

## Policy Violations

University Policy 3.25, Procurement of Goods and Services, and its appendix, this Buying Manual, provide guidelines that are designed to ensure sound business practices and full compliance with other university policies, as well as various external requirements, such as IRS regulations, federal OMB circulars, etc. Procurement card usage must be monitored to ensure that violations of university policy are detected and handled in such a way as to deter future violations. This section of the Buying Manual will provide a course of action in response to a policy violation and identify the party responsible for any follow-up action.

### 1. Failure to Submit Documentation

One of the most significant problems related to the use of pcards is the failure to provide documentation to substantiate a transaction, as described in “Documentation Requirements.” Without adequate supporting documentation, the Service Center (BSC) cannot be sure which account or object code to select. Credit Card Programs can identify pcard transactions (PCDOs) in the Kuali Financial System (KFS) that do not have an attachment and are therefore, assumed to have had no supporting documentation provided to the university. To reduce this behavior, **Credit Card Programs will suspend all pcards held by an individual who has a pcard transaction in KFS age to 30 days or greater, with no attachment.** The process is as follows:

- An automated report runs daily to identify any PCDO that was created in KFS more than 30 days prior but has no attachment (business purpose, account, etc.).
- For each transaction identified, an email notifying the cardholder of the suspension of their pcard is automatically sent to the cardholder, with a copy going to Credit Card Programs.
- Credit Card Programs will suspend the appropriate account in the bank system. Cardholders whose accounts have been suspended must meet the following criteria to have their account reinstated:
  - Account will remain suspended for a minimum of 30 days.
  - Cardholder will submit the PCard Transaction Detail form, with required documentation attached for each transaction.
  - Cardholder will complete the PCard Tutorial and successfully pass the accompanying exam (PUR 111 is found at [culearn.cornell.edu](http://culearn.cornell.edu)).
  - After the above criteria have been met, the cardholder may request reinstatement by submitting a [“Request to Reactivate Suspended PCard”](#) form.
- Should a pcard be suspended a third time in any rolling twelve months, Credit Card Programs may suspend the account for a longer period time, reduce the transaction limit on the card, or revoke the card.

◆ **Note:** As described in Documentation Requirements, when an original receipt is not available, the cardholder must provide a written explanation as to why the original receipt is not available, details about the transaction including a description of the item(s) purchased, vendor’s name, date of purchase, quantity, unit price, total cost, account(s) to be charged and a description of business purpose. Cardholders may utilize the [Missing Receipt Affidavit](#) form to provide these details.

### Other Types of Policy Violations

Other types of policy violations are most easily identified by the pcard coordinator in the BSC. Should the

pcard coordinator determine that a pcard transaction represents a violation of policy, he/she will report this violation to the Service Center Director, who is responsible for evaluating the violation based on the information provided in this Buying Manual. Requests to suspend or reinstate a pcard will be made to Credit Card Programs.

**1. Lending or Sharing of a pcard**

Any instance of lending or sharing a pcard should result in a minimum 60-day suspension of the card. This is a significant violation as knowingly sharing a card or card number will negatively impact the cardholder's ability to dispute charges and identify fraudulent transactions.

Other factors that may lead to suspension of your pcard include, but are not limited to the following:

**2. Performance of a prohibited transaction (see section 302, Prohibited Transactions)**

**3. Splitting a Transaction**

The cost of a single item (whether good or service) must not be split into multiple payments in order to circumvent the per transaction limit on the pcard.

**4. Exceeding or Circumventing the PCard Transaction and/or Cycle Limit**

Merchants can (and do) force through transactions without verification of a card's limits. Take into consideration whether the cardholder should have been aware that an order would total more than his/her per transaction limit. Each transaction on the card will be supported by a single invoice; multiple payments may not be made against a single invoice. It is also a violation when multiple purchases of the same items are made such that the total combined value of the purchases would require completion of a bid through Procurement Services.

**5. Late submission of documentation**

Submitting documentation more than 10 days after the transaction will generally cause the automatic release of that charge against the card's default account. This violation is significant as it creates an expense for the university without supporting documentation. The Service Center cannot know which account or object code to select without adequate supporting documentation and therefore, additional work is created when the charge (or credit) must be moved to a different account or object code.

**6. Submitting written explanations for missing, lost, not received receipts, in lieu of originals**

Submitting a written explanation (or Missing Receipt Affidavit) for missing, lost, not received receipts, in lieu of originals may warrant a suspension if/when the frequency or circumstances do not appear reasonable. Each instance must be evaluated individually.

**7. Accidental personal use of the pcard**

**8. Any other use of the pcard that violates this, or other, university policies.**

Any violation fitting the title above must be evaluated individually by the Service Center Director and may require immediate suspension of the card.

♦ **Note:** *If a cardholder's pcard is revoked for noncompliance with policy, the individual cannot apply for a subsequent card.*