



Purchasing Card

An Overview for
Purchasing
Officials

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AN APPROVING OFFICIAL'S GUIDE TO OVERSIGHT OF THE PURCHASING CARD

PROGRAM CONTROLS	PROBLEM	CORRECTION
DELEGATED USE - CHECKOUT LOG	No check out log is used, or the log is used incorrectly.	The use of a check out log sheet whenever the purchasing card is temporarily reassigned in order to retain accountability and control over card use.
DELEGATED USE - FORM	Alternate user lacks written permission of cardholder.	The use of a Delegation of Authority form when the purchasing card is temporarily reassigned to other employees within the department.
LOG SHEET - COMPLETION	Log sheets are not complete, or completed incorrectly. Rolling log sheets are non-compliant with program policy.	University-approved log sheets should be used to record purchasing card transactions as they occur. The transactions on the monthly log sheet be the same as those on the bank statement for that month. A purchasing card record is not complete unless the monthly log sheet is complete and contains all appropriate signatures and dates, itemized documentation for the transactions posted, and respective monthly bank statement.
LOG SHEET - DATED SIGNATURES	Log sheets are not signed, and/or dated.	Monthly review of the purchasing card logs and all supporting documentation on a monthly basis should be evidenced by signatures and date of signatures for card reconciler, approving official, and any other applicable signature authority.
LOG SHEET - EXPENDITURE AUTHORITY	Approving official does not have expenditure authority for budgets to which transactions are allocated.	The department should ensure the approving official of record has signature authority over accounts to which transactions are charged. If the approving official does not have signature authority, the appropriate additional review and signatures should be obtained for charged accounts.
PURCHASES - DIRECT BUY LIMITS	Transactions split to circumvent direct buy limit (\$3000).	The department should ensure purchases do not exceed the direct buy limit. If the purchase is for more than limit amounts, Purchasing Services should be contacted for assistance, or the purchase should be made through a buy method other than the purchasing card.
PURCHASES - DOCUMENTATION	Transactions not supported with itemized documentation.	All purchases must be supported by itemized documentation of purchase that includes vendor name, amount and date of purchase, and description of purchase.

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PROGRAM CONTROLS	PROBLEM	CORRECTION
PURCHASES - MEALS	Meal purchases are not correctly documented.	For transactions related to an event or entertainment expense, the following information should be included in the supporting documentation: names and title/relationships to WSU of individuals who entertained or were entertained, a statement describing the entertainment, and a statement describing how the expenditure relates to at least one official University mission.
PURCHASES - PROHIBITED	Inappropriate, unallowable transactions (BPPM 70.08)	Cardholder must be certain purchases to be made with the PCard are allowable purchases in accordance with BPPM 70.08 and other applicable purchasing policies.
RECONCILIATION - AIS	Charges are not reconciled to AIS in Balances.	All purchasing card transactions should be reconciled to budget statements in AIS in a timely manner in order to verify proper posting, allocation and account balances.
RECONCILIATION - BANK STATEMENT	Log sheets are not reconciled to bank statement.	Purchasing card transactions should be reconciled to the bank statement on a monthly basis to ensure transactions as recorded by the bank are complete and accurate. Discrepancies should be investigated timely and results documented.
RECORD RETENTION - ORGANIZATION	Statement, log sheet and itemized documentation are not assembled and retained together.	For appropriate management of purchasing card transactions, all supporting documentation including purchasing card log, bank statement and itemized receipts should be retained complete and intact by month, for each month, and as long as required per record retention schedule. A single, centralized location for purchasing card documentation is recommended.
ROLES - SEGREGATION OF DUTIES	Cardholder cannot be approving official of their own card. Reconciler may not serve as approving official. Approving official should not be a subordinate to cardholder or reconciler.	A cardholder or card reconciler cannot sign off as approving official of the card they have used or reconciled. This activity should be segregated and an official with signature authority over accounts charged should be the approving official. [If possible, a supervisor with appropriate oversight responsibility over cardholder should be placed in role of approving official, not subordinates to the cardholder].
ROLES - TRAINING	Reconcilers need to attend PCard Training. Approving officials need training for their role of departmental oversight of PCard use.	It is recommended the cardholder, card reconciler and approving official attend a refresher course on purchasing card management to better understand their respective responsibilities. These training opportunities are offered monthly. Go to

PURCHASING CARD OVERSIGHT PRE-AUDIT ASSESSMENT FOR CARDHOLDERS

PROGRAM CONTROLS	ASSESSMENT QUESTIONS
DELEGATED USE - CHECKOUT LOG	Do you check your card in and out on a log when loaning it to other employees for department purchases?
DELEGATED USE - FORM	Do you provide written permission whenever the card is used outside the office by another department employee?
PURCHASES - DIRECT BUY LIMITS	What do you do if an intended purchase exceeds the single transaction limit of your purchasing card?
PURCHASES - DOCUMENTATION	Does every transaction you you make have itemized documentation?
PURCHASES - PROHIBITED	University policy prohibits certain purchases with PCard. (BPPM 70.08) How do you ensure prohibited items are not purchased with your PCard?
PURCHASES - MEALS, ENTERTAINMENT	Meal and entertainment expenses require additional documentation. Do you provide your Reconciler the WHO, WHAT, WHEN, WHERE and WHY to justify the expense? 1) WHO = names and title/relationships to WSU of individuals who entertained or were entertained, 2) WHAT = a statement describing the entertainment, and 3) WHY = a statement describing how the expenditure relates to at least one official University mission. 4) WHERE = city and state
ROLES - SEGREGATION OF DUTIES	Who is your Approving Official? Is your Approving Official one of your subordinates?
ROLES - SPENDING LIMITS	What are the monthly credit limits of your PCard? Are these limits adequate to support the your purchasing responsibilities?
ROLES - TRAINING	Have you attended PCard Training in the last two years?

PURCHASING CARD OVERSIGHT PRE-AUDIT ASSESSMENT FOR CARDHOLDERS WHO RECONCILE

PROGRAM CONTROLS	ASSESSMENT QUESTIONS
DELEGATED USE - CHECKOUT LOG	Do you check your card in and out on a log when loaning it to other employees for department purchases?
DELEGATED USE - FORM	Do you provide written permission whenever the card is used outside the office by another department employee?
LOG SHEET - COMPLETION	Do you maintain a log sheet (monthly record of purchasing card expenses) with itemized documentation for each transaction? Do you attach the bank statement to this documentation?
LOG SHEET - DATED SIGNATURES	Are each of your monthly log sheets signed and dated by the your and the Approving Official within 20 days of month end?
LOG SHEET - EXPENDITURE AUTHORITY	Does your Approving Official have expenditure authority for budgets to which transactions are allocated on the log sheet?
PURCHASES - DIRECT BUY LIMITS	What do you do if an intended purchase exceeds the single transaction limit of your purchasing card?
PURCHASES - DOCUMENTATION	Does every transaction you you make have itemized documentation?
PURCHASES - MEALS, ENTERTAINMENT	Meal and entertainment expenses require additional documentation. Do you enter transaction notes describing the WHO, WHAT, WHEN, WHERE and WHY to justify the expense? 1) WHO = names and title/relationships to WSU of individuals who entertained or were entertained, 2) WHAT = a statement describing the entertainment, and 3) WHY = a statement describing how the expenditure relates to at least one official University mission. 4) WHERE = city and state
PURCHASES - PROHIBITED	University policy prohibits certain purchases with PCard. (BPPM 70.08) How do you ensure prohibited items are not purchased with your PCard?
RECONCILIATION - AIS	Who is responsible for reconciling expenses paid with PCard to AIS in Balances?
RECONCILIATION - BANK STATEMENT	Do you attach bank statement to each log sheet? Do you verify that all items on bank statement have entries on log sheet?
RECORD RETENTION - ORGANIZATION	Are bank statement, log sheet and itemized documentation for each month retained together as official public records? Where is this documentation stored for retention?
ROLES - SEGREGATION OF DUTIES	Are you the Approving Official for a card issued in your own name? Do you reconcile a PCard account for which you are the Approving Official? Is your Approving Official one of your subordinates?
ROLES - SPENDING LIMITS	For which Cardholders are you the Approving Official? What are the monthly credit limits of each one? Are these limits adequate to support the purchasing responsibilities of Cardholder, or too high?
ROLES - TRAINING	Have Reconcilers in your department attended PCard Training? Have the Cardholders attended PCard Training in the last two years? Could Cardholders or Reconcilers benefit from refresher training in PCard Program responsibilities? Have you registered for a session of "Overview of Purchasing Card Program for Approving Officials"?

PURCHASING CARD OVERSIGHT PRE-AUDIT ASSESSMENT FOR APPROVING OFFICIALS

PROGRAM CONTROLS	ASSESSMENT QUESTIONS
DELEGATED USE - CHECKOUT LOG	Does the cardholder maintain a check out log when loaning out the card to other employees for department purchases?
DELEGATED USE - FORM	Does the cardholder provide written permission whenever the card is used outside the office by another department employee?
LOG SHEET - COMPLETION	Does the cardholder maintain a log sheet (monthly record of purchasing card expenses) with itemized documentation for each transaction? Does the cardholder attach the bank statement to this documentation?
LOG SHEET - DATED SIGNATURES	Are the cardholder's log sheet signed and dated by the reconciler and the approving official within 20 days of month end?
LOG SHEET - EXPENDITURE AUTHORITY	Do you have expenditure authority for budgets to which transactions are allocated on the log sheet?
PURCHASES - DIRECT BUY LIMITS	Do you look for multiple transactions to a single vendor in which total expense exceeds \$3000?
PURCHASES - DOCUMENTATION	Does every transaction you approve have itemized documentation?
PURCHASES - MEALS, ENTERTAINMENT	Does reconciler provide information to justify expenses for meals and entertainment? These are 1) WHO - names and title/relationships to WSU of individuals who entertained or were entertained, 2) WHAT - a statement describing the entertainment, and 3) WHY - a statement describing how the expenditure relates to at least one official University mission
PURCHASES - PROHIBITED	University policy prohibits certain purchases with PCard. (BPPM 70.08) Do you question transactions for seemingly prohibited items or vendors?
RECONCILIATION - AIS	Who is responsible for reconciling expenses paid with PCard to AIS in Balances?
RECONCILIATION - BANK STATEMENT	Does the reconciler attach bank statement to each log sheet? Do you verify that all items on bank statement have entries on log sheet?
RECORD RETENTION - ORGANIZATION	Are bank statement, log sheet and itemized documentation for each month retained together as official public records? Where is this documentation stored for retention?
ROLES - SEGREGATION OF DUTIES	Are you the approving official for a card issued in your own name? Do you reconcile a PCard account for which you are the approving official? Are you a subordinate of the cardholder?
ROLES - SPENDING LIMITS	For which cardholders are you the approving official? What are the monthly credit limits of each one? Are these limits adequate to support the purchasing responsibilities of cardholder, or too high?
ROLES - TRAINING	Have reconcilers in your department attended PCard Training? Has the cardholder attended PCard Training in the last two years? Could cardholders or reconcilers benefit from refresher training in PCard Program responsibilities? Have you registered for a session of "Overview of Purchasing Card Program for Approving Officials"?

Purchasing Card Restrictions from BPPM 70.08 Rev 04-08

Users of purchasing cards are subject to the following restrictions:

The total cost of a single purchase may not exceed the direct buy limit. The current single purchase direct buy limit is \$3000. University personnel may not string transactions to circumvent the \$3000 limit, i.e., divide an order into several small purchases from the same vendor.

Specific Items

University personnel **are not to** acquire the following items with purchasing cards unless a specific exception allowing purchase is granted by Purchasing Services:

- Alcoholic beverages
- Controlled substances
- Entertainment
- Gasoline/diesel
- Gifts (except as allowable under 17A funds; see [70.33](#))
- Leases, rentals
- Meals (travel- or business-related)
- Moving expenses
- Personal items (items for personal use)
- Printing and copying (unless allowable under provisions of [80.05](#))
- Radioactive materials
- Tax exempt research equipment
- Telephone calls, calling cards, prepaid calling cards, employee owned cellular telephone expenses (NOTE: conference registration fees are allowable; see 95.05)
- Travel-related expenses, e.g., transportation, lodging, hotel reservations, meals
- Weapons and ammunition

Transaction Types

University personnel are not to use purchasing cards for the following types of transactions:

- Cash advances
- Contract payments requiring the signature of a delegated approving authority
- Donations
- Faculty, Student, and Alumni purchases; see 70.18
- Payments to individuals, employees, students
- Purchases involving trade-ins
- Purchases from WSU departments
(use Interdepartmental Requisition and Invoice (IRI); see [70.05](#))

20-QUESTION QUIZ
FOR PURCHASING CARD APPROVING OFFICIALS
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Mark each question True or False

- 1. Cost savings is one reason WSU has a Purchasing Card Program.
- 2. Quicker delivery is one of the reasons WSU has a Purchasing Card Program.
- 3. The PCard is WSU's preferred method of payment for goods and services costing < \$3000.
- 4. The WSU PCard is just like a debit card.
- 5. The WSU PCard is just like a charge card; unpaid balances accrue interest: 2%
- 6. The BPPM has a chapter of policy on Purchasing Cards.
- 7. The WSU PCard is a corporate liability card.
- 8. The Cardholder is personally liable for purchases made with his/her PCard.
- 9. WSU PCards are issued to individuals or departments at WSU.
- 10. Department cards have the best protection against fraud.
- 11. To get a PCard issued in an individual's name requires a credit check.
- 12. The PCard has no bearing on the Cardholder's credit.
- 13. US Bank provides WSU's Purchasing Card.
- 14. BALANCES is the online software used for reconciliation of PCard transactions.
- 15. An Approving Official can review and approve PCard activity on-line.
- 16. The PCard cannot be used for international purchases.
- 17. Once every three months an Approving Official should review PCard reconciliation work.
- 18. An Approving Official can have a PCard.
- 19. Only WSU employees may have a PCard.
- 20. There is only one Approving Official in each department.