 2) Maintaining billing statements for Purchasing Card transactions.

7. Cardholder 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, casual hire employees shall not be eligible to become Cardholders.
- 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 Department Liaison.
- d. Applicant must attend a training session before she/he may be issued a Purchasing Card.
- e. Each Cardholder must sign a Cardholder Agreement. By signing this agreement, the Cardholder indicates that she/he understands the intent of the program, and will comply with all guidelines of the University Administrative Procedures and the Purchasing Cardholder Procedures.

8. Purchasing Card Security

- a. Cardholders shall treat the University Purchasing Card with at least the same level of care as they do their own personal credit cards.
- b. Only the individual whose name appears on the face of the card is entitled to use the card. The card shall not be loaned to another individual.

9. 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 hierarchical review and approval of purchases by someone with supervisory authority over the cardholder and/or the authority to question purchases if needed.
- f. All transactions and other significant events are to be promptly recorded and properly classified.

10. 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, reconciling purchases and retaining documentation. The Department Liaison shall monitor compliance.

- 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 single and monthly purchase limits and the approved commodities for the department's Purchasing Card purchases.
- e. Cardholders are encouraged to receive their own shipments and are responsible for obtaining appropriate documentation (packing slips, mail order form copies, etc.) related to the purchase.
- f. Transactions may be viewed by Cardholders and their Department Liaisons on PVSNet, the Purchasing Card on-line system, within a few days of the transaction (for purchases made in person) or ship date (for mail, fax & Internet orders).
- g. All transactions will be automatically posted to the card's default account and object code, unless the transaction is reallocated and payment will be automatically made from the designated account.

11. Restricted Commodities

- a. Although the Purchasing Card is available for most small purchases of \$2,500 or less, 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 greater

than \$2,500 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.

12. 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 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/.

13. Controlled Property and Components for Fabricated Equipment

Controlled property and equipment shall be inventoried in accordance with Administrative Procedures A8.505 State Personal Property and A8.550 Capitalization.

14. Sponsored (Federal) Funding Restrictions

- a. The federal government places additional restrictions on the expenditure of federal funds for sponsored research and the retention of supporting documentation.
- b. When utilizing federal funds, the Cardholder shall be responsible for ensuring that all purchases meet the requirements and regulations of the specific contract or grant.
- c. 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.

- d. For specific questions regarding using sponsored project funds, Cardholders should contact the Office of Research Services.

15. Cardholder Liability

The Purchasing Card is a corporate liability card that will not affect the Cardholder's personal credit. However, it is the Cardholder's responsibility to ensure that the Purchasing Card is used within the guidelines of the Purchasing Card Program as well as University Administrative Procedures relating to the expenditure of University funds. Failure to comply with the Purchasing Card program guidelines may result in permanent revocation of the card, notification of the situation to the Cardholder's supervisor, further disciplinary action in accordance with applicable collective bargaining agreements and University administrative procedures, and civil action against the Cardholder to recover University funds improperly expended through misuse of the Purchasing Card.

16. Erroneous Declines

- a. If it appears that the Purchasing Card has been declined in error by a merchant, Cardholder should contact the Department Liaison or Purchasing Card Administrator for assistance.

17. Lost or Stolen Cards

If the Purchasing Card is or appears to be lost or stolen, 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 or stolen card until it is reported. Cardholder must also notify the Department Liaison in writing at the first opportunity during business hours. The Department Liaison must immediately notify the Purchasing Card Administrator who will follow up with the Card Issuer. Upon notice from

the Purchasing Card Administrator, the Card Issuer will transfer the Cardholder to a new number.

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.

18. Reporting Changes/Replacement Card

Department Liaisons must send an e-mail to the Purchasing Card Administrator to request a replacement card or to report the following changes:

- Name Change
- Address Change
- Limit Change (requires memo from Approving Official)
- Card Closure
- Damaged Card

19. Canceling the Purchasing Card

The Purchasing Card Administrator may be required to cancel the Purchasing Card if:

- a. Cardholder transfers to a different University department;
- b. Cardholder moves to a new job within the University in which a Purchasing Card is not required;
- c. Cardholder terminates University employment; or
- d. For any of the following reasons which will also subject Cardholder to disciplinary action in accordance with applicable collective bargaining agreements and University policies and procedures relating to disciplinary action:
 - 1) The Purchasing Card is used for personal or unauthorized purposes;

- 2) The Purchasing Card is used to purchase any substance, material, or service which violates policy, law or regulation pertaining to the University;
- 3) The Cardholder parcels a purchase to circumvent the limitations of the University administrative procedures;
- 4) The Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to either Cardholder or the limitations of the University administrative procedures;
- 5) The Cardholder fails to provide Department Liaison with acceptable documentation;
- 6) The Cardholder fails to provide, when requested, information about any specific purchase; or
- 7) The Cardholder does not adhere to the Purchasing Card policies and procedures.

The Department Liaison shall send a request to the Purchasing Card Administrator to cancel the Purchasing Card and the Purchasing Card Administrator shall notify the Card Issuer immediately of all revocations and closures.

20. Documentation, Recordkeeping & Retention

a. Cardholder Responsibility:

- 1) Obtain purchase documentation from the merchant for every Purchasing Card transaction. All documents received should be retained as proof of what was purchased.
- 2) Itemized receipts are the preferred documentation for Purchasing Card purchases. When an itemized receipt is not available, itemized supporting documentation must accompany the receipt.
- 3) If the receipt has been lost and a duplicate cannot be obtained, the Department Liaison can determine if internal policy allows use of the Lost Receipt Affidavit. If allowed, a single

cardholder can use the form no more than three times in one fiscal year. Use of the form more than three times in one fiscal year may result in suspension of purchasing card privileges.

- 4) If the original receipt is not available, an explanation must be attached.
- 5) In addition to receipts, transaction logs or an equivalent document shall be submitted to the Department Liaison for the Purchasing Card monthly reconciliation.

b. Department Liaison Responsibility:

- 1) Review transactions, i.e., monthly charges, of individual Cardholders to ensure that the transactions are appropriate University expenditures.
- 2) Collect documentation from Cardholders and reconcile to Card Issuer's statements.
- 3) Ensure that all Cardholder statements, receipts, transaction logs and other source documents are filed in a manner which enable them to be retrieved upon request by an auditor or other staff. These records must be retained in accordance with A8.505, State Personal Property.

c. Approving Authority Responsibility:

Review, approve and sign the monthly transaction log or equivalent document for each cardholder in a timely manner.

d. Transaction Log or Equivalent Document

All purchases should be recorded in a transaction log or an equivalent document. The transaction log or equivalent document must validate receipt of goods, contain appropriate approvals and support documentation, and shall be forwarded to the Department Liaison immediately after the end of the current billing cycle.

e. Supporting Documentation

- 1) In accordance with Section 40-57.6, HRS, the State Comptroller has determined the acceptability of the following documents for purchases made by the Purchasing Card:
 - aa) Customer sales slip or charge receipt reflecting the vendor's name, date of purchase, description and cost of goods purchased.
 - bb) Electronic purchase confirmation (for internet purchases) reflecting the vendor's name, date of purchase, and description and cost of goods purchased.
 - cc) 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.
 - dd) E-mail confirmation of purchase must include the vendor's name, date of purchase, and description and cost of goods purchased.
- 2) A certification that the goods were received in good order and condition must be noted on the documents or the Transaction log/equivalent document.
- 3) When charges are made prior to receipt of goods for Purchasing Card transactions, departmental staff shall confirm that goods ordered and paid by the Purchasing Card are actually received and are in good order and condition.
- 4) 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.
- 5) Charges for services should be made upon satisfactory completion of the services.

f. 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.

21. Returns, Credits, Disputed Items.

- a. It is essential to resolve disputes in a timely manner. In most cases, disputes can be resolved directly between the Cardholder and the merchant.
- b. If merchandise is returned for credit, the Cardholder should obtain a credit receipt from the merchant and retain that receipt with the support documentation for that purchase. Receiving cash or checks to resolve a credit is prohibited.
- c. 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 support documentation for that purchase.
- d. If the matter is not resolved with the merchant, the transaction becomes a disputed item and is handled as part of the dispute process.

22. Filing Disputes with Card Issuer

- a. If the error, dispute, or return is not resolved with the merchant, the Cardholder should contact the Purchasing Card Administrator in writing within 45 days of the cycle in which the item first appears on the Cardholder's statement.

- 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. The dispute form must be filled out and returned by the cardholder before a credit is issued for disputed charges.
 - c. Cardholder is responsible for following up on disputed charges that have not been reversed and verifying with the Card Issuer that the disputed charges will be reversed in the following billing cycle.
 - d. Cardholder should contact the Purchasing Card Administrator for assistance or if an acceptable resolution is not obtained.
23. Verifying and Reallocating Charges on PVS Net, the On-Line Reporting System
- a. Cardholder Verification Responsibility:
 - 1) Cardholder is accountable for all charges made with her/his Purchasing Card and is responsible for checking all transactions on PVS Net, the on-line transaction reporting system, to verify their accuracy and propriety. This check should be done regularly; transaction information is usually available on-line within a few days of the transaction.
 - 2) Cardholder should match receipts, transaction logs or equivalent document and other documentation to the transactions on PVS Net.
 - 3) Cardholder should contact the merchant if unfamiliar transactions show up or if the amount differs from that shown on the receipt. The Card Issuer will require the Cardholder to file a "Cardholder Dispute Form" for any incorrect charges that are not resolved. If the Cardholder disputes a charge, the nature of the dispute and the final resolution must be documented. This documentation should be retained with the Statement of Account on which the disputed charge appears.

- 4) If a credit does not appear on the next statement, the Cardholder should notify the Purchasing Card Administrator.

b. Cardholder Reallocation Responsibility

- 1) A default University account and object code are assigned to each Purchasing Card and all Purchasing Card transactions are charged to the assigned default account and object code.
- 2) All transactions in PVS Net should be checked and the transaction expense should be reallocated on-line to the proper account and object code.
- 3) The Cardholder must obtain all appropriate approving authority signatures and sign her/his transaction log (or equivalent document) prior to forwarding the log (or equivalent document) and supporting documentation to the Department Liaison.
- 4) The University's Purchasing Card billing cycle ends on the 14th of each month. Verification and reallocation of charges should be completed and submitted to the Department Liaison by the department/college's internally established deadline.

c. Department Liaison Reallocation Responsibility:

- 1) Reallocate or verify that transactions are charged to the proper account and object codes for individual transactions prior to the monthly default cut-off deadline.
- 2) The monthly default cut-off deadline is 4:00 p.m. on the 22th of each month (if the 22th falls on a weekend or holiday, the last day for any modifications to the transactions in PVS Net is on the next business day).
- 3) Following the default cut-off date, the information from PVS Net will be downloaded to Quali Financial System (KFS), the University's accounting system.

- 4) The total amount billed by the Card Issuer will be charged to the individual departmental accounts and credits for disputed transactions will be posted to departmental accounts when the credit appears on the Card Issuer's billing.
- 5) Department Liaisons should ensure that valid and active accounts and object codes are assigned to avoid transactions being rejected. Rejected transactions shall be recorded to the default account.

Since Cardholders and Department Liaisons have the ability to view transactions at all times, it is recommended that both Cardholders and Department Liaisons monitor the Purchasing Card transactions on a regular basis. Constant monitoring of the Purchasing Card accounts is the most effective way to minimize problems.

d. Department Liaison Verification Responsibility:

- 1) Verify that each transaction is supported by adequate documentation and meets all the criteria for authorized card use. Questionable transactions should be especially scrutinized.
- 2) For questionable transactions or transactions that lack adequate support documentation, the Department Liaison 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.
- 3) If during the review process, serious irregularities are detected, the Department Liaison must notify the Approving Official and the Purchasing Card Administrator.

- e. Department Liaison Reconciliation Responsibilities:
- 1) Purchasing Card transactions shall be reconciled to the Card Issuer statement and KFS.
 - 2) All transactions must be verified and reconciled prior to the next monthly default cut-off deadline.
 - 3) Analytical information for cost sharing shall be added when applicable.
 - 4) The Purchasing Card transactions must be reconciled to the Card Issuer statement (either hard copy statement or pdf generated from CentreSuite).
 - 5) The Purchasing Card transactions must also be reconciled to KFS and appropriate action should be taken to resolve reconciling items.
 - 6) Errors that show up on the PageCenter Exception Report shall be corrected by submitting a DI edoc in KFS.
 - 7) Department Liaison or fiscal administrator shall work with GALC regarding the transactions that are rejected in KFS due to insufficient allotment balance.
 - 8) After the Department Liaison review process is complete, the transaction log or equivalent document, Cardholder Statement Account and corresponding support documentation shall be filed in accordance with the requirements set forth herein.

24. 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's accounts to ensure that items purchased have been received and that policies and procedures are being followed.