

THIEF RIVER FALLS PUBLIC SCHOOLS

760 MASTERCARD PROCUREMENT (PCard) CARD PROGRAM

**MASTERCARD
PROCUREMENT (PCard) CARD PROGRAM**

Policy & Procedures Manual for Thief River Falls Public Schools #564

Procurement (PCard) Card Administrator
Business Manager 218.681.8711, ext. 5231

230 LaBree Ave S, Thief River Falls, MN 56701

BMO Harris Bank

Customer Service.....1-888-267-7838
Lost or Stolen Cards.....1-888-267-7838

TABLE OF CONTENTS

Introduction_____	2
To Obtain a MasterCard Purchase Card_____	2
General Information_____	3
Acceptable & Unacceptable MasterCard Purchase Card Purchases_____	4
Telephone/Internet/Faxed Orders_____	5
Program Restrictions_____	5
Reconciliation and Payment_____	6
When Your Records Do Not Agree With Your Monthly Statement_____	6
Lost or Stolen Cards_____	7
Sales and Use Tax_____	7
In Summary_____	7
Appendix:	
Cardholder Application Form_____	8
Acknowledgment of Receipt of the MasterCard PCard_____	9
Purchase Card Order Log _____	10
Cardholder Misuse Report_____	11
Terms of Revocation Form_____	12

Introduction

Welcome to the Thief River Falls Public Schools MasterCard Procurement Card Program provided by PFM Financial Services LLC (“PFM”) through Harris Bank, IL. The procurement card / purchase card (or PCard) is a simplified and cost-effective method of purchasing and remitting payment for approved expenditures. The PCard can be used for retail purchases; i.e. in person, by mail, telephone or fax.

The PCard is embraced by public and private organizations as a means to create an easy to use process perfectly suited for all dollar purchases. In the continuing effort to improve service to our District staff, this is one more opportunity to achieve that goal.

The PCard is to be used in accordance with 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 personal credit card.

All PCards are issued at the request of the Business Manager and card usage will be audited and may be rescinded at any time.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 the Cardholder Authorization Form indicates that you understand the intent of the program and agree to adhere to the guidelines established for the program. You will need to fill out an Acknowledgement Form for receipt of your card. All cards will be activated prior to handing out. Please contact the program administrator if you have any questions.

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. You are representing Thief River Falls Public Schools and spending public funds each time you use the PCard.

To Obtain a Thief River Falls Public Schools MasterCard PCard

Please read this manual in its entirety before requesting your MasterCard PCard. The 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 miscellaneous information

Your Authorized Supervisor or Business Manager must indicate approval by signing the Cardholder Application form before it can be processed. All requests will be processed through the TRF Business Office at 218-681-8711.

After you have read this manual and understand the outlined procedures, please complete the Cardholder Application Form. You must indicate the Thief River Falls Public Schools mailing address and email address to receive statements and correspondence related to the program.

Read carefully and sign the Cardholder Application Form. Your Authorized Supervisor or Business Manager will also be asked to sign this form.

You must sign the Acknowledgment Form prior to receiving your PCard for the first time. When you receive your PCard, sign the back of the card. Always keep the card in a safe place! Although the card is issued in your name, it is the property of Thief River Falls Public Schools and is only to be used for Thief River Falls Public Schools purchases as defined in this manual. PCards are renewed automatically and new cards are issued by BMO Harris Bank every 36 to 48 months.

You will be assigned a company ID and User ID in the set-up process of accessing the BMO Harris Bank *Spend Dynamics* report and card management website, this will occur during training with the Program Card Administrator.

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 MasterCard.
- The PCard is **not** to be used for **personal purchases**.
- Inappropriate use of the PCard will result in revocation of the PCard and in the event of gross misuse or fraud involving district funds, disciplinary actions will be taken which may include termination of employment and/or legal prosecution.
- You will not be charged an annual fee for your card.
- BMO Harris Bank will pay merchants within 24-48 hours of the merchants' posting of your transaction to MasterCard.
- The account code that will be used will be selected by the cardholder or its' Supervisor.
- The Department budget account code is reduced by each transaction and reflected by the dollar amount of the transactions the following month.
- The records may be audited for compliance with purchasing policy and appropriateness of the expenditure.
- Original receipts and a copy of the Monthly Card Member Activity Report (printed from BMO Harris Spend Dynamics Website) should be forwarded to the School District Business Office each month, by the 10th of the month.

Acceptable and Unacceptable MasterCard PCard Purchases

The following information provides examples of purchases that are appropriate for the PCard:

- authorized travel/conference expenses
- approved conference/seminar registrations
- approved classroom supplies
- approved technology purchases
- field trip admissions
- repairs and maintenance
- approved activity / sports supplies
- utilities, fuel, gas for school vehicles
- postage, fed ex / ups charges
- hardware stores
- bookstores
- food services
- other miscellaneous items that apply to your program and budget

Please note a purchase order is still required for most purchases for tracking purposes by account code.

Sales Tax: Please note it is your responsibility to bring the tax exempt form when using your PCard. We are tax exempt.

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

- alcoholic beverages/tobacco
- lottery tickets
- cash advances, or ATMs
- gift certificates
- meal purchases – these should be run through the payroll department

This list is not intended to be all-inclusive. If you have specific questions, please call your TRF Schools PCard Administrator for assistance.

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

- using the PCard for personal purchases
- purchase of unauthorized items
- fraudulent or inaccurate record keeping
- use of the Pcard by someone other than the cardholder

In the case of misuse, the Accounts Payable Department (District Office) will document the occurrence on the Procurement Card Cardholder Misuse Report (see appendix) and forward it to the principal/department supervisor immediately for further action.

Telephone / Internet / Faxed Orders

- All telephone/internet/faxed purchases must be shipped to the District Office, not to your school and never to your home.
- When placing the order the following are required:
 - Ship to address:
Thief River Falls Public Schools
Attn: Your name PCard
230 LaBree Ave S
Thief River Falls, MN 56701
 - Bill to address:
Thief River Falls Public Schools
230 LaBree Ave S
Thief River Falls, MN 56701
 - Email or faxed confirmation of the order
 - Packing slip included with the items when shipped
- The district office 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 place only 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 MasterCard PCard has been assigned a monthly credit limit determined by the Business Manager. BMO Harris Bank will only take direction from your Thief River Falls Public Schools authorized program administrator. All requests and limit changes must be approved by your program administrator, or BMO Harris Bank will not make those changes.

The MasterCard will be accepted for purchases of generally approved Thief River Falls Public Schools commodities. Businesses and services determined not to offer products commonly accepted for Thief River Falls Public Schools use have been blocked from accepting the PCard. Limiting the acceptable Merchant Category Codes does this. The Merchant Category Code is a four-digit classification code used in the authorization and settlement systems to identify the type of merchant (commonly known as Standard Industrial Code "SIC").

Levels of credit authorization are in place to clearly define the individual purchasing limit controls.

If your card is declined by a merchant and you feel the decline should not have occurred, contact your program administrator within 24 hours.

Request for transaction, daily and monthly limit changes are to be made to the Thief River Falls Public School Program Card Administrator.

Reconciliation and Payment

The MasterCard PCard program carries corporate, not individual, liability. A single invoice covering all Thief River Falls Public Schools purchases will be paid each month by Accounting. You will not be required to pay your monthly statement using personal funds. The PCard does not impact your personal credit rating in anyway.

You must retain all original receipts for all purchases. Regardless of how the purchase is made **an itemized receipt must be included or obtained.** If you purchase via phone or mail, require the merchant to include a receipt with the goods when the product is shipped to you. If that is not possible, you must obtain a packing slip when the shipment is received to document the purchase.

Every cardholder will need to review their statement (at a minimum one time per month) for all transactions made against their MasterCard PCard during the previous billing cycle. You will be notified by e-mail to review and approve your transactions on the last day of the month. You will have 10 days to complete this task. You have the option to change (reclassify) any portion of the expense account code, or to split and reclassify between multiple codes. Original receipts and a copy of your BMO Harris Bank Statement (printed from the website) should be forwarded to the Program Card Administrator each month, by the 10th of the month.

The cardholder may keep a transaction log of all receipts and statements. The log serves to remind cardholders of transactions and assists in reconciliation of the monthly statements. A periodic audit may be conducted of card activity, retention of receipts, reconciled detail and signed monthly statements.

When Your Records Do Not Agree with Your Monthly Statement

There may be an occasion when you find items on your transaction log that do not correlate with your retained receipts or monthly cardholder statement. 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.

Your first recourse is to contact the merchant involved to try to resolve the error. If the merchant agrees that an error has been made, your account will 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.

If you are unable to resolve the issue directly with the merchant, contact the customer service department at BMO Harris Bank, 1-888-267-7838. When calling be sure to have detailed information regarding the dispute. State that you would like to dispute a charge on your PCard. You are required by law to submit the information in writing to initiate a claims dispute with BMO Harris Bank. The amount of the next monthly statement will be reduced by the amount of the disputed item until the question is resolved.

Any charge you wish to dispute must be identified in writing within 30 days of the statement date to BMO Harris Bank.

You are responsible for the transactions identified on your statement. When an audit is conducted on your account, you must be able to produce receipts that a Thief River Falls Public Schools approved transaction occurred. If an error is discovered you are responsible to show that the error or dispute resolution process has been followed.

Please keep the Thief River Falls Public School program administrator informed as to what is happening with the issue.

Lost or Stolen Cards

The MasterCard PCard is the property of Thief River Falls Public Schools and should be secured just as you would secure your personal credit cards. If your card is lost or stolen contact BMO Harris Bank customer service number (1-888-267-7838), immediately then notify the TRF Schools PCard Administrator. When calling customer service, be prepared to provide your social security number.

Upon notifying BMO Harris Bank, the card will be deactivated immediately. If the card is reported lost or stolen and is later used, the Merchant will decline it. Prompt action in these circumstances is very important to reduce Thief River Falls Public Schools liability for fraudulent charges.

Sales and Use Tax

Merchants are usually required by taxing authorities to include sales tax when goods are purchased. The amount is dependent on a variety of factors, including the state and city where you are purchasing the goods.

Purchases of items by public or non-profit private schools for their own use are generally exempt from sales tax. The exemption applies to the public or non-profit schools, not to the individual.

It is the cardholder's responsibility to notify the merchant that Thief River Falls Public School District is tax exempt in Minnesota. Our Minnesota state tax exempt number is 8011965 and a copy of the tax exempt form is included in the back of this manual. Do not distribute this form to any other employee in the organization. If they need one, they have been provided with a copy.

Should you have additional questions, please contact your program administrator for assistance.

In Summary

The Thief River Falls Public Schools Purchase Card Program is an opportunity to reduce paperwork, expedite the purchasing process at the department level and reduce Thief River Falls Public Schools administrative expenses.

Exercise good judgment and act within your authorized budget when using your card. 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.

The PCard is a program in progress to be utilized as another option to make purchases. The program will continue to evolve and transform as it best fits the Thief River Falls Public Schools needs.

If you have any questions about the program or need additional information, please contact your program administrator.

CARDHOLDER APPLICATION FORM

MasterCard Purchase Card applicants need to acquire authorization from the Business Manager to apply for the PCard.

APPLICANT INFORMATION: (Please print clearly)

Location _____ Phone _____
Number _____

Location Address _____

Applicant's
Name _____

Applicant's E-Mail
address _____

Transaction Limit: _____ Daily Limit: _____ Monthly Limit: _____

(FILL IN AUTHORIZING INFORMATION)

As the Supervisor/Business Manager, I hereby grant the above mentioned Applicant authorization to apply for, and use, the Thief River Falls Public Schools MasterCard Purchase Card for the account number listed below. I also agree to review and sign the monthly MasterCard Purchase Card statements issued to the above applicant.

Supervisor/Business Manager Signature _____

Default Budget Account Code _____

**ACKNOWLEDGEMENT OF RECEIPT OF THE MASTERCARD
PCARD**

I acknowledge that, on the date indicated below, I received my Purchase Card. I have previously received a copy of the procedure manual explaining the use and responsibilities of the Purchase Card.

I understand that:

The PCard is a cost-effective method for the purchase and payment of transactions and is limited to \$_____ per month.

The PCard is to be used solely for business purchases; not personal purchases.

I am responsible for reconciling monthly statements and maintaining accurate accounting records.

The PCard will be issued on an as needed basis as per requests, as stated within the policy & procedures manual.

Should my employment with Thief River Falls Schools terminate, I am responsible for returning the PCard to the Program Card Administrator.

Employee Signature _____

**Employee Name _____
(Please Print)**

Date: _____

Please return this form to your school district program administrator

Thief River Falls Public Schools
MasterCard Order Log

Cardholder Name: _____ **Office Location:**

Department: _____ For The
Period: _____

Date Ordered	Date Delivered	Total \$ Amount	Description	Expense Code
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
18				
20				

Cardholder Signature: _____ **Date:** _____

Authorizing Signature: _____

Dept/Title: _____ **Date:** _____

RETAIN CARD STATEMENT AND LOG AT SITE/DEPARTMENT
The original receipts and statement are to be turned into the TRF Schools District Office

CARDHOLDER MISUSE REPORT

Date: _____

Location: _____

DESCRIPTION OF
MISUSE: _____

ACTION TAKEN: _____

RECOMMENDATION: _____

SUBMITTED BY: _____

TELEPHONE NUMBER: _____

RETURN THIS FORM TO THE DISTRICT PROGRAM CARD ADMINISTRATOR
IMMEDIATELY FOR REVIEW AND PROCESSING

TERMS OF REVOCATION FORM

As an authorized user of the MasterCard PCard, I understand that I am the only person authorized to make purchases with the Purchase Card issued to me and that such purchases must be in connection with my employment with, for the benefit of, and authorized by Thief River Falls Public Schools.

I understand that the following items constitute misuse of the MasterCard Purchase Card and that any misuse will result in the revocation of my privileges to be a MasterCard Purchase Cardholder, and may result in revocation of all departmental and/or divisional Purchase Card privileges.

Misuse of the MasterCard PCard includes the following:

- Using the MasterCard PCard for personal purchases
- Purchase of unauthorized items
- Use of the PCard by someone other than the cardholder
- Fraudulent or inaccurate record keeping (including not turning in original receipts and statements as stated in this policy & procedures manual)
- Unauthorized use of funds will be deducted from your pay check.

If the MasterCard Purchase Card is used for personal purchases, for unauthorized items or by someone other than myself, I hereby agree to personally pay either Thief River Falls Public Schools or the vendor for such purchases and hereby authorize Thief River Falls Public Schools, if necessary, to withhold from my paycheck any amount necessary to pay these charges.

Name of Cardholder _____ Date _____
(Please Print)

Cardholder's Signature _____

NOTE: In addition to the above consequences for misuse of the MasterCard Purchase Card, Thief River Falls Public Schools retains the right to take further action, whether in the form of disciplinary actions, termination of employment, and/or legal prosecution, in the event of gross misuse or fraud involving Thief River Falls Public School funds.

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