

FILE: DGD

MEDFORD AREA PUBLIC SCHOOL DISTRICT

DATE ADOPTED: May 15, 2008 FILE SECTOR: FISCAL MANAGEMENT
DATE REVISED: April 20, 2017 POLICY TITLE: PROCUREMENT CARD
PROGRAM

A procurement card program has been established to provide an expedient receipt of items and to reduce the paperwork and handling costs associated with the payment of these purchases. The procurement card program delegates the authority and capability of purchasing items directly to designated cardholders.

CROSS REFERENCE:
LEGAL REFERENCE:

FILE: DGD-R

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Procurement Card Program Management

The Director of Business Services is responsible for the overall management of the Procurement Card Program. District Office personnel will be assigned duties or tasks associated with the Procurement Card Program.

Obtaining a Procurement Card

- Principals/Supervisors may recommend personnel to become cardholders by contacting the Director of Business Service's office.
- District Administrator shall determine whether or not the employee will be considered for cardholder privileges. The decision on cardholder status will take into account the employee's job responsibilities and type/frequency of purchases made by that employee.
- The employee will sign the Procurement Card Use Agreement before a card is issued in his/her name. Signature of the form acknowledges that the employee understands the procedures and responsibilities of a cardholder.
- Upon issuance of the Procurement Card to the staff member, the Director of Business Services will set monetary and vendor purchasing limits on the Procurement Card.
- The District Business Office shall maintain all the records of procurement card application, cardholder issuance form/use agreement, limits, cardholder transfers, and lost/stolen/destroyed card information.
- The Director of Business Services will establish individual cardholder maximum dollar amounts or purchase limits (single transaction and monthly). The maximum purchase or transaction limits for cardholders will take into consideration the employee's job responsibilities and type/frequency of purchases made by that employee. Any long term increases to the maximum purchases or transactions limits beyond the standard amounts require approval of the cardholder's Principal/Supervisor and the Director of Business Services.

Occasionally, a unique situation may require a purchase that exceeds a cardholder's established limits. When such a purchase is required, the cardholder's Principal/Supervisor and the Director of Business Services must approve the purchase in advance. Upon approval, provisions will be made by the District Office to process the purchase.

Guides for Card Use

The procurement card that the cardholder receives has his/her name embossed on it and shall be used only by that cardholder. The cardholder is authorized to make transactions on behalf of others in his/her own school or departments. However, the cardholder is ultimately responsible for all use of his/her card. The cardholder will receive pre-authorization for a purchase from his/her Principal/Supervisor, either verbally or through the requisition process.

Use of the procurement card shall be limited to the following conditions:

- The total value of a good or service shall not exceed a cardholder's purchase limit(s) as established by the Director of Business Services.
- Purchases shall not be split into multiple transactions to stay within the purchase limit(s).
- All items purchased "over the counter" must be immediately available at the time of procurement card use. No back ordering of merchandise is allowed.
- The cardholder shall inform the vendor that the purchase is NOT subject to sales tax as the District is tax exempt. The cardholder will be required to reimburse the District of any sales tax charged by the vendor if the cardholder is responsible for the error and it cannot be corrected.

Unauthorized Procurement Card Use - procurement cards shall NOT be used for the following:

- Personal purchases or identification.
- Gift cards or ATM cash withdrawals.
- A single transaction that exceeds the cardholder's single purchase limit.
- Daily or billing period purchases which exceed the cardholder's purchase limits.
- Purchases intended to bypass the District purchasing procedures.
- Purchases split to circumvent purchase limits or competitive price solicitation (bidding requirements).
- Meals or travel expenses unless specifically authorized.
- Capital equipment (unit cost of \$500 or more), unless specifically authorized.
- Telephone calls.
- Telecommunications equipment (i.e. phone, pagers, or cellular phones).
- Alcoholic beverages, drugs, or pharmaceuticals.
- Insurance.
- Memberships, unless specifically authorized.
- Hazardous materials.
- Furniture, unless specifically authorized.
- Computer hardware, software or peripherals, unless specifically authorized.
- Leases/Rentals of facilities/property.
- Purchases that require a contract.
- Consultants or temporary help.

- Services from a “Tax Reportable” or a “1099” vendor. A tax reportable or 1099 vendor is defined as an individual, sole proprietorship, or limited partnership, which is paid more than \$600 per calendar year for services. All medical and/or attorney’s fees are considered tax or 1099 reportable, regardless of their status.
- Purchases from companies outside the United States.

Consequences of failure to comply with procurement card procedures

Any misuse/abuse of the card or failure to comply with the procedures will result in the following cardholder consequences:

- Revocation of card.
- Disciplinary measures (up to and including discharge of the cardholder).
- If the misuse involves personal transactions, the cardholder must repay all personal amounts charged by check or payroll deduction within 30 days of the transaction. In addition, the cardholder indemnifies the Board of all costs associated with investigation of procurement card misuse including all District legal fees and expenses.

Merchant Restrictions

The Director of Business Services may establish restrictions on specific vendors or merchant categories for each cardholder. The vendor merchant category restrictions for cardholders will take into consideration the employee’s job responsibilities and type/frequency made by that employee.

General Instructions for Card Use

Upon issuance of card, the cardholder will receive a procurement card folder. This folder will contain a sample of the procurement card record, a copy of the Board policy on procurement cards, and a copy of the signed procurement card use agreement.

For “over the counter” orders, the cash register receipt and the purchasing card receipt should be reviewed prior to signing to be sure:

- Sales tax was not charged
- Any discount offered was included
- Sales price is accurate

For telephone orders, the vendor should be directed to include the following information on the shipping label and packing list:

- Cardholder’s name, school/department, and telephone number
- Complete delivery address
- The words “Procurement Card Purchase”
- The vendor’s order number
- Tax exempt status

For fax orders, a copy of the fax order form should be retained in the procurement card folder.

For internet orders, procurement cards can only be used on secure websites.

Cardholder Record Keeping

- Whenever a procurement card purchase is made, documentation shall be retained as proof of purchase. Such documentation will be used to verify the purchases listed on the cardholder's statement.
- All returns should be noted on the original receipt and all related documents (credit memos, credit receipts, etc.) should be stapled to the original receipt and filed in the procurement card folder.
- If for some reason the cardholder does not have the documentation of the transaction to include in the procurement card folder, he/she must provide a written explanation that includes a description of the items, date of purchase, merchant's name and why there is no supporting documentation.
- After receiving training on the procedure, the cardholder will enter the proper account number for each transaction on the details online website provided by the Bank of Montreal/Harris Bank.

Review & Reconciliation of Transactions

NOTE: All procurement cardholders will receive a copy of the billing statement from the District Office at the end of the billing cycle. Within 10 working days of receipt of the purchasing card monthly statement, the cardholder shall match each transaction (receipt, credit memo, invoice, any shipping documents, etc.) to the statement, checking off those transactions that have been verified. Cardholder will also notify the Director of Business Services of any discrepancies or variances on the statement.

1. If the transaction(s) is/are not on the statement, the supporting documentation (receipt, packing slip, etc.) should be retained in the procurement card folder until the next billing cycle. If a purchase or credit does not appear on the statement after 60 days of the date of purchase or credit, the cardholder shall notify the Director of Business Services.
2. After statement review, the cardholder shall sign the procurement card record form, certifying reconciliation, the account number(s) and approval of purchases. All supporting documentation for that billing cycle period should be stapled to the procurement card record form, along with the statement, and be given to the cardholder's supervisor for approval.
3. The cardholder's Principal/Supervisor shall review the cardholder's transactions and confirm with the cardholder the following items as a minimum:
 - Receipts and shipping documents exist for each purchase
 - Goods were received or the services performed
 - Cardholder has complied with District purchasing procedures
 - All purchases benefitted the District
 - Each purchase is being charged to the proper account

The Supervisor must use a "live" signature, not a stamp. It is the Supervisor's responsibility to report any discrepancies found.

4. The Administrator/Principal/Supervisor will forward the signed procurement card record with all documentation and statements attached to the Director of Business Services at the District Office within 10 working days of receiving the documentation from the staff member.

Returns, Credits, and Disputed Items

The cardholder is responsible for following up with the vendor or bank on any erroneous charges, disputed items or returns, as soon as possible.

Any items purchased with the procurement card that are returned must be returned for credit. Cardholders shall not accept a refund in cash or by check.

If the goods are returned in person, the original receipt must accompany the goods. A copy of the credit receipt for the returned goods must be obtained. Record the return on the original receipt and staple any credit memos issued by the vendor to that receipt.

If the cardholder has a disputed charge and cannot reach resolution with the vendor, the cardholder should document in writing the problem and send it to the card issuer with a copy to the Director of Business Services at the District Office. The card issuer must receive this written notice within 60 days of the date the card issuer sent the first statement or transaction file.

All documentation of credits, returns, and exchanges should be kept in the cardholder's procurement card folder until used to reconcile the monthly statement.

Card Security

It is the cardholder's responsibility to safeguard his/her procurement card and card account number. The only person authorized to use the procurement card is the person whose name is on the front of the card and who completed the Procurement Card Use Agreement form. Cardholders shall not lend their procurement card or account number to anyone.

The cardholder's statement should be carefully reviewed to ensure no unauthorized purchases were made.

A violation of the card security procedure will result in the cardholder having his/her card withdrawn and may subject them to disciplinary action.

Reporting Lost or Stolen Cards

If the card is lost or stolen, the cardholder shall immediately notify the card issuer. The cardholder shall then contact the Director of Business Services at the District Office.

The school/department is responsible for paying all charges resulting from stolen or misused cards until the card issuer has been notified.

Random Audits

The Director of Business Services will conduct random audits of procurement card use. The primary purpose of these audits is to ensure that the procurement card program procedures are being followed and that:

- Purchase volume appears reasonable.
- The card is being used for appropriate transactions.
- Documentation is complete.
- Items purchased are in District possession.

Cardholder Separation of Employment

A cardholder who leaves employment of Medford Area Public School District shall return their procurement card to their Supervisor. The Supervisor is responsible for contacting the Director of Business Services, who will cancel the card. Returned procurement cards are not reissued to other employees for use. The Supervisor shall cut the card in half prior to returning it to the Director of Business Services.

Payment to Card Issuer

Payment to the card issuer shall be completed within the terms specified on the account statement after the billing cycle ends.

**MEDFORD AREA PUBLIC SCHOOL DISTRICT
PROCUREMENT CARD USE AGREEMENT**

AGREEMENT made this _____ day of _____, 20____, between the **MEDFORD AREA PUBLIC SCHOOL DISTRICT BOARD OF EDUCATION**, Wisconsin (hereinafter the “Board”), and _____, residing at _____ (hereinafter the “Staff Member”).

WITNESSETH:

WHEREAS, by this agreement the Staff Member has been entrusted with a procurement card (hereinafter the “P-Card”) for use in the purchase of goods and services solely and exclusively for the authorized business purposes of the Board; and

WHEREAS, the Staff Member agrees to abide by the terms and conditions of the P-Card as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth herein, it is agreed by the Board and the Staff Member as follows:

1. The Board hereby issues the Staff Member P-Card # _____.
2. The Staff Member hereby agrees to immediately return the P-Card upon request.
3. The Staff Member shall not use the P-Card for the purchase of any goods or services that are not authorized by the terms of Board policy or this agreement or by the direct written approval of the Director of Business Services or District Administrator.
4. Staff Member shall submit receipts and such other reasonable documentation of goods or services purchased as prescribed by or requested by the Director of Business Services or District Administrator.
5. Staff Member shall promptly review and submit to their Principal/Supervisor the monthly P-Card transaction statement for accuracy within 10 days of receipt of the statement. Staff member will immediately notify the Director of Business Services of any errors, omissions, or discrepancies in the statement.

Staff Member will submit the statement along with attached receipts and record of P-Card purchases to Principal/Supervisor for approval.

6. Staff Member shall immediately notify the bank in the event of a possible loss, theft or unauthorized use of the P-Card by notifying the Bank by phone at (888) 267-7838. Staff Member shall also immediately notify the Director of Business Services of possible loss, theft, or unauthorized use of the P-Card.
7. Staff Member shall immediately indemnify the Board of any improper or unauthorized expenditure and for any and all costs and expenses (including attorney's fees and expenses) incurred by the Board in recovering improper or unauthorized expenditures by the Staff Member.
8. No gift cards or ATM cash withdrawals may be purchased with a P-Card.
9. Purchases should be made for budgeted items.
10. Use of this P-Card shall be for business purposes, and not for personal, family, or household purposes (non-business purposes). Any unauthorized or improper purchase may result in termination of P-Card privileges and will require Staff Member to reimburse the Board by check or payroll deduction within 30 days of transaction date for said recovery.
11. Gross misconduct in the use of this P-Card will result in disciplinary action up to and including termination of employment.
12. This agreement may not be modified in any way without the approval of the Board.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement the day and year first above written.

By Authority of the School Board:

Staff Member:

Director of Business Services

Print Name

Signature