

University of Texas at Austin

Project Charter

10.4.18 Final

Project Name	ProCard Policy and Process Improvement
Executive Sponsor	Darrell Bazzell, Senior Vice President and Chief Financial Officer
Process Owner	Felix Alvarez, Assistant Vice President for Procurement
Background	<p>In June 2018, the Office of Internal Audit recommended the following two areas related to the Procurement Card (ProCard) Program be addressed immediately.</p> <ol style="list-style-type: none"> 1. Expand staff and detective controls 2. Expand protective controls <p>AVP Alvarez agreed to take action on six items by September 1, 2018 so this charter addresses the remaining five areas outlined in the Deliverables section below, in addition to an overall review of process and policy.</p>
Goal(s)	<ol style="list-style-type: none"> 1. Develop a compliant process and policy for ProCards, responsive to the concerns outlined in the June 5, 2018 audit memo. 2. Make the corrections and meet the deadlines outlined and agreed to in the management response by December 10, 2018. 3. Solutions should be developed with the goal of strengthening the internal control environment at UT Austin.
Scope / Boundaries	<ol style="list-style-type: none"> 1. The team should consider the use of ProCards within the broader strategy of P2P at UT Austin. Procards should be just one tool in the suite of tools for procuring goods and services. 2. The team needs to allow room for adjustments and further direction from other audits throughout the period of their work.
Team Members	<p>Susie Brown, McCombs School of Business Dorothy Gillette, College of Pharmacy Theresa Kelly, Integrative Biology, College of Natural Science Julie Lake, Jackson School of Geosciences Cynthia Martin-Hajmasy, Internal Audit Erica Moreno, Athletics Sara Palacios, Cockrell School of Engineering Cheryl Pyle, Office of the Dean of Students Amy Ramirez, College of Fine Arts Andy Spiegel, College of Liberal Arts (Team Leader) Ellis Trinh, Dell Medical School Echo Uribe, Briscoe Center</p>
Additional Staff Resources	<p>Felix Alvarez, Process Owner Matt Burns, Administrative Support Terri Shrode, Subject Matter Expert Olga Finneran, Communications Natalie Kendrick, Subject Matter Expert</p>

University of Texas at Austin

Project Charter

10.4.18 Final

Deliverables	<ol style="list-style-type: none">1. A standardized process for the application, issuance, maintenance and termination of ProCards.2. The formation of a ProCard cross-functional standing committee to review policies, procedures and provide input to program improvements to strengthen the monitoring of the ProCard program and mitigate ProCard misuse and abuse.<ol style="list-style-type: none">a. Establish documented policy on progressive disciplinary measures for noncompliance and enforcing consistently. Examples of non-compliance include, but are not limited to:<ul style="list-style-type: none">• missing or incomplete logs,• not supplying itemized receipts,• payment voucher not approved by due date,• missing or incomplete reconciliation,• use of card for personal or unauthorized purchases,• attempting to circumvent transaction limit by splitting payments,• failure to confirm vendor status for purchase over \$500,• failure to secure Procard,• failure to report fraud,• failure to report lost or stolen card,• use by someone other than an approved cardholder, and• shipping goods to personal residence.b. Establish a policy regarding the use of third-party payment processors (3PPs). Specifically, consider blocking Merchant Category Codes for high risk 3PPs such as Square, Inc. and PayPal, and have cardholders request exceptions on a case-by-case basis via an authorization form. For exceptions granted, itemized documentation for purchases made via 3PPs should be required.c. Establish a policy that requires departments to document their Procard control environment, to include approvals, adjustments, record keeping, reporting, reconciliations, segregation of ProCard duties, and supervision, and provide upon request. Discuss current practices within units and create clear and standardized guidelines for these internal requirements.d. Develop a robust compliance training program that requires attendance before issuing a ProCard, and refresher courses at three-year intervals. Training should be tracked and reminders sent to cardholders.e. Establish a policy requirement that ProCard users, other than cardholders, must become approved users by signing an employee, or non-cardholder, usage agreement, and file a copy with the Procard administrator before using a ProCard. Discuss current practices within units and create clear and standardized guidelines for these internal requirements.
Project Timeline	All action items related to the audit must be completed by December 10, 2018. The remainder of the work should be completed by May 31, 2019.

University of Texas at Austin

Project Charter

10.4.18 Final

Support Required	Project management, process improvement and facilitation expertise will be needed.
Approved by Executive Sponsor	Approved by SVP and CFO Darrell Bazzell October 4, 2018