



2.13 Violations, Fraud, Waste and Abuse

Policy Statement

The University of Georgia establishes and maintains sound business practices in order to ensure the institution's assets are safeguarded from fraud, waste and abuse.

Reason for policy

State Purchasing Division and Board of Regents (BOR) regulations require the University to monitor p-card transactions to prevent violations which may result in fraud, waste or abuse.

Procedures

Section 14.0 thru 14.2 of the UGA P-Card Manual (see link in "Related Information" below) provide the procedures regarding violations, fraud, waste, abuse, written violation notices as well as detection and prevention of fraud. Additionally, Appendix B of the manual outlines descriptions of misuse and non-compliance and provides examples of non-compliance. Among the avenues for reporting apparent incidents of wrongdoing is the University Hotline which can be accessed by calling 1-877-516-3467 or via the link provided below in "Related Information". Other avenues are identified in Section 14.2 of the UGA P-Card Manual.

When a cardholder intentionally commits fraud with a p-card, the University is protected from the loss by Visa®'s Liability Protection Coverage under certain conditions. The principal conditions are that the employee who committed the fraud must have been terminated and Bank of America must be notified of the termination within TWO (2) DAYS of its occurrence.

Additional contacts

Lynn Stephens, Dawn Cowart

Phone Number: 706-542-2361

Policy definitions

Violations are defined as and include non-compliance with policy or procedure or actions as severe as misuse.

As defined in the Statewide Purchasing Card Policy, fraud is wrongful or criminal deception intended to result in financial or personal gain. As defined by BOR BPM Section 16.4.1, fraud can be defined as a false representation of a matter of fact that is intended to deceive another. A fraudulent act may be illegal, unethical, improper, or dishonest and may include, but is not necessarily limited to:

- Alteration or falsification of documents
- Bribery or kickbacks
- Conflict of interest
- Embezzlement
- False claims
- Misappropriation
- Intentional misrepresentation of facts
- Theft of any asset
- Inappropriate use of computer systems, including hacking and software piracy

A fraudulent act may have criminal and/or civil law consequences. The Internal Audit department is not required to use a determination by a criminal justice authority to criminally prosecute as the basis for determining whether an act is fraudulent. It is the internal determination of the above criteria that defines an act as fraudulent under this policy. Waste is the expenditure or allocation of resources in excess of need that is often extravagant or careless. As defined in the Statewide Purchasing Card Policy, card abuse is use of the card for non-State business use purchases (personal purchases). Additionally, card misuse is defined as the use of the card for legitimate purchases but for good or services that are prohibited by State or internal policy (e.g., purchase of fuel for a State vehicle).

Responsibilities

Responsible University Senior Administrator: Vice President for Finance & Administration

Responsible University Administrator: Procurement Officer

Policy Owner: Procurement

Policy Contact: Lynn Stephens, Dawn Cowart

Phone Number: 706-542-2361

Responsibilities: The Department Head or Approving Official must contact Business and Accounting Services and the Procurement P-Card Administrators and Coordinators immediately when an employee has been terminated as a result of p-card misuse including, but not limited to, fraudulent p-card activities.

Responsibilities: Per the BOR Business Procedure Manual, any USG employee who has a reasonable basis for believing a fraudulent act has occurred has a responsibility to promptly notify one of the following:

- His or her supervisor
- Internal Audit department at the institution or at the BOR
- Institution police department
- Institutional or BOR Ethics and Compliance Hotline

Record Retention

Series documents administration of credit cards and **P-Cards** issued to institutional staff and units. Records may include: applications; master monthly billing statements; individual card holders' statements; billing summaries; printouts including vendor analysis by code; number of charges and stores; use summaries; related correspondence. Retention: 7 years, BOR [0472-03-013](#)

For expenditures processed with grant funding, all documentation should be retained for the life of the grant plus seven (7) years. [0472-09-006](#)

Related information

UGA P-Card Manual

University Hotline

Date Reviewed: 02/09/2018

[‹ Compliance: Administration, Reviews and Violations | Unique Purchasing and Payment Processes for Specific Types of Expenses ›](#)

Policy Dates

Effective Date: 04/01/2017

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Date of Last

Review: 11/05/2018

Date of Approval:

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