

## **Procurement Cards Procedure**

Procurement cards will be issued only to the administrator who has budget authority for a school, a department, or a program. The cards will be issued in the name of the Chimacum School District, with the name of the school or department administrator also embossed on the card. A school or department may request multiple cards; however, cards with a low annual usage may be canceled.

### **Cardholder**

Each card will have a cardholder, who is the administrator with budget authority for the card. The cardholder is responsible for approving all card purchases and for authorizing the payment of monthly charges.

### **Card Custodian**

Each card may also have a card custodian, who will be responsible for the day-to-day control of the card. The card custodian is responsible for maintaining and preparing the proper documentation for the reconciliation of monthly statements by the cardholder.

### **Card User**

The card user is the individual that actually uses the procurement card. In some rare occasions, one individual could be the cardholder, card custodian, and card user.

### **Examples**

- Principal – Cardholder
- School Administrative Assistant – Card Custodian
- Teacher needing the card for a field trip – Card User

## **USES OF PROCUREMENT CARDS**

### **Allowable Purchases**

The procurement card may be used only to make purchases that are currently allowable under the purchase order, imprest account or expense reimbursement processes. Purchases are for district use ONLY.

The procurement card shall not be used for:

- salaries or wages
- cash advances
- personal services
- consultants
- gifts (except recognition items, which are allowable in accordance with [Policy 6240](#))
- donations
- personal vehicle expenses incurred during travel (all mileage is reimbursed through the Travel/Expense Reimbursement process)

Generally, the procurement card will be accepted wherever credit cards are accepted; however, the district has the ability to limit the use of the card by vendor category. If for any reason a vendor refuses to accept the district's procurement card, please contact the Business Office at (360) 302-5892. We will determine the reason for the refusal and attempt to resolve the issue with the vendor.

**Credit Limits**

The standard credit limits are as follows:

| <b>Cardholder</b> | <b>Maximum Per Transaction</b> | <b>Maximum Per Card Per Month</b> |
|-------------------|--------------------------------|-----------------------------------|
| Elementary        | \$1,000                        | \$ 4,000                          |
| Primary           | \$1,000                        | \$ 4,000                          |
| Jr/Sr High        | \$1,000                        | \$ 4,000                          |
| IT                | \$3,000                        | \$ 5,000                          |
| Food Service      | \$1,000                        | \$ 2,000                          |
| Business Office   | \$1,000                        | \$ 5,000                          |
| Trans-Field Trips | \$1,000                        | \$ 2,000                          |
| Maintenance       | \$3,000                        | \$ 6,000                          |
| Special Services  | \$1,000                        | \$ 4,000                          |
| B O – Major Trip  | \$25,000                       | \$50,000                          |
| B O – Utilities   | \$35,000                       | \$50,000                          |
| Board             | \$1,000                        | \$2,000                           |
| Superintendent    | \$2,000                        | \$3,000                           |
| District Admin    | \$1,000                        | \$2,000                           |
| Human Resources   | \$1,000                        | \$2,000                           |

Do not attempt to circumvent these limits by asking the vendor to split the order.

Administrators may request a temporary increase to their credit limit for a particular purchase by contacting the Business Office at 360-302-5892 or 360-302-5895.

**ISSUANCE OF PROCUREMENT CARDS TO BUILDINGS/DEPARTMENTS**

To request a procurement card, the building/department administrator completes:

1. "Request for Issuance of Procurement Card" form (6212F-1)
2. "Cardholder/Card Custodian Authorization Form" (6212F-2)
3. "Procurement Card User Agreement" (6212F-3)
4. "Procurement Card Controls Assessment" (6212F-4). This form will be completed by the cardholder and Business and Finance Manager before cards are distributed to the cardholder.
5. "Procurement Card Sign Out Sheet" (6212F-5).

A copy of each document must be retained by the building/department and the originals returned to the Business Office.

**PROCUREMENT CARD CHECKOUT PROCEDURES**

At the building or department level, procurement cards may be checked out from the cardholder or card custodian for authorized usage. Procurement cards that are checked out can be used for purchases with local vendors, online or for field trips.

A cardholder may authorize the card custodian to make purchases on behalf of the building/department up to the specified dollar amount or check the card out to an employee (card user) for authorized use. An employee wishing to use a procurement card (card user) must follow these procedures:

1. Sign a "Procurement Card User Agreement." This Agreement must be kept on file with the card custodian. There must be a "Procurement Card User Agreement" on file for every employee that has been authorized to use the card.
2. Check out a card from the cardholder or card custodian and sign out on the "Procurement Card Sign Out Sheet" (6212F-5).

3. Ensure the original purchase receipts are returned with the card to the card custodian in a prompt manner.

Only district employees are allowed to use a district procurement card.

### **RECORDKEEPING REQUIREMENTS**

At a minimum, each school or department using procurement cards must maintain the following documents at their site:

- "Procurement Card Controls Assessment Form" (copy)
- "Procurement Card User Agreement" – signed by every district employee who is allowed to use the card (copy)
- "Procurement Card Sign Out Sheet" (original)

All purchases must be documented to show the vendor's name, items purchased and the amount paid. The state auditor's office requires original, detailed receipts to substantiate each purchase.

- Documentation showing approval of purchase by administrator, i.e. weekly reconciliation of card purchases.
- For local purchases, original detailed receipt, and signed credit card slip.
- For telephone/Internet purchases, receipt or confirmation slip and packing slip (usually must request vendor to provide receipt or confirmation slip).
- Faxed receipts are acceptable for orders placed by telephone as long as they are detailed.
- All phone orders or Internet orders will be shipped directly to the building.
- Phone and Internet orders must be checked in at the school.
- All forms and backup documentation will be kept at the building or department for review and audit.

### **RECONCILING STATEMENTS TO RECEIPTS AND APPROVING PAYMENTS**

#### **Daily / Weekly Review**

Schools and departments must reconcile procurement card charges at least weekly and no later than the last working day of the week. The cardholder and the card custodian at each school or department will have access to current transactions on cards issued to that site via Skyward credit card module. Failure to reconcile and approve payments consistent with these procedures may result in cancellation of the card.

1. Match to Receipts: The card custodian must match transactions in Skyward to original receipts on file.
2. Check Account Code: Assign the appropriate account code for each transaction in the account distribution section of "Detailed Lines," found in the Skyward credit card module.
3. Obtain Approval of Charge: It is the card custodian's responsibility to ensure that all charges have been reviewed and to obtain approval from the cardholder for payment.
4. Forward original receipts to the Business Office for maintaining records.

#### **Monthly Review**

Print the Skyward report for the statement transaction period. Retain a copy along with the other procurement card documentation (copies of receipts, copies of signed credit card slips, etc.). These should be filed by month for easy access and review by the auditor.

#### **Dispute Resolution**

If incorrect charges are found during the weekly review, contact the vendor immediately to resolve any discrepancies. If you cannot resolve the issue with the vendor within one business day, call the Business Office. The Accounting Supervisor will contact BMO/Harris Bank and pursue resolution on your behalf. The disputed item will be reflected in subsequent statements' outstanding balance but will not be included in the total amount due.

BMO/Harris Bank will send a letter to the Business Office requesting specific information regarding the disputed charge. The cardholder or card custodian will provide detailed information to be returned to BMO/Harris Bank.

When the dispute has been resolved, any credit will be put on the next statement with an explanatory note. The outstanding balance will be adjusted by the credit amount to reflect the final settlement of the disputed item.

### **SAFEGUARDING PROCUREMENT CARDS**

Procurement cards must be kept in a locked secure storage area when not in use.

In case of theft or loss, the cardholder or card custodian must notify the Business Office (360) 302-5892 who will notify BMO/Harris Bank immediately at 800-270-7760 (24 hours a day, 365 days a year).

In the event of a transfer or a separation from employment of a cardholder, card custodian, and/or card user, notify the Business Office immediately and return the card to the Business Office. A replacement card will be issued to the new administrator following the steps outlined in Section 1 of these procedures.

Misuse of the procurement card may result in any or all of the following actions:

- cancellation of the card
- discipline of the cardholder
- personal liability for improper charges
- termination

### **CHIMACUM SCHOOL DISTRICT**

Adoption Date: NEW

Revised Dates: