

# PROCUREMENT CARD (P-CARD)

## Objective:

To determine if the department follows standard policies/procedures in the purchase of goods and services through the procurement card (p-card) and contracts

## Potential Impact:

Results in violations of state laws and/or institutional and UHS policies and procedures if appropriate purchasing practices are not followed.

## Helpful Tools:

- UH System Administrative Memorandum:  
[03.A.04 - University Credit Cards-General](#)
- UH – Downtown Policy Statement:  
[P05.C.01 - Procurement - General](#)
- UH – Downtown Policy Statement:  
[05.C.09 - General Procurement/Procurement Card](#)

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## Frequently Observed Weaknesses/Deficiencies:

- Inappropriate purchases, including for personal use/non-university purposes
- Exceeding transaction limits, including splitting to avoid transaction limits
- Failure to ensure proper receipt of goods and services purchased
- Lack of approval and/or appropriate level of approval for purchases and on physical p-card statements
- Inadequate reconciliation processes
- Failure to preclude sales tax charges
- Lack of receipts to support purchases
- Inadequate safeguarding of p-card, including sharing p-cards
- Failure to obtain prior approval from the P-card Office for specific p-card purchases such as gift cards and travel related charges (other than registration fees)
- Purchases coded to incorrect account codes

## Best Business Practices:

1. Designate an individual(s) as the unit's central authority for handling the purchase of goods and services (This individual should understand and be apprised of all purchasing activity for the unit as well as understand purchasing policies and procedures)
2. Identify a back-up employee for purchasing in the event this individual is absent
3. Develop internal purchasing business processes if necessary, and communicate to all unit employees
4. Ensure p-card holders comply with institutional procurement card policies and procedures
5. Attend p-card trainings and meetings
6. Ensure adequate segregation of duties:
  - Functions are divided so that one person does not have control over all aspects of a purchase, i.e., authorization of purchase, ordering, receiving, record keeping, and reconciliation
  - A p-card holder may reconcile their own p-card activity; however, the cardholder and reconciliation approver must never be the same person
7. Ensure purchases remain within dollar transaction limits
8. Retain all appropriate supporting documentation to validate purchases, credits and other transactions
9. Ensure disputed charges/discrepancies and errors are resolved in a timely manner
10. Provide adequate safeguarding of goods received
11. Ensure safeguarding of p-cards
12. Prohibit the sharing of p-cards
13. Ensure goods/services are charged/allocated to appropriate account codes/chart field combinations
14. Reconcile all purchase activity at least monthly (including p-card activity) and promptly following up on noted exceptions
15. Ensure reconciliations are approved by an appropriate level of management
16. Ensure purchase documentation, receipts and reconciliations are maintained for identified institutional retention period

## AREA

This questionnaire is designed so that “no” answers indicate that an internal control weakness may exist and the procedure/process may need to be examined in greater detail. **Comments should be provided for “No” answers.** When such weaknesses are identified, a change in the process may be necessary OR a control may need to be put into place to address the weakness. The appropriate UHD contact office (as outlined in the self-assessment text) may be contacted for assistance with identified weaknesses.

Self-Assessment of Internal Controls for Contracts	Yes	No	N/A	Comments
Are employees familiar with institutional and unit specific procurement policies and procedures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are p-card holders aware they need to review and certify all expenses?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the unit have an individual(s) responsible for the unit’s purchasing activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Does the unit have a back-up individual identified in the absence of the above designated individual?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Have p-card holders received p-card training?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are p-card holders familiar with what can/cannot be purchased with their p-card?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are p-card holders familiar with procurement policy prohibiting personal purchases?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the sharing of p-cards prohibited?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the individual who reviews and approves purchases different from the individual who reconciles financials/purchasing activity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Is the p-card holder different from the approver of p-card reconciliations?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are purchases valued at \$5,000 or above processed through the Purchasing Department?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are p-card holders aware of transaction limits and that splitting charges into multiple purchases to avoid exceeding those limits is prohibited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are purchasing errors/discrepancies corrected in a timely manner?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are goods received adequately safeguarded?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Are routine purchases monitored for unusual trends?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Are procurement documents and reconciliations retained for the appropriate time period as prescribed by institutional and BOR policies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
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This is a living document and will be updated as revisions are necessary. Periodically, you may want to check for updates and revisions. We welcome any questions and feedback regarding the information contained in this tool including any comments regarding how this may be more useful and effective.