

# P-Card Holder's Manual

## Introduction

Welcome to Saint Paul Public Schools (SPPS) Purchasing Card (P-Card) program. The P-Card is a simplified and cost-effective method of purchasing and remitting payment for select approved program, school, or department expenditures under \$3,500 for schools and \$5,000 for departments (see lists of acceptable and unacceptable purchases). The P-Card can be used for retail in-store, mail, telephone, online, or fax purchases.

The P-Card program is designed to expedite the delivery of goods to SPPS staff. It is not intended to avoid or bypass appropriate purchasing procedures, and is to be used in accordance with the guidelines established in this manual. You are asked to treat this program with the same sense of responsibility and security you would use with your personal credit cards.

Please read this manual in its entirety before taking the P-Card course and completing an application. This manual provides the guidelines under which you may utilize your P-Card. Your completion of the Cardholder Application Form indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program.

Accurate and complete recordkeeping is required to ensure the success of this program. This includes keeping all receipts and reconciling your statement monthly. You will reconcile your account and submit applicable documentation to Accounts Payable. The invoice will be paid automatically by Accounts Payable.

You must have funds in your budget to pay for the expenditures made on the P-Card. Remember that these purchases use SPPS funds, which are taxpayer dollars. This is a responsibility not to be taken lightly!

## Acceptable Purchases

- Transactions less than \$3,500.00 for schools and \$5,000.00 for departments
- Legitimate items or supplies for your program/school
- Books (textbook orders under \$1,000)
- Postage
- Food (approved non-staff purposes only)
- Professional memberships
- Approved travel (follow travel procedures)
- Conference/Training/Workshop registrations (follow travel procedures)
- Fund raising items (such as food, coupon books, wrapping paper, etc.)
- Other miscellaneous items that apply to your program or budget
- Computer accessories (mouse, power cords, covers, keyboards)

## Unacceptable Purchases

- Items or total purchase of over \$3,500 for schools and \$5,000 for departments
- Textbook purchases over \$1,000
- Clothing or athletic equipment purchases over \$1,000
- Lottery tickets
- Furniture
- Software
- Alcohol or tobacco products
- Gift certificates
- Cash advances or ATMs
- Dining expenses (use per diem)
- Fee for services & other 1099 payments
- Computer equipment (equipment that will be attached to the SPPS network including: copiers, desktops, laptops, printers, iPads/tablets)
- Software
- Furniture (Must have approval from Facilities)
- Major Appliances (stoves, dryers, etc.)
- Pagers, cell phones, and bills
- Field trip buses (contact Transportation)
- Construction or installation (contact Plant Planning)

Note: Check with Facilities for purchase of materials that require installation of any equipment in, on, or over walls, ceilings, or floors, or if the installation requires the use of tools and permanent or semi-permanent fasteners (nails, screws, etc.). This includes items such as whiteboards, bulletin boards, window blinds, lockers, etc. Labor performed by anyone on SPPS property is covered by Minnesota statutes, which will require the involvement of Facilities.

## The P-Card Program

A P-Card is used for select purchases up to \$3,500 maximum for schools and programs, and \$5,000 maximum for departments; this maximum is per transaction. Charging two or more transactions to one vendor that exceed the cap when combined is known as “splitting” or “splitting transactions.” This is not an authorized use of the P-Card as it bypasses proper purchasing procedures

A number of controls have been developed for this program that do not exist in a traditional credit card environment. These ensure that the card can be used only for specific purposes and within specific dollar limits. For example, P-Cards will not work in restaurants. The P-Card only covers expenses of the person named on the card and cannot be used to pay for other people.

**Travel Use:** In general, P-Cards are not authorized for use for travel expenses. The few legacy travel P-Cards in use may be authorized for use for hotel, air fare and other travel expenses (\$3,500 maximum per transaction). Review the SPPS [Travel Basics \(https://www.spps.org/Page/31195\)](https://www.spps.org/Page/31195) and be prepared to follow the [Travel Reimbursement Rules \(https://www.spps.org/Page/31197\)](https://www.spps.org/Page/31197).

## P-Card Purchasing Policies and Procedures

### A. Goals

The SPPS P-Card program is intended to accomplish the following:

1. To ensure that P-Cards are used in accordance with SPPS policies.
2. To ensure internal controls for authorized procurement.
3. To ensure that SPPS bears no legal liability from inappropriate use.
4. To provide a convenient procurement method and reduction of paperwork.
5. To empower employees and increase productivity, flexibility, and efficiency.

### B. P-Card Authorization

1. The card will have Saint Paul Public Schools, the individual’s name, tax exempt number and expiration date. The card is only to be used by the person named on the card.
2. The P-Card vendor will have no individual cardholder information, other than their SPPS mailing address; no personal credit records, or other personal information are maintained.
3. Purchase information is transmitted electronically to the card issuer for authorization. All transactions require authorization regardless of the amount. Since SPPS, not the individual employee, will pay for purchases made with the procurement card, additional controls have been added to these accounts. When the merchant seeks authorization for the purchase, the procurement card system will check the individual cardholder’s single daily purchase limit and 30-day limit before authorization for that transaction is granted.

### C. P-Card Restrictions and Spending Limits

Transactions falling outside the assigned area are designed to be declined at point of sale.

1. The delegation of authority that has been provided to each cardholder sets certain limit controls. With this P-Card program there is no maximum dollar liability, because of this, limits have been set to minimize the district’s liability. The controls are various combinations of:
  - a. Maximum dollar limit per transaction
  - b. Monthly cardholder dollar limit
  - c. Merchant category code (MCC) restrictions –MCC is a four-digit classification code used to identify the type of merchant. Purchase restrictions that have been set up deny purchases in such areas as travel, dining, alcohol, cash advances, etc.
2. The P-Card is to be used for certain budget-approved school/department expenditures under \$3,500 for schools and \$5,000 for departments.
3. The spending limits are tied to each individual account.

### D. Sales Tax

As a general rule, we do not pay Minnesota sales tax.

1. Merchants are required by tax authorities to include sales tax at the time you purchase goods. The amount is dependent on a variety of factors, including the state and city where you are purchasing goods.
2. Purchases of items by public or non-profit private schools for the school's use are generally exempt from Minnesota sales tax. The exemption applies to the public or non-profit schools, not to the individual.
3. It is the cardholder's responsibility to notify the merchant that SPPS is a Minnesota sales tax exempt entity. The tax-exempt number is printed on the P-Card. If vendor requests the SPPS tax exempt form, please email <mailto:AP@spps.org> with the vendor's email address, and one will be sent out.
4. Make sure that you do not authorize a transaction with Minnesota sales tax, or you will be held personally responsible for the sales tax. Some items are not exempt from paying sales tax, such as dining and hotels.

## **E. Use of the P-Card**

1. The P-Card shall be used for SPPS business procurement only.
2. The P-Card is issued in the name of a specific cardholder and their name is embossed on the card. No other person is authorized to use the card.
3. Before you make a purchase, verify with the budget manager that there are funds in the budget to pay for the expenditure.
4. One budget code is assigned per P-Card.
  - a. One budget code is assigned per card, however if a budget code, within the same budget and under the same budget administrator is appropriate for the purchase, the budget code may be changed via [US Bank's Access Online \(https://www.access.usbank.com/\)](https://www.access.usbank.com/).
  - b. If you purchase for more than one budget (i.e. school budget and special education budget), you will need an additional card or cards and have the authorization of that budget administrator.
5. Use of the P-Card shall be subject to the following conditions;
  - a. All items purchased at the vendor's establishment must be immediately available and cannot be backordered.
  - b. Telephone, mail, fax and internet orders must be carefully monitored to ensure prompt delivery prior to payment.
    - i. Clearly instruct the vendor to include the following delivery information:
      - Cardholder name
      - Department
      - Building name and address
    - ii. A [P-Card Log](https://www.spps.org/Page/24337) (available from the [P-Card website - https://www.spps.org/Page/24337](https://www.spps.org/Page/24337)) should be used to document or record P-Card purchases. The log should be held until your statement is received and checked against receipts. The statement should be submitted along with original receipts (original receipts should be taped to 8-1/2 x 11 sheets of paper) to Accounts Payable.
    - c. If a website is utilized to make purchases, verify that you are doing a transaction via a secure website (the url should start with https://).
6. Mandatory documentation, reconciliation, and payment procedures.
  - a. Documentation must be retained as proof of purchase whenever using the P-Card.
    - i. All purchases require an itemized receipt. For purchases made in person at a vendor's establishment, the cardholder must obtain a customer copy of the charge slip to submit with the monthly statement.
    - ii. Itemized receipts will be used to verify the purchases shown on the cardholder's monthly statement.
    - iii. Failure to provide documentation of purchases will result in loss of card privileges as well as personal liability for any undocumented purchases.

- b. The monthly statement will be available online on the 15<sup>th</sup> of the month (or the first following business day if this is a holiday). The statement, P-Card Log, and original itemized receipts, are to be reconciled by the P-Card holder.
    - i. If the budget code for any purchase is different than the one assigned to the card, change the budget code for each affected transaction on [US Bank's Access Online \(https://www.access.usbank.com/\)](https://www.access.usbank.com/).
    - ii. Use the [Reconciliation Checklist](https://www.spps.org/Page/24337) (available from the [P-Card website - https://www.spps.org/Page/24337](https://www.spps.org/Page/24337)) to ensure all steps are completed and all documentation is included.
  - c. The reconciled monthly statement must be printed and signed by the P-Card holder. It should be submitted to their supervisor with all documentation to sign and date. The supervisor will forward to Accounts Payable.
  - d. Reconciled statements and documentation are due to Accounts Payable by the 25<sup>th</sup> of the month.
  - e. The monthly invoice will be automatically paid by Accounts Payable on the due date.
  - f. Failure to provide documentation, reconcile statements, or submit paperwork by the due date, or otherwise misusing the card or not following procedures will result in card revocation. You will have two warnings; if you violate the policies and/or procedures a third time, your card will be taken away.
7. If your card is declined by a vendor and you feel the decline should not have occurred, you should contact the US Bank customer service 800 number indicated on the back of your card. They will help you determine if you were declined because of merchant type blocking, or if you have exceeded your monthly credit limit, single transaction dollar limit, or number-of-transactions-per-day limit imposed on your card.

## **F. Discrepancies and Disputes Regarding P-Cards**

In case of a discrepancy on a statement or dispute with a vendor, the cardholder must:

1. Contact the merchant involved and try to resolve the error.
2. If you are unable to resolve the issue directly with the merchant, contact the customer service department at US Bank. Be sure to have detailed information regarding the dispute. Tell them which charge(s) you are disputing.
3. You are required by law to submit information in writing to US Bank, within 30 days by completing a [Cardholder Dispute Form](https://www.spps.org/Page/24337) (available from the [P-Card website - https://www.spps.org/Page/24337](https://www.spps.org/Page/24337)).
4. The disputed amount(s) will be reduced from the next monthly statement until the dispute is resolved. Disputes will be resolved by US Bank in conjunction with chargeback rules and regulations.

## **G. Requests for P-Cards**

1. All requests for P-Cards must be approved by a principal, department head, or budget administrator.
2. All requests for a P-Card will be done by completing the two-part P-Card training in Schoology and submitting application documents.
3. Upon receipt of the P-Card, sign the card and call the phone number on the card to activate. Your social security ID will be 0000.

## **H. Lost or Stolen P-Cards**

1. The P-Card is the property of SPPS and should be secured just as you would secure your personal credit cards.
2. If your card is lost or stolen contact US Bank customer service immediately. When calling customer service, be prepared to provide your account number.
3. Complete the [Notification of Lost/Stolen Card Form](https://www.spps.org/Page/24337) (available from the [P-Card website - https://www.spps.org/Page/24337](https://www.spps.org/Page/24337)).
4. Notify the SPPS Purchasing Department at 651-767-8291.

5. On receiving notification, US Bank will deactivate the lost or stolen card immediately.
6. Prompt action is extremely important because this P-Card program has no maximum dollar liability for SPPS.

## I. Change in Employment Status

1. Any time your employment status changes you are required to notify the Principal/Budget Administrator for which you have a P-Card and the Purchasing Department at 651-767-8291.
2. If you separate service from SPPS, the P-Card must be immediately surrendered **to the Purchasing Department** and it will be cancelled. Once you have separated service you may no longer use your card or you may be subject to legal action.
3. If you change schools or move within SPPS, you must also surrender your P-Card (as it is assigned to a particular budget), then contact the Purchasing Department at 651-767-8291 and it will be cancelled.

## Compliance Procedures

The P-Card (P-Card) is a privilege and should be treated as such. These procedures govern the use of the P-Card and replace any previous procedures. These procedures also address misuse of the P-Card in addition to some unacceptable purchases. A complete list of unacceptable purchases is available on the Business and Financial Affairs' [P-Card procedure](https://www.spps.org/Page/31210) page (<https://www.spps.org/Page/31210>).

Itemized receipts, including the vendor name, date, amount, and description of the purchase, need to be retained for proof of purchase, just as if you had purchased them yourself and were being reimbursed for the purchases. As an authorized user of the P-Card you are to be familiar with and follow all procedures in the P-Card Manual.

You are the only person authorized to make purchases with your P-Card and purchases must be in connection with your employment with, for the benefit of, within the budget of, and authorized by SPPS.

The following items constitute misuse of the P-Card. Any misuse will result in the revocation of privilege to be a P-Card holder, and may result in revocation of all departmental and/or divisional P-Card privileges.

Misuses of the P-Card include (but are not limited to) the following:

- Using the P-Card for personal purchases
- Dining expenses (use per diem)
- Purchase of unacceptable items
- Permitting the use of the P-Card by someone other than the person named on the card
- Fraudulent or inaccurate recording keeping
- Lack of proper documentation of purchases
- Not turning in statements and receipts in on time
- Splitting transactions, including coordinating purchases with another staff member to keep individual transactions below the cap
- Overspending your budget
- Any other misuse of card

The following corrective actions may be taken for misuse of the P-Card:

- 1) Cancellation of card privileges and possible legal action in the event of blatant misuse or continual misuse of the card.
- 2) Warning/Cancellation of Rights Policy for loss of card. This will be instituted for such items as not turning in statements and receipts on time, splitting transactions and/or any of the above mentioned items.
  1. Written warning following the first instance of misuse
  2. Loss of card privileges for three months following a second instance of any misuse
  3. Permanent loss of card following a third instance of misuse

Please note that misuse does not need to be of the same type as prior misuse in order to incur penalties.

Reauthorization to use the card is solely at the discretion of the Business Office.

## Summary

The SPPS P-Card Program is an opportunity to reduce paperwork and streamline the purchasing process at the school/department level.

Exercise good judgment and act within your authorized budget when using your card. The P-Card is issued in your name and all activity will be assumed to have been incurred by you. We ask that you maintain accurate records and retain receipts for auditing purposes.

If you have any questions contact Jamie Atkins, P-Card Program Administrator, Purchasing Department at 651-767-8289.

## Resources

The following websites contain useful resources for P-Card holders

Purchasing Department's [P-Card website](https://www.spps.org/Page/24337) - <https://www.spps.org/Page/24337>

Business and Financial Affairs' [P-Card procedure](https://www.spps.org/Page/31210) page - <https://www.spps.org/Page/31210>