FISCAL POLICY & GUIDANCE MEMORANDUM

TO: Executive Leadership Team, Deans, Directors, Department Heads/Chairpersons, Principal Investigators, Procard Users and Finance and Administration Advisory Group

FROM: Leanne M. Marden, Controller & Director of Fiscal Operations, and Darryl Mayers, Asst. Vice Chancellor for Contracts & Compliance

DATE: October 15, 2010

SUBJECT: Additional Review of Purchases by Procard

UMass Boston spends $4m a year with the convenience of a Procard. The Procard is recommended for all commodities < $1000 unless the vendor does not accept the Procard. It's the modern, easy, streamlined way to do business. As we continue with these efficiencies, we need your review to ensure appropriate use.

The University of Massachusetts Internal Audit Office performed a review of Procurement Operations for all campuses and determined that the campus post-audit review process for procard purchases needs to be strengthened. The report recommended a more structured post-audit review by central administrative staff and a departmental review. The division of Administration & Finance is developing diagnostic reports to review campus wide spending. Departments must review monthly statements to confirm that expenditures are appropriate, and have a second set of eyes on these transactions. Both of these practices are in place throughout state government.

In June, 2010 the Procurement section of UMass Boston’s Internal Control Plan was updated to include language for this needed segregation of duties, which was reviewed by the Finance and Administration Advisory Group.

Effective with the October, 2010 statement, a supervisor or authorized account signatory will need to certify cardholder transactions are both allowable on the Procard and for official University business. This will be done by simply reviewing and signing the cardholder’s monthly bank statement or Purchase Log. With this signature and that of the cardholder, both the department reviewer & cardholder are certifying the charges are allowable, appropriate and for official University business.

Thank you for your ongoing assistance in managing and protecting the University’s funds. If you need further guidance for this review, please contact Eden.Medaglia@umb.edu.