

The privilege of using a FIU Commodity and Departmental Travel Card comes with specific responsibilities. The Cardholder and Departmental Approvers each carry important roles to ensure that University funds are used appropriately. The credit card program offers cost saving advantages to the University but it also contains some inherent risks. The primary risks associated with the program are the reduced level of scrutiny because the expenditures bypass the centralized purchasing process and the increased risk of collusion.

In working together we can mitigate the increased risk. Below are the roles and responsibilities of each area:

Employees Responsibility

- Track your purchases and only use reputable vendors
- Do not allow anyone to use your card
- Submit receipts and work with your Approver to reconcile your account
- Report suspicious or erroneous charges immediately
- Guard against identity theft and report a lost or stolen Card immediately
- Protect your credit card information. Do not keep photo copies or write our number on a sheet of paper to give to others.

Departmental Approver Responsibility

- Ensure purchases made on the cards are documented by receipts and are made solely for Departmental or University use
- Look for signs of fraud, such as purchases that are sent to a home rather than to the office
- Watch for restricted items or inappropriate purchases
- Contact the Credit Card Solution staff if you are unsure as to the validity of purchases
- Look for split purchases
- Reconcile statements monthly
- Report suspected fraud activity

Departmental Responsibility

- Ensure subordinates do not approve purchases of their supervisors
- Ensure employees do not approve their own purchases
- Ensure cardholders are held accountable for purchases
- Eliminate Excessive number of pro-cards under single approver
- Limit access of the card to the card holder
- Have HR Conduct Credit Back Ground Checks on New Employees
- Look for Red Flags signs of Fraud

We are seeing repeated mistakes currently at FIU. Please take the opportunity to review your current practices to ensure that you do not have an audit issue later on.

Areas of Concern

Loaning Card out to Others and Subordinate Approval

The Commodity Card was designed for use by the individual that purchases goods and services. The Departmental Travel Card is designed for those that make hotel and travel arrangements. A typical mistake that we are seeing is that a Dean, Director or Supervisor has the card issued in their name and they give their card to a subordinate to purchase goods and services. In most cases an added problem is when the same individual that is actually making the purchase is also the designated card approver. Subordinates cannot be approvers. This lacks the proper scrutiny and puts the University at risk of theft. The correct way to structure this is for the subordinate to be the card holder and someone in a higher position of responsibility to be the approver.

Never allow others—even trusted employees or research assistants—to use your Commodity Card or Departmental Travel card under any circumstances. The Cardholder is responsible for reimbursement of inappropriate expenses.

Lack of Receipts

The department is responsible for ensuring receipts are provided by the card holder and for maintaining receipts and documentation for their Commodity and Departmental Travel Card purchases. The elements that a receipt must contain are the Vendor Name, a detailed listing of goods purchased with descriptions, quantity, price and a transaction date & total dollar amount of purchase.

Examples of acceptable supporting documentation include, but are not limited to:

- Original sales receipt, invoice, cash register receipt, the packing slip does not always contain adequate information. They are used to support invoices and document delivery.
- Internet confirmation printed from email (if there is no packing slip with the goods when received) and invoice received with delivery.

If a receipt is lost or unattainable, a missing receipt form needs to be completed, If an approver does not receive a receipt, and/or the Cardholder fails to provide a receipt or missing receipt form, or if the Approver is uncomfortable with the receipt or purchase, the Approver should mark the charge as “verified” and make the notation in the comment field that the transaction is “under review”. Let the charge remain unapproved.

The credit card solutions team will work with you in resolving the issue. You are never required to approve a purchase that you are uncomfortable with. The procedure is attached for your review.

Prohibited Purchases with Commodity Card

The purpose of the Commodity Card is to purchase goods and services on behalf of the University. Purchases that would not be acceptable are as follows:

- **Personal Items of any Kind Some examples are**
 - DVD Players
 - IPODs/MP3 Players Air Purifier
 - FIU baseball caps and tee-shirts
 - Televisions for home use

- Lunch Meetings
(The University has a T&E card that is available for these types of purchases or you can pay with personal funds and be reimbursed. Both of these methods flow through the employee travel and reimbursement system to ensure adequate accounting controls)
- Appliances for use in your office or department (coffee pots, heaters, fans)
- Cell phone rentals, purchases, or prepaid minutes/phone cards
- Gifts, awards, or congratulatory items of any kind
- Hazardous materials (biohazards, radioactive materials, chemicals, controlled substances, including drugs, alcohol, and tobacco)
- Refreshments (coffee, groceries, alcoholic and non-alcoholic beverages). Note some cards are pre-approved for purchase of food for events and not subject to the limitation on non-alcoholic beverages.
- Cash advances
- Gift cards or gift certificates
- Cell phone services
- Training programs
- Insurance of all types
- Professional licenses and Certifications such as for the CPA or BAR license
- Recurring payments of any kind

The Procurement Card **must never be used to purchase items for *personal use or for non-University purposes*** even if the Cardholder intends to reimburse the University.

Abuse of Card

A public university must be good stewards of public funds. We are charged with ensuring that we use these public funds wisely and get the best value. The Cardholder and Approver play an important role in ensuring that we maintain the public trust in the use of our resources.

Examples of Card Abuse

<u>Appropriate</u>		<u>Inappropriate</u>	
Pens	\$1	Cross Chrome Ball Point Pens	\$195
		Gold Plated Fountain Pen	\$ 88
Fabric Computer Bag	\$50	Leather Computer Bag	\$250
Airline Ticket Coach	\$250	Airline Ticket First Class	\$2,000

Foundation Expenses

The Commodity and Departmental Travel Card are purchasing vehicles of the University. No expense related to the Foundation can be paid with either of these cards.

If you have a unique situation where you have a specific need, the Commodity Card team is available to help you. Contact our Credit Card solutions Administrator, Linda Pagliaro at (305) 348-1250. If you suspect Fraud or Abuse contact the Credit Card Solutions Office, Internal Audit or call the Universities Fraud Hotline at 1-888-286-5154. [The Credit Card Solutions web page](#) provides additional information.