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The University of Georgia

®

# PURCHASING CARD (PCard) MANUAL



Effective April 1, 2017

**\*Updates to the PCard Manual are highlighted in yellow**

# IMPORTANT CONTACT INFORMATION

**Procurement Website:** <http://www.busfin.uga.edu/procurement>

**Primary Points of Contact:** PCard Coordinators

Sam Chafin, 706-542-7084, [Samuel.chafin@uga.edu](mailto:Samuel.chafin@uga.edu)

Lynn Stephens, 706-542-7108, [stephens@uga.edu](mailto:stephens@uga.edu)

**Secondary Points of Contact:** (Contact on an emergency basis should you not be able to reach Jill or Lynn.)

Dawn Cowart, 706-542-7067, [dcowart@uga.edu](mailto:dcowart@uga.edu)

Annette Evans, 706-542-7066, [amevans@uga.edu](mailto:amevans@uga.edu)

**Sales Tax Exemption Certificates:**

University of Georgia sales tax exemption certificates are available online at <http://www.busfin.uga.edu/forms/salestax.pdf>. The tax exemption policy can be found at <http://policies.uga.edu/FA/nodes/view/1305/Sales-Tax>. If you have questions about providing a sales tax exemption certificate to an external party, please email [procure@uga.edu](mailto:procure@uga.edu) for assistance.

**UGA's Federal Identification Number:** 58-6001998

**Accounting Website:** <http://www.busfin.uga.edu/accounting/>

**Accounting Questions:** Paula Bond, 706-542-6867, [pbond@uga.edu](mailto:pbond@uga.edu)

**Construction Questions:** Jessica Beri, 706-542-0876, [jberi@uga.edu](mailto:jberi@uga.edu)

**Post Award Accounting Website:** [http://busfin.uga.edu/post\\_award\\_accounting/](http://busfin.uga.edu/post_award_accounting/)

**Post Award Accounting Questions:** Jackie Walsh, 706-542-9194, [jwalsh@uga.edu](mailto:jwalsh@uga.edu)

Call 706-542-9151 to ascertain the staff member assigned to your department

**Inventoried Equipment Questions:** Craig Mathews, 706-542-6981, [cmathews@uga.edu](mailto:cmathews@uga.edu)

**Travel & Encumbrance Questions:** Jennifer Dunlap, 706-542-6915, [jfinch@uga.edu](mailto:jfinch@uga.edu)

**Bank of America and WORKS™ Contact Information:**

**Bank of America (BOA):** Customer Service, 888-449-2273

**WORKS™ Website:** <https://payment2.works.com/works>

**To Report Lost, Stolen or fraudulently used PCards:**

1. Call Bank of America – **Fraud Department at 1-866-500-8262**, or Customer Service at 1-888-449-2273, within 24 hours of discovering loss, theft, or fraudulent use.
2. Contact Cardholder’s Approving Officials and the PCard Coordinators immediately in writing. In the e-mail be sure to reference the last four digits of your current card #. Provide a brief summary of what has occurred, listing transaction details for fraudulent charge(s). **After reporting the compromised card to Bank of America, the card should be destroyed if present.**

Any paperwork received from BOA should be forwarded to a PCard Coordinator in Procurement.

**The Corporate Address for UGA is:** University of Georgia  
424 E Broad Street  
Procurement Office  
Athens, GA 30602-1535

**The Corporate Phone Number for UGA is:** 706-542-7066 **(ensure you use this number when activating any new cards)**

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## **1.0 Overview**

In an effort to better serve our customers and ensure a level of accountability appropriate for a public institution, this manual has been compiled to provide guidelines for the issuance and use of the purchasing card (PCard) along with instructions for reconciliation and review of transactions.

## **2.0 What Is A Purchasing Card?**

The University of Georgia Purchasing Card, hereafter referred to as the PCard, is a valuable tool for quickly and efficiently purchasing and paying for small dollar items without sacrificing control or cost. The card may be used as the method of payment for unplanned, non-routine, or urgent purchases of goods and services under \$1,000 and for purchases under \$5,000 that are preapproved and go through a requisition pre-approval process prior to making the purchase. The total value of the purchase should be included when considering the purchase limit, and as such the total value includes shipping, handling charges, insurance, etc. Cards can be used in person, over the phone, fax, via the internet, or by mail. The PCard can only be used for University related business for which institutional funds will be disbursed.

## **3.0 Who Can Get a PCard?**

A PCard may be issued only to permanent, part-time or full-time, employees of the University whose job duties require the use of a PCard. Cards are issued to individual employees only rather than to a specific department or division. No more than one (1) card may be issued to an employee.

### **3.1 Criminal/Credit Background Checks**

Criminal background checks and credit checks will be required on employees hired for positions for which purchasing cards are issued. These checks shall be completed: 1) prior to issuing the PCard, and 2) prior to the renewal date of the individual's PCard. (Note: An original card has an expiration date 3 years from the date of issuance and a renewed PCard has an expiration date 2 years from the date of renewal.)

Positions identified by the employing department as PCard cardholders will be considered to be "positions of trust". The University shall ensure that the results of a criminal background and/or credit check are provided the privacy protections required by law. Existing employees who either transfer departments or are promoted to a "position of trust" must undergo both a criminal background and credit check unless these checks have already been completed by Human Resources within the prior year.

In accordance with the Statewide Purchasing Card Policy if the checks reveal information that would result in denial of issuance or renewal of a PCard, UGA Human Resources will provide the new or existing cardholder an opportunity to dispute inaccurate data found in the reports. If substantiated, or background check reveals any misdemeanors or felonies related to financial wrongdoing, theft or other act of dishonesty the cardholder's privileges

will be terminated immediately and the applicable individuals within the State Purchasing Division will be notified. The actual background investigation report will not be provided to DOAS.

#### **4.0 How Do I Get A PCard and Keep It?**

Only employees who require a PCard to meet the responsibilities of their job should be granted a PCard. The Dean/VP/Department Head is charged with making this determination in conjunction with the cardholder's supervisor, and documenting their approval by signing the new PCard request form.

**4.1 Obtaining a PCard** - To obtain a card, one must submit to Procurement a package consisting of:

1. New PCard Request Form
2. Ethical Behavior Agreement Forms for the Cardholder, Approver 1 and Approver 2
3. HR Clearance/verification of employment (e-mail format)
4. Approver Agreement Forms for the Approver 1 and Approver 2  
(Note: the above numbered forms 1, 2, and 4 are available at <http://www.fanda.uga.edu/facstaff/forms>)

Procurement staff will review the materials for completeness and accuracy and notify the applicant of training dates. When the applicant has completed training, Procurement will order the card. A PCard Coordinator will notify the applicant when the card has been received and ask the applicant to sign a Cardholder Agreement Form.

#### **Step 1 Applicant Signs the Human Resources Consent Form for a Background Investigation**

Applicant obtains the [Consent Form](#) located on the Human Resources website and then submits the completed form to Human Resources. Do not submit this form to Procurement. Human Resources will notify the Applicant's department via e-mail when the required checks have been completed. This email from HR advising that the employee has cleared the required checks is different than the HR notification email of "all approvals obtained" for the hiring of a position. Do not send the "all approvals obtained" HR email to Procurement as it contains sensitive data. See the [Human Resources Background Investigation Policy](#) for more information.

#### **Step 2 Complete the New PCard Request Form**

Upon notification from Human Resources that the background and credit checks have been successfully completed, submit the HR clearance/verification email showing that employee has cleared all required checks along with the completed and signed New [PCard Request Form](#), with the appropriate signatures to a PCard Coordinator in Procurement. The request form must indicate role assignments, card single transaction and monthly cycle limits, and cost allocation information.

**Reminder:** No Cardholder (CH) shall be allowed to be his or her own “approving official” (Approver 1 or Approver 2). The Dean/VP/Department Head (D/VP/DH) must assign a knowledgeable individual acting in a supervisory capacity as the Approver 1. (See section 12.0 for a description of Approving Official Roles and Duties). If the cardholder is the only employee of a particular department, the Department Head or next level of authority must be assigned as the Approving official. **Note: Signature authority for the PCard approval process may not be delegated.**

### **Step 3 Sign the PCard Ethical Behavior Agreement and Card Approver Agreement**

Cardholders and Approving Officials (Approver 1 and Approver 2) must sign a PCard Ethical Behavior Agreement before a PCard will be issued. Additionally, the Approving Officials (Approver 1 and Approver 2) must sign a Card Approver Agreement. The signed statements for both the Cardholder and Approving Officials are submitted to the PCard Coordinators along with the New PCard Request Form.

### **Step 4 Review/Approval by PCard Program Administrator/Chief Financial Officer (CFO)**

The New PCard Request Form will require review and approval of the following, prior to proceeding with the remaining steps: PCard Program Administrator, CFO. The Assistant PCard Program Administrator may approve in the absence of the PCard Program Administrator.

### **Step 5 Complete PCard Training**

Each person with a role in the PCard process must attend PCard training and successfully complete an online exam. A Dean/VP/Department Head (D/VP/DH), Approver 1, or Approver 2 who has held a PCard Approving Official role in the past may forego the training class if he/she has completed either initial or refresher training and applicable online exams within the past 12 months. D/VP/DHs, App1s, and App2s may attend full training if they desire. Procurement will not order new cards until: 1) the training and testing requirements have been met, 2) all required paperwork from the Cardholder and associated roles for the cardholder are submitted/on file, and 3) the CFO has approved the “New PCard Request Form”.

### **Step 6 Sign the Cardholder Agreement Form**

When all required approvals are obtained and all roles have completed training, Procurement will order the card. A PCard Coordinator will notify the Applicant when the card has been received and ask the Applicant to sign the Cardholder Agreement Form. Regardless of the physical location of the Cardholder/Applicant, the card will not be provided to the Applicant until the signed Cardholder Agreement Form is provided to the PCard Coordinators.

A PCard Official in Procurement will provide the Cardholder Agreement Form to the Applicant for signature upon receipt of the new card. By signing this form the Cardholder acknowledges:

1. Receipt and understanding of the regulations for use and protection of the card;
2. Understanding of responsibilities for handling billing disputes and reconciling statements; and
3. Understanding and acceptance of consequences of PCard violations.

## 4.2 Maintaining a PCard

### Step 1 - Background and Credit Checks for Existing Cardholders

1. Complete the [Background Investigation Consent Form](#) and submit this form to Human Resources (HR). Please check the box indicating, “This is a current employee whose PCard is being renewed.” Should you have any questions concerning HR’s procedure or the information HR may be reviewing, please contact Lynn Burt in HR at [lburt@uga.edu](mailto:lburt@uga.edu) or 706-542-7336.
2. HR will notify the department and the PCard Coordinators in Procurement when the required checks have been completed. If the background clearance has not been received from HR prior to the card expiration date, Procurement will suspend the card until such time as a clearance is received. Suspension means bringing the card to an inactive status with a \$0 single transaction limit and a \$0 cycle (credit) limit.
3. In accordance with the Statewide Purchasing Card Policy if the checks reveal information that would result in denial of issuance or renewal of a PCard, UGA Human Resources will provide the new or existing cardholder an opportunity to dispute inaccurate data found in the reports. If substantiated, or background check reveals any misdemeanors or felonies related to financial wrongdoing, theft or other act of dishonesty the cardholder’s privileges will be terminated immediately and the applicable individuals in the State Purchasing Division will be notified. The actual background investigation report will not be provided to DOAS.

Note: A background check conducted on an existing employee as required by DOAS policy could produce a result that has an adverse impact on the current employment of an employee, including potential termination. For example, failure to disclose information relating to conviction of a felony could be grounds for termination.

Please note that Procurement will update the card to an inactive status (\$0 STL and \$0 credit limit) if:



- 1) clearance of background and criminal checks has not been received from UGA Human Resources prior to the card expiration date, or
- 2) approval of the CFO (UGA's VP for Finance and Administration) has not been received prior to the card expiration date.

The card will remain in a suspended "inactive" status until such time as the above clearance and approval are received.

## **Step 2 - Complete Refresher Training**

PCard "refresher" training will be required minimally on an annual basis or more often as required by the Procurement Office. The Cardholder, Approver 1, Approver 2, Reconciler, Dean/VP/Department Head, and any other individual holding a role will be required to complete a refresher training course in order to maintain PCard privileges. Failure to complete training within thirty (30) days of notice will result in suspension of PCard privileges until such time as the training has been successfully completed. Instructions for completion of the refresher training will be provided by the Procurement Office to the individuals holding the various PCard roles. If one of the roles does not complete required training, a Cardholder's privileges may be temporarily suspended (card set to an inactive status) until all training is completed. The PCard Coordinators will notify the cardholder if their card will be temporarily inactivated due to failure to complete training by one of the roles in their hierarchy.

## **5.0 Default Account Numbers and PCard Controls**

All PCards have default account numbers, embedded controls, and spending limits as well as restrictions on merchant category codes. When requesting a new PCard, the Dean/VP/Department Head should consider the information below regarding default accounts and cardholder spending limits.

### **5.1 Default Account Numbers**

All cards are assigned a default, 12-digit University account. As cardholder transactions are posted to WORKS™, which is Bank of America's software, these transactions are shown against the default account. If a transaction should be applied to a more appropriate account number, reallocation to the new account should occur within WORKS™. When determining a default account for a new card, consider choosing the account that applies to the majority of cardholder transactions. The object code field of an account allocation will display as blank with the exception of reseller units with an object code of 14xxx. **This field may not be left blank** and an appropriate object code **must** be selected from those object codes listed in WORKS™. **A list of available PCard object codes will be posted to the Procurement website, under PCard Information at [http://busfin.uga.edu/procurement/p\\_card/](http://busfin.uga.edu/procurement/p_card/)**

If a sponsored (restricted) account is set up as the default account, all purchases made on this card must be intended for that default account ***only***. Please note: The department is responsible for requesting Post Award Accounting approval to assign a sponsored (restricted) account as the default account prior to submitting a request to the Procurement PCard Coordinators. If a general account is not available to use as the default account, then the following types of accounts could be used:

- UGA Indirect Cost Recovery account (xx-xx-Axxxx-xxx)
- UGARF Indirect Cost Recovery account (xx-21-RRxxx-900)
- Departmental Sales & Service account that is not for a specific project (xx-xx-Dxxxx-000)
- Set up a new General account with no budget (xx-xx-Gxxxx-xxx)

## 5.2 PCard Controls

Cardholders act as purchasing agents for the University of Georgia; therefore, expenditures made with the PCard must be only for those items that are for official University business and furthermore, for those items allowed to be purchased using a PCard as outlined in this manual. Additional controls have been added to each PCard in order to assist in keeping charges within State of Georgia monetary spending limits. These spending limits are embedded in each PCard via the magnetic strip and are imposed at the point of sale when the card is swiped.

## 5.3 Cardholder Spending Limits

The available limits on a PCard include:

- Single Transaction Limit (STL) – dollars spent per transaction
- Cycle (Credit) Limit (CL) – the monthly limit on the dollars spent per month

By law, the maximum single transaction limit on PCard purchases is **\$4,999; however, under UGA's program the standard single transaction limit is \$1,000. Any STL greater than \$1,000 must be justified. In addition to the justification, if the STL is >\$2,499 but <\$5,000 an exception must be granted by UGA PCard Administrators or Coordinators. For information on how to request an exception for a STL >\$2,499, see the section titled UGA Cardholders (PCard) on the Security and Immigration Compliance Act (E-Verify) website**

The established standard monthly cycle (credit) limit is based on the Cardholder's budgetary responsibility and should not exceed **\$10,000** per month. If a cardholder requires a higher monthly limit, the Procurement Office may request, with appropriate justification, an exception from the State Purchasing Division (SPD). Monthly limits above \$10,000 will be reviewed on an annual basis to determine if there is still a need for the higher limit. Note that the monthly limit is refreshed at the beginning of the billing cycle (the **28th** of each month) only if ***BOTH*** the first level and second level sign offs occur within WORKS™. If there are transactions that have not been signed off in WORKS™ by both levels of sign off, then the refreshed monthly limit will be reduced by the total amount of these "unsigned" transactions. For example, if the monthly credit limit is \$10,000 and the Cardholder made ten (10) separate \$1,000 PCard transactions during the monthly cycle,

and the individuals responsible for the first and second level sign offs have only signed off on nine of the transactions, the monthly credit limit will only be refreshed to \$9,000.

Your judicious review/sign-off of transactions is important to maintain purchasing capacity; however your timely and prudent evaluation of purchases also serves to validate the University's ability to utilize the PCard within the parameters of policy and procedure.

#### **5.4 Merchant Activity Type Limits**

Specific types of businesses are identified by a Standard Industrial Classification (SIC) Code, commonly referred to as Merchant Category Code (MCC). **MCC is a system of four-digit codes, maintained by VISA, used to identify a merchant's principal trade, profession, or line of business based on the type of goods or services normally provided.** Based on the nature of some categories, specific MCC codes may be restricted for use on the card. If you have difficulty using your card with any particular vendor, please contact your PCard Facilitator or one of the PCard Coordinators.

#### **5.5 Within Pre-Approved Dollar Amount**

**As discussed later in this manual, certain types of purchases require pre-approval before the actual PCard transaction/purchase is made. If the total dollar amount of the purchase, exceeds the amount of the dollar value given in the pre-approval, the cardholder should stop and submit a pre-approval request for an increased dollar amount that will cover the amount of the purchase. Only upon approval of this new pre-approval form in UGAmart should the purchase be made.**

#### **6.0 Allowable Purchases (Things I CAN buy with a PCard)**

All purchases made with the PCard must be for official University of Georgia business and the PCard must ***NEVER*** be used for personal purchases, regardless of the circumstance. The PCard may be used to purchase supplies and materials, non-inventoried equipment, and various services valued at \$2,499 or less, including shipping or handling charges, insurance, etc. provided there is no requirement to sign a contract or agreement.

##### **Some Allowable Items Include:**

- **Advertising** (Includes employee recruitment announcements and any advertising placed in a publication, magazine or newspaper.)  
Note: Expenditures to promote the University are not allowable on externally sponsored projects; however, the recruitment of personnel required for the performance of a sponsored project may be treated as a direct cost.
- **Appliances for Laboratory Use** (non-inventoried only)
- **Auto Parts for In-House Use** (no outside labor) For additional guidance, see the [Process & Payment for Mechanical Repairs, Maintenance & Parts](#).
- **Books** (Exception: The PCard cannot be used for books purchased for the library or charged to a library account)

- **UGA Bookstore**
- **Bulk Fuel** (unleaded/diesel storage tank delivery)  
Note: Transaction splits are allowed for **bulk fuel provided the vendor is one on the statewide contract (SWC).**
- **Car Washes** – includes mechanized or manual washes and detailing to clean the interior. Only allowed for inventoried vehicles. Cardholder/Reconciler must: 1) enter comments on the transaction log or in WORKS™ stating why inside cleaning/detailing was necessary, 2) provide the vehicle inventory number, and 3) record the wash in the ARI system.
- **Compressed Gases** (Includes all related charges for cylinder rentals)
- **Equipment Rental < 90 Days** (Employee vehicle rental is not allowed)
- **Food/Catering** (See Section 6.1 for further details)
- **Lab/Research Supplies** (DOES NOT include radioactive materials)
- **Live Animals/Specimens**
- **Non-Inventoried Equipment**
- **Office Filing Cabinets**
- **Office Supplies**
- **Postage** (includes stamps)
- **Printing** (Exception: The PCard cannot be used for any holiday cards or any UGA print and copy services.)
- **Recurring Charges for University Owned Cellular Device Services** (Monthly Cellular Bill)
- **Rentals < 90 Days** (This is for equipment rentals. Vehicle rentals are not allowed.)
- **Registration Fees** (Exception: The PCard cannot be used for UGA registration fees; such as: GA Center/GA CAES.)
  - Food is unallowable **UNLESS** included as part of the registration fee
  - Conference registration fees may be paid with a PCard; however, employees must not request reimbursement for meals included with the conference registration fees
  - No memberships or lodging may be paid as part of the registration fee
- **Repairs/Maintenance/Service Agreements for Equipment** (provided no contract is required to be signed)
- **Software** (includes orders from Software Resources & Services (SRS))
- **Study Abroad Program Expenses** (See Section 6.2 for further details)
- **Student Travel** (See Section 6.3 for further details)
- **Subscriptions**
- **Statewide Contract Purchases** (NOT to exceed the single transaction limit) Exception: Transaction splits are allowed for SWC purchases of bulk fuel.
  - Follow this link to see a list of statewide contracts:  
<https://solutions.sciquest.com/apps/Router/Login?OrgName=Georgia>  
At the above site, sign in using the **tgmguest** user id and password.
- **Temporary Staffing Services** (**There is a mandatory statewide contract for Temporary Staffing – Administrative, Industrial, Professional and Healthcare.**)
- **Utilities** (Exception: NOT ALLOWED on a Restricted ‘R’ account)
- **WCD Monthly Charges** (See 6.4 Wireless Communication Devices - Monthly Charges) May be set up as recurring payments. Each month’s services/charge must be reviewed separately.
- **WCD Software** (**ONLY State issued and owned devices** including data plans, software, or applications “apps” for **State issued and owned devices** such as smart phones “iPhone,

Android, Blackberry” and tablets “iPads”. Note: Purchases cannot be made for personal devices even if the software is used for State business.)

## **6.1 Food/Catering**

The purchase of food with a PCard is governed by the Board of Regents Business Procedure Manual (BOR BPM) which also governs the UGA Policy on "Purchasing Food and Business Related Entertainment". The term “food” includes water and beverages. **The PCard cannot be used for the purchase of alcohol in any circumstance.** The PCard may only be used to purchase food for the purposes stated below.

See the UGA policy regarding [Food and Business Related Entertainment](#) for additional guidance.

### **Student Food**

Institutional funds may be used to purchase food for students at sanctioned student events. Students include individuals enrolled to take classes at an institution (to include students enrolled in Continuing Education) and individuals being recruited as potential students.

Examples:

1. Events and travel sponsored by recognized student groups.
2. Other campus events open to the general student body and designed to further the development in education of students.

Note:

- State travel policy per diem limits apply to food purchased for consumption by students participating in sanctioned student events.
- Documentation requirements for food purchased for student groups include:
  1. A flyer, email, agenda, or other documentation substantiating that the event was an official event.
  2. Food purchased at a restaurant or on a per person basis should include a list of participants. Signatures are required by each student only IF the group is not open to the entire campus AND the group is traveling on official school business.
  3. Meal limits outlined in the state travel policy must be followed (i.e. per diem limits)

### **Food for Instructional Uses**

The BOR BPM states food may be purchased for a class in those instances where food is an integral part of the instructional methodology.

Examples:

1. Food used in a Food and Nutrition Class
2. Food used in a Cooking Class offered by a Continuing Ed Unit

### **Food for Official Research**

The BOR BPM allows PCard purchases of food purchased for official research use as approved by an Institutional Research Board (IRB) or food that is integral to or subject of research.

Examples:

1. Food purchased to study decay
2. Food purchased to bait traps used in the research field

### **Employee Group Meals**

The BOR BPM states that employee food may be purchased with a PCard only when an employee is participating in a Group Meal as described in the UGA “Purchasing Food and Business Related Entertainment” policy or an on-campus academic program/on-campus sanctioned student event as described above. Employees include: temporary, part-time, and full-time staff, faculty, administrators, Resident Assistants (RAs), student assistants, graduate assistants, and other student workers. The following standards shall be used when deciding whether a meal may be purchased:

1. Group meals should be held only to facilitate the effective and efficient operations of the departments involved
2. Group Meals should only be provided in those instances where the meeting lasts for at least four (4) hours
3. Group meals held at the start and/or finish of a meeting are not eligible for payment under this policy
4. **Purchase of group meals should be approved by the Dean or Vice President prior to the date of the event (for non-emergency situations). The prior approval request should include:**
  - The purpose of the meeting or event;
  - A formal written agenda including session times;
  - A list of attendees with their associated departments/entities, and;
  - The expected cost of the meal per person

The approved [Employee Group Meals Request Form](#) and receipts must be maintained with the reconciled monthly billing statement as adequate documentation.

|  |
|--|
| Requests for approval of group meals should utilize the <a href="#">Employee Group Meals Request Form</a> . Employee Group Meal expenditures should be charged to object code 72770. |
|--|

5. Authorized group meal expenditures are limited to the purchase of meals only and does not include snacks
6. Meal limits outlined in the state travel policy must be followed (i.e. per diem limits)
7. Group meals for a “lunch meeting”, in which the meal and the meeting are one and the same, are prohibited for payment under this policy

## **Resellers**

Examples:

1. UGA Food Services Department
2. Georgia Center for Continuing Ed

## **Food Purchased for Use Based on Organizational Mission**

This category includes circumstances where the purchase of food is integral and necessary to the organization's mission and as such is considered supplies and materials.

Examples:

1. Child Development Lab at the McPhaul Center
2. 4-H Centers
3. R/V Savannah Research Cruises

## **Food Purchased for Conferences/Workshops**

Food and catering in relation to conferences and workshops funded by either registration fees paid by participants or by support from outside donors is considered supplies and materials for the event and is therefore an allowable use of the PCard. The majority of attendees must be non-UGA participants. In addition, the function requiring food and/or catering must be included on the agenda as an official component of the conference or workshop. A copy of the agenda should be retained with the receipts for payment of food/catering. In general, departments should contract with a caterer to provide the necessary meals and breaks. Non-catered food purchases (e.g. individual items purchased from grocery stores) must be accompanied by a written justification as to why the food was purchased outside of a catering arrangement. This justification is necessary to substantiate that there has not been personal use of food purchased. **Reminder: ALCOHOL cannot be purchased on the PCard.**

Examples:

1. Marine Extension Cafeteria and Workshops
2. Tifton Conference Center
3. Other conferences and workshops held by individual units

If food purchased falls into one of the allowable areas above, AND if funding is from a sponsored account, please remember that these food purchases are allowable only if documented in the awarded budget or approved in writing by the granting agency.

## **6.2 Study Abroad**

While traveling abroad, the PCard may be used for related Study Abroad expenses as follows:

- Student food, lodging, and travel (air fare charges are not allowable)
- Entrance fees to educational venues
- Operating expenses and supplies
- Fuel for rental vehicles

- Emergency situations (air fare allowed)

Note: No employee travel expenses (food, lodging, transportation, etc.) are allowed

PCards authorized for study abroad use are set up differently with the Bank of America; therefore, if a cardholder desires to utilize their PCard for study abroad purposes, the following information must be provided to the UGA PCard Coordinators in the form of a memorandum signed by the cardholder's Dean/VP/Department Head no less than 30 days prior to the date of travel:

1. The cardholder name
2. The program name and a brief description of the program
3. The purpose of the card (how it will be used)
4. The dates and location of travel
5. Projected expenditures

### **6.3 Student Travel**

Student travel PCard purchases are allowable for students authorized to travel for participation in academic programs and sanctioned student events. Besides the normal allowable purchases indicated in Section 6.0 of this manual, the following are also allowable:

- Student food, lodging, and travel (air fare charges are not allowable)
- Entrance fees to educational venues
- Operating Expenses and Supplies
- Fuel for rental vehicles
- Emergency situations (air fare charges allowed)

Note: No employee travel expenses (food, lodging, transportation, etc.) are allowed.

### **6.4 Wireless Communication Devices (WCD) – Monthly Charges**

Wireless Communication Devices are defined as devices that receive or send transmission for the purpose of providing business related, personal voice and text messaging communications services. Examples of WCD include, but are not limited to: cellular or PCS phones, Blackberries, Personal Digital Assistants (PDAs) with connectivity, two way radios (traditional and trunked technologies), internet services and pagers. The only monthly charges allowed are for State-issued and owned devices.

- After departmental approval has been obtained, an UGAmart requisition for WCD/cellular telephone device and/or services should be submitted to the Procurement Office. Most wireless devices and services are available under statewide contracts with carriers as noted on the Georgia Technology Authority website for wireless communication services (<http://gta.georgia.gov/wireless-communications-devices-and-services>).
- Name of employee assigned to the WCD device and the assigned cell number must be listed in the WORKS<sup>tm</sup> comments and documented with the hard copy monthly bill.



- Monthly WCD services charges must be posted to the correct object code as follows:

| Category of WCD Device                         | Object Code |
|--|-------------|
| Cellular                                       | 76932       |
| PDA (Personal Digital Assistant) or Blackberry | 76910       |
| Two-Way Pager                                  | 76930       |
| Internet Service Provider (ISP)                | 76910       |
| Pager  | 76930       |

Note: Please refer to the [UGA Wireless Communication Devices/Telecommunications Policy](#) for additional details.

**7.0 Unallowable PCard Purchases and Practices (Things I CANNOT Buy With My PCard)**

**7.1 Unallowable Purchases Include:**

- **Agency Fund Expenditures (90-xx-xxxxx-xxx)**

Note: Journal vouchers will not be approved to transfer items purchased with the PCard from one University account to an agency account or to a UGA restricted account funded by an affiliated foundation if those purchases should have been paid directly from the affiliated foundation.

- **Alcoholic Beverages and Tobacco**
- **Asbestos Removal**
- **Break Room Supplies/Appliances for Employee Use**
- **Cash Advances, Cash Refunds, or “Store Credits” held on account with the vendor**
- **Chemicals (Athens Campus Only)** (Exception: Compressed Gases are allowed on the PCard)  
Examples:
  - Hazardous Chemicals
  - Radioactive Isotopes
  - Laboratory Chemicals Governed by the [Chemical & Laboratory Safety Manual](#)
- **Construction, Infrastructure Repairs or Renovation** (NO Labor charges are allowed)
- **Decorations or Flowers for Employee or Office Use**
- **Employee Travel Vehicle Rental**
- **Entertainment (see Appendix C – Definitions)**
- **Firearms or Explosives**
- **Fuel/Gasoline, Repairs, and Maintenance of state-owned or rental vehicles**

o **Note: This restriction does not apply to auto parts for in-house use (e.g. Entity-operated repair shops)**

- **Flowers or Gifts to be given away**
- **Food/Catering** (except as authorized under Section 6.1 – Allowable Purchases)
- **Gift Cards, Gift Certificates, Debit Cards, Calling Cards, Pre-Paid Cards** or similar products and other equivalent forms of cash
- **Installment Purchases**
- **Insurance Payments**
- **Intra-University Charges** (includes all UGA campuses) Exception: UGA Bookstore and Board of Regents Software Resources and Services (SRS). These are not UGA operated units.

Examples of Unallowable Intra-University Charges:

1. CAES Conference Registration Fees
2. GA Center Conference Registration Fees
3. Food Services Campus Catering
4. Purchases from Units within the Office of Research Support Services:
  - a. Central Research Stores (CRS)
  - b. Campus Scientific Store (CSS)
  - c. Glass Blowing Shop
  - d. Instrument Design & Fabrication Shop
  - e. Laboratory Equipment Repair Shop
5. Bulldog Bucks Print & Copy Cards

- **Inventoried Equipment** (See Chart Below and Appendix C – Definitions)

| <b>CATEGORY OF ITEM/PRODUCT</b>    | <b>INVENTORIED AT \$ AMOUNT</b>     |
|------------------------------------|-------------------------------------|
| Antiques                           | Inventoried regardless of \$ amount |
| Fine Art                           | Inventoried regardless of \$ amount |
| Firearms                           | Inventoried regardless of \$ amount |
| Vehicles                           | Inventoried regardless of \$ amount |
| Audio/Visual Equipment             | \$500 or greater unit price         |
| Computer Equipment                 | \$500 or greater unit price         |
| Electronic Office Equipment        | \$500 or greater unit price         |
| Photographic Equipment             | \$500 or greater unit price         |
| Appliances for Laboratory Use      | \$3,000 or greater unit price       |
| All Other Types of Items/Equipment | \$3,000 or greater unit price       |

*Components purchased for the construction of an inventoried item may not be purchased with a PCard if the total cost of the components would cause the item to be considered inventoried i.e. purchasing components to assemble a computer that would have a total cost of \$500.00 or more.*

- **Leases**
- **Maintenance/Service Agreements** (are not allowed if they require a signed contract)
- **Meals, Lodging, Transportation and Travel Related Expenses for Employees, Prospective Employees and Guests Performing a Service for UGA** (Includes

- passport fees, travel insurance, one-time internet charges, hotel reservations.) The PCard cannot be used to hold rooms. Exceptions are listed in Section 6.1 Group Meals
- **Memberships/Dues** (Examples include, but are not limited to: Sam's, Costco, Amazon Prime, plus affiliate organizations such as NACAS, SACUBO, etc.)
  - **Payments to Individuals for Services Rendered**
  - **Professional Licenses**
  - **Personal Purchases** (even if you intend to reimburse UGA)
    - Personal purchases are defined as purchases of goods or services intended for non-work related use or use other than official State business
  - **Prizes and Awards**
  - **Professional Services**, including the professions of:
    - Certified public accountancy, architecture, chiropractic, dentistry, professional engineering, land surveying, law, psychology, medicine and surgery, optometry, osteopathy, podiatry, veterinary medicine, registered professional nursing, or harbor piloting. [As defined by O.C.G.A. 14-7-2]
  - **Recurring Charges for Privately Owned Cellular Devices**
  - **Rentals > 90 Days**
  - **Sales Tax from Vendors within the State of Georgia using Institutional Funds** (some exceptions apply to a few UGA locations outside the state of Georgia)
  - **Service/Recognition Awards** i.e. plaques or certificates
  - **Shuttles, Limo Services, and Metro Cards** (Exception: Study Abroad Accounts and Student Travel)
  - **Split Orders** (including items on statewide or agency contracts) Exception: bulk fuel
  - **Mandatory Statewide Contract Items Purchased from other than the Mandatory Statewide Contract Vendor**
  - **Trade-Ins**
  - **Water Service for Departmental Use** (monthly delivery of bottles and/or maintenance of filters)
    - Water or other hydration products for employees may be purchased via check request if these products are required by OSHA or are necessary to prevent serious harm to an employee.
  - **Wireless Communication Devices (WCD)** – i.e. PDA's with connectivity, cell phones, blackberries, iPhones, etc. See [UGA Telecommunications Policy](#) for further details.
  - **WCD Software for Non-State-Issued and Owned Devices** including data plans, software, or applications (i.e. "apps") for devices such as smart phones (e.g. iPhone, Android, Blackberry) and tablets (e.g. iPads) ONLY. Purchases CANNOT be made for personal devices even if used for State business.

## 7.2 Unallowable PCard Practices

### A. Splitting Orders

**Splitting orders/transactions with the University Purchasing Card is prohibited.** Ensure that individual transaction limits are never exceeded. Transaction splitting is

the practice of committing multiple PCard transactions to circumvent the Cardholder's one-time transaction limit, bypass University competitive bidding requirements, or avoid the card's monthly credit limit. [See Appendix C – Definitions for examples and more information regarding Split Orders].

## **B. Limitations on Vendors That Can Be Used**

Cardholders must not make PCard purchases from friends or relatives where the Cardholder has a financial interest. Additionally, the Cardholder must not accept any gift or gratuity from any source when it is offered, or appears to be offered, to influence your decision in making a PCard purchase.

The use of coupons, rebates, or rewards programs from vendors, banks, or other institutions that offer free/promotional items for the benefit of the Cardholder are not allowed when purchasing items with the PCard. Any items received as a direct result of using the PCard must be for the benefit of the University and are expected to remain on University premises. For example: An office supply vendor has a rewards program that allows a customer to earn free items based on accumulated points/dollars spent.

*Checks received through vendor rebate programs must be made payable to the University of Georgia and submitted to the University Business and Accounting Services Department at 324 Business Services Building on a [deposit transmittal form](#).*

## **C. PCard Sharing**

**Only the person named on the PCard is the authorized user. PCard sharing is prohibited and will result in immediate termination of the PCard and all PCard privileges.** PCard sharing is the practice of allowing an individual other than the cardholder whose name appears on the front of the PCard to have access to the PCard or PCard number to initiate or complete a transaction. PCard sharing increases the risk of fraud and cardholder liability.

NOTE: A written request to reinstate PCard privileges may be made by the Dean/VP/Department Head after one (1) year. The request, including a justification for reinstatement, will be evaluated and considered based on the facts and circumstances.

Additional requirements to be met:

- **Submit paperwork to include a PCard request form, Ethical Behavior Agreement form and current e-mail from HR stating that criminal background/credit checks have been cleared**
- **Letter from the CH acknowledging past violation, stating that he/she understands any future non-compliance for the same violation will result in immediate cancelation of the card and PCard privileges**
- **New training to be completed**

## **D. Sharing of login information or passwords**

The Statewide Purchasing Card Policy strictly forbids the sharing of login information or passwords. The sharing of passwords for both the pre-approval process in UGAmart and in WORKS™ for reconciliation procedures are prohibited. The delegation of review and approval authority of transactions is also strictly prohibited. Finally, if you are required to set up a business account with related login information for any vendor site, such as Amazon, sharing of that login information is also prohibited.

#### **E. Incorrect Use of Retail Sites for Statewide and Agency Contracts**

If an item must be ordered online from a statewide or agency contract vendor, please do not use the vendor's retail site if a dedicated website has been established by the vendor for special pricing offered to the University. Purchasing items from a vendor's **retail site** may not allow the University to take advantage of negotiated prices and discounts.

#### **F. Using the PCard for Personal Use**

*The use of the PCard for personal expenditures is strictly prohibited.* Cardholders who violate this rule must *immediately* report the personal use and reimburse the funds. The University is required to report the misuse, regardless of the cardholder's intent to reimburse the University, to the Board of Regents who will then forward the information to the Attorney General's office. An example would be when a cardholder includes a personal purchase with a departmental order to take advantage of free shipping or pricing discounts.

All personal use (intentional or unintentional) of the PCard must be handled by the cardholder as follows:

- ***Immediately report the purchase to the Approving Official and University Business and Accounting Services by completing the "[PCard Reporting form](#)".***
- ***Attach a memo on letterhead explaining the circumstance of what happened (including a timeline of the incident) and include a copy of the receipt and/or other supporting documentation.***
- ***Funds may be reimbursed either through a vendor credit or in full by personal check made payable to UGA along with a [deposit transmittal form](#). Please be sure to reference the applicable PCard transaction #. The personal charge must be reported even if the vendor credits the charge.***
- ***Submit the entire package to University Business and Accounting Services, 320 Business Services.***

***Multiple incidents of personal misuse may result in automatic suspension of PCard privileges for a minimum of 3 months.***

#### **G. Exceeding the Single Transaction Limit**

Every PCard has an assigned Single Transaction Limit that has been approved by the Dean/VP/Department Head. Cardholders are cautioned to avoid exceeding this limit. While this limit is embedded in the magnetic strip in the card, vendors who do not swipe the card may exceed the single transaction limit. If the cardholder allows the vendor to exceed the single transaction limit, this will be considered a violation of the PCard Manual.

## **8.0 Sponsored (Restricted) Accounts**

Sponsored accounts are grants, contracts, or other types of agreements restricted by a budget that is submitted and approved by the granting agency. Although the PCard manual sets forth criteria for allowable and unallowable purchases, Cardholders must also ensure that purchases are allowable per the terms and conditions of the project and the University's Direct Cost policies and procedures. For example, non-inventoried equipment, office furniture, subscriptions, supplies, and books are generally not allowed on Sponsored accounts without prior written approval.

Reminder: If a sponsored account is set up as the default account on the PCard, all purchases made on this card must be intended for that account **only**. The Post Award Accounting Department strongly recommends not using a sponsored account as a default account on the PCard due to the restrictive nature of these types of accounts.

When entering comments in WORKS<sup>tm</sup> for charges that appear on sponsored accounts, please be as specific as possible and state how the purchase directly relates/benefits the account to which it is being charged. In addition, *food* purchased on a sponsored account must be listed in the awarded budget or approved in writing by the granting agency. Appropriate documentation must be kept on file for audit purposes.

***Note: Comments in WORKS<sup>tm</sup> should include titles of books/periodicals. Books that normally can be found at the University Libraries are generally treated as F&A costs; therefore, a request to purchase books must be justified in order to charge the cost as a direct cost.***

Accounts should be monitored on a monthly basis to ensure all charges are allowable. Proper object code assignments and account allocations must be completed in WORKS<sup>tm</sup> prior to the date that the Accounting Department downloads the transaction into the Financial Accounting System. If a PCard charge must be moved onto a sponsored account after the charge has posted to the general ledger, the journal voucher must contain appropriate justification, per the Cost Transfer Policy and include: (1) When the error was discovered, (2) What the charge was for, (3) Why the charge was incorrectly made, and (4) How the charge specifically relates to the restricted account to which it will be transferred.

### **Related Links:**

Post Award Accounting – Financial Management: [Direct Cost Policy](#)  
Post Award Accounting – Financial Management: [Cost Transfer Policy](#)

**9.0 How to Make Purchases with Your PCard**

Only the individual to whom the card has been issued may use the card. When purchasing an item, the following procedures should be followed:

**9.1 Determine if the Purchase is Allowable**

Consult the list of allowable and unallowable purchases to determine if the purchase is allowable under PCard policy. If unsure as to whether an item or service to be purchased does or does not fall within University PCard guidelines, please contact the Lead Financial Director for the Department or one of the PCard Coordinators before making the purchase.

**9.2 Pre-Approval Procedure**

Under the statewide purchasing card policy, certain purchases require pre-approval by two approvers (Approver 1 and Approver 2). **The approvals, by both the Approver 1 and the Approver 2, must be completed prior to making the PCard transaction.** The below chart is the standard pre-approval requirements set by the statewide purchasing card policy.

| Type of Transaction            | Dollar Value             |  | PCard Use Allowed if ≤ Single Transaction Limit? | Pre-Approval Required?      |
|--------------------------------|--------------------------|--|--|-----------------------------|
| Unplanned, Non-Routine, Urgent | \$ .01 to \$1,000.00     |  | Yes  | No                          |
| Unplanned, Non-Routine, Urgent | \$1,000.01 to \$4,999.99 |  | Yes  | Yes- 2 approvals (minimum)  |
| Planned, Routine, Non-Urgent   | \$ .01 to \$4,999.99     |  | Yes  | Yes – 2 approvals (minimum) |

The definitions of Unplanned, Non-Routine and Urgent are in Appendix C of this manual. Only one of the three criteria of unplanned, non-routine or urgent must be met for a transaction to not require pre-approval, and the dollar amount of the transaction must fall within the range specified above. The only time the above pre-approval requirements may not be applicable is if the card has been identified as falling into an area that has been granted an exception under a Special Approval. Cardholders should check their card profile name in WORKS™ to ascertain if their card falls into a Special Approval area.

Furthermore, cardholders should always follow any additional internal departmental procedures in obtaining approval for the purchase. If unsure as to whether an item or service to be purchased does or does not fall within University PCard guidelines, please contact the Lead Financial Director for the Department or one of the PCard Coordinators before making the purchase. Cardholders must notify the PCard Coordinators and



Administrators and University Business and Accounting Services if they are being directed by their supervisor to execute or approve unallowable transactions. All reports will be handled without retribution.

### **9.3 Provide Vendor with Requested/Required Card Information**

Be prepared to provide the vendor with any or all of the following information: card number, name, expiration date, billing address (as listed on the monthly billing statement), Cardholder phone number, and the three digit credit card security/verification code that is located in the signature block of the card. Cardholders may also be requested to provide the corporate billing address as listed on the first page of this manual. **Ensure the PCard PIN number is known in case the vendor requires it to process the transaction.**

### **9.4 Sales Tax Exempt Status**

Inform the vendor that the University is exempt from sales tax for items shipped to the state of Georgia and for services provided within the state of Georgia. If the vendor requests a sales tax exemption certificate, one may be completed and provided to the vendor at this link: <http://www.busfin.uga.edu/forms/salestax.pdf>. The sales tax exemption policy can be found at <http://policies.uga.edu/Purchasing-and-Payment-Mechanisms/Purchase-Requests/Sales-Tax>. If you have questions about providing a sales tax exemption certificate to an external party, please email [procure@uga.edu](mailto:procure@uga.edu) for assistance.

### **9.5 Shipping Instructions**

Give the merchant detailed shipping instructions which must include the following:

1. Your Name, Department Name
2. Building, Room Number
3. Street Address
4. City, State, Zip Code
5. Cardholder's Phone Number

With the exception of semi-tractor shipments, PCard purchases should be delivered directly to the individual Cardholder's place of work; otherwise, arrangements should be made to pick up the merchandise at the vendor's place of business. The department may designate a central office within its building where all PCard purchases should be delivered. In instances where delivery must be through UGA Mail & Receiving, the Cardholder is responsible for immediately notifying UGA Mail & Receiving Services. Please note exceptions in points of delivery and types of orders per the [Receiving and Redelivery Policy](#).

### **9.6 Maintain Transaction Log**

A transaction log must be maintained for all purchases and credits. Cardholders/Reconcilers may use: 1) the UGA PCard Transaction Log (manual or excel versions), 2) the WORKS<sup>tm</sup> PCard Log reports found in the report template section of WORKS<sup>tm</sup>, but only if comments are added in WORKS<sup>tm</sup>, or 3) another format provided it contains the following information:



- Vendor's name
- Detailed description of item(s) purchased
- Date of purchase
- Date item(s) received
- Amount of the purchase (including freight)
- Name of the employee for whom the purchase was made
- Redistribution accounts
- Business purpose for the purchase
- Certification statement: *"I certify that I have made all of the listed transactions on behalf of the University and that they comply with the established procedures for using the PCard."*
- Signature/Date by the cardholder attesting to the accuracy of the log

Best practice would be to maintain the log as purchases are made. Transaction logs help to keep a running tally of monthly charges and identify outstanding transactions not yet billed on the monthly bank statement. Maintaining these logs will assist the cardholder in staying within the established purchasing limits of the card. The log may also be used to verify receipt of the correct quantity and product along with verification of billing in the correct price.

### **9.7 Ensure Adequate Documentation is Obtained and Exists**

If receipts do not provide sufficient detail to identify what the purchase is and what the business reason is for the purchase, the Cardholder should include additional details documented on the receipt, transaction log or other supporting documentation. If adequate documentation is unavailable, a Missing Receipt Affidavit form must be completed, signed, and kept on file with the monthly billing statement. A pattern of missing receipts, which is defined as more than three (3) times in one fiscal year, will result in suspension of PCard privileges for a minimum of 3 months. A copy of each missing receipt form should be forwarded to University Business and Accounting Services for tracking purposes.

### **9.8 Security**

Cardholders are responsible for safeguarding the PCard and account number at all times. To prevent unauthorized use and limit the potential for fraud, the cardholder should use basic security measures, as outlined below:

- Keep the PCard and account number in a secure location and safeguard it as if it were your own personal credit card
- If purchasing online with a vendor that you would potentially conduct personal business with, ensure you have two separate accounts with the vendor (one business account and one personal account).
- Do not loan or share the PCard with others, including co-workers within the department
- If purchasing by phone, caution the vendor to refrain from placing the PCard number on the shipping label or anywhere on the outside of the package

- Review transactions in WORKS™ in a timely manner to detect unauthorized transactions
- Review the monthly bank statements immediately upon receipt, to detect unauthorized transactions
- Before placing an order with an online merchant, make sure the site is secure before entering your account information. The URL, or web site address, should begin with *https*. A graphic, such as a lock, should appear in the bottom right corner of your browser bar
- Lost, stolen, or fraudulently used PCards must be reported to Bank of America immediately by calling the Fraud Department at **1-866-500-8262** or Customer Service at **1-888-449-2273** within 24 hours of discovering the loss, theft, or fraudulent use. The Cardholder's Approving Official and the PCard Coordinators in Procurement must also be notified *immediately* in writing. In the e-mail be sure to reference the last four digits of your current card #. Provide a brief summary of what has occurred, listing transaction details for fraudulent charge(s). After reporting the compromised card to Bank of America and the PCard Coordinators the card must be destroyed.

To aid in security, best practices to prevent fraud and misuse include NOT allowing an individual other than the Cardholder to:

- Have physical possession of the PCard to make payments to point of sale vendors;
- Have access to the PCard number and expiration date to make payments via telephone, internet, or in person;
- Have access to receipts or invoices that display the complete PCard number and expiration date.

## **9.9 Obtain Best Value**

All purchases comply with purchasing requirements of the Georgia Procurement Manual concerning Order of Precedence and Competitive Bidding. When purchasing goods and/or services, the following is the order of precedence which should be followed: mandatory statewide contracts, agency contracts, convenience statewide contracts, and then open market. After verifying that the item is not available on a statewide or agency contract, the Cardholder must utilize lowest price based on requirements, quality, and availability to obtain the maximum value of each dollar expended.

## **9.10 Utilize Minority Vendors and Small Businesses**

The Governor of Georgia has issued an Executive Order directing all agencies and institutions to increase the level of minority business participation. If you know of a minority vendor who can meet your needs at a fair and reasonable price and in a timely fashion, you are strongly encouraged to place your order using the PCard with this vendor. If you cannot locate a minority vendor, every effort should be made to issue a PCard order to a small business. If you need help identifying minority or small businesses please contact the Procurement Office or view the Procurement website for additional resources.

## **10.0 Resolve Disputes**

The Cardholder is responsible for resolving disputes with the vendor such as incorrect pricing, delivery problems, incorrect items received, damaged items, etc. *A fraudulent charge is not handled in the same manner as a dispute. See Section 9.7 for the correct method of handling fraudulent charges.*

Most disputes can be resolved by calling the vendor and having them issue a credit back to the PCard account. Never accept cash, store credits, or gift cards in lieu of a credit to the PCard account. Please contact the PCard Coordinators for guidance if a vendor insists on providing a credit in a form other than a credit back to the PCard. If the vendor fails to promptly credit your account, file a dispute with Bank of America **within sixty (60) days of the billing issue date.** Document all correspondence including dates, individuals involved, and a brief description of the problem and keep this form in your records, filed with the bank statement. If no resolution can be achieved between the Cardholder and the vendor, follow the procedures below:

- Report the dispute to Bank of America by faxing the [Dispute Form](#) to Bank of America
- Send a copy of the completed dispute form to the PCard Coordinators and the individual responsible for compiling the reconciliation package
- Add a comment in WORKS™ noting that the charge has been disputed and that either a credit is expected or that a dispute form has been faxed to the bank
- Contact the PCard Coordinators for additional assistance if Bank of America is unable to resolve a dispute
- Note: All sign offs must still occur within WORKS™. Sign off does not indicate approval of the charge provided comments are entered in WORKS™ to indicate that a dispute has been filed

|   |
|---|
| <i>Disputed transactions <b>CANNOT</b> be reported by using the “dispute” button in WORKS™.</i> |
|---|

## **11.0 Reconciliation of Billing Statements**

A reconciliation of the monthly billing statement to receipts, invoices, and other supporting documentation must occur on a monthly basis. The following steps must be completed when performing the monthly reconciliation process:

- Step 1: Compile the monthly reconciliation package. This “package”, which consists of all **original** documentation, including receipts, credits, transaction logs, records of disputed transactions and other supporting documentation must be reconciled and attached to the signed/dated transaction log and monthly billing statement issued by the bank. **Additionally, best practice is to include the UGAmart PCard pre-approval form or reference the pre-approval number.** Departments may use the suggested PCard Monthly Reconciliation Checklist to assist in completing the monthly reconciliation. The Checklist is available under PCard Information at the following website: [http://busfin.uga.edu/procurement/p\\_card/](http://busfin.uga.edu/procurement/p_card/)
- Step 2: The Cardholder must review the reconciliation package and sign and date the monthly billing statement to indicate that a review of the reconciliation package has been conducted. The reconciliation package must be submitted to an Approving Official in a timely manner so that the package can be reviewed and approved by the Approving Official.

- Step 3: A proprietary review of each Cardholder's transactions must occur to ensure that the purchase was reasonable, appropriate and necessary while also in compliance with PCard rules and regulations. **This review should be completed by one of the two Approving Officials as they are responsible** for ensuring that a propriety review has been conducted. It is recommended that the individual conducting the proprietary review either note the review in WORKS™ as a comment or sign the monthly reconciled billing statement to indicate that the proprietary review has been performed.
- Step 4: The Approving Official must review the reconciled billing package on a monthly basis. This review must be evidenced by a signature of the Approving Official on the Bank of America statement for the assigned cardholder.
- Step 5: A designated individual must retain the reconciled billing package signed by the Cardholder and Approving Official for a period of seven (7) years or if a sponsored account is involved for the life of the contract/grant plus an additional seven (7) years. **The reconciled billing statement and supporting documentation cannot be retained by the Cardholder.**

*Per Georgia law, Cardholders are required to personally reimburse the University for any purchase not appropriately documented. Per BOR BPM, Approving Officials may also be required to reimburse the University if the Approving Official approved an undocumented purchase. [See Appendix C- Definitions for additional information regarding "Adequate Documentation"].*

## **12.0 Departmental Roles/Duties within the PCard Program**

There are three mandatory roles listed below that must be assigned for each PCard. Each role has mandatory duties associated with that role. **Please note that the Approver 1 or Approver 2 and the Dean/VP/Department Head may be the same individual. However, the Approver 1 and the Approver 2 must be different individuals.**

### **Cardholder**

This role is assigned by the Dean/VP/Department Head. The Cardholder is the individual to whom the PCard is issued. All cardholders must be permanent, part-time or full-time, employees of the University whose job duties require the use of a PCard. Cards are issued to individual employees and never to a specific department or division. No more than one (1) card may be issued to an employee. **Note: The Cardholder must never be his/her own "approving official".**

### **Mandatory Duties of the Cardholder:**

- Attend initial training **and complete an exam** prior to receipt of a new PCard
- Complete refresher training annually or as often as directed by the Procurement Office
- Record each transaction on a transaction log (See Section 9.5 Maintain Transaction Log)

- Ensure that merchants do not charge tax, or provides a credit for inadvertent charges
- Provide adequate documentation (See Appendix C – Definitions) for each transaction and attach the documentation to the reconciled monthly billing statement or provide to the Reconciler for inclusion with the monthly billing statement.
- Sign and date both the transaction log and the monthly reconciled billing statement (Note: Transaction logs from WORKS™ do not require cardholder signature; however you must ensure that comments exist for each transaction reflected on the billing statement.)
- If a personal charge has accidentally been made on the PCard, the charge must *immediately* be reported to the University Business and Accounting Services Office and funds reimbursed either through a vendor credit or in full by personal check made payable to the University of Georgia from the Cardholder. (See Section 7.2, Subsection E). The personal charge MUST be reported even when the vendor credits the charge.
- If cash or checks are received by the department as refunds, these funds must be submitted to University Business and Accounting Services to deposit. Please be sure to reference the applicable PCard transaction number.

If terminating employment with the University or transferring to another department, the Cardholder must notify the Approving Officials, Dean/VP/Department Head, and the PCard Coordinators in Procurement in writing and turn in the PCard ***immediately*** to one of these individuals, **who will be responsible for destruction of the card.**

### **Dean/VP/Department Head**

This role has sole authority for assignment of PCards and roles. This responsibility to assign cards and roles may not be delegated (even to those individuals holding signature authority). The Dean/VP/Department Head has overall budgetary responsibility for the department's PCard program and is responsible for following sound business practices. The Dean/VP/Department Head approves the issuance of new cards which includes setting the single transaction and monthly credit limits. This individual also assigns PCard roles to employees within the department, balancing control and operating convenience in those designations. The Dean/VP/Department Head may also act as an Approving Official.

Please note: Contact one of the PCard Coordinators in Procurement or someone in the Budget Division if guidance is needed in determining who should serve as the Department Head for your unit. Department Head assignments are identified through information derived from the Budget system.

### **Mandatory Duties of the Dean/VP/Department Head:**

- Complete refresher training annually or as often as directed by the Procurement Office
- Approve and Monitor the Issuance of PCards:
  - Approve new PCard requests via the *New PCard Request Form* to establish cardholder single transaction/monthly credit limits and default accounts. Ensure that only permanent, part-time or full-time, employees whose duties require purchasing card use are issued PCards
  - For every PCard issued, assign an Approver 1 who acts in a supervisory capacity to the cardholder (Please refer to Appendix C – Definitions for definition of supervisory capacity).

- For every PCard issued, assign an Approver 2 to the cardholder. It is recommended that the Approver 2 hold a fiscally responsible role within the cardholder's department/unit.
- Assign an individual to act as a Reconciler, if the cardholder will not act as their own Reconciler. There may only be one reconciler assigned per card (i.e. a reconciler can be assigned to multiple cards, but only one reconciler is permitted per card.)
- No less than annually, assess the continuing business need for each card issued within the department.
- Re-evaluate transaction and spending limits no less than annually.
- Approve all PCard changes as needed using the [PCard Change Request Form](#). This form addresses permanent changes to a PCard's single transaction limit and/or monthly credit limit, PCard cancellations, changes to default account, and all PCard related role assignment changes for approving officials, facilitators, and Dean/VP/Department Head. This includes changes necessitated by an employee moving to a new department or an employee leaving the University. (Please note that temporary changes to a PCard's single transaction limit and/or monthly credit limit are handled via a different form – reference the Other Mandatory Duties/Functions section of this manual.)
- Ensure Monthly Review and Segregation of Duties:
  - Assign a knowledgeable individual acting in a supervisory capacity to the cardholder as the Approver 1 for each card. Sufficient internal controls must be established and implemented to ensure that this knowledgeable individual reviews the statement, transaction logs, receipts and other supporting documentation for approval in a timely manner during regularly scheduled billing cycles.
  - **It is recommended that Approver 1s and 2s not be responsible for reviewing more than ten (10) PCards at one time.** If an Approver 1 or 2 is responsible for reviewing more than ten (10) cards, the Dean/VP/Department Head may request an exception to this policy from the Procurement Office, provided appropriate justification is received.
- Establish and Maintain Internal Controls\*:
  - Administrators (and all levels of management) are responsible for the prevention and detection of instances of fiscal irregularities and related misconduct. In addition, administrators are expected to recognize risks and exposures inherent in their area of responsibility and to be aware of indications of fraud and related misconduct. [Administrator = Dean/VP/Department Head]
  - Administrators should ensure that they and their staff receive adequate fiscal management training for their level of responsibility. [Administrator = Dean/VP/Department Head]
  - Administrators, faculty and staff who know or suspect that other employees are engaged in theft, fraud, embezzlement, fiscal misconduct or violation of University financial policies have a responsibility to report it to their supervisor and University Business and Accounting Services. [Administrator = Dean/VP/Department Head]

|  |
|--|
| <a href="#">Link to UGA's Fraud Policy</a> |
|--|

### **Approving Officials (Approver 1 and Approver 2)**



The Dean/VP/Department Head must assign two individuals as Approving Officials. The Approver 1 must be acting in a supervisory capacity to the Cardholder, and it is recommended that the Approver 2 serve as a fiscal approval by someone who holds fiscal responsibility within the cardholder's unit. 2) (Please refer to Appendix C for the definition of supervisory capacity). One of the two approving officials must have the knowledge that the PCard transaction is reasonable in expense, legitimate, necessary and appropriate. An exception to the Approver 1 serving in a supervisory capacity may be granted by UGA's PCard Program Administrator but will require the Dean/VP/Department Head to confirm that the non-supervisory approver or the Approver 2 has the required knowledge of the expense being reasonable, legitimate, necessary and appropriate. **Once these roles are assigned, the duties of this position may not be delegated.** Note: The Approving Officials may also be the Dean/VP/Department Head and may perform other mandatory functions associated with PCards.

**Mandatory Duties of Both Approving Officials, unless noted otherwise:**

- Attend initial training and complete an exam prior to assuming the role of Approving Official
  - Complete refresher training annually or as often as directed by the Procurement Office
  - Approver 1 - Review the PCard purchases of assigned Cardholders on a regular basis (recommend at least weekly) to verify that all transactions were properly authorized and that a propriety review was conducted to ensure that charges were appropriate and directly related to University business as well as sufficiently supported with documentation that describes the nature and purpose of each transaction. Evidence that a propriety review has been conducted should be documented on the monthly billing statement with a signature or with comments added in WORKS™.
- Sufficient documentation and description generally means that an external reviewer, with access only to the statement and supporting documentation, could identify the following:
- Detailed list of item(s) purchased
  - Intended business use of items purchased
  - Date and amount of the purchase
  - Vendor name
- Ensure that the Cardholder has signed and dated the monthly billing statement and any non-WORKS™ generated transaction log. (Approver 1 or Approver 2)
  - Sign the bank statement to show evidence that a reconciliation and review of transactions has been completed. Ensure that the transaction log and supporting documentation which includes receipts, invoices, and dispute forms are attached to the signed bank statement. (Approver 1 or Approver 2)
  - Identify any policy violations and discuss with the Cardholder to provide additional instruction. If a violation occurs (even if unintentional or if a credit was received), an Approving Official must report the situation in writing by submitting the completed PCard Reporting Form to University Business and Accounting Services for personal misuse or to a PCard Coordinator for all other violations. Please be sure to forward a copy to the Dean/VP/Department Head.
  - If the Cardholder is no longer employed at the University or has transferred to a new department, the Approver 1 is responsible for ensuring that:

1. The PCard has been surrendered and destroyed

2. Emailing the PCard Coordinators in Procurement with the effective date of transfer or effective date of unemployment. In the case of the cardholder leaving the University notification should be provided immediately.
3. All transactions have been signed off in WORKS™
4. Adequate documentation exists for each transaction
5. A final reconciled monthly billing statement is on file.

If desired, the Approving Official may also monitor PCard purchases on a more frequent basis in the WORKS™ program. Please contact the PCard Coordinators for assistance in setting up “view only” access in WORKS™.

*Note: Per O.C.G.A. and BOR BPM, Responsibility for individual purchases rests with the individual cardholder making the purchase **AND** the Approving Official who approves the purchase.*

### **Other Mandatory Duties/Functions**

The following duties/functions listed below must be performed. They should be performed by the individual designated on the “New PCard Request Form” or UGA’s approved PCard plan. Some duties may be limited to certain roles, which will be indicated after the duty. In order to ensure that transactions are recorded correctly and reviewed in a timely manner, the person completing these duties must perform the following:

### **CHANGES IN SINGLE TRANSACTION LIMITS OR MONTHLY CYCLE (CREDIT) LIMITS:**

Temporary Changes in single transaction limits and monthly credit/cycle limits must be requested via the Temporary Changes to Spending Limits Form. The form must be signed by the Dean/VP/Department Head or by the Approver 1 or Approver 2.

Permanent Changes in single transaction limits and/or monthly credit/cycle limits must be requested via the PCard Change Request Form. This form must be signed by the Dean/VP/Department Head. (See Mandatory Duties of Dean/VP/Department Head section of this manual).

### **WORKS™ DUTIES:**

- Complete refresher training annually or as often as directed by the Procurement Office
- Enter detailed comments in WORKS™ that describe the item/service purchased including the reason for the purchase. The website for logging in to WORKS™ is <https://payment2.works.com/works/> (Cardholder or Reconciler must enter initial comments, and Approver 1 and/or 2 may enter additional comments)
- Change default account code in WORKS™ (if necessary)
- Allocate the object code in WORKS™. The account and object code must be allocated by the 2<sup>nd</sup> Monday following each transaction’s posting date.



- Object Codes are listed in the GL Assistant area of WORKS™ and are also available on the [Procurement Website](http://busfin.uga.edu/procurement/p_card/) under PCard Information at [http://busfin.uga.edu/procurement/p\\_card/](http://busfin.uga.edu/procurement/p_card/).
- If you need guidance regarding particular object codes to use, please contact the staff in the Accounting Department or Travel and Encumbrances.
- Perform first level of sign off in WORKS™ (**limited to Cardholder or Reconciler**)
  - Approve transactions in WORKS™ in a timely manner so that the individual performing the second level of sign off has sufficient time to approve each transaction before the Accounting Department downloads transactions into the Financial Accounting System.
- Perform second level of sign off in WORKS™ (**limited to Approver or Approver 2 or Dean/VP/Department Head**)
  - Review transactions in WORKS™ in a timely manner to ensure that all charges are for legitimate University business purposes.
  - Add additional comments to a Cardholder transaction if necessary. If additional details are needed to determine what was purchased or understand the business purpose of the purchase, the individual may “flag” a transaction and send it back to the first level sign off for updates or corrections. The individual performing the second level of sign off is responsible for verifying that all Cardholders are adding detailed comments in WORKS™ to indicate what was purchased and why that item was needed.
  - Second level review must be completed by someone other than the cardholder or Reconciler.
  - Reminder: Funds are refreshed at beginning of next billing cycle only **IF** second sign off occurs. Each billing cycle begins on the 27<sup>th</sup> day of every month.

#### **PAPER DUTIES:**

- Reconcile the monthly bank statement to the signed transaction log, receipts, invoices and other supporting documentation. (See Section 11.0 Reconciliation of Billing Statements)
- Ensure that a proprietary review has occurred and is documented. A proprietary review indicates that the purchase was reasonable, appropriate and necessary while also in compliance with PCard rules and regulations.
- Retain the reconciliation package (complete reconciled monthly billing statement with signatures and attached documentation) for a period of seven (7) years or if a sponsored account is involved for the life of the contract/grant plus an additional seven (7) years. **The reconciled monthly billing statement cannot be retained by the Cardholder.**

Reallocation of account numbers, object code allocation, and sign offs must be completed no later than the **second Monday following the transaction date**. Once a transaction has been swept and downloaded into the Financial Accounting System, any reallocation to another account in WORKS™ will not change how that transaction is reported on the General Ledger.

### **13.0 Compliance - Administration, Reviews and Violations**

#### **13.1 Program Administration**

The Procurement Office is responsible for the overall administration of the PCard program. Administrative roles within the PCard program include: UGA's PCard Program Administrator, Assistant PCard Program Administrator, and two PCard Coordinators within the Procurement Department, plus an Accounting Analyst in the Accounting Department. UGA is required to perform a review of spending limits at least annually in order to determine if each cardholder's spending limits are both adequate and appropriate. Please refer to the table in Appendix A for a list of the responsibilities and duties assigned for each PCard Administrative role.

### **13.2 University Business and Accounting Services Review**

University Business and Accounting Services will conduct random post-audit reviews and compliance inspections of PCard transactions to ensure compliance with all PCard policies and procedures and identify improper use of the PCard such as unallowable purchases, purchases in excess of single transaction limits, split-orders, payment of sales tax, purchases from "high risk" vendors, excessive purchasing activity, etc. Inactive accounts (those with little or no activity over the past 12 months) will also be reviewed and may be deactivated or canceled to meet State of Georgia and Board of Regents guidelines. The PCard Administrators and/or Coordinators will discuss the status of inactive accounts with Approving Officials or Dean/VP/Department Head prior to deactivation or cancellation. Statistics regarding PCard compliance will be provided to the Controller and the Internal Audit Division on a routine basis.

The individual assigned the responsibility for retaining PCard documentation must submit receipts and any other supporting documentation upon request. Providing detailed comments in WORKS<sup>tm</sup> and submitting documentation as quickly as possible will help to facilitate this review process.

Failure to provide documentation i.e. invoice, receipt or other supporting documentation detailing specific transactions may result in the cancellation or restriction of a department's PCard privileges. Per Georgia law: Cardholders will be required to reimburse the University for purchases that have not been appropriately documented. In addition, per BOR BPM: Approving officials may also be required to reimburse the university if the approving official approved the purchase.

### **13.3 Internal Audit Review**

Internal Audit will on a periodic basis perform testing of individual transactions for PCard compliance.

## **14.0 Violations, Fraud, Waste and Abuse (See Appendix C- Definitions)**

### **14.1 Violations and Written Notices**

Violations of rules governing the use of PCards can be the result of non-compliance with policy or procedure or can be as severe as misuse which could result in disciplinary actions up to and including employment termination and civil and criminal charges. Chart 1 in Appendix B outlines descriptions of misuse and non-compliance, the specific violation of

law or policy, and the resulting consequences. See Chart 2 in Appendix B for examples of non-compliance.

In the case of intentional fraud by the cardholder, please be aware that Bank of America will provide corporate liability protection under Visa®'s Liability Protection Coverage; however, certain conditions apply. The principal condition is that the employee has been terminated and Bank of America is notified of the termination within TWO (2) DAYS of its occurrence. **The Dean/VP/Department Head or Approving Official must contact University Business and Accounting Services and the Procurement PCard Program Administrators and Coordinators immediately when an employee has been terminated as a result of PCard misuse including, but not limited to, fraudulent PCard activities.**

All Cardholders, Approving Officials, and employees involved in the administration of the University's PCard program should be familiar with O.C.G.A. 50-5-80 and 50-5-83 which outlines specific requirements of PCard programs and civil and criminal penalties for misuse.

Chart 1 in Appendix B indicates the incidences that will be reported to the Board of Regents who will then forward the information to the State Attorney General's office. The decision whether to prosecute a case rests with the State Attorney General's Office.

#### **14.2 Detection and Prevention of Fraud**

The University is responsible for ensuring that the institution's assets are safeguarded from fraud, waste, and abuse. The State of Georgia and the University will seek restitution for any inappropriate charges made to the PCard. Fraudulent or intentional misuse of the card will result in revocation of the card and/or possible criminal charges, including termination. O.C.G.A 50-5-80 states: "It shall be unlawful for any person to obtain for his or her own personal benefit, or for the benefit of any other person, any goods, services or other things of value, through any resource or method established pursuant to this article, including, but not limited to, purchase orders, government contracts, credit cards, charge cards, or debit cards. It furthermore states:

- a) That any person who knowingly uses state funds for personal purchases under \$500 is guilty of a misdemeanor. In addition to the foregoing criminal penalties, any such person shall also be subject to immediate termination of state employment and shall owe restitution to the state equal to the amount of such unlawful purchases, plus interest to be assessed at a rate of 12 percent per annum to be calculated from the date each unlawful purchase was made.
- b) A person who knowingly uses states funds for personal purchases of \$500 or more is guilty of a felony punishable by one to 20 years in prison and a fine not to exceed \$50,000.00 or triple the amount of such unlawful purchases, whichever is greater. In addition to the foregoing criminal penalties, any such person shall also be subject to immediate termination of state employment and shall owe restitution equal to the amount of such unlawful purchases, plus interest to be assessed at a rate of 12 percent per annum to be calculated from the date each such unlawful purchase was made.
- c) Supervisors or other approving officials who knowingly, or through willful neglect, approve personal or fraudulent purchases are subject to the same penalties and disciplinary actions as those making the purchases.

For example purposes, the above includes, but is not limited to:

1. Using a purchasing card for personal gain;
2. Purchasing items on such purchasing card that are not authorized for purchase by such employee;
3. Purchasing items in violation of this Code section; or
4. Retaining for such employee's personal use a rebate or refund from a vendor, bank, or other financial institution for a purchase or the use of a purchasing card

Several avenues exist for the reporting of possible PCard fraud, abuse or misuse.

These avenues are:

A. The University Hotline

In cooperation with the Board of Regents, the University has established a hotline as one way through which faculty and staff may report apparent incidents of wrongdoing on campus that need to be addressed. If you wish to make a report through the University hotline, you can call 1-877-516-3467. The University hotline is anonymous, independently operated and is available 24 hours a day, 7 days a week.

You may wish to report incidents online through the following website:

<https://uga.alertline.com/gcs/welcome>

B. Reporting through the University

In lieu of using the above hotline, The University of Georgia's existing procedures will remain in place for anyone wishing to pursue reports or complaints through established channels. You can continue to report improper activities through your supervisor, or to the office charged with the responsibility for ensuring compliance with a specific policy.

If you wish to make a report through the University, you should contact one of the following offices in regards to PCard abuse, fraud or misuse:

University Business & Accounting Services: 706-542-6860

Internal Auditing Division: 706-542-1494

Office of Legal Affairs: 706-542-0006

# APPENDIX A

## PCARD ADMINISTRATIVE ROLES AND RESPONSIBILITIES

| PCard Administrative Tasks   | PCard Responsibility                              |
|--|---|
| <b>Cardholder Data</b>   |   |
| Order PCards and Cancel PCards from Bank of America  | PCard Coordinators/Administrators                 |
| Track hierarchy of cards/approvals   | PCard Coordinators/Administrators                 |
| Assist departments in reviewing Cardholder spending levels   | PCard Coordinators/Administrators                 |
| Help Desk  | PCard Coordinators/Administrators                 |
| Liaison with Bank of America   | PCard Coordinators/Administrators                 |
| Cancel/Revoke PCards (if necessary)  | PCard Coordinators/Administrators                 |
| <b>Training /Communication</b>   |   |
| Training Classes   | PCard Coordinators/Administrators                 |
| Test Administration  | PCard Coordinators/Administrators                 |
| Campus Forums  | PCard Coordinators/Administrators                 |
| Maintain Policies and Procedures Manual  | PCard Coordinators/Administrators                 |
| Notices to Campus (via listserv and WORKS™)  | PCard Coordinators/Administrators                 |
| <b>Accounting Issues</b>   |   |
| Edit Accounting download for expired or over-drafted accounts  | Accountant  |
| Post transactions to the general ledger  | Accountant  |
| Add new accounts into the WORKS™ Payment Manager   | Accountant  |
| Update access to view accounts in WORKS™   | PCard Coordinators/Administrators                 |
| Receive checks for personal purchases  | Business & Accounting Services                    |
| Receive and deposit checks for vendor rebates  | Accountant  |
| <b>Violations</b>  |   |
| Analyze transactional data in WORKS™ and identify potential violations   | Accountant  |
| Report cases of terminating employees as a result of the cardholder committing fraud within TWO DAYS to Bank of America                                  | PCard Coordinators/Administrators                 |
| Request documentation for transactions identified in WORKS™ review   | Accountant  |
| Analyze Restricted accounts (federal and federal flow-thru only)   | Post Award Accounting                             |
| Issue Notices of Non-Compliance  | PCard Coordinators and Administrators/Accountant  |
| Track and Report Misuse and Non-Compliance:<br>Personal misuse is self-reported to Accountant<br>Other violations are reported to the PCard Coordinators | PCard Coordinators and Administrators /Accountant |
| <b>Compliance</b>  |   |
| Annual Review of Policies and Procedures for Compliance  | PCard Coordinators and Administrators /Accountant |
| Conduct random audits and analyses of transactions   | PCard Coordinators and Administrators /Accountant |
| Documentation of Internal Controls   | PCard Coordinators and Administrators /Accountant |

# APPENDIX B

## CHART 1 – CONSEQUENCES OF NON-COMPLIANCE

| PCard Misuse or Policy Non-Compliance  | Law/Policy Reference                      | Consequences   |
|--|---|--|
| Intentional use of PCard for personal gain   | Misuse under O.C. G.A 50-5-80 and 50-5-83 | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR.</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>   |
| Unintentional use of PCard for personal gain   | Misuse under O.C.G.A. 50-5-80 and 50-5-83 | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR. (UGA will provide facts of unintentional actions)</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol> |
| Purchases items with PCard that are not authorized for purchase by the cardholder (Example: purchasing items not authorized by approving official) | Misuse under O.C.G.A. 50-5-83             | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR.</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>   |
| Retains a rebate or refund from vendor, bank or other financial institution for personal use   | Misuse under O.C.G.A. 50-5-83             | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR.</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>   |
| Use the PCard for purchases over \$5,000   | Misuse under O.C.G.A. 50-5-83             | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR.</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>   |
| Purchases gift cards, alcoholic beverages, tobacco products or personal items that are not job related   | Misuse under O.C.G.A. 50-5-83             | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR.</li> <li>2. Decision to prosecute rests with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>   |

| PCard Misuse or Policy Non-Compliance  | Law/Policy Reference   | Consequences  |
|--|--|---|
| Any person, including a supervisor/Approving Official, who knowingly, intentionally, willfully, wantonly, or recklessly allows or conspires with cardholder on actions noted above | Misuse under O.C.G.A. 50-5-80 and 50-5-83  | <ol style="list-style-type: none"> <li>1. UGA Reports to BOR</li> <li>2. Decision to prosecute rest with AG.</li> <li>3. Employee is subject to immediate termination of employment and civil/criminal penalties.</li> <li>4. UGA issues notice of non-compliance.*</li> </ol>  |
| Purchases items from friends or relatives where the cardholder has a financial interest  | State Conflict of Interest Statutes O.C.G.A 45-10-20 through 45-10-70 and BOR Policies 8.2.15.1 through 8.2.15.3 | <ol style="list-style-type: none"> <li>1. Instance is reported to UGA Office of Legal Affairs for resolution.</li> <li>2. UGA issues notice of non-compliance.*</li> </ol>  |
| Cardholder fails to maintain receipts and adequate documentation of purchase   | Requirement per O.C.G.A 50-5-83, BOR Procedures, and Section 9.6 of UGA PCard Manual                             | <ol style="list-style-type: none"> <li>1. Employee must personally repay the amount of the purchase. Per BOR Policy, if the Approving Official authorized the undocumented purchase, the Approving Official could also be required to repay the undocumented purchase.</li> <li>2. UGA issues notice of non-compliance.*</li> </ol> |
| PCard Sharing  | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.2  | <ol style="list-style-type: none"> <li>1. Automatic card cancellation and revocation of PCard privileges for one (1) year. Reinstatement is possible, see section 7.2.C</li> <li>2. UGA issues notice of revocation to cardholder, Approving Official and Dean/VP/Department Head.</li> </ol>                                       |
| Failure to complete refresher training within the designated time frame  | Non-Compliance with UGA PCard Manual Section 4.2   | Temporary loss of PCard privileges until training completed and possible disciplinary action.   |
| <p>Habitual use of the Missing Receipts Affidavit as opposed to maintenance of receipts</p> <p>Note: Habitual use is defined as more than three (3) times in one fiscal year</p>   | Non-Compliance with BOR Procedures and UGA PCard Manual Section 9.6  | <ol style="list-style-type: none"> <li>1. Automatic suspension of PCard privileges.</li> <li>2. UGA issues notice of revocation to cardholder, Approving Official and Dean/VP/Department Head.</li> <li>3. May also require personal reimbursement by the cardholder and/or approver.</li> </ol>                                    |
|  |  |   |

| PCard Misuse or Policy Non-Compliance   | Law/Policy Reference  | Consequences                          |
|---|---|---------------------------------------|
| Cardholder fails to maintain transaction log  | Requirement per O.C.G.A 50-5-83, BOR Procedures, and Section 9.5 of UGA PCard Manual          | UGA issues notice of non-compliance.* |
| Supervisory personnel fail to review and approve PCard transactions                                   | Requirement under O.C.G.A. 50-5-83, BOR procedures, and Section 11.0 of the UGA PCard Manual. | UGA issues notice of non-compliance.* |
| Cardholder fails to review the reconciliation package and sign and date the monthly billing statement | Section 11.0 of the UGA PCard Manual  | UGA issues notice of non-compliance.* |
| Purchases Food that is not allowed under the PCard Manual   | Non-Compliance with BOR Procedures and UGA PCard Manual Section 6.1                           | UGA issues notice of non-compliance.* |
| Entertainment Expenses  | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.1                           | UGA issues notice of non-compliance.* |
| Cash advances, cash refunds, or store "credits" held on account with the vendor                       | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.1                           | UGA issues notice of non-compliance.* |
| Purchases made using Agency Funds   | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.1                           | UGA issues notice of non-compliance.* |
| Intra-University Charges  | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.1                           | UGA issues notice of non-compliance.* |



| PCard Misuse or Policy Non-Compliance  | Law/Policy Reference   | Consequences                          |
|--|--|---------------------------------------|
| Split Purchases to circumvent single transaction limits and competitive bidding thresholds (including splits against Statewide and Agency Contracts with the exception of bulk fuel) | Non-Compliance with BOR Procedures and UGA PCard Manual Sections 7.1 and 7.2 | UGA issues notice of non-compliance.* |
| PCard transactions for Professional Services   | Non-Compliance with BOR Procedures and UGA PCard Manual Section 7.1          | UGA issues notice of non-compliance.* |
| Purchases inventoried equipment on the PCard   | Non-Compliance with UGA PCard Manual Section 7.1                             | UGA issues notice of non-compliance.* |
| Purchases allowable on institutional funds but unallowable on the PCard per the PCard Manual   | Non-Compliance with UGA PCard Manual Sections 2.0 and 5.2                    | UGA issues notice of non-compliance.* |
| Uses a non-contract vendor for items available under a Statewide or Agency contract  | Non-Compliance with UGA PCard Manual Section 7.1                             | UGA issues notice of non-compliance.* |
| Exceeds the single transaction limit   | Non-Compliance with UGA PCard Manual Section 7.2                             | UGA issues notice of non-compliance.* |
| Uses the PCard for purchases without obtaining required pre-approval   | Non-Compliance with UGA PCard Manual Section 9.2                             | UGA issues notice of non-compliance.* |

\* All UGA notices of non-compliance will be addressed to the cardholder and copied to the Approver 1, Approver 2, and the Dean/VP/Department Head, plus any Reconciler assigned to the cardholder. Receipt of five (5) UGA notices of non-compliance may result in additional required training, on-site reviews, loss of PCard and possible disciplinary action, up to and including termination of employment.

# APPENDIX B

## CHART 2 – EXAMPLES OF NON-COMPLIANCE

| NON-COMPLIANCE TO PCARD MANUAL   | EXAMPLE   |
|--|---|
| Purchased inventoried equipment on the PCard   | Use of a card to purchase an item such as a camera, TV, computer, printer, projector at \$500 per unit or greater   |
| Exceeded the single transaction limit  | Use of a card with a single transaction limit of \$500 to purchase an item that costs \$600   |
| Unintentional Use of the PCard for personal purchases  | Use of a card to purchase a non-business item by mistake (Cardholder inadvertently selected the PCard from their wallet instead of their personal card).<br><b>Purchases of this nature should be <u>rare</u> and must be reported immediately to your Approving Official, Dean/VP/Department Head, Business &amp; Accounting Services and to the Procurement Coordinators.</b> |
| Purchased items that are allowable on institutional funds but unallowable on the PCard   | Card is used to purchase items such as laboratory chemicals, construction services, landscaping, memberships, etc. that are not allowed on the PCard  |
| Split purchases in order to circumvent transaction limits  | A card with a single transaction limit of \$2,499 is charged twice for \$2,000 to purchase an item that costs \$4,000   |
| Initiated intra-university charges on the PCard  | A card is used to purchase supplies from Central Research Stores.   |
| <p><b>Receipt of five (5) UGA notices of non-compliance may result in:</b></p> <ol style="list-style-type: none"> <li>1) Additional training</li> <li>2) On-site reviews</li> <li>3) Loss of PCard privileges for up to one (1) year</li> <li>4) Disciplinary action, up to and including termination of employment</li> </ol> |   |
| <p><i>Note: A written request to reinstate PCard privileges may be made by the Dean/VP/Department Head after one (1) year. The request, including a justification for reinstatement, will be evaluated and considered based on the facts and circumstances.</i></p>  |   |

# APPENDIX C

## DEFINITIONS

**Non-Routine** – is defined as commonplace tasks, chores or duties done irregularly or at sporadic intervals. Not a monthly or standard recurrence.

**Unplanned** – is defined as not anticipated or known in advance.

Unplanned, non-routine purchases are expenses that are not expected in advance or are irregular in the standard course of the University's normal operation. These instances could include, but are not limited to, a part needed due to a plumbing emergency, services needed for a repair, fans needed during an HVAC outage, a tool needed for an immediate repair, and repair/replacement of a lock.

**Urgent** – is defined as compelling or requiring immediate action or attention; imperative; pressing. (Note: Lack of planning does not constitute an urgency).

### **Approver**

Each cardholder will have two approvers assigned to them. The Approver 1 is the supervisor to whom the Cardholder reports or an individual in the Cardholder's supervisory chain. The Approver 1 will authorize the purchase of supplies and services. Two approvers are required before a purchase is made. It is recommended that the Approver 2 hold a fiscally responsible role within the cardholder's department/unit. Approvers also participate in the reconciliation of Cardholder accounts, ensuring proper procedures are followed when purchasing supplies or services and verifying the information is properly reconciled after the Reconciler has completed the reconciliation of the transactions. **Policy prohibits a subordinate from acting as an Approver in any phase of the transaction.**

**Chief Financial Officer (CFO)** – within the University of Georgia, the Vice President for Finance and Administration is considered as the CFO.

### **Adequate Documentation**

As defined by the BOR BPM (Section 3.3.7, subsection 8): Cardholders must retain receipts for all purchases made on the PCard. The receipt should include vendor name, transaction amount, date, and an itemized list of items purchased. Copies or facsimiles of the original receipt may be acceptable if the original is not available. A screen-print or order confirmation email is required when making internet purchases, or a copy of an order-form that was mailed to a vendor to request an item. The screen print/order confirmation must include the shipping date and be signed as received. Receipts and supporting documentation shall be made available as needed for audit or review.

Certain allowable food purchases require the following additional adequate documentation: If food is purchased for a group event, documentation should include a flyer, email, agenda, or other documentation substantiating that the event was an official event. Food purchased at a restaurant or on a per person basis should include a list of participants.

## **Entertainment**

The University of Georgia is consistent with federal policy and defines entertainment as “those costs of entertainment, including amusement, diversion, and social activities and any costs directly associated with such costs (such as tickets to shows or sports events, meals, lodging, rentals, transportation, and gratuities).

For purposes of this PCard Manual, entertainment is considered personal entertainment. If entertainment is offered to a group as part of an official University sanctioned event which is integral to the programmatic mission of the unit conducting the activity, the expenses are an allowable PCard purchase. Examples include: summer camp activities, student organizations, instructional and educational activities including UGA and other students or non-students as appropriate per the activity.

## **Violations, Fraud, Waste, Abuse, and Misuse**

Violations are defined as and include non-compliance with policy or procedure or actions as severe as misuse.

As defined in the Statewide Purchasing Card Policy, fraud is wrongful or criminal deception intended to result in financial or personal gain. As defined by BOR BPM Section 16.4.1, fraud can be defined as a false representation of a matter of fact that is intended to deceive another. A fraudulent act may be illegal, unethical, improper, or dishonest and may include, but is not necessarily limited to:

- Alteration or falsification of documents
- Conflict of interest
- False claims
- **Intentional misrepresentation** of facts
- Inappropriate use of computer systems, including hacking and software piracy
- Bribery or kickbacks
- Embezzlement
- Misappropriation
- Theft of any asset

A fraudulent act may have criminal and/or civil law consequences. The Internal Audit department is not required to use a determination by a criminal justice authority to criminally prosecute as the basis for determining whether an act is fraudulent. It is the internal determination of the above criteria that defines an act as fraudulent under this policy.

Waste is the expenditure or allocation of resources in excess of need that is often extravagant or careless.

As defined in the Statewide Purchasing Card Policy, card abuse is use of the card for non-State business use purchases (personal purchases). Additionally, card misuse is defined as the use of the card for legitimate purchases but for good or services that are prohibited by State or internal policy (e.g., purchase of fuel for a State vehicle).

## **Inventoried Equipment**

Inventoried equipment is defined as a non-consumable, nonexpendable item with a life expectancy of three (3) or more years and an item acquisition cost of **\$3,000** or more. The original acquisition cost of the item will further determine if it will be added to the University’s equipment inventory database. Inventoried equipment may also include any item(s) which the University feels should

be included in its personal property inventory even though it fails to meet the criteria outlined above.

Firearms, WORKS™ of art, antiques, any vehicles licensed for road use, and books procured through Library Accounts and catalogued by the Libraries are inventory controlled *regardless of the cost* and **CANNOT** be purchased with a PCard.

The following items are also inventory controlled and **CANNOT** be purchased with a PCard if the cost is over **\$500**:

1. Electronic office equipment, computer equipment
2. Electronic audio/visual equipment
3. Photographic equipment

Examples include, but are not limited to computers, printers, monitors, external drives, cameras, camera lenses, camcorders, scanners, LCD screens/TVs, radios, UPS, wireless access devices, communication equipment, projectors, GPS units, wireless microphone units, and hand held computer devices such as PDAs, copiers, etc.

### **Propriety Review**

A proprietary review indicates that the purchase was reasonable, appropriate and necessary while also in compliance with PCard rules and regulations.

### **Personal Purchases**

Personal purchases are defined as non-work related goods or services purchased solely for the benefit of the cardholder, the cardholder's family, or other individual(s). This does not include goods or services purchased for communal use at a work site available to all employees.

### **Reconciler**

A Reconciler is the person to whom the Cardholder has delegated all the functions associated with post-purchase processing, including verifying that the amount of the purchase matches the monthly statement, providing a business purpose for the transaction in associated systems, verifying supporting documentation including approvals is provided, and uploading said documentation in WORKS™ if directed by the Cardholder's Approver 1 or Dean/VP/Department Head. The Reconciler role can be held by the actual cardholder or given/assigned to a proxy to reconcile on the cardholder's behalf. Each card must have only one reconciler.

### **Split Purchase (Split Orders/Transactions)**

**Splitting orders/transactions is prohibited.** Transaction splitting is the practice whereby one or more cardholders or suppliers split a purchase into two or more transactions and/or purchase orders to circumvent either Single Transaction Limits, Credit limits or bid requirements. The practice of splitting a large order into two or more orders, as well as purchasing the same items from two or more vendors may be considered an attempt to evade the limitations of the PCard and could lead to the loss of an individual's PCard privileges.

**Note: Limits might be exceeded if the vendor does not follow proper sales authorization procedures or if the magnetic strip on the card is not swiped.**

## Examples of Unallowable purchases:

1. Purchasing \$20,000 of office furniture available on Statewide contract and allowing the vendor to charge your PCard multiple times to accomplish the purchase
2. Your PCard STL is \$1,000 and you need to purchase \$1,500 of miscellaneous items available on Statewide or Agency contract. Allowing the vendor to charge your card twice to accomplish this purchase is not allowable

### **Supervisory Capacity**

The individual assigned as the Approver 1 must serve in a “supervisory capacity” to the cardholder. Supervisory Capacity means that the Approving Official must have hiring, firing, and salary/raise decision making responsibilities for the cardholders assigned to him/her. Auditors will be looking to see if the Approving Official is in the supervisory chain of authority within the organization chart for each cardholder. Note: An exception to the Approver 1 serving in a supervisory capacity may be granted by UGA’s PCard Program Administrator but will require the Dean/VP/Department Head to confirm that the non-supervisory approver or the Approver 2 has the required knowledge of the expense being reasonable, legitimate, necessary and appropriate

### **WORKS™**

Under the Statewide Purchasing Card Program, Bank of America provides the State and all agencies with the WORKS™ Payment Manager application. This application is an online card management and reconciliation system. Card Program Administrators/Coordinators use this tool to order and cancel cards, set spending limits, and assign allowable Merchant Category Codes. UGA also uses the system to reconcile transactions as it allows cardholders and other designated individuals the online ability to review PCard transactions, allocate funds to the appropriate University account and object code, and conduct supervisory approval of the transaction. Reports regarding PCard use may be obtained through the system.

### **Timely Manner**

DOAS recommends a weekly review, but transactions must be reviewed at least monthly. This timely review is required to identify fraud or misuse and is necessary to qualify for the liability protection included with the program.

# APPENDIX D

## LIST OF FORMS AND REFERENCE MATERIALS

The following forms will be maintained on the Finance and Administration, Administrative Forms website, which is

<http://www.fanda.uga.edu/facstaff/forms>

- Cardholder Agreement Form
- Approver Agreement Form
- PCard Ethical Behavior Agreement
- PCard Missing Receipt Affidavit
- New PCard Request Form
- PCard Change Request Form
- PCard Transaction Log
- PCard Reporting Form and Instructions
- PCard Dispute Form
- Temporary Change to Spending Limits Form

The following information is available on the Procurement Website at [http://busfin.uga.edu/procurement/p\\_card/](http://busfin.uga.edu/procurement/p_card/) under PCard Information

- PCard “Quick” Reference Sheet
- Object Code List
- List of Special Approval Areas
- Decision Flow-Charts for Each Special Approval Area
- PCard Monthly Reconciliation Checklist
- E-Verify Monthly PCard Report
- Sales Tax Certificate of Exemption
- Vehicle Maintenance, Repair Clarification (including Parts Purchases)