



## DOCUMENTATION REVIEW

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### *Purchases of Supplies and Materials*

There is no one right definition of adequate documentation for all transactions. The nature of the goods or services received determines what information the invoice or receipt must contain. However, all invoices should contain basic information about the transaction. These are:

- ◆ Vendor or merchant name
- ◆ Transaction date
- ◆ Line item information
  - ◆ Quantity
  - ◆ Description
  - ◆ Unit Price
  - ◆ Line Price (quantity times unit price)
- ◆ Total invoice amount
- ◆ Attestation of receipt of goods or services
  - ◆ If the documentation is a cash register receipt, then the cardholder's signature should be on it.
  - ◆ If the items were shipped, the receiving employee should sign the packing slip, and the invoice if it comes in the shipment, and send to the documentation to the cardholder. The cardholder should keep the original, signed packing slip and invoice with the transaction log or monthly billing statement.

### *Specialized Transactions*

In addition to the above information, good accounting practices dictate that certain transactions have the following documentation:

#### **Subscriptions (Newspapers, magazines)**

- ◆ Length of subscription or renewal
- ◆ Name of periodical
- ◆ Name of employee for whom periodical was ordered
- ◆ Delivery address for the periodical
- ◆ Cardholder should sign original order or renewal form

#### **Organizational Memberships**

- ◆ Name of employee for whom the membership is paid
- ◆ Length of the membership period

### **Freight Charges (when billed by a third party)**

- ◆ Origination point
- ◆ Destination point
- ◆ Nature of items being shipped
- ◆ For payments to shippers such as FedEx and UPS, the cardholder should attach the statement from that company showing all shipments and the amounts for each individual delivery.

### **Conference Registrations**

- ◆ The Department of Audits and Accounts does not consider conferences registration fees to be employee travel. Therefore, cardholders can use the card for registration fees. It is up to the agency or institution to prohibit this type of transaction. The documentation must include:
- ◆ Copy of the registration showing who is attending
- ◆ Copy of the agenda or program

### **Airline Tickets**

- ◆ A copy of the itinerary showing the name of the employees flying and the purpose of the trip must support charges for airline tickets. If the agency pays for non-employee flights, then the documentation must include an explanation for the charge.
- ◆ The cost of shuttles to and from the hotel and the airport are employee travel expenses and cannot be put on the purchasing card. Employees must pay these charges and receive reimbursement on a travel reimbursement form.

### **Group Meals**

The State Accounting Office issued its Employee Group Meals Policy on October 1, 2006. Refer to the Statewide Travel Regulations on their website. Meals that meet the requirements for group meals must have the following documentation in addition to the invoice from the caterer or restaurant providing the meals:

- ◆ Prior written approval from the agency or department head
- ◆ Roster signed by all employees participating in the event
- ◆ Agenda or other documentation showing the purpose of the event at which the meal was served

### **Printing**

- ◆ Copy of finished product
- ◆ Job order or other document showing the number of documents printed

### **Newspaper or Internet Advertisements**

- ◆ Copy of the newspaper advertisement as printed and the date(s) printed
- ◆ Print screen of the actual advertisement on the Internet site.

## **Other Purchases**

### **Payment from Statements**

Cardholders must pay from an invoice when at all possible. If a merchant regularly holds invoices and generates charges only from a monthly statement to its customers, then the cardholder must retain all individual invoices and attach them to the statement as documentation that the statement reflects the total amount of charges. The cardholder should staple the invoices to the statement and attach an adding machine tape proving that the total of the invoices matches the amount on the statement.

### **Recurring Monthly Charges (Services)**

If merchants do not send out monthly statements, either through regular mail or via email, then the cardholder should attach a copy of the original order for the service showing what the monthly amount will be and the length of the term of service. The cardholder must document any change in the amount charged compared to the amount shown on this documentation with a new notification from the merchant. Notes generated by the cardholder to this effect are not adequate documentation for the price increase or decrease.

### **Non-Inventoriable Assets**

State Entities must record any single piece of equipment with a cost greater than \$1,000 for agencies or \$3,000 for colleges and universities in asset inventory. State policy prohibits use of the purchasing card for the purchase of any asset that must be included in the asset inventory.

The State Purchasing Card Policy allows the purchase of equipment under these thresholds and recommends that entities also maintain any easily misappropriated equipment, such as digital cameras, in the asset inventory. Documentation for this type of purchase must include:

- ◆ Location of the items purchased
- ◆ Asset tag/decal number (if not indicated on the invoice, auditors will request to verify the existence and location of the asset)