

The Salt Lake City School District

Supplemental Purchasing Program

Costco:



Sam's Club:



Updated 12/18/2015

Reference Manual / Policies and Procedures

Program Administration - Purchasing Department (801) 578-8261

An Overview

The purpose of the Supplemental Purchasing Program is to facilitate the purchase of education related goods costing under \$1,000. The program is designed to supplement the P-Card (VISA) program at designated vendors who do not accept the VISA card.

All card usage is subject to district purchasing and accounting policies and procedures. Card usage may be audited and/or rescinded at any time. Card usage shall be restricted to the individual or school named on the card. The individual or those designated on a listing for the school / department are the only ones entitled and authorized to use the card for the school or department. It is strongly recommended that the Principal or Director be the primary card holder as they must sign the appropriate “authorization for payment form” which is sent to Accounts Payable for payment.

Strict controls and record-keeping will be essential to ensure the success of this program, i.e. Central control of the cards, the keeping of receipts and prompt submittals of payment authorization forms. Remember, that you are committing school district (public) funds each time you use these cards. This is a responsibility that cannot be taken lightly!

General Information

- **These cards are not to be used for personal use!!**
- The program is NOT intended to avoid or bypass established purchasing and accounting procedures, i.e. the \$1,000 limit without the Purchasing Department’s involvement.
- The program is designed to facilitate the small dollar purchase of goods used in educational, school/department related meetings, training and programs.
- Any questions as to the appropriateness of a purchase, contact the Purchasing Department
- The school principal or department director is responsible for the security of the cards, the transactions made with these cards and seeing that they are used properly.
- The cards will be issued in the name of a primary and a secondary person and/or the school or the department.
- Any initial and annual renewal fees shall be paid by the school or department.
Memberships are taxable.
- **Failure to comply with the guidelines established for this program may result in severe consequences, up to and including termination of employment.**

Policies and Procedures

1.0 General

It is important that you read the policy and procedures section of this manual in its entirety in order to properly understand your responsibilities and obligations in the use of these commercial credit/membership cards. This section provides a variety of information about the process, the

types of purchases that can and cannot be made, and records that must be maintained and reconciled monthly.

2.0 To obtain Membership card(s)

COSTCO – The COSTCO membership program presently includes two cards and an optional transferable card. See 8.0 below for costs.

Primary – Principal or Director; Secondary – secretary or person involved with doing the purchasing. The Transferable Card “Company Card” –can be used by any faculty or staff member in conjunction with a copy of a Blanket PO. This card will be kept at the school to be checked out and returned to the school after each use.

Note: COSTCO does not prorate their membership fees. The renewal period occurs generally at the end of November of each year. If you apply for or renew your membership during any other time, your membership will be due one year from that month. You will be mailed a renewal notice 30 to 60 days prior to your expiration date, so do not throw it away! You will need the notice as part of your renewal process.

To obtain a new membership, please do the following:

1. Request a Business Membership Application Form from Purchasing
2. Fill it out per the following instructions:

Under Business Information, enter the following information and for other sections as the requested information applies to your location:

- Business Name – Enter the following: “**SLCSD (& your school or department name)**, i.e. SLCSD Student Services or SLCSD West High
- Mailing Address – Enter the following: “**440 E 100 S, SLC, UT 84111**”
- Resale Permit # – Enter the following: Tax Exempt #**11906942-005-STC , Utah**
- Check the Primary Business Membership card box
- Circle “N” for resale and “Y” for tax exempt & initial
- Primary Card Holder – should be the Principal or Director’s information (last & first name, prefix, School address)
- Check Free Household card (Secondary Card)
- Secondary Card Holder – should be a secretary or active user.
- Check method of payment as “Check”
- Sign Form and date

3. Send the filled out Membership Application form and a filled out “Request for Payment” form for the current amount plus tax to Purchasing, along with a copy of your PO.

4. After reviewing the application and payment forms for completeness, they will be taken to Accounts Payable for processing.

5. A District check made out to COSTCO will be given to Purchasing who will call the COSTCO sales representative to pick up the application and check.

6. The COSTSO sales representative will process the application and bring the membership cards to Purchasing.

7. Purchasing will record the number and notify you to come pick up your cards, receive a “proper use briefing” and sign the agreement form. Then you will receive your card(s).

Note: The only payment method is by: PO, Cash or a District Check to get a tax exemption. If you pay using your own American Express card, you can submit a “request for reimbursement” but Accounting will not include any taxes charged.

SAM’s Club – The SAM’s Club membership is sponsored by the District under a Direct Account. It is both a membership and a credit card. As such, greater care must be taken when using this card. Because the number of add-on cards is limited to 99, we are limiting the number of cards a school may have to two or three maximum.

Note: SAM’s Club does not prorate their membership fees. Your membership is good for one year from the date of the original anniversary month.

To obtain a membership, please do the following:

1. Send a memo to Purchasing requesting to be added to the District’s Direct Account, listing the names of the individuals who will have the cards.
2. Also fill out and send a Blanket Purchase Order (SPO) request form for the estimated amount you anticipate spending and the account number to be charged.
3. Purchasing will process your requisition into a Purchase Order. They will also send a letter to SAM’s Club with the necessary information for membership.
4. The SAM’s Club representative will process your membership(s) and should return your temporary cards to Purchasing.
5. Purchasing will record the temporary number and call you to come pick up the card, receive a “Proper use briefing” and sign the agreement form.
6. You will need to go to the Customer Service Desk at the Salt Lake SAM’s Club (1905 S 300 W, SLC) and get your permanent card with your picture.
7. Next you will then need to call Purchasing and report your new number to be recorded.
8. Since the SAM’s Club card is also a credit card, you may use it to make purchases immediately. The monthly bill will go to Accounting.
9. Accounting will pay the invoice off of your Blanket PO. When you first use the card, you will be billed the current fee, plus tax for the membership. Note: receipts are due to Accounting every Friday of the week in which the purchase was made.

Note: Keep your receipts and turn them in each Friday of each week using the Sam’s Club Receipt Form given you during the use training.

3.0 Renewals –

For COSTCO, you will receive a notification in the mail in late October or early November. Review it and decide if you wish to continue using it. If you decide to continue, the fee is as currently listed on the notice. Sign the form and return it to Purchasing along with a completed, appropriate “Payment Request” form available on line at: <http://www.slcschools.org/depts/accounting/forms.html>. Purchasing will review the forms and send them to Accounts Payable, for processing and payment. Your current card will be re-activated for one more year. Otherwise it will become inactive.

For SAM's Club. You will need to notify Purchasing by a memo requesting to renew your membership(s) No Later Than two weeks prior to the expiration date. Then submit a "Blanket PO Request form along with documentation for an amount estimated to cover your \$45 renewal fee and any purchasing costs for the end of school year.

4.0 Revocation of membership card / Disciplinary Action

The School Principal or Department Director is responsible for the security of their card(s), all transactions made with the card(s) and supervising the proper use of these cards. The cards are issued in the name of the principle card holder or the school/department. Misuse or fraud by anyone using the card(s) or failure to comply with established Purchasing Policy & Procedures and guidelines as stated in this manual may result in one or more of the following actions:

- 1) Revocation of the School's/Department's card(s)
- 2) Disciplinary action up to and including termination of employment

5.0 Instructions for use

Carefully read the following instructions. Failure to follow these instructions as stated will be considered grounds for the revocation of the credit card(s) and or disciplinary action.

- 5.01 Determine if the purchase conforms to purchasing and accounting policies F2 & F3 and procedures: i.e. Petty Cash Rules, \$1,000 limit on products that may be bought.
- 5.02 Prior to making a purchase insure that adequate and reasonable competition was achieved, i.e. checking the District's Storeroom or existing vendor contracts.
- 5.03 **Verify that the school/department account number to be charged has adequate funds to pay for the goods.**
- 5.04 WILL CALL PURCHASES: - Requesting individual will:
 - 5.04.1 Identify goods by appropriate stock number, description and quantity and send the request to the school principal/director for review and authorization.
 - 5.04.2 The principal/director will forward the request to either of the two vendors to be placed in 'will call' for pick up the next day.
 - 5.04.3 Method of Payment: For COSTCO purchases:
 - 5.04.3.1 PO – A Blanket PO established prior to shopping, copy required
 - 5.04.3.2 Cash Purchases may be made – dollar limit set by principal/director, not to exceed \$1,000 maximum total
 - 5.04.3.3 District or School check. If the school does not have a checking account, the Principal or Director will need to forward a "Petty Cash Check Request" form for the amount of the purchase to Account's Payable; who will issue the check on Tue. or Thur. to be picked up by the requestor.
 - 5.04.4 Method of Payment: For SAM's Club purchases
 - 5.04.4.1 Cash purchases may be made – dollar limit set by principal/director, not to exceed \$1,000 maximum total.

Note: If tax is charged, either by use of ones own personal membership card or by mistake, it will not be reimbursed

5.04.4.2 Sam's Club Credit Card. The requesting individual will check out the appropriate membership and credit card from the principal/director. Then he/she will go to the vendor, show membership card to enter the establishment. Payment will be charged to existing Blanket PO.

5.04.4.3 Early morning pick up. May be in the rear of the building if during early morning will call.

5.05 DAY OF PURCHASES: Requesting individual will clear the purchase with their principal or director prior to going to either vendor, then:

5.05.1 COSTCO –

1) Take your card to the store on 1818 S 300 W (only area location accepting PO) Total purchase may not exceed \$1,000 and follow acceptable use policy noted in 6.0 below.

2) Select the items to be purchased and go to the checkout stand.

3) Show a copy of your PO to the cashier along with the card.

4) The store cashier will generate a store voucher/PO listing all the items that you purchased, you will print your name and sign the store voucher/PO .

5) The store will send a copy of the voucher/PO to the district's accounts payable

6) Upon returning to your school/office, return the card, fill out the

“Authorization for Payment” form, attach the receipt and take both to your principal/director for signature. (keep a copy for your files)

7) Send them to accounts payable so they arrive by 3 p.m. Friday of each week.

5.05.2 Sam's Club

1) Take your card to the Salt Lake Store (1905 S 300 W)

Total purchase may not exceed \$1000 and follow acceptable use policy noted in 6.0 below.

Note: Purchases over this limit must be made by going through the Purchasing Department prior to making the purchase.

2) The card holder will get a receipt and verify the goods received and that tax was not charged.

3) The cardholder will return to the school and fill out the “SAM's Club Receipt” Form and attach the receipt(s) to it and sign it, then give the form to the Principal/Director, who will sign it and send it to Accounts Payable by 3 p.m. on Friday of the week that the purchase was made. The principal/director or designee will return the receipts to the safe or secure file which must be kept for seven (7) years from date of purchase.

6.0 Acceptable and Unacceptable Uses

6.01 Acceptable Use

- Bulk Foods, i.e. rolls, cookies, fruits, vegetables, and deserts
- Bulk Beverages, i.e. soda, water, punch mix, (non-alcoholic)
- Bulk Paper/Plastic products, i.e. napkins, plates, utensils, cups (note – check with the storeroom as these products may be less expensive)
- Education related goods, i.e. items not obtainable through the District's Storeroom

6.02 Unacceptable use

- **Personal Purchases**

- Travel & Lodging
- Computers and related peripherals, i.e. netbooks, iPads, monitors, printers, etc. Call the Purchasing Department for clarification and possible alternative items already on contract.
- Cell Phones, I-Phones and other such items
- Gifts (flowers, gift certificates, and other such items)
- Electronic, Audio/Visual equipment, i.e. TV, camera, projectors, DVD, MP-3, iPods & etc. Call the Purchasing Department for clarification and possible alternative items already on contract.
- Clothing must be pre-approved by Purchasing
- DO NOT divide a purchase in order to avoid the \$1,000 limit total!

(If you are unsure as to the appropriateness of the purchase, contact the Purchasing Department, 578-8264. Ask yourself: If this purchase were to appear on the front page of the newspaper, could I successfully defend it?)

7.0 Spending Limits - Not to exceed \$1,000 per purchase and \$2,000 per month

8.0 Membership Costs /Payment Method

8.1 Membership

COSTCO: \$55 plus tax of \$3.77 for initial and annual renewal memberships for two (2) membership cards. (Primary, Secondary) A Company card open to any staff member costs an additional \$55 plus tax – all three = \$117.26. Membership fee is subject to annual increase. The above are 2012 costs.

SAM's Club \$45 for each add-on membership/credit card.

8.2 Preferred Payment Methods

COSTCO: Cash, School/District Check, (If you are charged tax, you will not be reimbursed by the district for the tax.)

SAM's Club: Establish a Blanket PO through the Purchasing department against which your charges using their charge card will be deducted.

9.0 Account Contacts

COSTCO:	Stan Strasser	Office (801) 483-9059	Cell (801) 654-2333
	Amy Mansour	Office (801) 483-9059	Cell (801) 556-7911

SAM's Club: **Office (801) 478-8240**

10.0 Cardholder Responsibilities

- 10.01 Maintain card security to prevent unauthorized charges against the account
- 10.02 Obtain a receipt for every purchase and verify it for accuracy and NO taxes charged
- 10.03 Keep an accurate written record of all card purchases. Retain for seven years
- 10.04 Call the respective vendor & purchasing immediately regarding lost or stolen cards: **Costco – 1-800-365-2712; Sam's club – 1-800-462-2996; Purchasing – 578-8261**
- 10.05 Notify the appropriate account contact of any billing discrepancies on the invoice
- 10.06 Use the credit card in accordance to District Purchasing Policy and Procedure.
- 10.07 Only use the membership/credit card to purchase items for your school/department

11.0 Principal / Director Responsibilities

- 11.01 Ensure that all cards users are familiar with the policy for their proper use.
- 11.02 Reconcile your account statement from the vendor(s)
- 11.03 Ensure that school/department budgets are not exceeded
- 11.04 Accurately complete and sign the 'Payment Authorization Form' or SAM's Club Receipt Form
- 11.05 Forward Receipt Form or Payment Form to Accounts Payable in a timely manner!
- 11.06 Insure that all related records to the card purchase(s) are kept on file for (7) years.
- 11.07 Insure that all credit card purchases are in accordance with District purchasing policy and procedures
- 11.07 Make changes to the account and notify Purchasing of those changes

12.0 Accounting Department Responsibilities

- 12.01 Receive application forms and POs from Purchasing
- 12.02 Prepare pre-pay checks to accompany the applications
- 12.03 Notify company reps to come pick up applications and checks
- 12.04 Receive monthly billing from vendors and forward copies to schools/departments
- 12.05 Receive Payment Authorization Forms from each participating school/department
- 12.06 Submit monthly payment electronically to the appropriate vendor
- 12.07 Post charges to the appropriate school/department accounts

13.0 Accounting Contact(s)

Cindy Done/Karin Orme Phone: 578-8306 or 8317 Fax: 578-8106

14.0 Purchasing Department Responsibilities

- 14.01 Process application from the requesting school / department
- 14.02 Review applications and requisitions for completeness
- 14.03 Review and update procedures and policy for card use
- 14.04 Develop and upgrade reference manual
- 14.05 Distribute temporary cards and give initial training to new card holders
- 14.06 Review with Accounts Payable violations of policy and card revocation
- 14.07 Provide overall administration to the program

15.0 Purchasing Contact: Tonya Hodges Phone: 578-8261 Fax: 974-8375

16.0 Forms (Online at: <http://www.slcschools.org/depts/purchasing/forms.html>) or <http://www.slcschools.org/depts/accounting/forms.html>)

Sam's Club Receipt Form

Standing (Blanket) PO # _____ Account Line # _____

Attach Sales Receipt here below.

Use

one form per receipt!

School or Department

If Department, which Location: _____

Location # _____

TOTAL Expenditure \$ _____

Signature of person using the card

Expenditure Details:

Supplies: \$ _____

Explain how items will be used: _____

Food: \$ _____

Explain how items will be used: _____

Other: \$ _____

Explain how items will be used: _____

Principal/Administrator's Authorization Signature/Date

Reminder: Receipts are due to Accounts Payable by 3 p.m. the last working day of the week in which the purchase was made, (usually Friday). Failure to do so, may result in the loss of your membership as part of the District's Sam's Club Direct Account program.