



University of Wisconsin Whitewater

UW-Whitewater Procurement Card Audit Process

Purpose:

The procurement card's efficiency and ease of use reduce administrative burdens on UW-Whitewater staff but also expose UW-Whitewater to risk. Potential risks associated with the Procurement Card Program include inappropriate use, fraud, inaccurate coding allocation, noncompliance with State of Wisconsin and UW System Administration purchasing policies, and reputational damage to UW-Whitewater. This policy helps ensure controls are in place to mitigate these risks.

Scope:

The UW–Whitewater procurement card is for UW–Whitewater business purchases only. There are specific procedures that govern its use, including those for working with vendors, obtaining appropriate supporting documentation, handling returns, reconciling and approving transactions, and generally managing the procurement card account. These procedures can be found in the [UW System Purchasing Card Policy and Procedure Manual](#). As part of mandatory cardholder training, cardholders are urged to consider the following before making a purchase with the card:

1. Card limits: Know the limits for the card. The cycle credit limit and single purchase limit can be obtained from the Procurement card Program Administrator. Do not exceed the single purchase limit by splitting purchasing transactions.
2. Best-judgment purchase limit: The best-judgment purchase limit at UW-Whitewater is \$5,000. Purchases that exceed the best-judgment purchase limit must be coordinated through the UW-Whitewater Purchasing Department. The procurement card may not be used to make purchases that exceed this limit.
3. Contracted vendors: Use contracted vendors and negotiated discount pricing whenever possible or required per mandatory contract. Purchases from non-contracted vendors may require additional justification.
4. ShopUW+: Whenever possible, purchase items from UW-Whitewater's contracted vendors via ShopUW+. Check the online supplier catalogues for the item(s) needed prior to using the procurement card with a non-contracted vendor. Using ShopUW+ guarantees contract pricing and tax exemption. More information can be found at ShopUW+ Essentials.
5. Vendor's eligibility to do business with UW–Whitewater: A vendor's eligibility to do business with UW–Whitewater is contingent upon its compliance with state statutes. Several vendors have been deemed ineligible by the State of Wisconsin because they are not compliant with our state tax laws or affirmative action employment requirements. The cardholder must not conduct business with vendors on either of the ineligible vendor lists.
6. Alternate methods of making internal purchases: Cardholders should contact campus service providers such as ICIT, campus catering, campus libraries, campus printing services for services available from campus providers.
7. Frequently questioned purchases: For additional information on items or services allowed to be purchased with the procurement card, refer to the [UW System Purchasing Card Policy and Procedure Manual](#).

To ensure compliance with procurement card policy, the management procedure below has been developed to monitor procurement card program compliance.

Definitions:

Biweekly cycle: The procurement card program cycles on a biweekly basis. A procurement cardholder's cycle credit limit is refreshed according to this cycle.

Business purpose: A business purpose demonstrates how a purchase supports or advances the goals, objectives and mission of the university and adequately describes the expense as necessary, reasonable, and appropriate.

Cardholder: The UW-Whitewater employee whose name appears on a procurement card and who is responsible for all purchases made with that card.

Cycle credit limit: The maximum amount that can be spent with a procurement card during a two-week cycle.

Procurement card: A university-liability credit card issued to a UW-Whitewater employee for business-related purchases.

Procurement card administrator: The individual appointed by the Procurement Department to manage, coordinate, and control procurement cards for campus.

Single purchase limit: The maximum amount that can be spent with the procurement card on one transaction.

Approver: The individual responsible for managing the procurement cards for a department or division.

Supporting documentation: Any materials required to support a specific purchase as outlined in UW-Whitewater policy and procedures.

System closed transaction: a transaction that was not reconciled within 30 days and then posted to the general ledger without required cardholder verification and supervisor approval.

Management Procedure

The following steps or actions should be taken to complete campus procurement card continuous auditing.

Step	Action
1.	Campus procurement card administrator will manage the campus procurement card program in alignment with the steps outlined in the UW System Purchasing Card Policy and Procedure Manual and the Campus Procurement Card Administrator Business Process Guide .
2.	Routine surveillance auditing of all campus transactions to identify compliance with PCard Administrator responsibilities and p-card transaction compliance. This will be accomplished by routine monitoring of query results showing ineligible vendor purchases, system closed transactions, accounts missing approvers, approvers not employed, inactive accounts, and other reports developed to identify noncompliant transactions.)
3.	Audit individual transactions for compliance with State and UW System procurement and purchasing card policy compliance using the UWW Audit Form Template as the reporting tool. A noncompliance letter will be sent regarding transactions that violate policy. UWW Procurement

	<p>Card Post-System Close Reconciliation letter will be sent for transactions that are not reconciled and approved within the required 30-day time period. Three or more system closed transactions that have not been documented and approved will be considered noncompliance.</p> <p>Transactions are selected using the following criteria:</p> <p>Random selection of continuing cardholder transactions: At least one transaction per cardholder account will be audited every 6 months and 50% of overall transactions will be reviewed.</p> <p>New cardholder transactions: All transactions made during the first 3 months will be reviewed.</p> <p>Separating employee transaction exit audit: All transactions made by separating employees during their last billing cycle of account activity will be reviewed.</p>
4.	<p>Evaluate root cause of any audit finding and take corrective action. A corrective audit form has been developed to address and re-train cardholders and approvers in areas of noncompliance. If a cardholder has received multiple (3) noncompliance letters, then corrective actions will be required. A cardholder's credit limit may be reduced to \$1 until additional training is completed, or until missing documentation is completed for system closed transactions. If a cardholder receives an additional 2 noncompliance letters within a rolling 12-month period, i.e., a total of 5 noncompliance letters in a year, the cardholder and approver will be notified of the card's suspension for 6 months from the time of notification.</p>

Resources:

- 1) DOA Procurement Manual; PRO-110: <https://doa.wi.gov/ProcurementManual/Pages/PRO-410.aspx>
- 2) [UW System Purchasing Card Policy and Procedure Manual](#)

Administration:

Approval Details

Approval Authority:	Director of Procurement
Approval date:	8/9/2022
Version no:	V1.0
Date for next review:	

Contact Person/Unit

Contact Person/Unit:	Ryan Moore
----------------------	------------

Keywords

Keywords:	Purchasing Card, Procurement Card, Procurement, Audit
-----------	---