



State of Arizona Accounting Manual

Topic 45 Expenditures, Expenses and Disbursements
Section 71 **Reviewing P-Card Transactions**

Issued 12/02/19
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INTRODUCTION

Use of the State's P-Card is encouraged. P-Cards reduce the need for petty cash, provide the State with rebate revenue, decrease the number of purchase orders, and are efficient, effective and economical.

Use of the State's P-Card can also be somewhat problematic. Many more individuals are enabled to acquire goods and services using the State's credit than was possible before P-Cards became available. Review of P-Card acquisitions are made after-the-fact rather than before-the-fact, as was the case with requisitions and purchase orders.

This section of SAAM provides guidelines for the types of questions reviewers of P-Card activities should ask about any purchases that have been made using the P-Card. This list is not all-inclusive. Any suspicious purchase should be investigated. In the case of an employee's misuse of a P-Card, appropriate remedial, administrative and personnel actions should be taken by the agency.

POTENTIAL AREAS OF INQUIRY

1. What is the business purpose of the charge?
2. Is the acquisition of the type the P-Card holder is authorized and likely to make?
3. Are receipts or other supporting documents available for every item charged?
4. Is the expense allowable under both State and agency policies?
5. Is the cost of the purchase reasonable?
6. Were the costs split over multiple transactions to avoid scrutiny?
7. Would this type of purchase normally require the issuance of a purchase order?
8. Was the purchase in compliance with the State Procurement Code?
9. Could the item purchased be used in one's home? If so, verify that the item is in the possession of or has been used for State purposes.
10. Was the purchase date or time unusual? For example, was the purchase made over the weekend, after normal working hours, just before a holiday?

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11. Was the quantity purchased reasonable?
12. Is the P-Card spending in line with expectations and budget?
13. Does the purchase location make sense?
14. Is the vendor or payee an actual business? One can check a website or call a phone number.