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Title Procurement Card Program Policy and Procedure Manual



**DISTRICT196**  
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# PROCUREMENT CARD PROGRAM POLICY AND PROCEDURES MANUAL

## Procurement Card Program Team

**Program Administrator:** Financial Systems Manager ..... 651-423-7780  
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Central Receiving/Purchasing Supervisor ..... 651-683-6952  
PCard Help Email ..... [pcardhelp@district196.org](mailto:pcardhelp@district196.org)

### *US Bank*

Customer Service ..... 1-800-344-5696

Password help ..... 1-877-887-9260

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## **Introduction**

Welcome to the Independent School District 196 Procurement Card Program. The procurement card (or PCard) is a simplified and cost-effective method of purchasing and remitting payment for approved site/departmental budget expenditures. The PCard is like any other Visa and can be used for retail purchases; i.e. in person, by mail, internet, telephone or fax.

The PCard is highly regarded and accepted by public and private organizations as a tool to expedite and reduce procurement costs when purchasing low-value, repetitive or emergency items. This will also reduce the number of out-of-pocket expenses requiring employee reimbursement and eliminate the need for creating Direct Purchase Orders (DPO) in the finance system. The US Bank program is a unique program in that it provides the district a rebate based on annual district purchasing levels.

The PCard is to be used in accordance with **Policy 704, Expenditures**, and the guidelines established within this manual. You are asked to treat this program with the same sense of responsibility and security you would use with your own personal credit card.

All PCards are issued at the request of your principal/department supervisor and card usage will be audited and may be rescinded at any time. **You are the only person authorized to use your PCard!**

This manual provides the guidelines under which you may utilize your PCard. Please read it carefully. Your signature on **Procedure 704.2.3.3P, Procurement Card Agreement**, indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. The Procurement Card Program Administrator will submit your approved **Procedure 704.2.3.2P, Procurement Card Application and Change Form**, and request your card from US Bank (PCard provider). Upon receipt of your PCard, call the number on the back of the card to activate and set up your online account according to the instructions in your initial welcome email from PCard Help. Most issues can be handled by US Bank's customer services line found above and on the back of your card. You can also utilize the contact information on the cover page of this document for items pertaining to card holder set-up and transaction.

Record keeping will be essential to ensure the success of this program. This is not an extraordinary requirement since standard reimbursement policies require the retention of all original receipts.

Finally, remember you are consuming district, site/department funds each time you use the PCard. This is a responsibility that cannot be taken lightly. Please be sure you are familiar with district purchasing policies and are sure there are budgeted funds available prior to using your PCard. For more information, please refer to Regulation 704.2AR, Purchasing and Contracting on the district.

### **How to Obtain an Independent School District 196 Procurement Card**

Please read this manual in its entirety before requesting your PCard. This manual will provide you with a variety of information.

- How to apply for a PCard
- What type of purchases can and cannot be made on the PCard
- What type of merchants will accept the PCard
- Record maintenance and monthly statement reconciliation
- Other information about the PCard program

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### Procurement Card Application Process

1. Read and understand this **Procedure 704.2.3.1P, Procurement Card Program Policy and Procedures Manual**.
2. Complete **Procedure 704.2.3.2P, Procurement Card Application and Change Form**. You must indicate your District 196 location and email address on the form to receive notification of online statements and correspondence related to the program.
3. Sign and date **Procedure 704.2.3.2P, Procurement Card Application and Change Form**, and **Procedure 704.2.3.3P, Procurement Card Agreement**.
4. Submit the signed and completed **Procedure 704.2.3.2P, Procurement Card Application and Change Form** to your principal/department supervisor for their approval.
5. Submit approved **Procedure 704.2.3.2P, Procurement Card Application and Change Form** requests along with the signed **Procedure 704.2.3.3P, Procurement Card Agreement** to the Procurement Card Program Administrator at the District's Finance Office located at the DO or submit electronically to [pcardhelp@district196.org](mailto:pcardhelp@district196.org) (PCard Help).

When your PCard arrives, the finance office will set-up a time for card pick-up. All cards must be picked up, in person by the cardholder, at the district office. The district office will review expectations and assist in setting up the cardholder's online account. Sign the back of the card (or write "see photo ID"). Although the PCard is issued in your name, it is the property of Independent School District 196 and is only to be used for Independent School District 196 purchases as defined in this manual and in district policy. The PCard should be kept in a safe place at all times. PCards are automatically renewed by US Bank and new cards issued accordingly.

### General Information

- The PCard is issued in your name and it will be assumed that any purchases made with the PCard will have been made by you. You are responsible for the security of your card and any transactions made with the card.
- The PCard may be used at any merchant that accepts Visa.
- The PCard may be used for telephone/Internet/faxed purchases – all telephone/Internet/faxed purchases must be shipped to Central Receiving, not to your school/site and never to your home (see additional information under the Telephone/Internet/Faxed Orders heading).
- The PCard is not to be used for personal purchases.
- The PCard can be used for travel and related expenses with appropriate prior approval of your principal/department supervisor. When traveling with other staff members to conferences, workshops and other events not involving the supervision of students, PCards may be used only for the individual cardholder's expenses and may not be used to pay for coworker expenses.
- Inappropriate use of the PCard will result in revocation of the PCard. In the event of gross misuse or fraud involving district funds or the repeated failure to comply with this manual, disciplinary actions will be taken which may include termination of employment and/or legal prosecution.
- You will not be charged a fee for your PCard.
- Your credit rating is not affected by having a PCard issued in your name.
- The site/department budget is reduced by each transaction and reflected monthly on the finance system.
- You and/or your principal/department supervisor will be responsible for ensuring appropriate online account coding on all transactions by the 25th of each month.

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- You and your principal/department supervisor are responsible for ensuring all receipts and statements are submitted to the Accounts Payable Department no later than the last day of the cycle close month.
- The records will be audited for compliance with purchasing policy and appropriateness of the expenditure.

### **Acceptable and Unacceptable Procurement Card Purchases**

**Policy 704, Expenditures**, provides the framework for acceptable and unacceptable use of district funds as well as the use of purchase orders and district purchasing contracts. Vendor blocking and other card restrictions will limit certain expenditures. The following information provides examples of purchases which are appropriate for the PCard:

- Subscriptions
- Approved conference registrations
- Authorized travel (for cardholder only, not other district employees)
- Classroom supplies
- Repairs and maintenance
- Field trip admissions
- General office supplies

The following items are examples where the PCard is not appropriate:

- Alcoholic beverages/tobacco
- Lottery tickets
- Gift cards/gift certificates
- Meals not falling within district guidelines
- Minnesota sales tax on most purchases

This list is not intended to be all-inclusive. If you have specific questions, please email PCard Help.

### **Unauthorized use of the PCard may result in revocation of the card and includes:**

- **Using the PCard for personal purchases**
- **Purchase of unauthorized items**
- **Fraudulent or inaccurate record keeping**

In the case of misuse, the Accounts Payable Department will email the principal/department supervisor. While US Bank provides fraud and misuse insurance protection on the cards, cardholders must understand that circumstances of misuse require termination of employment for the insurance coverage to be realized.

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**Telephone/Internet/Faxed Orders**

- All telephone/Internet/faxed purchases must be shipped to Central Receiving, not to your school/site and never to your home.
- When placing the order the following are required:
  - Ship to address  
**ISD 196 – Central Receiving**  
**Attn: Your Name – PCard- Your Site/Dept**  
4187 Braddock Trail  
Eagan, MN 55123-1575
  - Bill to address  
Your name – **PCard**, Your Site/Department  
3455 153<sup>rd</sup> Street West  
Rosemount, MN 55068
  - Email or faxed confirmation of the order with purchase details (item, quantity, pricing, etc.)
  - Packing slip included with the items when shipped
- Central Receiving will verify the accuracy of order compared to the packing slip and work with the vendor to resolve any discrepancies or damaged goods and then deliver the product to your location at the earliest opportunity.
- Always verify the security of the website on which you are putting your credit card information. The web address should begin with **https://**
- When faxing orders put the last 4 digits of your PCard number on the fax order and then contact the company to verify receipt of the fax and give them the entire PCard account number.

**Program Restrictions**

Each PCard has been assigned a monthly credit limit determined by the principal/department supervisor. US Bank will not change your credit limit without the approval of the principal/department supervisor and the Procurement Card Program Administrator.

The PCard will be accepted for purchasing generally approved Independent School District 196 commodities. Businesses and services determined not to offer products and services commonly accepted for Independent School District 196 purposes, have been blocked from accepting the PCard.

If your PCard is declined by a merchant and you feel it should not have been declined, contact US Bank Customer Service at 1-800-344-5696. They will help you determine the reason your card was declined. The confirmation information they will ask for to assist you is in your initial email from PCard Help (ie: we do NOT use employee Social Security numbers, phone numbers or address on PCard applications).

While a monthly credit limit has been set on each card, it can be changed to accommodate specific circumstances. Cardholders can request a monthly credit change by securing the approval of your principal/department supervisor, and emailing the electronic form to PCard Help (or send a signed hard copy) who will submit the request to US Bank, PCard Help will email you when the change is made. Cardholder limits will be reviewed annually with administrators and changes may be made at this time through email.

## **Reconciliation and Payment**

**You must retain all original receipts for all purchases.** Regardless of how the purchase is made **an itemized receipt must be included or obtained.** Should you still not have an itemized receipt, a Substitute Itemized Receipt Form (see appendix) is available. However, excessive use of this substitute form will be evaluated and card privileges may be rescinded.

Statements are available the 21<sup>st</sup> of each month online at <https://access.usbank.com/>. Cardholders can access their account at any time and code transactions during the month with account codes and descriptions via their secure website. The statement must be reconciled each month against your receipts for accuracy, adding account codes and descriptions to each transaction then printing your statement, signing and forwarding to your principal/department supervisor for review and signature. The cardholder will also attach the completed Statement of Reconciliation, Review and Approval Verification Form (RRAV). They will send all approved statements, forms and receipts to the Accounts Payable Department where the records will be audited, entered on the finance system and retained.

The PCard program carries corporate, not individual liability. A central invoice covering all Independent School District 196 Procurement Card transactions will be paid monthly by the Finance Department. You will not be required to pay your monthly statement using personal funds. The PCard does not impact your personal credit rating in any way.

## **Monthly Statement Cycle**

Statements are available on a secure online site on the 21<sup>st</sup> of each month. The district's due date for online coding is the 25<sup>th</sup> of each month. Cardholders must:

- Record the appropriate budget code(s) online and description on each transaction. All account codes are 17 digits and must have hyphens between each segment.
- Reconcile all transactions with original receipts by the 25<sup>th</sup> of each month
- Print and sign statement.
- Submit paperwork to principal/department supervisor who approves the statement and budget codes that are reflected.
- Submit the paperwork to the Accounts Payable Department by the last day of the month.

All PCard users should login to their account at least one (1) time every two (2) weeks to keep passwords current and check for fraudulent activity.

If statements are not coded online by the 25<sup>th</sup> of the cycle close month and submitted via hard copy by the end of the cycle close month, the following processes apply:

- 1<sup>st</sup> month of missed online coding (by the 25<sup>th</sup>) and paper submission (by the end of the cycle close month): email reminder to cardholder and Principal/Department Supervisory.
- 2<sup>nd</sup> consecutive month of missed online coding (by the 25<sup>th</sup>) and paper submission (by the end of the cycle close month): Pcard balance will be reduced to \$0.00 and a notification will be sent to the Principal/Department Supervisor. The Principal/Department Supervisor must request written approval to the Finance Systems Manager for the balance to be restored.
- 3<sup>rd</sup> consecutive month of missed online coding (by the 25<sup>th</sup>) and paper submission (by the end of the cycle close month): Pcard will be deactivated. In order to obtain a new Pcard, the cardholder must meet with the Financial Systems Manager and the application paperwork must be resubmitted, with approval from the Principal/Department Supervisor.

## **When Your Records Do Not Agree with Your Monthly Statement**

There may be an occasion when you find items on your monthly cardholder statement that do not correlate with your retained receipts. Reconciliation of your monthly statement is very important to/determine if you made a particular transaction, the amount of the transaction is correct, or you have a quality or service issue. The statement cutoff date is the 20th of each month. Statements are available online after that date.

Your first recourse is to contact the merchant involved to try to reconcile the error. If the merchant agrees that an error has been made, your account should be credited. Highlight the transaction in question on your statement as a reminder that the item is still pending resolution. Be sure to check that the credit is received on your next monthly statement. You are responsible for the transaction identified on your statement. If an error is discovered, you are responsible for showing that the error or dispute reconciliation process has been followed. If you are unable to resolve the issue directly with the merchant, contact US Bank Customer Service using the phone number on the back of your card. When calling, be sure to have detailed information regarding the dispute. State that you would like to dispute a charge on your PCard. Any charge you wish to dispute must also be identified in writing within 30 days of the statement date. The amount of the next monthly statement will be reduced by the amount of the disputed item until the question is resolved. Disputes will then be resolved by US Bank in conjunction with MasterCard charge back rules and regulations.

When completing your reconciliation for the month that fraud was detected, code those lines to 01-131-77. When the credit appears the following month, code to 01-131-77.

## **Lost or Stolen Cards**

The PCard is the property of Independent School District 196 and should be secured just as you would secure your personal credit cards. If your PCard is lost or stolen, contact US Bank's 24-hour line at 1-800-344-5696 immediately. Upon notifying US Bank, the card will be immediately deactivated. If the card is reported lost or stolen and is later used, it will be declined by the merchant. Prompt action in these circumstances is very important to reduce the district's liability for fraudulent charges.

## **Sales and Use Tax**

Purchase of items by public schools for their own use is generally exempt from sales and use tax. The exemption applies to public schools, not to individuals.

It is the cardholder's responsibility to notify the merchant that **Independent School District 196 is tax exempt in Minnesota**. To claim the exemption present the merchant with Form ST3, which can be obtained from the accounts payable department. Be prepared to provide this document to a merchant who may request it. Merchant information must be filled out on the ST3 each time it is requested.

Should you have additional questions, please contact [Pcardhelp@district196.org](mailto:Pcardhelp@district196.org) for assistance.



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## **Responsibilities**

### *Site/Department Employees*

- Cardholder
  - Read and understand procurement card program manual
  - Understand site/department budget requirements
  - Use card to make purchases
  - Set up your online PCard account and login at least one (1) time every two (2) weeks to keep password current and check for fraudulent activity
  - Work with merchant and/or US Bank to resolve disputes
  - Complete online monthly statement reconciliation the 25<sup>th</sup> of each month
  - Print and sign statement
  - Print and sign RRAV form
  - Submit paperwork to your principal/department supervisor for approval
  
- Principal/Department Supervisor
  - Approve PCard application by signing **Procedure 704.2.3.2P, Procurement Card Application and Change Form**
  - Review site/department budget with cardholder
  - Review of charges to ensure appropriateness
  - Approve statement or delegate this authority to authorized signer
  - Approve RRAV form
  - Submit paperwork to Accounts Payable Department by the last day of each month

### *Procurement Card Program Team Employees*

- Program Administrator
  - Request PCard account via US Bank website for new cardholder when application and signed agreement is received (704.2.3.2P and 704.2.3.3P)
  - Process requests for card changes via US Bank website (704.2.3.2P)
  - Maintain online hierarchy and procurement account default codes on “Card Details” Excel file
  - Run various online management reports
  - Liaison between the district and US Bank
  - Conduct cardholder training and answer internal questions
  
- Accounts Payable
  - Review transactions to ensure policy compliance
  - Work with cardholders and administrators to resolve audit discrepancies/questions
  - Process transactions as prescribed
  
- Purchasing/Central Receiving Supervisor
  - Answer purchasing and Central Receiving questions
  - Verify purchases shipped directly to Central Receiving
  - Work with merchants when there is a discrepancy or damaged goods
  - Promptly deliver items to cardholder

## **In Summary**

The Independent School District 196 Procurement Card Program is an opportunity to reduce paperwork, expedite the purchasing process at the department level and realize significant savings in administrative processing costs while providing a customer friendly, efficient and effective method to buying low-value

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goods and services. Independent School District 196 is working to continually improve the way business is conducted and your feedback is critical to achieving that goal.

Exercise good judgment and act within your authorized budget when using the PCard. The PCard is issued in your name and all activity will be assumed to have been incurred by you. We ask you to maintain simple but accurate records and receipts for auditing purposes.

If you have any questions about the program or need additional information, please email [Pcardhelp@district196.org](mailto:Pcardhelp@district196.org).

**PROCUREMENT CARD (PCARD) GLOSSARY**

<b>Cardholder</b>	District employee who has been issued and authorized to use a PCard
<b>Invoice/Receipt</b>	An itemized list of goods purchased/shipped or service received including the quantity and cost of each item/service
<b>Merchant Category Code (MCC)</b>	A four-digit vendor classification code used in the credit card systems to identify the type of merchant, also commonly known as Standard Industrial Code (SIC). Codes include: retail, airline, hotel, manufacturer, direct marketing, etc.
<b>Merchant/Supplier/Vendor</b>	Synonymous terms meaning the business from which a purchase is made
<b>Principal/Department Supervisor</b>	Site-specific person authorized to oversee and make decisions regarding expenditures for that site or department
<b>Program Administrator</b>	Finance Department employee(s) administering the systems of the procurement card program
<b>Rescind/Revoke</b>	To nullify card use authorization by withdrawing, recalling or reversing card privileges
<b>Reconciliation</b>	Verification that receipts agree with online monthly statement
<b>Retail</b>	Face-to-face transaction where cardholder presents the PCard to the merchant and the PCard is physically swiped through the terminal
<b>Statement</b>	Summary of all transactions in a given period (not an invoice)

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**SUBSTITUTE ITEMIZED RECEIPT FORM**

This form is to be used to substantiate a purchase made on a PCard when an invoice or an itemized receipt is not available. If you have a non-itemized receipt, you must attach it to this form. This form must be approved by your principal/department supervisor or site administrator and be included with your monthly statement reconciliation. Excessive use of this form will be evaluated and card privileges may be limited or rescinded.

I certify the following items were charged on PCard (last 6 digits only)\_\_\_\_\_.

MERCHANT NAME:	PURCHASE DATE:		
QUANTITY	ITEM DESCRIPTION	UNIT PRICE:	EXTENDED COST:
<b>TOTAL:</b>			

The reason(s) an itemized receipt or original invoice is not available for this purchase:

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CARDHOLDER SIGNATURE:		DATE:	
PRINCIPAL/ DEPT. SUPERVISOR SIGNATURE:		DATE:	