Internal Audit Report

Pro-Card Administration

Report No. SC-15-09
June 2015

David Lane
Auditor-in-Charge

Approved
Barry Long, Director
Internal Audit & Advisory Services
This page intentionally left blank
Table of Contents

I. EXECUTIVE SUMMARY ........................................................................................................................................... 2

II. INTRODUCTION
   Purpose ........................................................................................................................................................................ 3
   Background ................................................................................................................................................................. 3
   Scope ............................................................................................................................................................................. 3

III. OBSERVATIONS REQUIRING MANAGEMENT CORRECTIVE ACTION
   A. Streamlining Pro-Card Administrative Processes ............................................................................................... 5
   B. FAST Pro-Card Review and Monitoring .................................................................................................................. 7
   C. Restricted Items List ................................................................................................................................................... 9
   D. Using Pro-Cards vs. CruzBuy .................................................................................................................................. 11
   E. Recognizing Revenue Using Payment Plus ............................................................................................................... 13

APPENDICES:
   A. Pro-Card Activity - Roles and Responsibilities ...................................................................................................... 14
I. EXECUTIVE SUMMARY

Internal Audit & Advisory Services (IAS) has completed an audit of the campus Pro-Card administration and review program to assess its effectiveness and to evaluate controls in place to prevent unauthorized purchases.

In general, the campus Financial Administrative Services and Transactions (FAST) office was effectively administering the campus Pro-Card program. Pro-Card controls provided reasonable assurance that campus cardholder purchases would be made in accordance with campus and university policy, and errors would be identified and corrected in the normal course of business. We did not identify any inappropriate purchases or misuse of university funds from tests performed.

However, opportunities were identified for streamlining the Pro-Card process within FAST, enhancing its review activity, re-evaluating restrictions on the use of Pro-Card, and increasing incentive fee revenue by using Pro-Card for vendor payments.

The following issues requiring management corrective action were identified during the review:

A. Streamlining Pro-Card Administrative Processes
   Efficiency gains could be realized by eliminating the practice of maintaining paper Pro-Card statements and supporting documentation within FAST, and by utilizing on-line tools available from the Pro-Card vendor.

B. FAST Pro-Card Review and Monitoring
   Opportunities were identified for enhancing elements of the Pro-Card review and monitoring activity conducted by FAST.

C. Restricted Item List
   Opportunities existed for re-examining the campus restricted item list for applicability, as it included more restricted items than lists maintained at other UC campuses.

D. Using Pro-Card vs. CruzBuy
   Use of the Pro-Card for low value purchasing continued to be the choice of high use cardholders and provided an easy way to acquire items at a competitive price. Training and/or search functionality within CruzBuy could be enhanced so that users could more easily locate the lowest price vendor.

E. Recognizing Revenue using Payment Plus
   The campus could increase revenues by making vendor invoice payments using a Payment Plus Pro-Card instead using ACH or paper checks.

Management agreed to all corrective actions to address risks identified in these areas. Observations and related management corrective actions are described in greater detail in section III of this report.
II. INTRODUCTION

Purpose
To assess the effectiveness of the campus Pro-Card administration and review program, and to evaluate controls in place to prevent unauthorized purchases.

Background
The campus Pro-Card program was introduced in 1996 as a mechanism for reducing the cost and facilitating low value purchases (under $2500) by campus units and divisions. U.S. Bank is the campus Pro-Card provider.

The Pro-Card program is administered by the Pro-Card administration team within Financial Administrative Services & Transactions (FAST), which is composed of 1.5 FTEs. During FY14, Pro-Card expenditures of $5,113,253 represented approximately two percent of campus purchasing activity. There are approximately 287 Pro-Cards issued to 206 campus cardholders.

A Pro-Card user guide outlines the roles, responsibilities, and requirements of the Pro-Card program. Roles include the Pro-Card administrative team in FAST, a campus unit/divisional approver, a Pro-Card authorizer (PCA), one of more supervisors/reviewers, and the cardholders.

The FAST administration review process begins with a notification from FAST to campus cardholders that their statements are ready to download from the Pro-Card vendor bank. Campus units/departments review and approve cardholder activity and paper statements, and receipts are mailed to FAST via campus mail services.

There are five Office of Record units who do not forward their approved statements and supporting documentation to FAST. For those five units, the PCA and supervisor/reviewer perform all of the administrative functions for Pro-Card processes except issuing new cards and terminating cards when needed. FAST does not review/audit any statements from these units.

Scope
This review focused on the effectiveness of campus Pro-Card program, including administration and monitoring Pro-Card use, and evaluating controls in place to prevent unauthorized purchases.

Eight primary objectives were identified during the preliminary phase of the review based on a project risk assessment and represent areas of audit emphasis: unit level Pro-Card controls, FAST Pro-Card controls, relative costs of using Pro-Cards, Pro-Card policy, vendor bank (U.S. Bank) controls, Pro-Card user list maintenance, detailed testing of Pro-Card purchases, and fund matching. Audit testing steps were developed to address these objectives, as follows:

Transactions/statements were tested to determine if purchases were inconsistent with Pro-Card policy or converted to personal use. UCSC Pro-Card policy was compared with other UC campus and system-wide policies and procedures. High dollar cardholders were interviewed to understand the benefits and constraints of using the Pro-Card. The director of UCOP Banking and Treasury and the Pro-Card vendor bank were interviewed. We attended a campus systemwide Pro-Card user’s group meeting.

In addition, administrative processes in FAST were flowcharted to determine the effort required to execute monitoring and other administrative processes; functionality offered by the Pro-Card vendor bank was identified that could be used by FAST; and the list of restricted items was compared with lists maintained at other UC
campuses. A price comparison of 31 items was made between Amazon (Pro-Card) and Office Max, our strategic sourced vendor (CruzBuy).

Lastly, we tested a sample of the following types of Pro-Card transactions to determine compliance with Pro-Card policy and searched for items that may have been purchased inappropriately and/or for personal use, as follows:

- 20 Amazon.com transactions,
- 20 PayPal transactions,
- 10 Bay Tree Bookstore transactions,
- 10 purchases over $3,500,
- 10 purchases between $200-3,499,
- 10 transactions funded by Federal funds,
- 10 transactions from units who are distributed Office of Record.
III. OBSERVATIONS REQUIRING MANAGEMENT CORRECTIVE ACTION

A. Streamlining Pro-Card Administrative Practices

Efficiency gains could be realized by eliminating the practice of maintaining paper Pro-Card statements and supporting documentation within FAST, and by utilizing on-line tools available from the Pro-Card vendor.

Risk Statement/Effect

Receiving and maintaining supporting paper documentation of Pro-Card activity from campus units is unnecessary and inefficient. If paper documents were eliminated from the process and e-mails to cardholders were automated, FAST could cut the time processing Pro-Card statements in half.

Agreement

A.1 Financial Affairs will assess the current documentation process to identify and evaluate the feasibility of implementing changes that will reduce manual effort and the use and storage of paper documents.

The assessment will focus on the following areas:

- Identifying and implementing alternatives to transmitting and maintaining hard-copy documents, including designating all Pro-Card units as Office of Record for Pro-Card statements.
- Improving the efficiency of distributing e-mail notifications to cardholders and reviewers.
- Tracking system efficiency improvements

<table>
<thead>
<tr>
<th>Implementation Date</th>
<th>Responsible Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2016</td>
<td>Campus Controller</td>
</tr>
</tbody>
</table>

A. Streamlining Pro-Card Administrative Practices – Detailed Description

Most campus units send paper statements and receipts supporting Pro-Card transactions to FAST using the campus mail service. Once received, FAST maintains the documentation in their files and serves as Office of Record. Records maintained by FAST then become the population that is subject to review by FAST administrative reviewers. Having access to the documentation within FAST facilitates the current review process.

However, five campus units do not send Pro-Card supporting documentation to FAST, and are designated as Office of Record for their own FIS transactions (includes Pro-Card documentation). Pro-Card purchases from these five units represent approximately 18% of all Pro-Card purchases.

The practice of sending paper statements and receipts supporting Pro-Card transactions to FAST appears inefficient and is not consistent with campus sustainability efforts. Retaining the original documents locally either on paper or electronically, as is done with the five Office of Record campus units, would reduce the effort spent handling, transporting by mail, and storing within FAST. It would also reduce the amount of paper presently consumed in the process.
We discussed the prospect of having all campus units/divisions maintain their own documentation, acting as Office of Record for Pro-Card activity. The response we received was that maintaining Pro-Card statements and support documentation within units/divisions would not require additional work, particularly if the units were designated Office of Record for only Pro-Card activity. FAST would only receive electronic statements that were selected for review.

FAST also processes Transfer of Expense (TOE) journals as requested for all units that are not Office of Record. This process takes an hour or more a week. The Pro-Card vendor bank offers software that allows cardholders to process their own transfers, but this software would require a modification to FIS. If all units became Office of Record units, they would need to process their own TOE transactions. If they did not have the proper permission to process, they could submit the TOE actions directly to Key Entry. This would add a level of effort to units, but would be expected to be minor compared to the overall savings in efficiency.

In addition, FAST currently spends approximately 17 hours a month distributing e-mails to cardholders when Pro-Card statements are ready to download from the Pro-Card vendor bank or when statements are not submitted timely. The Pro-Card vendor bank has software that can automatically e-mail all cardholders when statements are ready to download or when they are late submitting or reviewing statements. Utilizing this functionality could save nearly all of the 17 hours a month spent by FAST on this activity. If all units were designated Office of Record, emails may not be required to be sent, as FAST does not send emails to the five existing Office of Record units.

FAST indicated that they had tried using the automated bank e-mail system some years ago, but they had problems because cardholders did not recognize the e-mails and this resulted in cardholders not submitting their statements timely. FAST also indicated that cardholders might have trouble matching the e-mails from the bank to the right card if they had multiple cards. Some level of communication on what to expect from the Pro-Card vendor bank and when the automated system would be starting would help. We were informed by U.S. Bank that the e-mails now contain the last four digits of the card, which should improve past issues with card identification.

Eliminating paper documents maintained within FAST and automating the e-mail notification process could reduce the time it takes to process one Pro-Card statement within FAST from 6.65 to 3.02 minutes (over 50% reduction).
B. FAST Pro-Card Review and Monitoring

Opportunities were identified for enhancing elements of the Pro-Card review and monitoring activity conducted by FAST.

Risk Statement/Effect

An effective Pro-Card review and monitoring function helps ensure that cardholder activity is conducted in accordance with policy and reduces the risk of an inappropriate purchase occurring and going undetected.

Agreement

B.1 Financial Affairs will evaluate the Pro-Card activity review process to identify and assess the feasibility of implementing changes that will improve the efficiency and effectiveness of monitoring controls.

The evaluation will focus on the following area:

- Transaction review approach to include all Pro-Card units.
- Automated analytical tools to identify high risk transactions for review.
- Maintain a list and record of all statements reviewed, including testing conclusions.

Implementation Date

07/01/2016

Responsible Manager

Campus Controller

B. FAST Pro-Card Review and Monitoring - Detailed Description

FAST Pro-Card review procedures include:

- Selecting statements to review from paper documents received, based on the following guidelines:
  - One out of ten statements
  - All statements over $3,500
  - All statements for new cardholders for the first three months after they get a card
  - Three months of statements for any cardholder placed on probation for violations
- Logging violations detected in the samples selected for review
- Placing cardholders who violate policy on probation
- Suspending cards for more serious violations
- Processing TOE journals as requested

One element missing from the FAST review program was that they did not maintain a list or track all statements reviewed. FAST would only record the results of reviews when there had been an error or a violation identified. As a result, there was no way to evaluate the level of review coverage provided over campus units/divisions and no way to compile error rates and monitor trends.

In addition, FAST administration only reviewed statements and documents received from non-Office of Record units/divisions. If a statement or document was not received by FAST, it was not subject to review. For example, FAST was not reviewing any transactions from the five Office of Record divisions/units who did not send Pro-Card
statements or documentation to FAST. We did not identify any exceptions from our sample of Pro-Card transactions tested originating from those five divisions/units.

If all divisions/units were to maintain Pro-Card statements and supporting documentation as Office of Record, FAST would only need to request electronic copies of the statements and supporting documents selected for review, thus providing coverage and uniformity of testing that does not presently exist.

Once Office of Record is shifted to units/divisions, FAST would need to establish a master list or data feed of all Pro-Card statements/transactions on which they could apply a testing methodology. Using a hybrid testing plan that included testing of all units/divisions and also employing a risk-based approach that considered volume level, dollar value, type of item purchased, method of purchase and violation history would provide an effective testing plan and more effective oversight of campus Pro-Card activity.

FAST could track cardholder and campus units reviewed, maintain statistics and monitor trends on reviews, error rates and violations identified in reviews of campus units/divisions. In addition, FAST could pilot the use of software functionality offered through U.S. Bank that identifies high risk statements for review.
## C. Restricted Items List

Opportunities existed for re-examining the campus restricted items list for applicability, as it included more restricted items than lists at other UC campuses.

### Risk Statement/Effect

When items are unnecessarily restricted from purchase using the Pro-Card, the cardholder is forced to find other means to acquire the items, which can lead to operational inefficiencies.

### Agreements

<table>
<thead>
<tr>
<th>C.1</th>
<th>Financial Affairs will review the restricted items list to identify items that pose a low risk and can be removed from it.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Implementation Date 07/01/2016</td>
</tr>
<tr>
<td></td>
<td>Responsible Manager</td>
</tr>
<tr>
<td></td>
<td>Campus Controller</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C.2</th>
<th>Financial Affairs will determine if the pre-approved list of service providers can be re-implemented and administered by FAST.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Implementation Date 07/01/2016</td>
</tr>
<tr>
<td></td>
<td>Responsible Manager</td>
</tr>
<tr>
<td></td>
<td>Campus Controller</td>
</tr>
</tbody>
</table>

### C. Restricted Items List - Detailed Description

The current UC systemwide policy does not include a recommended list of restricted items for Pro-Card payments. UCOP uses the UCLA list of restricted items internally because UCLA has administered the Pro-Card program for UCOP. Systemwide policy allows each campus to develop a list of restricted items.

UCSC’s list is the most comprehensive of any UC campus. The current list contains 101 items. The number of restricted items at other UC campuses ranged from 34 to 68. Our review of other campus lists was limited to readily available data. Many other campuses did not maintain a centralized list, rather restricted items were available on various campus websites. As a result, there may be additional restricted items at other campuses that are not reflected in the count. However, the differences provide enough reference points to reconsider what is and should be included on the UCSC restricted item list. One best practice observed at other campuses was the use of lists describing what specific items could be purchased with a Pro-Card. We were informed that there has not been a critical review of what should be included and what could be excluded from the UCSC restricted list for many years. The list has grown from 19 items in 2006 to 101 items today.

We discussed the restricted list with the FAST Pro-Card administration team, buyers in the Procurement office, and with managers in campus units/divisions and there was consensus that restricted items such as memberships, could be paid with Pro-Cards with little risk to the campus. Other restricted items, such as “Data Security”, had lost its meaning to those administering the program. FAST and Procurement staff told us that some items on the list did not need to be there.
The number of items on the list also had an impact on the time spent on reviews by FAST. Most of the violations detected by FAST Pro-Card reviews were related to purchases of items on the restricted items list, and in many cases, there were questions as to what risk was being addressed by the restrictions.

**Reinstatement of Pre-approved Service Providers**  
Service providers are currently one of the restricted items. In the past, Financial Affairs purchasing staff maintained a list of pre-approved service providers who could be paid with a Pro-Card. Maintenance of this pre-approved list required ensuring that the vendor had insurance certificates on file and provided low risk services, as recorded in the Purchasing database, but was discontinued several years ago.

The FAST Pro-Card administration team agreed that the pre-approved service provider list and use of a Pro-Card provided a more efficient and effective means to pay for many of the transactions with these vendors. A second consideration is that if service providers perform the service off-site the insurance certificate does not apply. The current restriction applies to all service providers with no exception for off-site services.

**Purchasing Terms and Conditions**  
One of the initial concerns raised about using Pro-Cards as opposed to setting up a purchase order/strategic sourcing arrangement was that a Pro-Card may not include standard University terms and conditions. There is some question as to whether or not, or in what manner standard University Purchasing terms and conditions apply to Pro-Cards. The UCSC Pro-Card user guide states, “The risk of the supplier of the good or service not being subject to the standard UCSC purchase order (CruzBuy) terms and conditions is insignificant”.

Using the Pro-Card for purchasing services performed on campus or purchasing large ticket items are two areas where the standard University purchasing terms and conditions may apply. Financial Affairs could review low value items, if any, that should not be purchased with a Pro-Card because of the standard University purchasing terms and conditions requirement and add these items to the restricted items list as appropriate to prevent Pro-Card use in those areas.

**Merchant Control Codes**  
Attaching a Merchant Control Code (MCC) to a Pro-Card provides an additional control used to prevent the purchase of unauthorized items. The control is dependent on the vendor use of the code. The use of an MCC code varies by the nature of the transaction; it is not used when a cardholder purchases items with PayPal or on Amazon. We reviewed a number of transactions for both these sources and did not find any inappropriate purchases. However, with the absence of the MCC control, increased review and monitoring by FAST could help ensure prohibited items are not being purchased using these sources.
### D. Use of Pro-Cards vs. CruzBuy

Use of the Pro-Card for low value purchasing continued to be the choice of high use cardholders and provided an easy way to acquire items at a competitive price. Training and/or search functionality within CruzBuy could be enhanced so that users could more easily locate the lowest price vendor.

<table>
<thead>
<tr>
<th>Risk Statement/Effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>A lack of training and/or a real or perceived non-intuitive search functionality within CruzBuy will continue to result in users not getting the best price/value, and prevent users from shifting from using Pro-Cards to CruzBuy for low cost purchases.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agreement</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.1 Financial Affairs will assess CruzBuy training and search functionality to determine appropriate steps to enable users to obtain the best pricing on purchases using vendors available in CruzBuy.</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

### D. Use of Pro-Card vs. CruzBuy - Detailed Description

Pro-Card purchases represent approximately $5M of roughly $245M of campus annual purchases, or approximately two percent. While the use of a Pro-Card is inherently risky and provides a path for fraud or the conversion of university assets to personal use, their use is a relatively small percentage of campus purchasing activities and controls are in place to provide reasonable assurance that inappropriate purchases would be prevented or detected in the normal course of business.

We interviewed seven high-use cardholders in depth, a number of lower level users and campus unit Pro-Card authorizers who indicated that using a Pro-Card was preferred because of its ease of use, time savings and fast delivery. They also indicated that in cases where the vendor needed to be added to the vendor database and/or a purchase order needed to be set up for unique, specialized items, the time savings using the Pro-Card was even more evident. Many also indicated that the search functionality using CruzBuy was cumbersome.

However, according to Financial Affairs, CruzBuy vendors have been set up to take advantage of UC systemwide procurement goals of buying items with the best value to the campuses, taking into account administration, incentives, sustainability and social justices.

One of the most commonly used vendors for office supplies and one of the most accessible using CruzBuy was OfficeMax. During FY14, the campus purchased 89,541 items from OfficeMax, costing $2.5M. We tested a random sample of 20 actual campus purchases made from OfficeMax during FY14 to compare the cost to that of the same items purchased on the internet using a Pro-Card. Campus units paid more for items than they would have paid buying from Amazon using a Pro-Card. (9% more in a random sample of 10 items under $500, and 15% more in a random sample of 10 items over $500). Financial Affairs indicated that price was not the only factor to
consider when purchasing low cost items and demonstrated to us that other CruzBuy vendors were available who could provide a better value and lower pricing.

However, whether it is a lack of training or search functionality using CruzBuy, campus users were either accepting the pricing offered by the easiest accessible CruzBuy vendor (OfficeMax) and paying more for the item, or were searching the Internet for the best price using a Pro-Card to make the purchase. CruzBuy users were not expanding their search to find low cost CruzBuy vendors.
E. Recognizing Revenue Using Payment Plus

The campus could increase revenues by making vendor invoice payments using a Payment Plus Pro-Card instead using ACH or paper checks.

Risk Statement/Effect

The campus could recognize revenues if it were to convert paper check vendor payments to a Payment Plus Pro-Card. Additional revenues could also be obtained by converting ACH vendors to Pro-Card. Other campuses have expanded their use of Payment Plus Pro-Card for the payment of vendors and realized significant revenues.

Agreement

E.1  | Financial Affairs will assess the financial feasibility of utilizing the Payment Plus or comparable option to settle accounts with vendors not accepting ACH payments.
     | The assessment will include examining vendors currently by check or ACH to determine feasibility of settling account with Payment Plus or a comparable payment mechanism.

<table>
<thead>
<tr>
<th>Implementation Date</th>
<th>07/01/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Manager</td>
<td>Campus Controller</td>
</tr>
</tbody>
</table>

E. Recognizing Revenue Using Payment Plus - Detailed Description

Payment Plus Pro-Card
Over the past several years, the campus has been focused on getting vendors to accept ACH payments instead of paper checks. This has improved the efficiency of campus payment processing.

However, Payment Plus is a Pro-Card (or ghost card) that is available to the campus, that could be used by FAST or incorporated into FIS to automatically pay vendors who accept this type of payment. The advantage of using the Payment Plus Pro-Card is that it offers a two percent incentive fee on all payments made using this method of payment. FIS could be programmed to have a new payment type (Payment Plus) and vendors who agree to accept Pro-Cards could be paid with a Payment Plus card instead of ACH (or check).

A report from the Pro-Card vendor bank estimated that UCSC could realize an incentive fee ranging between $41,664 and $79,697 per year by using a Payment Plus card to make payments on invoices currently being paid by ACH.

Another UC campus, UCSD, has obtained agreements with many vendors to accept Payment Plus cards to pay invoices. In their model, UCSD obtains both the rebate from the strategically sourced contract/catalog, and the two percent incentive from the bank for using a Pro-Card.

Getting vendors to accept the Payment Plus Pro-Card is the first step toward recognizing this source of revenue. The Pro-Card vendor bank already has a list of vendors that accept Payment Plus Pro-Cards and if requested they will contact vendors to obtain agreement to accept those Pro-Cards.
APPENDIX A – Pro-Card Activity - Roles and Responsibilities

The following lists the roles and responsibilities of those groups who are engaged in the campus Pro-Card activity:

Financial Affairs

FAST Pro-Card administration team:

- Works with U.S. Bank to obtain new cards, update cards, change limits, close cards, open an MCC for individual cardholders
- Reviews separation report from PPS to identify cards to close
- Delivers new cards to the PCA who gives them to the cardholder
- Logs the date all paper Pro-Card statements are received
- Runs and posts monthly InfoView reports
- Selects statements to review from paper documents received based on the following guidelines:
  - One out of ten statements
  - All statements over $3,500
  - All statements for new cardholders for the first three months after they get a card
  - Three months of statements for any cardholder placed on probation for violations
- Logs violations detected in sample reviewed. *If no violations are detected, there is no record of which statements were reviewed*
- Puts cardholders on probation for violations when needed
-Suspends cards for more serious violations
-Processes TOE journals as requested
-Selects sample to review from stacks of paper statements. The selection should fit the following criteria:
  - One out of ten statements
  - All statements over $3,500
  - All statements for new cardholders for the first three months after they get a card
  - Three months of statements for any cardholder placed on probation for violations

Campus Divisions

Reviewers:

- Develops divisional/departmental internal procedures that govern use of the Pro-Card
  - Expense validation and redistribution
  - Separation of duties
  - Oversees, identifies and assigns the role of the Pro-Card Authorizer (PCA) to members of their department or unit
- Monitors usage to ensure that Purchasing, Accounting and internal control policies and procedures are being followed
- Ensures that the Pro-Card Authorizer (PCA) is communicating the following internal changes with the Pro-Card Administration Team:
  - Pro-Card Authorizer (PCA) assignment changes
  - Supervisor/reviewer assignment changes
  - Any new accounts, account modifications or closures
- Ensures that the Pro-Card Authorizer (PCA) is in compliance with Pro-Card processes and procedures
The Pro-Card Authorizer (PCA):

- Implements internal procedures to ensure the following:
  - Timely reconciliation
  - Appropriate record keeping
  - Expense validation and redistribution
- Identifies and assigns the role of cardholder supervisor/reviewer to members of their department or unit
- Designates a back-up supervisor/reviewer approver in case of absence
- Maintains supervisor/reviewer (primary) and supervisor/reviewer (back-up) list
- Trains unit members on their department's fiscal requirements
- Monitors usage to ensure that Purchasing, Accounting and internal control policies and procedures are being followed
- Communicates with and submits paperwork to the Pro-Card Administration for:
  - Appropriate record keeping
  - New Pro-card requests
  - Account modifications (ex: FOAPAL change, limit increase, etc...)
  - Account closures
  - Questions about open accounts within their division/unit/dept.
  - Identify employees who need cards – to be approved by the authorizer
  - Request termination of inactive cards

Unit/Division supervisor/reviewer:

- Review purchases to ensure they meet objectives and are within restrictions placed on that specific Pro-Card
- Sign statements and assure they are submitted appropriately
- Maintain proficiency and knowledge of restricted Pro-Card purchases and policy.
- Verify that charges were purchased on a correct FOAPAL and identifies when transfers of expense are needed.
- Complete and pass the annual training requirement

Cardholder:

- Purchase items for UCSC business use only
- Never lend or share your Pro-Card
- Purchase only allowable goods and services. Do NOT purchase items in the Restricted Pro-Card Purchases listing
- Ensure purchases do not exceed any of your assigned transaction limits
- Provide reconciled monthly statements, with attached sales receipts, packing slips, and other similar documentation to your departmental Supervisor/Reviewer. Respond to e-mail notifications from the Pro-Card Administration.
- Return your Pro-Card when reassigned, terminate or upon department request.
- Know and understand responsible buying practices, including Purchasing policies and guidelines.
- Understand the funding source for your card's account
- Use your Pro-Card for purchases that match the card's specific FOAPAL (fund-org-account-activity code) or
- Request a transfer of expenditure (TOE) for any purchase that does not match your card's FOAPAL.
• Contact your supervisor whenever you need to make changes to your account. Your Supervisor must initiate and approve any changes. Submit the Pro-Card_Modify_Close Account form.
• Each Pro-Card may only have one assigned FOAPAL. If you need to make Pro-Card purchases under multiple FOAPALs, you must acquire a Pro-Card for each FOAPAL and use the appropriate card for each purchase.
• Entertainment expenses may only be purchased on a Pro-Card for authorized colleges and Student Affairs units. The Pro-Card_Student_Events (authorized units only) form must be submitted when making these purchases.