



Purchasing Card Compliance Policy

In order to reap the benefits of the Purchasing Card Program, the University encourages the use of departmental purchasing cards, as much as possible, in lieu of issuing checks. However, the University must also safeguard its assets. To do this, the Purchasing Card Policy Manual and Compliance Policy have been created. It is important that the cardholder follows the policy in order to not have their departmental card suspended or terminated. To view the Purchasing Card Policy, please visit the Controller's Office website, <http://controller.richmond.edu/card/guidelines.htm>.

Please note: if the Program Administrators suspect fraud at any time, the UR Police will be notified. Instances of fraud are outside the scope of the Program Administrators and this policy.

There are 2 types of violations, "critical" and "non-critical".

I. "Critical" violations will be handled as follows:

Compliance letters, detailing the violations, will be sent each month for any statement which contains 1 or more "critical" violations. If there are 4 Accounts Payable statement audits with critical violations within a 1 year period, the departmental purchasing card will be terminated.

- a. Letter 1 will go to the cardholder (with the AP Director copied), notifying them that a violation has been made and that future violations may result in suspension of card and notification of the approver. This letter will come from the P-Card Specialist.
- b. Letter 2 will go to the cardholder, approver, and AP Director and will include a warning that Internal Audit will be notified if there are additional violations and that the card will be suspended with the next violation. This letter will come from the P-Card Specialist.
- c. Letter 3 will notify cardholder, approver, and Internal Audit that the card has been suspended and the cardholder must attend additional training before the card can be reinstated. This letter will come from the AP Director.
- d. Letter 4 will be sent to the Approver, by the AP Director. The letter will inform approver and cardholder that the card has been permanently terminated. The Approver may request another card in someone else's name.

The following items are considered "Critical Violations":

1. Missing or incorrect approval signature.
2. Grant index missing PI and/or Grant Accounting Manager's signatures.
3. Purchases of a single item that costs \$5000 or more without a PO or written approval from Procurement. Separate components of a computer or piece of equipment may be considered one item. (Procurement must approve all purchases of items that cost \$5000 or more).
4. Computer equipment or furniture purchases (laptops, monitors, printers, scanners, software, chairs, tables, file cabinets, etc.).

5. Repetitive purchases to circumvent dollar or transaction limits.
6. Splitting charges to circumvent dollar or transaction limits.
7. Failure to allocate charges and provide adequate and appropriate Transaction Notes (business purpose) on the Transaction Detail Report.
8. Personal charges.
9. Travel related items on a purchasing card.
10. Donations/sponsorships (except in lieu of flowers or approved by the President's Office)
11. Any other items deemed questionable by the administrators or in direct conflict with other University policies, such as AAA memberships, travel insurance, etc.
12. Undocumented missing receipts.
13. Use of Missing Receipt Forms without following up with the actual receipt (Follow-up with the actual receipt is not required for instances of automatic renewals, i.e. subscriptions, newspapers, etc. but the Missing Receipt Form is still required).

II. "Non-critical" violations will be handled as follows:

Email notifications will be sent for the first 2 Accounts Payable statement audits with only "non-critical" violations. If there are both critical and non-critical violations, the appropriate Violation Letter will be sent. Five (5) or more AP audits with non-critical violations will result in the termination of the card.

- e. The P-Card Specialist will contact the cardholder by email, letting them know of the violation(s).
- f. The P-Card Specialist will maintain notes about the contact.
- g. If the cardholder has 3 or more AP audits with non-critical violations within a 1 year period, the P-Card Specialist will notify the AP Director to request the cardholder receive additional training.
- h. The AP Director will send the cardholder (copying the approver), a violation letter and a request to schedule training. The letter will also warn that the card will be terminated if there continues to be a problem.
- i. After the training, if the cardholder has 2 or more statement audits (with either critical, non-critical, or combination) within 6 months of the training, the card will be terminated. The approver and the cardholder will receive a termination letter from the program administrators. The approver may request another card in someone else's name.

The following items are considered "Non-Critical" Violations:

1. Statement received after the due date (normally the 10th of the month, except during fiscal year end).
2. Names not included for group meals.
3. Detailed receipt not included for meal purchases.
4. Names of recipients not given for gift cards/certificates.
5. On-campus charges.
6. Failure to dispute a charge (or follow-up with administrators), when notes indicate charge will be disputed.

The goal of this policy is not to punish anyone or terminate cards, but to ensure the University's policies are followed. The administrators will make every attempt to assist the cardholder and approver in following the policies and keeping the departmental card active. It is ultimately the

department's responsibility, however, to make sure the Purchasing Card Policy, as well as all University policies, is followed.

SAMPLE VIOLATION LETTERS FOLLOW

(Please note: there are no samples of the email notifications that will be sent for the first non-critical violations.)



University of Richmond
Purchasing Card Critical Violation Notification - 1

To: (Card Holder Name)

CC: (Name), Accounts Payable Director

From: (Name), P-Card Specialist

Date:

Subject: 1st Violation

This letter is to inform you of the purchasing card violation(s) which were found on your statement dated _____ and ending in account number _____. The violations are listed below. If there is a second audit that contains critical violations, your approver will be notified of your violations. Continuous violations will result in the suspension of your card.

If you have questions about the policy, please refer to the laminated purchasing card “Guidelines at a Glance” sheet that was given to you when you received your credit card. You may also refer to the entire guidelines on our website at <http://controller.richmond.edu/common/pdf/accounts-payable/forms/p-card-guidelines.pdf> . Thank you in advance for your attention to this matter.

If you have any questions about your audit, please contact me at fwillia2@richmond.edu .





University of Richmond
Purchasing Card Critical Violation Notification - 2

To: (Card Holder Name)

CC: (Approver's Name)
(Name), Accounts Payable Director

From: (Name), P-Card Specialist

Date:

Subject: 2nd Violation

This is your second notice of a critical violation(s) on your purchasing card. The violation(s) were found on the statement dated _____ and ending in account number _____. The violation(s) are listed below.

This is the second audit with critical violations within a year. Another audit with critical violations within the period of 1 year will result in your card being suspended until you receive additional training on the purchasing card. In addition, if there is another audit with critical violations, the University's Internal Audit Department will be notified of your non-compliance with policy.

If you have any questions about your audit, please contact me at fwillia2@richmond.edu.





University of Richmond
Purchasing Card Critical Violation Notification - 3

TO: (Cardholder)

CC: (Approver's Name)
(Name), P-Card Specialist
(Name), Internal Audit

FROM: (Name), Accounts Payable Director

Date:

Subject: 3rd Violation and Suspension of Card

This letter is to inform you that your card ending in account number _____ has been suspended due to your third audit with critical violation(s). The violations are listed below. The violations were found on your statement dated _____.

Because this is your 3rd audit with critical violations within the period of a year, you must attend additional training on the purchasing card. Once the training has been completed, your card will be reinstated. Please contact me at extension 8180 to schedule training.

Please note: if you receive 4 audits with “critical violations” within a one year period, your card will be terminated without further notice.





University of Richmond
Purchasing Card Critical Violation Notification & Termination - 4

TO: (Approver's Name)

CC: (Cardholder's Name)
(Name), Internal Audit
(Name), P-Card Specialist

FROM: (Name), Accounts Payable Director

Date:

Subject: Termination of Departmental Purchasing Card

This letter is to inform you that _____'s statement dated _____ and ending in account number _____ had the violations listed below.

Because we were unable to instill in this cardholder the seriousness of complying with University policy and the cardholder continuously abused the University's Purchasing Card Program policy we have no alternative but to terminate this cardholder's departmental purchasing card, indefinitely.

If you would like to have another departmental card issued in someone else's name, please contact Jean Hines about completing an application.





University of Richmond
Purchasing Card Non-Critical Violation & Training (1)

To: (Card Holder Name)

CC: (Approver's Name)
(Name), P-Card Specialist
(Name), Internal Audit

From: (Name), Accounts Payable Director

Date:

Subject: 3rd Violation and Training Request

This is your third notice of a violation(s) on your purchasing card. (The first 2 notices were sent to you by email). The violation was found on the statement dated _____ and ending in account number _____. The violation(s) found are listed below.

Because this is your third audit with violations within one year period, you must now attend additional purchasing card training or your card will be suspended. Please contact me at extension 8180 as soon as possible to schedule your training. If I do not hear from you within 1 week of this letter, your card will be **suspended** until you attend additional training.

Please note, after you attend training, if you incur 2 additional audits with violations within 6 months of the training, your card will be **terminated**, indefinitely.



University of Richmond
Purchasing Card Non-Critical Violation After Training (2)

To: (Card Holder Name)

CC: (Approver's Name)
(Name) P-Card Specialist
(Name), Internal Audit

From: (Name), Accounts Payable Director

Date:

Subject: 4th Violation

This is your fourth notice of a violation(s) on your purchasing card. The violation was found on the statement dated _____ and ending in account number _____.

The violation(s) found are listed below.

Because we have provided you with additional training and you continue to have violations on your purchasing card, another audit with violations will result in the **termination** of your card without further notice.



University of Richmond
Purchasing Card Non-Critical Violation Notification & Termination (3)

TO: (Approver's Name)

CC: (Cardholder's Name)
(Name), Internal Audit
(Name), P-Card Specialist

FROM: (Name), Accounts Payable Director

Date:

Subject: Termination of Departmental Purchasing Card

This letter is to inform you that _____'s statement dated _____ and ending in account number _____ had the violations listed below.

Because we were unable to instill in this cardholder the seriousness of complying with University policy and the cardholder continuously abused the University's Purchasing Card Program policy, we have no alternative but to terminate this cardholder's departmental purchasing card, indefinitely.

If you would like to have another departmental card issued in someone else's name, please contact Jean Hines about completing an application.



October 14, 2010