



University of California  
San Francisco

# Common P-Card Audit Findings & Best Practices

## *Supply Chain Management*

# Agenda

## Most common audit findings:

1. Sales & Use Tax
2. Meeting & Entertainment (*P-Card M&E form*)
3. Late Approvals
4. Card Number showing on supporting docs

# Sales & Use Tax

- UCSF is subject to California sales tax. The sales tax rate is determined by the point of delivery. When a cardholder makes a purchase, the merchant collects the sales tax at the point of sale.
- When purchases are made from out-of-state vendors and the merchandise is used within the State of California, the tax term is called “use tax”
- Departments will be responsible for validating each transaction line item (dollar amount & tax code).
- A tax code must be selected in the required tax code field (8).
- Use tax will accrue (Default: San Francisco rate of 8.5%) if no tax has been indicated.

# Sales & Use Tax (continued)

- Enter sales tax paid in the correct field (9) in US Bank Access Online.
- Mark item as taxable (SF), so that use tax can be accrued if no sales tax, or not enough sales tax.
- What is taxable? Goods, Out of Body.
- What is not taxable? Services, Gift Cards, In Body

# US Bank Access Online – Transaction Management (Reconciliation System)

Reallocation and approval of transactions are managed in this system.

The screenshot displays the US Bank Access Online interface. At the top, a dark blue navigation bar contains links for 'Personal', 'Business', 'Institution / Government', and 'About U.S. Bancorp'. Below this, the US Bank logo is on the left, and 'UC San Francisco' is on the right. A green banner with white text reads 'U.S. Bank Access® Online'. On the left side, a dark blue sidebar lists menu items: 'Request Status Queue', 'Active Work Queue', 'System Administration', 'Account Administration', 'Transaction Management', 'Transaction List', 'Data Exchange', 'Account Information Reporting', and 'My Personal Information'. At the bottom of the sidebar are 'Home' and 'Contact Us'. The main content area is titled 'Transaction Management' and features a 'Transaction List' section with the description: 'View, review, allocate/reallocate and add comments to transaction information.' A 'Log Out' link with a star icon is located in the top right of the main content area. The footer contains copyright information: '© 2009 U.S. Bancorp' on the left, and 'R029.00b20.0 usb col 11' on the right.

# Sales & Use Tax- US Bank Access Online

## Important Things To Remember For “Taxable Items”

### Always check the “Summary Tab”

If sales tax amount has an amount right next to it, take no action. Leave the Tax Code to SF.

If your receipt does not reference a sales tax amount for a California vendor, chances are, sales tax was collected at the point of sale (level 1 vendor). You must enter the amount indicated on your receipt. If missing, select the SF tax code and the system will accrue use tax (*see example below*).

Amount	Percent	Accounting Code - Segment Name (Length)										
		SPEEDTYPE (10)	BUSINESS UNIT (5)	ACCOUNT (5)	FUND (4)	DEPT ID (5)	PROJECT (7)	ACTIVITY PERIOD (2)	FUNCTION (2)	FLEXFIELD (6)	TAX CODE (8)	TAX AMT (9)
\$ 122.35	OR 100.00 %			*							SF *	5.00

# Exempt from Sales & Use Tax

Examples of tax exempt items are: services, stamps, freight, advertisement, memberships, etc.

Goods that are intended for re-sale, the department must have a “certificate of resale from the State of California”.

You must change the “Tax Code” from SF to “00” (*see example below*)

Amount	Percent	Accounting Code - Segment Name (Length)											TAX AMT (3)
		SPEEDTYPE (10)	BUSINESS UNIT (5)	ACCOUNT (5)	FUND (4)	DEPT ID (6)	PROJECT (7)	ACTIVITY PERIOD (2)	FUNCTION (2)	FLEXFIELD (6)	TAX CODE (6)		
\$ 122.35	OR 100.00 %										00		

# Meeting & Entertainment Expense

- Why is the P-Card M&E form needed?
- What is exceptional expense/approval?
- Detailed receipt
- List of attendees
- Attach agenda/Guest List

**Refer to BFB 79 policy**



# Meeting & Entertainment Expense

## Sample P-Card M&E Form (Exclusively used for P-Card Event related Purchases)

### P-Card Meeting/Entertainment Expenses (Supporting Document for P-Card M & E Expenses)

Name of Payee \_\_\_\_\_

1. **Type of expense** (Check one):

- Breakfast
- Lunch
- Dinner
- Light Refreshments
- Other (Please specify) \_\_\_\_\_

**Helpful Guidelines: Appendix B of Bus 79 policy (Approval of Expenditure)– See Sample below:**

**APPROVAL OF EXPENDITURES**

Appendix B

This table summarizes those expenditures that require additional approval and/or signature by the host in addition to the approval by the department head.

Activity	Host <sup>13</sup>	Additional Approval <sup>14</sup>
<b>Business Meetings</b>		
Meals provided to employees, visitors from other educational institutions, members of the community, medical center visitors, or employees from another work location where there is a valid business purpose for the meeting. The meeting must have at least one employee present.	No	No
<b>Programmatic Activities</b>		
Meals provided to volunteers and research subjects (clinical trials).	No	No
Athletic team meals, including training-table meals, game-related meals, and occasional meals provided in accordance with NCAA rules.	No	No
Class, study hall, or other academic-based activities.	No	No
Student orientation programs, commencement exercises, and similar activities.	No	No
Student government meetings, association meetings, or other student meetings.	No	No

# Late Approvals or No Approvals

Cardholders are given 15 days (*Campus*) and 5 days (*Medical Center*) to review and approve transactions at US Bank Access Online. Cardholder must reallocate and approve first. Then, Approver will see items in their queue for final approval.

Transactions not reviewed and approved by the deadline dates can be documented as a potential violation. *Campus & Medical Center users must be mindful of their deadlines to review and approve transactions timely.*

See example of the P-Card Calendar posted on the SCM website below

<b>u.s. bank access online statement end date</b>	<b>last day to reconcile and approve transactions in u.s. bank access online</b>
12/26/16	12/31/16
1/25/17	1/30/17
2/27/17	3/04/17
3/27/17	4/01/17
4/25/17	4/30/17
5/25/17	5/30/17
6/26/17	7/01/17
7/25/17	7/30/17

# Card Number Visible

- Full card number should not be showing on supporting documentation.
- Redact all but last 4 digits.

- **Best Practices:**

*Cardholders must ensure all credit card information is not visible prior to submitting supporting documentations to the appropriate Reviewer/Approver*

# Questions?

## How to get additional assistance:

- **Card Program Services**
  - [Creditcard@ucsf.edu](mailto:Creditcard@ucsf.edu)
  - Supply Chain Management website:  
<http://supplychain.ucsf.edu/about-us>
- **U.S. Bank Customer Service**
  - (800) 344-5696 or (701) 461-2010
  - Access Online: <https://access.usbank.com>



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