Emory University
Purchasing Card
Compliance Review Program

This compliance review program has been created by the Office of Financial Operations to protect the financial integrity of the Emory University Purchasing Card Program. The Compliance Review Program (CRP) takes an integrated approach with a comprehensive emphasis on people, policy, procedures, technology, and oversight, and is meant for Emory University Purchasing Card users and their supervisors.

The purpose of the Emory Compliance Review Program is to provide proper guidance and definitive policy on the use of and responsibilities for the Emory Purchasing Card. The program is a proactive, risk management approach designed to provide the proper checks and balances required in order for the P-Card program to remain successful.

The Emory Compliance Review Staff (CRS), led by Marlene Otonicar, Lead Compliance Review Coordinator, and Kathy Grant, Compliance Review Coordinator, under the leadership and supervision of Ann Uher, Director of Accounting, Compliance and Analytics, will administer the Emory Compliance Review Program. This group has oversight of the compliance review program. Its key responsibilities are to enforce and administer all Compliance Review Program policies and procedures. The CRS takes necessary action to ensure compliance to the mandate of the Purchasing Card Program.

The Compliance Review staff will conduct monthly reviews of cardholder and department use of the Emory P-Card. These reviews may either be scheduled or unscheduled with all decisions made at the discretion of the Compliance Review staff. Reviews may also be conducted by other entities including, but not limited to: Emory's Internal Audit Unit and the Internal Revenue Service (I.R.S.). The 7 year retention period is compulsory for all non-grant related p-card documents. The grant related p-card documents require retention of 3 years after the grant/award has ended or final audit has occurred.

The Compliance Review Program does not replace the responsibilities of Emory’s Internal Audit Division and is designed to provide guidance and clarity for uniform compliance of all cardholders and supervisors to the policies and procedures of the Purchasing Card Program. It is important that cardholders, department managers, financial staff, principal investigators, and University executives work together in order to preserve the financial integrity of the program.

Roles and Responsibilities

Compliance Review Staff (CRS): The Compliance Review Staff shall produce all reports regarding department and cardholder Purchasing Card use as well as reports requested from Emory University stakeholders, including Internal Audit and financial management executives with interest in Emory Purchasing Card use.

Purchasing Card Program Staff: The staff consists of employees within Financial Operations who administer the Purchasing Card Program and monitor the SAM software. Among other duties, the P-Card Program Staff will conduct mandatory training for cardholders and managers to effectively communicate P-Card program policy. A special section for program compliance review is included in the standard training workshop. While this staff has no direct responsibility for compliance, they work closely with the Compliance Review Staff to communicate P-Card policy and procedures to individual employees and the campus at large.

- **Cardholders:** Specifically for this program, cardholders are expected to adhere to certain monthly procedures and guidelines in order to remain in good standing. Much of the success and failure of the P-Card program begins and ends with cardholder compliance; therefore there are expectations for cooperation with and consistency to the program. Failure to meet these expectations could result in a retraction of the P-Card or termination.

- **Managers:** Managers play a key role in the success of the Emory Purchasing Card Program. Specifically for this program, the manager is defined as the *immediate supervisor* of the cardholder and is ultimately responsible for compliance to this policy within his/her supervision.
**Summary Table of Responsibilities** - The table below lists key responsibilities for both the cardholder and manager. Please review the entire table very carefully so that both roles are understood. The check and balance system outlined here must be respected and complied with in order for the card program to maintain successful internal controls.

<table>
<thead>
<tr>
<th>Cardholder Responsibilities</th>
<th>Management Responsibilities</th>
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<tbody>
<tr>
<td><strong>Comply with All Emory Financial Operations Services Policies.</strong></td>
<td>Be correctly identified and listed on the Emory Purchasing Card Program Application as the manager/supervisor of the cardholder.</td>
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<tr>
<td>Maintain security of the card and corresponding account number. P-Cards are <strong>never</strong> to be shared among staff or students.</td>
<td>Ensure cardholder purchases are authorized, reasonable, appropriate and cost effective.</td>
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<tr>
<td>Ensure proper receipt of products and services ordered with the P-Card.</td>
<td>Approve or disapprove cardholder transactions by actively reviewing transactions within the proper timeline using the online P-Card Program System (SAM). Ensure that purchases fall within the prescribed P-Card policies and procedures; specifically that transaction limits are not violated due to “splitting” of purchases.</td>
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<tr>
<td>Receive and reconcile monthly P-Card statement from Emory P-Card provider (American Express). Sign the monthly cardholder statement ensuring that the proper documentation is attached including receipts, packing slips, invoices, and any other corresponding documents. Once completed, forward to manager/supervisor for review.</td>
<td>Review, sign and use full signature on the monthly cardholder statement verifying that each transaction is properly documented with the appropriate receipt, invoice, or packing slip.</td>
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<tr>
<td>Verify the accuracy of all transactions on both the cardholder statement and within the Emory P-Card Program online system (SAM).</td>
<td>Review monthly cardholder transactions to ensure that prohibited items have not been purchased.</td>
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<td>Resolve delivery and credit disputes with suppliers or contact Emory Purchasing Card Administrator to resolve disputes.</td>
<td>Communicate with cardholder(s) to ensure that monthly reconciliation processes are met in a timely manner.</td>
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<tr>
<td>Reallocate P-Card transactions to their proper G/L accounting code within the appropriate accounting period.</td>
<td>Ensure that all cardholder transactions are reviewed, approved, reconciled, and described in the online P-Card Program System (SAM) within the appropriate accounting period.</td>
</tr>
<tr>
<td>Contact the Emory P-Card Administrator and provide your end date when you resign, terminate, or move from one department to another.</td>
<td>Verify that the Emory P-Card Administrator has been contacted to cancel the P-card effective of the cardholder’s end date in your department.</td>
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Guidelines:

In order to successfully stay within the Emory Compliance Review Program guidelines, cardholders and departments are **required** to meet the following guidelines:

- **Separation of Duties**: Cardholders may **not** under any circumstances serve as their own approver for Emory P-Card transactions. Cardholders are required to have their recognized supervisor and manager perform the recognized monthly review, reconciliation, and reallocation process. This separation of duties extends to and includes approval access in the online P-Card Program Management System (SAM).

- **Monthly Reconciliation Process**: Each cardholder and their immediate supervisor/manager is required to receive, sign with his or her full signature, and authenticate the monthly cardholder statement, along with supporting documentation such as receipts, packing slips, and invoices. This process is required to be completed every month in order for the cardholder to remain in good standing.

- **Documentation**: Signed and authenticated cardholder statements and corresponding documentation are to be kept in the department in chronological order by month. Documentation is required to be accessible and ready for review when a cardholder is selected for compliance review.

- **Training**: Prior to the issuance, all Emory Purchasing Cardholders will be required to attend a comprehensive training program in order to educate employees on card use, compliance, and use of the online P-Card Program Management System (SAM). The Emory P-Card Administrator will present this training. Note: As a pre-caution, each new cardholder will be reviewed by the Compliance Review staff in order to verify that policies, procedures, and processes are being properly followed.

- **Reporting**: Daily, monthly, and annual reviews of certain exception reports (reports that show transactions that fall outside the area of allowable purchases as defined in the Emory P-Card Policies and Procedures) from the Emory P-Card Program Financial Partner (American Express Financial Services) will be generated by the Compliance Review staff. Types of reports include, but are not limited to, "splitting" (a technique used to circumvent the single purchase limit), weekend transactions, fuel and service station transactions, transactions without review or descriptions, travel and entertainment related transactions, and MCC (Merchant Category Code) exception reports.

- **Employee Verification**: The Purchasing Card Administrator shall verify that all potential cardholders are in fact employees of Emory University. Note: Temporary and student workers shall not be issued Emory Purchasing Cards but under certain circumstances may receive an Emory Controlled Value Card (these are P-Cards with an established expiration date and spending limit).

- **Cardholder & Department Review**: Each cardholder and department will receive a compliance review audit from the Emory Purchasing Card Program Staff. These audits are designed to verify that the cardholder, management, and departments are following the proper guidelines as prescribed in the Compliance Review policy.

- **Result Notification**: The results of the review will be compiled in a summary format and will include compliance status, areas of concern and comments from the Compliance Review staff. This report will include detailed information and required course of action if serious compliance issues are detected. These reports are routed to the appropriate University Managers and Executives. Copies of all reports will be maintained in the Office of Financial Operations.

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1 The business officer must clarify in writing if approval authorization is delegated to someone other than the immediate supervisor/manager.
Reporting

The ability to monitor Procurement Card Program use will rely heavily on reports from the online Procurement Card System (SAM) administered by American Express. These reports will be generated as needed prior to a compliance review visit and used to make an educated decision on cardholder and department compliance.

- **Cardholder List Report**: Must include cardholder name, account number, date card issued, card expiration date, single purchase limit, and the monthly purchase limit.

- **Monthly Spend Report**: A list of individual transactions made by cardholder(s) separated by billing cycle.

- **Cardholder Summary Report**: A list of cardholder transactions by dollar amount, number of transactions and number of purchases.

- **Multiple Transaction Report**: A list of multiple transactions done on the same day or within a certain time period with the same MCC.

- **MCC Exception Report**: (Merchant Category Code.) A list of cardholder transactions that is questionable. This list includes but is not limited to: weekend transactions, grant accounts, transactions payable to Emory, travel & entertainment, retail stores and gasoline.

**Reports will be generated based on the following transaction criteria:**

1. **Master Statement**: Each month a summary billing statement is received from American Express detailing all transactions. If, during that review, any transactions appear to be questionable, the Compliance Review Staff will contact the department and/or cardholder in question and request supporting documentation for that particular transaction.

2. **Transactions Without Description in online Emory P-Card System (SAM)**: When a transaction flows through the system, there is generally a description field of “transaction line item”. The cardholder/department is responsible for clarifying the transaction in SAM by either updating the transaction description or by placing notes in SAM with additional information. Failure to update this information may cause the transaction to be chosen for review.

3. **Transactions Not Viewed in SAM**: One of the requirements of using the P-Card is that transactions are viewed in SAM and assigned an appropriate account number. Once this is completed, the transaction must be marked “viewed”. Transactions which are not viewed within 10 days of posting in the SAM system are imported into Compass and charged to the default account number assigned to the card. Continued and frequent occurrences of unviewed transactions may cause the transactions for the card in question to be chosen for review.

4. **Travel & Entertainment Transactions**: A monthly report is generated listing all procurement card transactions relating to business meals or those falling within that merchant category code (MCC). If any questionable charges are identified, the department will be contacted to provide supporting documentation.

5. **Employee Gifts and Celebrations**: It is not appropriate to spend University funds in recognition of faculty or staff for non work-related achievement or events such as weddings, baby showers, housewarmings, etc. If individuals wish to recognize these events, they may do so on a personal level. Personal funds should be used to pay for these and other kinds of staff parties and gifts. These personal funds will not be reimbursed by the University. If inappropriate charges are identified, the cardholder is required to reimburse these funds to the University.

6. **Fuel and Service Station**: A monthly report is generated relating to fuel and service station transactions. If questionable charges are identified, the department is contacted to provide supporting documentation.

7. **Weekend Transactions**: A query is generated for week-end transactions. If any questionable charges are identified, the department will be contacted to provide supporting documentation.