



Business Procurement Cards

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Business Procurement Cards Objectives

- Review of the BPC policies and procedures
- Identification of BPC risks areas
- Identification of possible BPC fraud “red flags”
- Identification of BPC fraud prevention areas

Business Procurement Cards Overview

- K-State Business Procurement Card (BPC) program is an efficient and cost-effective method for procuring small dollar (under \$5,000) purchases for University business purposes.
- Purchases for goods and services must:
 - be supported by appropriate documentation
 - have a valid business purpose
 - be in compliance with policies, procedures, laws, and tax requirements
- Various constituents across the University are responsible for ensuring the safeguarding of assets to avoid fraud, abuse, waste, and any real or perceived conflict of interest.

Business Procurement Cards Overview (Cont.)

- The BPC can be used for:
 - In-store purchases
 - Mail orders
 - Internet orders
 - Phone, or fax orders
- The program is designed to ease the ordering & payment process by reducing purchase orders, payment vouchers, and the use of personal funds reimbursed by payment vouchers.
- DFS General Accounting Business Procurement Card Resources website:
 - <https://www.k-state.edu/finsvcs/generalaccounting/bpcforms.html>
 - [Business Procurement Card Handbook](#)

Business Procurement Card Handbook

- [Business Procurement Card Handbook](#)
 - Card Use Procedures
 - Business Procurement Cardholder Responsibilities
 - Business Procurement Card Department Responsibilities
 - Contact Information

Card Use Procedures

- Types of Cards
 - Standard BPC, Enhanced BPC, Enhanced Lodging BPC, Card less Account, and Automotive Fuel Cards
- How to Obtain a Card
- How to Cancel a Card
- Card Renewal
- Failure to Use Card
- How to Report a Lost or Stolen Card
- Procurement Card Security

Procurement Card Security

- Only the authorized cardholder may use the card, no sharing
- Cards are to be used for university business only
- Cards and card numbers must be safeguarded against use by unauthorized individuals
- Secure it as if it is your personal credit card
- We encourage business accounts - PayPal, E-Bay, Amazon - provided they are not linked to your personal account.
- Use of the card for purchases not in accordance with guidelines established may result in personal liability
- **NEVER** save your BPC information in a website. Type it in every time.

Best Practices for Shopping on the Internet

- Know the website you are on
- Know who you are doing business with
- Safeguard your information
- Know what to print out

BPC Card Holder Responsibilities

- Receipt of Services, Goods, and Materials
- Record Keeping and Documentation
- Approval Process
- Declined Purchases
- Resolving Errors, Disputes, Returns and Credits
- Penalties

BPC Card Department Responsibilities

- General Guidelines
- Record Keeping and Documentation
- Reconciliation and Approval Process

Important Contact Information

- DFS General Accounting Business Procurement Card Resources website:
 - <https://www.k-state.edu/finsvcs/generalaccounting/bpcforms.html>
- BPC Coordinator 785-532-1839
- BPC Administrator 785-532-1852 or bpc@k-state.edu
- General Accounting 785-532-6202
- Purchasing 785-532-6214
- Accidents in rental car 800-VISA-911

Important Contact Information (Cont.)

- Contact BPC@ksu.edu immediately if the card is lost or stolen
- If the card is lost or stolen after normal business hours (M-F; 7:30 a.m. to 5:00 p.m.)
 - Notify UMB Bank Security at 1-800-821-5184.
 - Notify BPC@ksu.edu when the Division of Financial Services re-opens for business.
- [BPC Account Action Request form](#) must be completed and sent to BPC@ksu.edu immediately after reporting the card lost or stolen

Business Procurement Cards Key Risks

- Fraud
- Non-compliance or lack of compliance with State, Federal, and or University requirements
- Lack of segregation of duties
- Controls are circumvented or not followed

Potential BPC Fraud Indicators or “Red Flags”

- Excluded purchases
- “Double-dipping” or Duplicate Transactions
(Duplicate payments via APV and BPC)
- Split-purchase transactions
 - Multiple purchases by the same user from the same vendor within X days
- Unusual purchase documentation
- Unusual purchase transactions

BPC Fraud - Prevention

- University's "tone at the top"
- BPC policies and procedures
- BPC training for users and approvers
- Maintaining strong internal controls
- Performing audits of the BPC process
- Keeping an eye out for "red flags"
- Reporting suspicions of fraud

University's "Tone at the Top"

- Employee general conduct policies
- Hiring & promotion
- Training
- Confirmation
- Discipline
- Evaluation of fraud risks

BPC Policies and Procedures

- PPM 6310.060 - Purchasing Procedures
 - Required training for users
 - BPC Handbook

BPC Training for Users and Approvers

- Division of Financial Services provides training at <https://www.k-state.edu/finsvcs/generalaccounting/bpcforms.html>
- Duplicate invoice instructions for APV and BPC is at <https://www.k-state.edu/finsvcs/generalaccounting/>
- BPC frequently asked questions are provided at <https://www.k-state.edu/finsvcs/generalaccounting/FAQs.html>

Performing Audits of the BPC Process

- The Division of Financial Services
- KSU Internal Audit Department
- KSU Purchasing Office
- State of Kansas Division of Accounts and Reports

Maintaining Strong Internal Controls

- Segregation of duties to ensure controls cannot be circumvented by one person
- Document & preserve evidence to substantiate transactions
- Authorization & approvals
- Security of assets
- Reconciliation & review

Who is Responsible for Internal Controls?

University Administration

- Promote and maintain an environment in which strong internal controls are mandated and monitored.
- Support fraud prevention and detection efforts, including the development of strong fraud and conflict of interest policies.

University Employees

- Upholding values and ethics in their actions.
- Examine internal controls in their own operations and work with their supervisors to strengthen weak controls.
- Report any suspicion or knowledge of unethical or fraudulent actions to the University's Office of Internal Audit.

University Internal Audit

- Appraise the adequacy and effectiveness of internal controls.
- Evaluate whether controls provide **reasonable** assurance objectives are being met.
- Investigate reported fraud and actively search for fraud during audit engagements.

Keeping an Eye Out for “Red Flags”

- If you see something, say something
- Ask questions
- Get documentation
- Follow BPC procedures

Reporting Suspicions of Fraud

- Don't confront individuals or initiate your own investigation on the suspicion of fraud or misconduct
- You must have a reasonable basis for reporting any suspicions of fraud or related misconduct to the Internal Audit Department under PPM 3230.050 – Reporting Fraud
- Tips help to account for most of the fraud cases detected

Kansas State University Internal Audit

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