



University of California
San Francisco

Common P-Card Audit Findings & Best Practices

Supply Chain Management

Agenda

From the recent audits, 4 major problem areas:

1. Sales & Use Tax
2. Meeting & Entertainment (supplemental 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 (1).
- Use tax will accrue (Default San Francisco rate of 9.0%) if no tax has been indicated.

Sales & Use Tax (continued)

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

US Bank Access Online – Transaction Management (Reconciliation System)

Reconciliation, 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 | About U.S. Bancorp'. Below this is the 'usbank' logo with the tagline 'Five Star Service Guaranteed' and a star icon. To the right of the logo, the text 'UC San Francisco' is displayed. A green banner with white text reads 'U.S. Bank Access® Online'. On the left side, a dark blue sidebar menu lists various options: 'Request Status Queue', 'Active Work Queue', 'System Administration', 'Account Administration', 'Transaction Management' (which is highlighted), 'Transaction List', 'Data Exchange', 'Account Information Reporting', and 'My Personal Information'. Below these are 'Home' and 'Contact Us' links. The main content area is titled 'Transaction Management' and features a sub-section 'Transaction List' with a description: 'View, review, allocate/reallocate and add comments to transaction information.' A '★ Log Out' button is located in the top right corner of the main content area. At the bottom, a dark blue footer bar contains the copyright notice '© 2009 U.S. Bancorp' on the left and the identifiers 'R029.00b20.0' and 'usb col 11' on the right.

Sales & Use Tax- US Bank Access Online

Important Things To Remember For “Taxable Items”

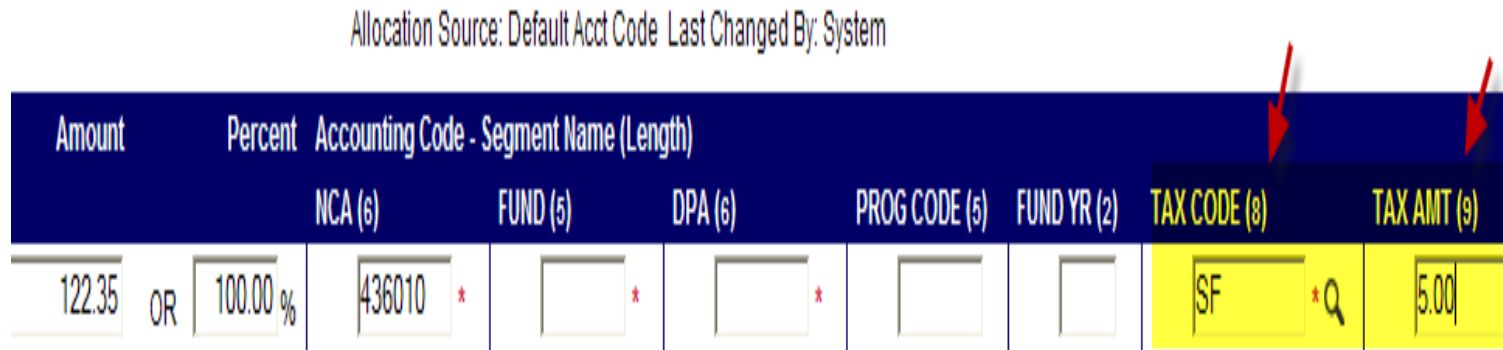
Always check the “Summary Tab”

If sales tax has an amount right next to it- do nothing! Leave the Tax Code to SF.

If sales tax has “no amount” right next to it– if it’s a California vendor, chances are, sales tax are collected and included in the total amount (level 1 vendor). You must populate the amount indicated on your receipt or if missing, calculate the SF tax rate amount and enter it into the “Tax Amt” field (see example below)

Allocation Source: Default Acct Code Last Changed By: System

Amount	Percent	Accounting Code - Segment Name (Length)					TAX CODE (8)	TAX AMT (9)
		NCA (6)	FUND (5)	DPA (6)	PROG CODE (5)	FUND YR (2)		
122.35	OR 100.00 %	436010 *					SF *Q	5.00



Exempt from Sales & Use Tax

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

Goods that are intended for re-sale- 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)

Allocations Comments Approval History

Allocations tab provides the ability to reallocate a transaction by changing the accounting information to an amount to a different cost center. The reallocation can be to one or to multiple accounting codes.

Allocate amounts by dollar amount or percentage. Total allocation amounts must equal 100% of the transaction. To allocate to additional accounting codes, click the "Add" button. Editing, modifying or deleting allocations, click the "Save Allocations" button to save changes.

red

Allocation Source: Default Acct Code Last Changed By: System

Remove	Amount	Percent	Accounting Code - Segment Name (Length)					TAX	
			NCA (6)	FUND (5)	DPA (6)	PROG CODE (5)	FUND YR (2)	TAX CODE (8)	
<input type="checkbox"/>	\$ 122.35	OR 100.00 %	436010 *	<input type="text"/> *	<input type="text"/> *	<input type="text"/>	<input type="text"/>	00 * Q	

Meeting & Entertainment Expense

- Why is the P-Card M&E form needed?
- How is it different from CRÈME Form?
- What is regular expense/approval?
- What is exceptional expense/approval?
- Purpose of the M&E expense?
- 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 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 ¹³	Additional Approval ¹⁴
Business Meetings		
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
Programmatic Activities		
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 to review and approve transactions at US Bank Access. Cardholder must approve first. Then, Approver see items in their queue for approval.

Transactions approved or verified after the deadline dates are flag for audit. Campus & Medical Center users must be mindful of their deadlines to verify, review and approve transactions timely. See example of the P-Card Calendar posted on the SCM website below

U.S. Bank Access Online Statement End Date	Last Day to Reconcile and Approve Transactions in U.S. Bank Access Online
12/26/2014	1/10/2015
1/26/2015	2/10/2015
2/25/2015	3/12/2015
3/25/2015	4/9/2015
4/27/2015	5/12/2015
5/25/2015	6/9/2015
6/25/2015	7/10/2015
7/25/2015	8/10/2015

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 was not present prior to submitting supporting documentations to the appropriate Reviewer/Approver

Questions?

How to get additional assistance:

- **Card Program Services**
 - 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>

UCSF

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