

## **The P-Card Monthly Review and Audit Process** (Revised 4/28/09)

### **Overview**

In an effort to ensure compliance with all P-Card policies and procedures, the P-Card Program Analyst will conduct monthly reviews and audits of all P-Card transactions. This review is designed to ensure compliance, identify non-compliance and misuse, and through progressive corrective measures assist schools and departments with process improvements to improve compliance.

The Program Analyst will conduct the review and audit immediately following the Hard Close every month. After completing the review, the Program Analyst will notify Cardholders and Departmental P-Card Administrators (DPADs) of any violations that occurred for that month by email and in some cases phone calls. Senior Financial Administrators will receive a monthly report summarizing violations and the corrective action taken for participants within their department or school. The Program Analyst will work with the department or school to resolve these issues to ensure future compliance.

Below are the main areas that will be reviewed monthly in addition to the actions taken by the P-Card Team for participants who are in violation of policy. The Program Analyst may review additional areas at their discretion. All P-Card transactions will be reviewed for compliance and violations will be identified and tracked on a 12-month cycle. Depending on the severity of the violation, the Program Analyst may determine to suspend or revoke P-Card privileges sooner than outlined below.

For each violation, the P-Card participant(s) identified are required to complete a series of steps to reinstate their P-Card privileges. Below is a brief description of each step of the reinstatement process. Additional information regarding these steps will be provided to the DPAD and participant(s) at the time of the violation notification.

In all cases, the Cardholder is the subject of the corrective action because the Cardholder is ultimately responsible for ensuring that all policies and procedures are being followed in regards to their P-Card transactions. Due to the fact that many Cardholders have more than one Approver or Reconciler, the Program Analyst will work with the DPAD to identify these individuals as needed for the appropriate corrective action. The DPAD also has the discretion to decide that P-Card privileges for any participant should be revoked and may contact the Program Analyst to assist them with next steps.

**Areas of Review and Audit**

**Cardholder/Reconciler Sign-off**

Cardholders/Reconcilers must sign-off on all P-Card transaction for the billing cycle by the Hard Close deadline. The Hard Close takes place on the last business day of the month for all P-Card transactions that posted to WORKS between the 23<sup>rd</sup> of the month to the 22<sup>nd</sup> of the following month. For example: the January Hard Close will take place on January 31, 2009 for all transactions that posted to WORKS between December 23, 2008-January 22, 2009.

Failure to sign-off by the Hard Close will result in the following corrective action:

	<b>1<sup>st</sup> Incident</b>	<b>2<sup>nd</sup> Incident</b>	<b>3<sup>rd</sup> Incident</b>
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	2 business day suspension of P-Card use	20 business day suspension of P-Card use
<b>Next Steps for Cardholder (CH) and Reconciler (REC) if applicable</b>	CH/REC must sign-off on outstanding transactions in WORKS	<ul style="list-style-type: none"> <li>○ CH/REC must sign-off on outstanding transactions in WORKS</li> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH/REC must sign-off on outstanding transactions in WORKS</li> <li>○ CH and REC must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

**Approver Sign-off**

Approvers must sign-off on all P-Card transaction for the billing cycle by the Hard Close deadline. The Hard Close takes place on the last business day of the month for all P-Card transactions that posted to WORKS between the 23<sup>rd</sup> of the month to the 22<sup>nd</sup> of the following month. For example: the January Hard Close will take place on January 31, 2009 for all transactions that posted to WORKS between December 23, 2008-January 22, 2009.

Failure to sign-off by the Hard Close will result in the following corrective action:

	<b>1<sup>st</sup> Incident</b>	<b>2<sup>nd</sup> Incident</b>	<b>3<sup>rd</sup> Incident</b>
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	2 business day suspension of P-Card use	20 business day suspension of P-Card use
<b>Next Steps for Cardholder (CH) and Approver (APP)</b>	CH and/or APP must sign-off on outstanding transactions in WORKS	<ul style="list-style-type: none"> <li>○ CH and/or APP must sign-off on outstanding transactions in WORKS</li> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH and/or APP must sign-off on outstanding transactions in WORKS</li> <li>○ CH and APP must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

## Business Purpose for Food Transactions

Cardholders/Reconcilers are required to add a business purpose to all food transactions made with a restaurant or grocery store for food that will be consumed at an on-campus meeting. The business purpose must include: date of the meeting, location of the meeting, type of meal, names of individuals at the meeting (if attendance is over 10 the number is sufficient) and the business purpose for the meeting,

Failure to provide all details necessary before the Hard Close will result in the following corrective action:

	1 <sup>st</sup> Incident	2 <sup>nd</sup> Incident	3 <sup>rd</sup> Incident
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	2 business day suspension of food privilege on the P-Card	20 business day suspension of food privilege on the P-Card
<b>Next Steps for Cardholder (CH) and Reconciler (REC) when applicable</b>	CH/REC must complete the business purpose in WORKS	<ul style="list-style-type: none"> <li>○ CH/REC must complete the business purpose in WORKS</li> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH/REC must complete business purpose in WORKS</li> <li>○ CH and REC must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

## Business Purpose for Local Preferred Vendor Hotel Transactions

Cardholders/Reconcilers are required to add a business purpose to all business-related hotel reservations made at a preferred vendor local hotel. The business purpose must include: date(s) of the stay, name of guest, and the business purpose for the stay.

Failure to provide all details necessary before the Hard Close will result in the following corrective action:

	1 <sup>st</sup> Incident	2 <sup>nd</sup> Incident	3 <sup>rd</sup> Incident
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	2 business day suspension of hotel privilege on the P-Card	20 business day suspension of hotel privilege on the P-Card
<b>Next Steps for Cardholder (CH) and Reconciler (REC) when applicable</b>	CH/REC must complete the business purpose in WORKS	<ul style="list-style-type: none"> <li>○ CH/REC must complete the business purpose in WORKS</li> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH/REC must complete business purpose in WORKS</li> <li>○ CH and REC must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

## Use of the P-Card for a Restricted Purchase

A restricted purchase is when a Cardholder makes a purchase that is prohibited by policy with their P-Card. This includes purchases of travel, entertainment, food eaten off campus, gift certificates of any kind and fines. For a complete listing please review the P-Card policy at <http://procurement.columbia.edu/purchasing/p-card.html>.

Cardholders who make restricted purchases will be subject to the following corrective action:

	1 <sup>st</sup> Incident	2 <sup>nd</sup> Incident	3 <sup>rd</sup> Incident
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	10 business day suspension of P-Card use	20 business day suspension of P-Card use
<b>Next Steps for Cardholder (CH)</b>		<ul style="list-style-type: none"> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

## Use of the P-Card for a Split Transaction

Cardholders are not permitted to divide a purchase into multiple transactions to avoid their single transaction limit. An example of a split transaction would be the following scenario: Total purchase is \$3000 and the Cardholder has a single transaction limit of \$2500. The Cardholder has the vendor split the order into amounts of \$1000, \$1000 and \$1000.

Cardholders who split their P-Card transactions will be subject to the following corrective actions:

	1 <sup>st</sup> Incident	2 <sup>nd</sup> Incident	3 <sup>rd</sup> Incident
<b>Corrective Action</b> (Emails will be sent for each incident to the Cardholder and DPAD)	Warning e-mail sent to the CH and DPAD	10 business day suspension of P-Card use	20 business day suspension of P-Card use
<b>Next Steps for Cardholder (CH)</b>		<ul style="list-style-type: none"> <li>○ CH must complete the online P-Card policy certification process</li> </ul>	<ul style="list-style-type: none"> <li>○ CH must attend training</li> <li>○ Sr. Financial Administrator must send a reinstatement letter to the Program Analyst</li> </ul>

All participants are encouraged to review the P-Card policy and procedure documents and the P-Card Monthly Review and Audit FAQ's at <http://procurement.columbia.edu/purchasing/p-card.html> to acquaint themselves with their roles and responsibilities in the P-Card program and to ensure regular compliance.

If you have any questions regarding this process please contact the Program Analyst at [pcardaudit@columbia.edu](mailto:pcardaudit@columbia.edu).