

Common Procurement Card Violations ^[1]

March 17, 2025 by [Staff](#) ^[2]

Some of the most frequently observed violations of Procurement Cardholders are outlined below along with information on how to prevent these issues. Procurement Cardholders are encouraged to regularly review the [Procurement Card Handbook](#) ^[3] as well as relevant university policies to ensure all purchases comply with the applicable requirements. Please reach out to PSC@cu.edu ^[4] for questions on proper use of the Procurement Card.

Failure to comply with policy requirements such as those for travel, sensitive expenditures, official functions.

Cardholders are required to adhere to all related policy requirements when using the Procurement Card to obtain goods and services. When making purchases related to [sensitive expenditures](#) ^[5], [official functions](#) ^[6], [travel](#) ^[7], or any other type of [commodity](#) ^[8], cardholders are responsible for adhering to the requirements of any associated policy. A cardholder's lack of familiarity with university policies does not warrant an exception for improper purchases.

Sales tax not removed by the vendor.

The university is exempt by law from all federal excise taxes and from all Colorado state and local government sales taxes when purchasing for official university business. When making a purchase using the university-issued Procurement Card, sales tax generally* must not be assessed by the vendor. The university's tax ID is printed on every Procurement card to evidence our exemption. It is the Procurement Cardholder's responsibility to ensure the vendor removes taxes from the transaction at the time of purchase.

When making a purchase with a Procurement Card, ensure the vendor is aware of our tax-exempt status and that all taxes are removed. If the taxes are discovered after the purchase, reasonable attempts must be made to have the taxes refunded by the vendor. Contact the vendor directly to request the appropriate refund. When sales tax is repeatedly charged by a cardholder, violation points can be assessed to the cardholder, and subsequently a card can be suspended or revoked.

*For more information on specific instances when paying sales tax may be required, refer to the [Tax-Exempt Information](#) ^[9] published by OUC.

Single purchases split into multiple transactions.

Procurement Card purchases are generally limited to \$5,000 for a single transaction. Payment cannot be broken into multiple transactions to circumvent this limit. Doing so will result in a "split purchase" which is a prohibited transaction as outlined in the [Procurement Card Handbook: Violations and Prohibited Transactions](#)

[10].

Personal reimbursements are also limited to \$5,000 or less. Please ensure that purchases over \$5,000 are processed in alignment with the university purchasing rules and thresholds [11]. Any exception to these limits requires approval from the campus Controller.

Aging unsubmitted expenses and returned expense reports.

Procurement Card transactions are required to be submitted within 30 days of the transaction. When a report is returned to the cardholder for changes, the report should be updated and immediately resubmitted. Transactions are not posted to the department SpeedType until the report is submitted and fully approved. Violations can be submitted for failure to submit card transactions timely.

Additionally, the university's accountable plan for commercial credit card use requires substantiation of business expenses within 90 days to avoid the amount being included as part of the employee's taxable income. More information on the university's accountable plan can be found in the Finance Procedural Statement for Business Expense Substantiation [12].

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