Boise State University has approximately 700 active cardholders, with purchases by the campus community averaging $1.3 million monthly.

- P-Card provides us with a purchasing tool that allows staff to buy items needed for day to day operations quickly and conveniently but controls are necessary.

- Departments provide this control by reviewing, approving and authorizing p-card expenses.

- Auditors ensure departments maintain appropriate controls by reviewing transaction details and conducting formal and informal audits.
BASIC GUIDELINES FOR PURCHASING GOODS AND SERVICES

Orders or commitments by faculty or staff are not binding on the University unless supported by a valid purchase order (PO), an approved contract, or the authorized use of an institutional procurement card (P-Card).

For Purchases under $1,999 Use P-Card for purchases authorized per p-card policy
For Purchases over $1,999 Use Purchasing Requisition or approved contract

- **Purchasing Requisition**
  - Submit a Purchasing Requisition form to University Purchasing with specifications from vendor.

- **Approved Contract**
  - An approved contract is one that has been signed by an individual with an appropriate level of signing authority. Vendor contracts must be reviewed by the General Counsel's office. Review contract basics online: [http://operations.boisestate.edu/generalcounsel/contracts/basics/](http://operations.boisestate.edu/generalcounsel/contracts/basics/)

**Employee reimbursement**- The use of personal funds for business-related non-travel purchases is strongly discouraged. Reimbursement is subject to department approval, availability of funds and must be in compliance with university policies.

We’ll be focusing on p-card as payment method in this presentation.
P-Card is intended for small dollar purchases (less than $1,999) of products and supplies needed during the course of business. Some common purchases include:

- Office and class supplies
- Advertising expense (newspaper ads, other media)
- Books, subscriptions, work-related membership/organizational fee
- Meal and refreshment expense in compliance with university policy
- Most employee business travel and field trip expense is allowed with an approved Travel Authorization
- Job candidate airfare and lodging expense
THE STATE OF IDAHO MAINTAINS AN EXTENSIVE GROUP OF CONTRACTS FOR UNIVERSITY USE

The use of state contracts is governed by Idaho Code specifying “No officer or employee shall fail to utilize an open contract without justifiable cause for such action.”

State contracts and university price agreements are mandated and offer built-in buyer protection:

- Contract vendors allow us to order online or by phone/fax and deliver directly to us with sales tax exemption standard.

- They offer special pricing on key items and eliminate time spent on searching for the ‘best price’. (Searching for best price doesn’t always equal best value if employee time spent searching and shopping is included in the cost calculation)

- It’s easier to deal with disputes or billing issues with contract vendors as we have established contract guidelines and assigned corporate representatives to assist us if we do have an issue.

View the complete list of state contract vendors [http://purchasing.idaho.gov/statewide_contracts.html](http://purchasing.idaho.gov/statewide_contracts.html)

<table>
<thead>
<tr>
<th>CONTRACT DESCRIPTION</th>
<th>CONTRACT INSTRUCTIONS</th>
<th>VENDOR</th>
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<tbody>
<tr>
<td>Automobile Parts</td>
<td>Contract Instructions</td>
<td>NAPA Auto Part</td>
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<tr>
<td>Office Supplies</td>
<td>Contract Instructions</td>
<td>Office Max</td>
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<tr>
<td>Paper &amp; Plastics, Cleaning Supplies and Plastic Bags &amp; Liners</td>
<td>Contract Instructions</td>
<td>Brady Industries</td>
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If a contract vendor can’t provide a necessary item (or if the item fails to meet requirements) it can be purchased off-contract. The reason for off-contract use must be documented in Works or with department p-card records. **Price is not an acceptable reason for choosing an off-contract vendor.**
UNAUTHORIZED P-CARD PURCHASES

Any purchase not approved by your department, above account limits, or not allowed per university policy is considered an unauthorized p-card purchase. Examples:

- Alcoholic beverages
- Deliberate ‘splitting’ of expense to bypass account limit
- Salaries and wages
- Computers, laptops, notebooks and other personal computing devices
  - Review OIT policy [http://oit.boisestate.edu/hardware/](http://oit.boisestate.edu/hardware/)
- Cellular phones, communication devices, accessories and service related to device
- Fuel for personal vehicles
- Payment to or on behalf of Independent Contractor
  - Review Independent Contractor policy [http://vpfa.boisestate.edu/accounts-payable/](http://vpfa.boisestate.edu/accounts-payable/)
- Personal expense
  - Keep p-card separate from personal credit cards to avoid accidental purchases
Meals, Refreshments (or Events) Purchases - University policy Meals and Refreshments 6260 Local, 6240 Approp. & Grant, 6250 PR Funds
Review the Meals & Refreshment policy based on fund source that applies to your particular purchase including the appendix with meal allowance rate specifying amount allowed per meal.

- Complete a Meals and Refreshments form for any event which includes meals, refreshments or entertainment.
- Meals and refreshment purchases are not considered an acceptable use of university funds for informal get-togethers, casual meetings, or regularly scheduled meetings for staff.

Gifts, awards and incentives (promotional items) - University policy 6230 Gifts And Awards
A monthly gift, award and incentives report is provided to university business managers; a quarterly gift report is provided to university deans/VP’s for review purposes.

- Complete a Gift_Award_Incentive_Form for gifts exceeding $75 For Employees, or $250 For Non-employees.

Travel Purchases are regulated by Boise State University Policy #6180
Complete a Travel Authorization (online or offline) before committing funds for employee or field trip travel.

- Request approval to prepay airfare and lodging for a non-employee other than job candidate by submitting a Vendor Information Form (VIF) to Accounts-Payable@boisestate.edu. *This allows the university to remain in compliance with Internal Revenue Service and U.S. Immigration rules.

Visit the Boise State University Policy Manual  http://policy.boisestate.edu/
See Section VI Finance: http://policy.boisestate.edu/finance/
P-Card purchases of software and services from international vendors are often subject to tax withholding. The university is unable to withhold tax on p-card purchases and this may result in additional cost to your department. The tax amount charged to departments is hefty: usually 42.86% of the original payment amount.

- If you discover an *International Transaction* charge on a p-card account, your area has already paid an international vendor- (This is a fee charged by the bank for foreign currency conversion).

- If you've paid an international vendor via p-card for software or services, no withholding occurred and your department will be responsible for additional tax payment and penalty related to the transaction.

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**It's easy to avoid unexpected tax charges by confirming vendor status before completing your purchase.**

- Email the vendor name and address to [accounts-payable@boisestate.edu](mailto:accounts-payable@boisestate.edu) and request vendor status (international or domestic).

- If the vendor is not in our data base submit a [Vendor Information Form (VIF)](mailto:VendorInformationForm@boisestate.edu) to [Accounts-Payable@boisestate.edu](mailto:Accounts-Payable@boisestate.edu). (A/P vendor specialists can assist with obtaining VIF)

If the vendor is identified as international then the purchase should be made via [Purchasing Requisition](mailto:PurchasingRequisition@boisestate.edu). This will allow the university to withhold tax per IRS regulations.
P-CARD EXPENSE REQUIRES 3 LEVELS OF REVIEW AT DEPARTMENT LEVEL

Level 1: Cardholder Review
The cardholder (or assigned reconciler) reviews, allocates, and signs off on each transaction in Works. The cardholder finalizes sign off and submits a signed cardholder statement with original receipts and other required documentation (p-card packet) to the department approver by the cardholder due date.

Level 2: Approver Review (Works role performed online)
The approver (usually administrative staff member) is responsible for reviewing, editing and signing off on cardholder transactions online to ensure transactions are correctly allocated and include a business purpose by the approver due date. The approver is responsible for reporting any non-compliance issues discovered during the approval process to the cardholder and manager for the area (or notifying the university p-card administrator, if necessary).

Level 3: Manager Authorization via Signature (offline role performed via signature)-
The manager (Department Head, Director, Dean, VP, or Business Manager) is responsible for reviewing and authorizing p-card expense for cardholders in their area (including the approver) via signature each month. The authorizer is responsible for ensuring all non-compliance issues are resolved, or escalated to the university p-card administrator in a timely manner.

- Use the Works Approver Summary Statement or the P-Card_Manager_Authorization of Expense.pdf form for signature. The authorizer signature form must be included with audit requests.
- Any delegation of authorizer signing authority must be approved by respective dean or V.P. Delegated approval of signing authority documentation must be submitted to the university p-card administrator.
Department staff (including management) involved in reviewing, approving, or authorizing p-card expense must have an understanding of university purchasing and p-card policy.

- Cardholders should be notified of non-compliance issues in writing immediately upon discovery.
  - Use the Non-Compliance Warning form to report issues to cardholders.
  - Attach a copy to the cardholder statement so it’s clear to auditors that the issue was identified.
  - Any unresolved non-compliance issues should be escalated to University P-card Administrator.

- Purchases that appear to be outside of policy or unauthorized should be reported to the university p-card administrator or escalated to Internal Audit & Advisory Services.

*University p-card expense is subject to both random and structured audit review by University Financial Services, Internal Audit and Advisory Services, Institutional Compliance, and other interested parties including external auditing agencies.*
Fraud, waste, and abuse is defined as:

Any activity by Boise State University or a Boise State employee that violates any state or federal law or regulation (e.g., corruption, malfeasance, bribery, theft or misuse of government property, fraud, coercion, or conversion) or University policy; or wastes money, or involves gross misconduct, gross incompetence, or gross inefficiency.

For More Information:  
http://internalaudit.boisestate.edu/auditrequest/
Idaho Press-Tribune: An ID agency broke travel reimbursement rules Posted: Tuesday, July 12, 2011 BOISE, Idaho (AP) — Legislative auditors found the Idaho Real Estate Commission violated state travel reimbursement policies when paying employees more than $1,600 for meals that were provided at conferences in 2008, 2009 and 2010. Fraud Alleged at New York University By THE ASSOCIATED PRESS Published: December 23, A former New York University employee used thousands of receipts mined from an liquor store’s trash can get reimbursed for $409,000 in phony expenses, prosecutors said on Wednesday.Credit card fraud, misuse found at 5 Florida universities International University professor used a school credit card to buy at least $5,000 worth of personal Sun Sentinel Florida items, including an MP3 player, a wireless reading device and a membership with United Airlines’ Red Carpet club. Georgia System’s Investigation of Purchasing-Card Fraud Finds $350,000 Theft An unnamed official at the Georgia Institute of Technology used a university purchasing card ... Inappropriate p-card practices: an understaffed university while performing routine fraud. The Arizona Daily Wildcat: 2 employees suspected in P-card fraud ... University credit cards abused Ariz. college employees bought furniture, dishes, trips, clothing The Arizona Republic Jul. 8, 2007 12:00 AM University credit cards abused Still, a dozen cases of fraud or blatant misuse have provoked worries among the ... An NAU employee admitted to police that she used the university p-card to travel to ar...
Department P-Card Approvers review cardholder transactions online in Works to ensure financial data has been entered correctly (Dept ID, GL Account Code, Project ID, Chartfield Code). Approvers are also responsible for the following:

- Ensuring transactions have a business purpose understandable to someone outside your own area. Transaction receipts provide a description of the items purchased; identify why the purchase was necessary for business.

- Ensuring a Travel Authorization number is included for travel expense-

- Ensuring all required documentation is submitted by cardholder (original receipts, back-up documentation, forms)-

- Reporting any non-compliance issues discovered during the review process to the cardholder using the Non-Compliance Warning Form.

- Providing p-card statements and back-up documentation to the Authorizer for review and signature monthly - Use the Works Approver Summary Statement or the P-Card_ Manager_Authorization of Expense form for signature. The authorizer signature form must be included with audit requests.

- Escalating unresolved non-compliance issues when necessary.
WHAT IS A VALID BUSINESS PURPOSE? Transaction receipts provide a description of the items purchased. We also need to identify why the purchase was necessary: This is the business purpose of the purchase.

Cardholders are required to supply a valid business purpose for each p-card transaction in the Works Business Purpose field as part of the Works allocation process. In some cases it’s as simple as “office supplies” or “lab supplies” with some other detail included. Some purchases may require more explanation. Here’s an example:

A cardholder purchases a bag of potatoes. The business purpose box states “Potatoes for Bio 101 lab experiment”. That’s a good business purpose as it provides the “why” for an unusual purchase in a simple manner.

For purchases of goods or services:
- Relate the purchase to a specific business need
- Description should be understandable to auditors outside your business unit

For an event:
- Who- names & titles of attendees
- What- description of the event
- When- date & time
- Where- name of the venue
- Why- detailed description of the purpose of the event- Include agenda, invitation, or any back up provided to participants.
OTHER APPROVER RESPONSIBILITIES INCLUDE:

- Requesting new accounts for employees using the Cardholder Application.

- Assisting department cardholders with account changes using the P-card Account Maintenance form:
  - Closure of existing accounts
  - Limit changes
  - Unblock of MCC’s (Merchant Category Codes)
  - Requesting replacement cards due to damage or name change

- Maintaining p-card documentation for a minimum of 5 years (including original receipts, statements, and any back-up supporting business purpose)-

- Serving as the point of contact for auditors requesting department p-card documentation.
DEALING WITH NON-COMPLIANCE ISSUES

These are the most common non-compliance issues:

- Cardholder sign off was not completed online by required due date
- Cardholder did not submit p-card documentation by required due date
- Incomplete or missing receipt.
- Sales tax paid (for exempt purchase)

Approvers report non-compliance issues to the cardholder via the Non-Compliance Warning Form and ask for resolution by a deadline. If the cardholder corrects the issue within specified time frame, no further action is needed. Keep a copy of the warning form with the cardholder statement in case the issue continues or is escalated.

Contact the university p-card administrator for assistance handling unresolved or repeat non-compliance issues.

Approving transactions out of compliance:
If a transaction appears in Works, it has to be allocated and approved by the department as it will be posted to university financial reports.

The approver ensures the allocation detail is correct for upload to university financial reports:

- The non-compliance form documents that the issue has been properly reported and action will be taken: reimbursement by cardholder, credit to be applied next month, issue resolved or escalated to management. This info can be included in Works (i.e. “personal expense reimbursed by cardholder” appears in the business purpose field).

- If the charge is disputed or reported as fraud to the bank, it should be identified in Works business purpose field as “’Disputed’” or “Reported as Fraud” and allocated to a local department fund. The bank will process a credit to the cardholder’s account which can be allocated to the same department fund.
It is the cardholder’s responsibility to obtain a receipt for each purchase. If the cardholder doesn’t have a receipt for a transaction they should contact the vendor and request a duplicate. Another option is also available:

- Some vendors (OfficeMax, for example) provide transaction purchase detail in Works. This detail can be used in lieu of a receipt as it’s produced by the vendor, and includes item description, quantity and amount. The cardholder can print the detail and attach it with the statement as a substitute receipt.

If a duplicate receipt is not available from the vendor or transaction detail from Works:

- The cardholder should provide a written description of goods or services purchased and supporting documentation (i.e. packing slip, packaging, description from vendor website, subscription renewal information, registration form).

- If the detail provided by the cardholder is insufficient, request that the cardholder complete the Missing Receipt Affidavit. (Form is available as a university p-card form. Completed form is forwarded to university p-card administrator and copy attached to cardholder statement)

- Cardholders may be held personally liable for unsupported transactions if the university is unable to determine an approved business purpose for the purchase.

_Frequent incidents of missing receipts should be taken seriously. It is grounds for account suspension or permanent account deactivation._
WHAT Qualifies as a receipt?

P-card receipt should provide:

- Merchant name, and contact information, invoice or receipt number, date of sale.
- Brief description of items purchased, quantity and amount paid per item with total amount paid.
- Last 4 digits of the credit card number.

✓ If you pay an invoice with p-card, you should have a confirmation from the vendor of payment received which you can attach to your invoice.
✓ If you purchase from a restaurant, obtain an itemized receipt and a cardholder signature slip stating total charged to account.

What is considered an original receipt?

- The original receipt is produced directly by the merchant and may be faxed, emailed or mailed.

Who maintains the original receipts?

- The department is required to maintain original receipts in a centralized location for 5 years.
- Cardholders may keep copies of receipts for their records but not the originals.

- Some vendors provide transaction purchase detail in Works that includes item description, quantity and amount. This detail is provided by the vendor and can be used in lieu of a missing receipt. (OfficeMax, Grainger, Amazon, Home Depot and others)-

- Some purchases are recurring and don’t always include a receipt from the vendor (subscriptions, for example). Identify the purchase by providing detail from the vendors website stating cost of renewal and link it to the original order as a renewal.
NON-COMPLIANCE, CONTINUED –

Some non-compliance issues may require management intervention, account suspension or other action. Here’s some examples:

- Unauthorized purchase (not approved by your area, not authorized per policy)
- Sharing of account number or card
- Split transaction to avoid bid, card limits
- Intentional use of non-contract vendors when mandated contract is available
- Repeat history of non-compliance issues (example: missing receipts on a regular basis, repeated failure to reconcile by due date)

Departments can take action against repeat offenders. Action should be in-line with severity of the issue:

- Request that an account be restricted to allow only certain types of purchases, or reduce limits.
- Temporarily suspend card privileges and require cardholder attend training to regain card privileges.
- Permanently deactivate an account.

Cardholders may be held personally liable for unsupported transactions and the amount may be deducted from the cardholder’s paycheck or recuperated through other means. Notify your manager and contact the university p-card administrator or Internal Audit for assistance when dealing with repeat or serious non-compliance issues.
Departments are required to maintain p-card documentation a minimum of 5 years. 

*Cardholders may not retain original receipts.* This documentation includes all of the following:

- Cardholder Statement (including business purpose) with original detailed receipts and cardholder signature.
- Supporting documentation (required forms or other detail supporting business purpose of purchase).
- Signature form designating expense as authorized by a manager (Approver Summary Statement or Manager Authorization of Expense form).

If storage space is an issue, the university maintains a warehouse for storage of materials considered critical to university function. (Contact Facilities at Ext 6-1409 for assistance with critical document retention)

- ✓ Box excess documentation by month/year and use the *Records Retention Form* to identify contents and specify destroy date (*form is available from Printing and Graphics)*
- ✓ File a work-order with Facilities to arrange pick-up of boxes.
- ✓ Boxes can be recalled if necessary for audit.
For P-Card Assistance, Contact:

University P-Card Administrator: Anna Pollworth Ext 6-1795 apollwo@boisestate.edu
Purchasing Compliance: Greg Kunde Ext 6-2964 gregorykunde@boisestate.edu

Check the online P-Card site for forms, references and other information
http://vpfa.boisestate.edu/pcard/

Lost or Stolen P-Card:

Cardholders should report lost, misplaced, or stolen cards directly to:
Bank of America Cardholder Call Center (24/7) 1-800-300-3084

If you suspect your card has been compromised or may be lost, report it immediately.
THE UNIVERSITY **PURCHASING CARD** WEBSITE PROVIDES LINKS TO POLICIES, FORMS, AND OTHER REFERENCES: http://vpfa.boisestate.edu/pcard/

Quick links to Vendor Contracts, policies, and more...

Click on each box to access links to guides and references, forms and information regarding use of p-card.