

Announcement of Internal Control and Process Changes for PCard and Property:

Additional internal control and process changes are being implemented 6/1/2009 and 7/1/2009 to improve UCF's fiscal control of Pcard transactions and Property Inventory. These process changes will provide a more comprehensive control environment for the University.

The information outlined below can also be found on F&A's website at <http://www.fa.ucf.edu>.

Internal Control and Process Changes for PCard PCard Administration will implement the changes below by 6/1/2009.

1. Purchase orders will be required for all non-travel purchases greater than \$5,000. This action will limit a single PCard transaction to \$5,000, reduce or prevent the circumvention of quote and bid limits, and reduce or prevent the purchase of technology equipment without appropriate approval from the Vice Provost for Information Technologies and Resources.

All single purchase limits (SPL) greater than \$5,000 will be reduced to \$5,000. Exceptions to the SPL of \$5,000 must be approved by the provost or appropriate vice president. Finance & Accounting will use the Vendors Payable PCard to pay for purchases that exceed \$5,000 per department request and with a purchase order in place. For vendors who will not accept purchase orders, F&A will process the payment using the Vendors Payable PCard upon submission of an approved receipt by the department.

2. Annually, each cardholder's monthly transaction limit will be capped at a level no greater than 20% higher than the individual's highest usage during the prior 12 months, assuming the cardholder's past expenditures raise no audit concerns. PCard administration will annually review actual transactions to determine the employee's need for a PCard, type of purchases allowed (travel and/or commodities), and the transaction limits.

3. PCard transactions will be limited to travel purchases unless otherwise approved in advance by the cardholder's supervisor. Supervisors must provide written justification before any new PCards are issued for non-travel related purchases.

PCard administration will change all cardholders with less than 10 commodity purchases within the past 12 months to the travel only category group.

4. Deans, directors, and chairs will be required to annually review the list of cardholders and their spending limits in conjunction with the PCard Office's review. Exceptions to the standard guidelines outlined in numbers 1, 2, & 3 above must be approved by the appropriate vice president.
5. Each cardholder's supervisor will be required to review and sign the cardholder's monthly PCard certification to which the PCard receipts are attached. No longer will the online approver be allowed to approve the cardholder's monthly PCard certification, unless the online approver is also the cardholder's supervisor.
6. The online approver will be required to complete the online description field before approving the purchase. Approved transactions without the online description will be returned to Staged status. This action will help ensure the approver understands what was purchased and the need for the purchase, leading to increased transparency and oversight in the approval process.
7. The PCard training course will encourage approvers to inform PCard administration or University Audit of suspected inappropriate purchases or questionable receipts, and provide training on how to detect inappropriate purchases.
8. Whenever any questions or concerns arise based on the receipts submitted by the cardholder, receipt copies must be obtained directly from the vendor and compared to the receipt submitted by the cardholder. Departmental staff may contact PCard administration or University Audit for assistance in obtaining vendor receipts.
9. Appropriate and meaningful penalties will be strictly enforced regarding PCard use (e.g., splitting transactions, purchasing prohibited items, or sharing PCards).

At a minimum, PCard administration will consider violations for the following:

- **Splitting charges or sharing PCards – 1st offense – one month suspension; 2nd offense – cancel card.**
- **Purchasing prohibited items – 1st offense – one week suspension; 2nd offense – one month suspension; 3rd offense – cancel card.**

- **Non-approval within 10 days – minimum of 3-day suspension or until the transactions are approved.**
- **Non-submission of the monthly statement within 30 days – notice at 30 days for non-submission; warning at 45 days, suspension at 60 days.**
- **Frequent errors, late approvals, late submissions of statements – multiple violations or a combination of violation types will result in cancellation of the card. *NOTE: Re-issue of card due to cancellation must be approved by the provost or appropriate vice president.***

Internal Control and Process Changes for Lost and Stolen Property

1. The Property Office will continuously and aggressively scrutinize and report to University Police lost or missing property of high dollar value, desirable nature, or recent acquisition. Approvers must closely monitor and scrutinize the purchases of desirable items (digital cameras, laptops, accessories) by questioning if the item is needed.

The Property Office will implement this change by 6/1/2009. As of that date, F&A will not categorize assets as stolen without a police report.

2. F&A will charge departments a fee for property classified as lost or missing, increasing departmental accountability of property. To facilitate this process, F&A will establish separate designations for lost/missing or stolen assets in the asset management system.

F&A will implement asset management system changes by 7/1/2009 to create a stolen category and a lost/missing category. Beginning in the 2009-2010 fiscal year, F&A will assess fees for lost/missing property at the time the lost/missing items are written off. Items are written off once they have been on the lost/missing list for two years. If the item is found after it is written off, the fee will only be refunded if approved by the provost or appropriate vice president. The fee will be 5% of the original cost of the item.

3. F&A will charge departments a fee for property not tagged within twenty business days of purchase. Timely tagging of property reduces the risk of theft.

F&A will change UCF Financials to accept a receiving date in asset management by 7/1/2009. Beginning July 2009, the Property Office will review the untagged property list monthly and any item over 20 business days old will be charged a \$50 fee. This fee will be charged each month that the item remains untagged.

4. Departments will have until March 2010 to locate items lost or missing before fees will be assessed.

Items reported lost or missing 6/30/06 or before – no fee

Items reported lost or missing 7/1/06 – 6/30/07 – 5% of the original cost – fees to be assessed March 2010.

Items reported lost or missing 7/1/07 – 6/30/08 – 5% of the original cost – fees to be assessed March 2011.

Items reported lost or missing 7/1/08 – 6/30/09 – 5% of the original cost – fees to be assessed March 2012.

5. Departments will hold employees responsible for property items taken off-campus. F&A will classify items without an updated off-campus form as missing and will assess a fee.