

# **CITY OF ALLENTOWN**

## **P-CARD REVIEW**

**For the Month: November 2019**  
**Date of Report: January 31, 2020**

### **OBJECTIVE**

A purchasing card (also abbreviated as PCard or P-Card) is a form of company charge card that allows goods and services to be procured without using a traditional purchasing process.

Purchasing Cards are issued to employees who are expected to follow the City of Allentown's policies and procedures related to P-Card use, including reviewing and approving transactions according to a set schedule. The City can implement a variety of controls for each P-Card; for example, a single-purchase dollar limit, a monthly limit, merchant category code (MCC) restrictions and so on.

The objective of the monthly P-Card review is to review each cardholder's P-Card activity independent of the cardholder, to determine whether the individual payments made with the P-Card and their corresponding documentation comply with the requirements of the policies, guidelines, and procedure outlined in the AIMs and to identify any areas for improvement.

### **PROCEDURES**

A review of all the P-Card transactions generated for the period tested, including a review of the invoices being paid and their corresponding documentation, approvals, compliance to AIMs and reasonableness of expenditure.

# of P-Cards statements reviewed for the period: 50

\$ Amount of the P-Card transactions reviewed for the period: \$121,791.29

### **FINDINGS AND RESOLUTIONS**

#### **1. Incorrect Year Charged for Expense**

Although the conference is not until March 2020, we identified 4 invoices totaling \$1,065.00 paid in November 2019 and expensed in 2019.

Per Human Resources, the conference is first come first serve and has limited capacity therefore it was imperative to register as soon as possible. As of 02/2020, there was still availability for the conference.

The Controller's Office verified with Treasury that the expense should be charged to 2020 funds.

## **Resolution**

Human Resources (HR) was advised of the issue and Treasury completed journal entries to correct the expense year.

### **2. Incorrect Expense Account Used**

BUILDING MAINTENANCE charged \$1,056.21 for “PODIUM” to AC 68 – Operating Materials and Supplies. The expense should be expensed to AC 72 – Equipment.

## **Resolution**

BUILDING MAINTENANCE requested a journal entry to correct the expense account.

### **3. Sales Tax Paid on Invoice**

The City of Allentown is tax exempt from PA sales tax, we identified the following:

One (1) FINANCE invoice paid which included sales tax paid of \$1.26.

## **Resolution**

FINANCE was advised of the issue and will take precautions in the future not to pay sales tax.

### **4. Supporting Documentation Not Attached in EDEN**

To provide a proper audit trail and document the expenditure, the hard copy of the invoice and all pertinent payment information is scanned and attached in EDEN.

For the November 2019 P-Card review the following departments did not have the proper documentation attached in EDEN:

COMMUNITY & ECONOMIC DEVELOPMENT – 1 instance.

IT – 1 Instance.

## **Resolution**

The departments were advised of the issue and was reminded of the proper process.

### **5. Untimely Payment of Invoices**

We identified:

- 1 invoice for PARKS & RECREATION dated 08/2019.

### **Resolution**

PARKS & RECREATION was advised of the issue; they never received the invoice. As soon as the invoice was received it was processed for payment.

