

DEFINITIONS: NEGLIGENCE - MISUSE – ABUSE – FRAUD

Negligence (*Merriam-Webster*):

Failure to exercise the care that a reasonably prudent person would exercise in like circumstances. Marked by carelessly easy manner.

Examples:

- ✦ Sloppy record-keeping – not for personal gain
- ✦ Unsecured card and/or record retention
- ✦ Lack of receipts
- ✦ Missing statements
- ✦ Unsigned documents
- ✦ Lack of Card Log/User Agreements for Departmental Card

Misuse (*Marty Newman, Asst. Dir. of Procurement; Univ. of Maryland – College Park*):

Restricted purchases made for the institution – **not for personal gain**.

Examples:

- ✦ Intentionally splitting a transaction to avoid Inventory Control
- ✦ Using non-contract vendors
- ✦ Using card accidentally for a personal purchase but reporting such purchase and reimbursing the University (first occurrence)
- ✦ F/S only food purchase without approval from Admin. Council member.
- ✦ Foundation purchases made on the purchasing card.

Abuse:

Intentional misuse of the card - **not for personal gain**.

Example:

- ✦ Continued misuse of card after additional training, corrective documentation from Pcard Admin and/or a purchasing card audit.

Fraud (*Merriam-Webster*):

Intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right. An act of deceiving or misrepresenting.

Example:

- ✦ Unauthorized transactions on the card or transactions made by employee(s) for personal gain with no benefit to the University.

Consequences will vary depending on the situation and/or Audit Score. Consequences will be determined by Pcard Admin., Dir. and Asst. Dir. of Purchasing and Internal Auditor.

Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.