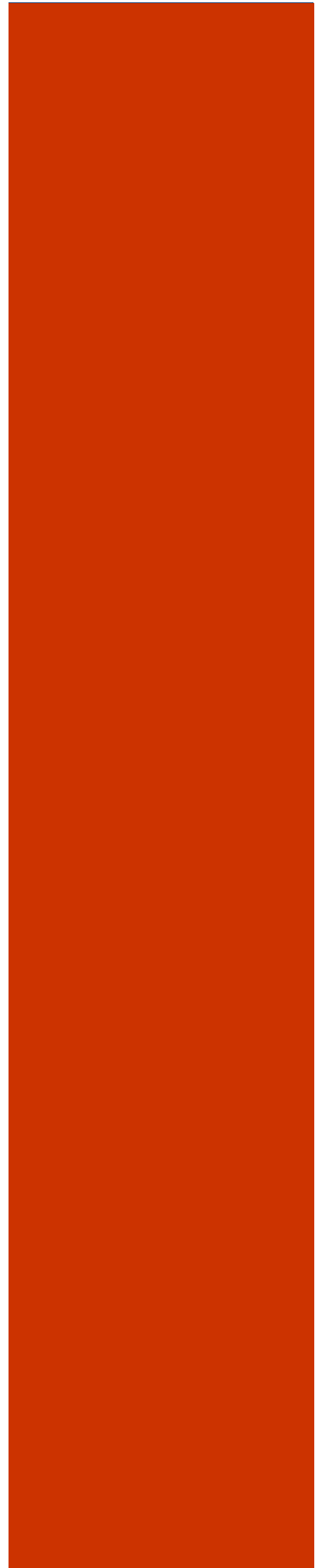




LACKLAND

Independent School District

Procurement Card Manual



Purchasing Card Policies and Procedures

Overview

Purpose:

The purpose of this manual is to:

- establish operating procedures for the use of Procurement Cards (PCards) by district employees, board members or other authorized officials
- establish purchasing allowable and non-allowable purchases
- establish purchasing thresholds
- establish card holder responsibilities and consequences for non-compliance

Recent Changes:

Changes and/or updates to the procedures for 2019-2020 are highlighted in **yellow**.

Forms:

All district forms and documents are highlighted in **blue**.

References:

- None

LACKLAND ISD ADMINISTRATIVE REVIEW & APPROVAL OF PROCEDURES, HANDBOOKS AND MANUALS

In accordance with Board Policy BP (Local), the Superintendent and administrative staff shall be responsible for developing and enforcing procedures for the operation of the District. These procedures shall constitute the administrative regulations of the District.

The Superintendent or designee shall ensure that administrative regulations are kept up to date and are consistent with Board policy. The Superintendent or designee shall resolve any discrepancies among conflicting administrative regulations. In case of conflict between administrative regulations and policy, policy shall prevail.

Administrative regulations are subject to Board review but shall not be adopted by the Board. The Superintendent shall review and approve all procedures, handbooks and manuals.

| Handbook/Manual | Effective School Year | Revision Date |
|---------------------------------|------------------------------|----------------------|
| Procurement Card (PCard) Manual | 2019-2020 | March 2020 |

Approved by: (Signature on file)
Dr. Burnie L. Roper, Superintendent

 4/13/2020
Date

Introduction

The purpose of the purchasing card program is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process (campus and departmental purchase orders) for supplies, materials and equipment. The purchasing card can be used, subject to Lackland ISD guidelines, with any supplier that accepts MasterCard as a form of payment.

The purchasing card program was expanded to include a single-use travel card. The travel card was implemented to reduce the volume of individual check to hotels and travelers. Rather than issuing a check to a hotel, rental cars, and other authorized travel expenditures, a travel card is issued to the traveler for the estimated charges. Upon return from the conference and/or training, the traveler shall submit their travel card and receipts for reconciliation and payment to the bank. Separate procedures have been developed to manage the travel card program. **The P-Card may not be used for travel expenditures.**

If used to its potential, the purchasing card program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with purchasing and accounts payable functions should be reduced and/or eliminated.

General Information

These policies and procedures provide the general guidelines for using the purchasing card. Please read them carefully. Your signature on the *Cardholder Agreement* reflects that you understand the intent of the program and agree to follow the established guidelines.

The following important points should be reviewed before using the purchasing card:

Your purchasing card is issued in your name. All purchases made on the purchasing card must be only yours. You are responsible for the security of the purchasing card and the transactions made with it. If you do not follow these guidelines when using the purchasing card, you will be subject to disciplinary action and possibly termination of your employment with Lackland ISD.

- You can use the purchasing card at any vendor or service provider that accepts MasterCard and is not on the restricted vendor list. It may only be used for in-person purchases. The purchasing card **may not** be used for Internet, mail, telephone, or fax orders.
- The purchasing card may only be used to purchase items that are included in a currently approved budget line item.
- **You may use the purchasing card to purchase supplies less than the single transaction limit that has been established [\$200]. Multiple, consecutive purchases that exceed the single transaction limit are strictly prohibited.**
- **Any purchasing card purchase that will exceed \$200 must be submitted for approval through the TxEIS Requisition. Upon receipt of an approved purchase order, the credit purchase may be made by the cardholder.**
- **Purchasing Card purchases with federal grant funds (such as Title I, DODEA and the NSLP) are not allowable unless the purchase has been pre-approved on a purchase order.**
- You may not exceed the credit limit assigned to your card in a given month or fiscal year.
- All receipts for purchases must be submitted within **5 days of each purchase.**
- The business office will reconcile the statement received from Citi-Bank to ensure all charges are accurate. The statement will be reconciled using your receipts, so it is critical that all receipts be submitted on a timely basis. Failure to submit the detailed receipts may result in the suspension of

your card privileges.

- The purchasing card is not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or the Lackland ISD Fiscal Manual.

Duties and Responsibilities

Program Administrator – (Rebecca Estrada, Chief Financial Officer)

The Program Administrator is designated to answer questions, address issues and oversee the administration of the program. The Program Administrator has a direct relationship with the Bank. All purchasing card requests must go through the Program Administrator.

Purchasing Specialist – (Michelle Arriaga)

The Purchasing Specialist shall assist the Program Administrator in answering questions and ensuring compliance with fiscal guidelines. The Purchasing Specialist shall also reconcile the monthly statements and contact cardholders, as necessary, to resolve discrepancies and/or disputed charges.

Cardholder – A cardholder is designated by the Budget Manager to utilize the purchasing card for purchasing small dollar supplies and materials. The cardholder is responsible for following the guidelines in regards to purchases, selection of vendors, protection of the card, and timely submission of receipts. **All receipts must be submitted within 5 days of each purchase on a P-Card Settlement form.** P-card logs with attached receipts must be turned in to the Business Office within five days. If no log is turned in on a timely manner, charges will be posted to the Campus Activity Account in an effort to pay all invoices on a timely basis. The cardholder shall immediately submit the detailed receipt or reimburse the Campus Activity Account for the unsupported expenditure(s). **In addition, a cardholder who fails to submit receipts on a timely basis shall immediately submit reimbursement of the charges and may be subject to disciplinary action and revocation of PCard privileges.**

Budget Manager – (Principal/Administrator)

The Budget Manager is responsible for designating cardholders and for approving purchasing card receipts and P-Card Settlement forms of cardholders to ensure they are within District policy. The Budget Manager shall also assist in assigning cardholder spending limits and monitoring adherence to purchasing card regulations. The Budget Manager is responsible for retrieving purchasing cards in the event of termination or change in the employment status of a cardholder under their supervision.

Customer Service The purchasing card program is serviced using a team approach with the Bank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the purchasing card account. If a card is lost or stolen, Customer Service should be notified immediately and then the Program Administrator.

Credit Rating & Liability

The program does not affect **your** credit rating in any way. The purchasing card program carries corporate, not individual credit liability.

Purchasing Card Controls & Procedures

Credit Limits

All purchasing cards have annual, declining balance cardholder spending limits. Limits may vary for each cardholder and will be established by the Program Administrator in conjunction with the Budget Manager.

Each cardholder shall be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, a principal or administrator should forward a request in writing (via email is acceptable) to the Program Administrator. Upon approval, the Program Administrator and/or Purchasing Specialist shall forward the request to the Bank for processing. * Please allow 1 to 2 days to process any changes *

Transaction Limits

Your purchasing card may have a single transaction limit. **Most cardholders will have a \$200 per transaction limit.** This is the amount available on the purchasing card for a single purchase. Cardholders should not attempt to make a purchase greater than his/her approved amount. It is the cardholder's responsibility to ensure that available credit exists on their card before attempting a purchase by calling the 24-hour Customer Service phone number. **Cash or personal credit card purchases in lieu of using the P-Card may be subject to non-reimbursement.** The Program Administrator shall approve all changes to transaction limits, if any.

Restricted Vendors

The purchasing card program will be restricted for use with certain types of suppliers and merchants. If you present your purchasing card for payment to restricted vendors, the authorization request will be declined. Requests to change authorized suppliers or merchants shall be forwarded in writing (via email is acceptable) by the principal or director to the Program Administrator.

Use of P-Card at Sam's Club

Cardholders shall be authorized to use their district P-Card to make purchases at Sam's Club. The cardholder must have their own membership to enter and purchase from the Club. The method of payment should be using the cardholder's P-Card. **The use of the P-Card at Sam's Club shall be subject to the purchase limit of \$200 [or greater amount with an approved purchase order]** and the submission of detailed receipts for all purchases. Large purchases, especially for equipment, shall continue to be made via a purchase order and the Sam's Club credit card.

Issuance of Purchasing Card

Purchasing cards will be centrally distributed through the business office. When a new card is issued, the bank will send it to the Program Administrator for distribution to the cardholder. Cards will be released to cardholders after training and receipt of a signed cardholder agreement. At year-end, all purchasing cards for campus staff will be collected in May/June as part of the check-out procedures and stored at the district office until the following school year.

Purchasing Card Activation

The cardholder must call Customer Service to activate the purchasing card before using it. Upon receipt of the card, the cardholder should sign the back of the purchasing card and always keep the card in a secure place. You will need the pin # issued by the business office. (Do not use your social security number, it is not your pin). For privacy reasons, we have opted to use pin #s, rather than the last four digits of your social security number. You will need to create an additional pin # (you can use the same pin #) to use your card due to the enhanced security of the card, i.e. microchip).

Purchasing Card Receipts

Always obtain a detailed receipt when using the purchasing card. It is every cardholder's responsibility to ensure there is a receipt for each purchase. Detailed receipts must be presented for purchases – **the credit card charge slip is not considered adequate documentation.**

The original, detailed PCard receipts shall be submitted within 5 days of the purchase with a PCard Log. After approval by the campus principal or administrator, the PCard Log and receipts must be forwarded to the Purchasing Specialist. All receipts will be reconciled with monthly statements and filed for audit purposes after the appropriate payments have been made to CitiBank. If a receipt is lost or stolen, the cardholder should obtain duplicate copies of the receipts, if possible. In some cases, a written, certified statement from the cardholder may be accepted as acceptable documentation. If a receipt or acceptable written, certified statement is not submitted to the business office, the charges may become the personal responsibility of the

cardholder. All reimbursements from cardholders shall be submitted to the business office within 30 days of the purchase.

Sales and Use Tax

The District is a tax-exempt entity and does not pay sales tax for school-related purchases. The cardholder should present a sales tax exemption form when making a school-related purchase. If the cardholder fails to present a sales tax exemption form at the time of purchase and taxes are charged, the cardholder shall be personally liable for reimbursement of all taxes within 30 days of the purchase. **A copy of the Sales Tax Exemption form is available on the District's business department forms webpage.**

Returns, Credits, and Disputed Charges

Should a problem arise with a purchased item, every attempt should be made to first resolve the issue directly with the supplier. All returns must be reimbursed by a credit to the District's account. Cash refunds are prohibited. Credit slips should be submitted in accordance with district guidelines.

Security of the Purchasing card

The cardholder is responsible for the security of the card. You must guard the purchasing card account number carefully. It should not be posted in a work area or left in a conspicuous place. It should be kept in a secure location.

Violations & Consequences

The only person authorized to use the purchasing card is the cardholder whose name appears on the card. The card is to be used for school business purposes only. The card is not intended for personal use. **Personal purchases will be considered misappropriation of District funds, a criminal offense, and will be reported to the proper authorities.**

Inappropriate use of the card or failure to abide by the Purchasing Card Policies and Procedures will result in revocation of the card and appropriate disciplinary action, including termination of employment.

Employee Resignation or Termination

The purchasing card must be returned to the Program Administrator or Budget Manager upon resignation or termination from employment with the Lackland Independent School District.

Lost or Stolen Cards

If a purchasing card is lost or stolen, immediately contact the Bank's Customer Service (1-800-248-4553). After contacting the Bank, please notify the Program Administrator (Rebecca Estrada @ Estrada.r@lacklandisd.net). Prompt action can reduce the District's liability for fraudulent activity.

Examples of Acceptable Purchases

Tools/Hardware/Auto Parts (Maintenance Department only)

Office Supplies (except Office Depot)

Classroom Materials, Books, Instructional Materials

Food Supplies (For instructional purposes or refreshments/meals for meetings)

Technology software and supplies (requiring online payment or subscription) – with pre-approved purchase order – Technology department only

Examples of Unacceptable Purchases

Services (Of any Type)

Supplies from Office Depot (must be purchased through the on-line purchasing system to obtain the discounted, state contract pricing)

Equipment, Computers, Software, etc.

Personal Items

Cash Advances

Alcoholic Beverages

These examples are for illustration only. When in doubt, please contact the Program Administrator, Budget Manager or Purchasing Specialist for clarification. Exceptions, if any, must be approved by the Program Administrator prior to the purchase.

COMMONLY ASKED QUESTIONS & ANSWERS

For what types of purchases should I use the purchasing card? The District governs how you can use the purchasing card. The Program Administrator, along with your Budget Manager will determine the types of purchases, as well as the maximum dollar amount for which you will be authorized.

In what ways do I benefit from using the purchasing card? When you use the purchasing card, you enjoy reduced paperwork, direct purchase of small, routine or emergency supplies.

How does the District benefit from the purchasing card program? When employees use the purchasing card, the District enjoys greater productivity as a result of reduced paperwork, and savings from consolidated supplier invoices on one statement.

What should I do if my purchasing card is lost or stolen? Call the Bank's Customer Service immediately, to report the purchasing card missing and request a replacement. And, notify the Program Administrator as soon as possible.

What do I do if a purchase is denied? Your purchase may have exceeded a spending or transaction limit, the District may have excluded that type of supplier or merchant, or the supplier or merchant is not equipped to accept MasterCard as payment. Contact the Purchasing Specialist or Program Administrator to determine the reason. If the merchant can be added as an approved vendor, you can reattempt your purchase after the bank has added the merchant to the PCard program. If your card limit has been exhausted, you should not make the purchase with your personal funds as the purchase may not be approved for reimbursement by your Budget Manager and/or Program Administrator.

What should I do if I want to change the "per month" or "per transaction limits?" Contact your Principal or Administrator, who will contact the Program Administrator. Spending limits are not automatically approved. Every attempt will be made to maintain standard spending limits across various departments, programs, and employee types.

What should I do if a supplier does not accept the purchasing card? Contact the Purchasing Specialist, who will then contact the Bank. Please provide the supplier's name, address, and phone number.

Will use of the purchasing card affect my credit report? No. The Purchasing card is a corporate liability card, and carries no personal liability for cardholders that use the purchasing card according to District policy and procedures.

Whom should I contact to resolve an error or dispute concerning my account? You should first contact the supplier. Most exceptions or issues can be resolved between you and the supplier. If you cannot resolve an issue with the supplier, contact the Purchasing Specialist for a Dispute Form.

When I use my purchasing card to make a purchase, how is the transaction authorized? When you use the purchasing card to make a purchase, the supplier verifies the account number with the Bank. Your spending limits are checked automatically against District policy and procedures.

LACKLAND I.S.D.

EMPLOYEE PROCUREMENT CARD AGREEMENT

I, _____, hereby request a Lackland ISD Corporate Procurement Card. As a cardholder, I have read, understand and agree to comply with the Lackland ISD Purchasing Card Policies and Procedures.

1. I understand that I am being entrusted with a valuable tool, the corporate procurement card. I will be making financial commitments on behalf of The District. I will obtain the best value for Lackland ISD by using the card wisely and with discretion.
2. I agree to use this card for official approved work-related purchases only. I fully understand that misuse or abuse of the card will result in revocation of the card and in appropriate disciplinary action which may include termination of my employment. I also agree to attend training on the use of this card as prescribed by the Program Administrator.
3. Policy violations include, but are not limited to:
 - Purchasing items for personal use or non-district business purposes
 - Exceeding the card transaction dollar limit of \$200, without an approved purchase order
 - Using the card for federal funded purchases unless the purchase has been pre-approved on a purchase order (the \$200 threshold does not apply – all federal grant credit card purchases must be pre-approved before the purchase.
 - Using the card for travel-related expenses
 - Failure to turn the card over to the card administrator when appropriate
 - Failure to submit proper documentation (receipts) within 5 days of each purchase
 - Allowing the card to be used by someone else
4. I agree to return the card immediately upon request or upon termination of employment (including retirement and resignation). Should I be transferred, qualify for extended leave or undergo an organizational change which causes my duties to no longer necessitate the use of the card, I agree to return it immediately and arrange for a new one as may be appropriate.
5. I agree that if the card is lost or stolen, I agree to immediately notify Citi-Bank (#1-800-248-4553) and the Lackland ISD Program Administrator (Rebecca Estrada @ Estrada.r@lacklandisd.net) verbally and in writing.

Specific Uses or Restrictions: _____

Employee Signature/Campus/Department

Date

Supervisor Signature/P-Card Administrator

Date

Transaction Limit: \$ _____ Monthly Limit: _____ Annual Limit: \$ _____

Submit to P-Card Administrator for Authorization

LACKLAND ISD

PURCHASE TRANSACTION LOG

[Attach to this form all receipts, packing slips, invoice copies, etc.]

Cardholder _____ Campus/Dept. _____ Date _____

| Purchase | | | | Total | | Budget |
|----------|--------|---------|--|--------|--|--------|
| Date | Vendor | Purpose | | Charge | | Code |
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Grand Total \$ _____

I certify that the above listed items have been purchased by me for the sole and exclusive use of Lackland ISD. I fully understand that personal purchases or other misuses of my procurement card are clear violations of the Lackland ISD Purchasing Card Policies and Procedures and that such violation can result in disciplinary action, termination and/or criminal prosecution.

Cardholder Signature _____ Date _____

Supervisor Approval _____ Date _____