

Billings School District 2

FINANCIAL MANAGEMENT

Procurement Card Purchasing Procedure

Purpose

To provide procedure concerning the issuing of and use of a District procurement card (Pcard).

Scope

This procedure applies to all procurement card holders.

Card Issuance

Prospective cardholders will be required to complete training provided by the Program Administrator as well as sign and date the Cardholder User Agreement Form. Cardholders will also be required to complete the Cardholder Application/Maintenance Form. The Cardholder Application/Maintenance Form must be signed by the cardholder's administrator and the Program Administrator. The cardholder is the only person entitled to use the card. The Pcard is not to be used for personal use. The Pcard cannot be transferred from one employee to another.

Upon receipt of the Pcard, the cardholder will need to activate the account by calling the toll-free number printed on the card.

Card Usage

The Pcard may be used at any merchant that accepts Visa, except as the District otherwise directs. It may be used for in-store purchases as well as online, phone, fax and mail orders.

When using the Pcard with merchants, the cardholder should direct the merchant not to send an invoice as this may result in a duplicate payment. For online, phone, fax and mail orders, instruct the merchant to send a receipt only. This receipt must be retained for the District's records.

Unless a contract is in place, whenever making a credit card purchase, the Cardholder will comply with District procedures on how many sources should be checked to assure best price and delivery.

Limitations and Restrictions

The Program Administrator is empowered to modify the Pcard restrictions.

The Program Administrator will assign a total monthly dollar credit limit and a single transaction limit (if any) to each individual Pcard. Purchases may not be split to avoid the single transaction limit. If the total monthly dollar credit limit and/or the single transaction limits are insufficient, request a change by contacting the Program Administrator. The Program Administrator will make the final decision on credit limits.

Pcard purchases will be declined where the Merchant Category Code (MCC) is blocked, including but not limited to the following:

- Most foreign hotels and airlines
- Cruise lines
- Marinas
- Money transfer services
- Precious stones and metals
- Duty free stores
- Snowmobile dealers
- Motorcycle shops
- Boat dealers
- Fur shops
- Bars/cocktail lounges
- Liquor stores
- Billiard establishments
- Financial Institution-Automated cash
- Timeshares
- Dating and escort services
- Funeral services
- Massage parlors
- Consumer credit reporting agencies
- Detective agencies
- Betting services
- Food stamps
- Bail and bond payments
- Court costs
- Political organizations
- Religious organizations

Lost or Stolen Cards

Immediately report lost or stolen Pcards to Wells Fargo Bank Business Purchasing Service Center (BPSC) at 800-932-0036. Immediately after reporting to the BPSC, inform the Program Administrator. It is extremely important to act promptly in the event of a lost or stolen card to avoid Billings Public Schools liability for fraudulent transactions.

Authorized Purchases

Purchases may include but are not limited to the following:

- Travel expenses
- Office supplies and forms
- Books and subscriptions

- Professional membership dues
- Hardware and tools
- Courier/Overnight Deliveries
- Gift cards for student or non-employee volunteer recognition
- Custodial supplies from district approved contract vendors

Unauthorized Purchases

As with any District purchase, the Pcard is not to be used for any product, service or with any merchant considered to be inappropriate for District funds. Failure to comply with Pcard procedures for authorized purchases may result in disciplinary action, cancellation of Pcard privileges, and possible termination of employment.

Unauthorized purchases include but are not limited to the following:

- Items for personal use
- Alcoholic purchases
- Capital goods
- Leased equipment
- Meals are prohibited for all District travel excluding student ECA travel.
- In-District meal expenses are not authorized unless it is necessary for the employee to conduct business during the meal. Only an itemized receipt for meals will be accepted. Please refer to Procedure 7320-P1 for more information.
- Single transactions over \$2500.00 (unless prior approval is received)
- Gift cards for employees
- Computer and technology items must be purchased by the Technology Department

District Contracts

The following services may be purchased with the Pcard (if within card limits). Vendors contracted with the District for these services must be used.

- Cell phones
- Rental cars
- Bus transportation
- Food services
- Utilities
- Phone services
- Internet services
- Health care
- Library books
- Textbooks
- Student testing
- Fire extinguisher service
- Building service
- Mail service (US Mail)

- Microscope cleaning
- Copiers
- Textbook binding
- Computers
- Computer service (Business)
- Computer service (Education)
- Facility services contractors
- Custodial supplies
- Office supplies

Internet Purchases

The Pcard can be used for purchasing goods via the Internet. When using the Pcard for Internet purchases, Cardholders are required to ensure the sight is secure (look for the secure site symbol). Cardholders are also required to obtain the appropriate documentation (in lieu of a receipt) in order to validate the transaction at the time of order. Most Internet orders provide electronic order confirmations which can be printed.

Travel

The Pcard must be used as payment for hotel fees, airline fees, baggage fees, and any other travel related expenses.

When used for travel, the Pcard must be used in accordance with the Travel Procedures already established by Billings Public Schools. See Procedure 7320-P1.

Tipping and Gratuities

Reimbursement for customary and reasonable tips and gratuities such as at lodging establishments, restaurants and for transportation services is permitted. If possible, documentation shall be provided, even if only a hand-written notation. Tips and gratuities are limited to 15% of the cost of the expense unless the vendor assigns a larger gratuity for large groups.

Reconciliation and Payment

The Accounts Payable Department is responsible for paying the Pcard invoice(s) each month.

At the end of a statement period, notification will be sent via email that it is time to review the Pcard statement. Access the Commercial Card Expense Reporting tool via the Internet to review the statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. Cardholders have the ability to reconcile their account at any time.

Cardholders are responsible for the following:

- Retaining all receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made

If a receipt was not provided for Pcard purchases or if a receipt has been lost, the cardholder must complete the Pcard Missing Receipt Form. Attach the form to the Statement for Reconciliation and send a copy to the Pcard Program Administrator.

Pcard records will be audited periodically.

Reconcilement of Purchases

It is the cardholder's responsibility, immediately upon receipt of the Pcard statement to check it to ensure all the transactions posted are legitimate transactions made by the cardholder, mark transactions for which receipts will be attached, and attach line item detailed point of sale receipts or delivery invoices. Other functions such as splitting transactions, adding descriptions, and reclassifying expenses can be performed using the Commercial Card Expense Reporting tool. All of the available functions will be part of initial training. If everything is in order, the cardholder will mark the statement as reviewed. Once the statement has been marked as reviewed, an email will be issued to the cardholder's administrator for approval. Any account that is not reconciled may be suspended or terminated by the Program Administrator.

Disputed or Fraudulent Charges

If there is a discrepancy between the cardholder's record log and the statement, it is imperative that the issue is addressed immediately. Depending on the type of discrepancy, the cardholder will need to contact the merchant or complete the Online Dispute Form to resolve the disputed transaction.

If the merchant has charged you incorrectly or there is an outstanding quality or service issue, the merchant must first be contacted in an attempt to resolve the error or problem. If the matter is not resolved directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on the cardholder's next statement. The item should be highlighted on the cardholder's record log as a reminder to verify that correct credit has been received.

If the merchant disagrees that an adjustment is necessary, complete the Online Dispute Form. The details of the disputed transaction will be entered online and followed up on by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the District's account for the amount of the disputed transaction.

If the dispute is not resolved to satisfaction, complete the Pcard Dispute Form on the Wells Fargo website and forward to the Program Administrator.

Any fraudulent charge (i.e., a charge appearing which was not authorized by the cardholder) must be reported immediately to the Program Administrator. A completed Declaration of

Forgery or Unauthorized Use form (on the Wells Fargo website) must be forwarded to the Program Administrator.

Implementing Policy 7320 Purchasing

Cross References: 6430 Development of Administrative Procedures
7320-P1 Expense Authorization Reimbursement
7320-P4 Purchasing Procedure
7320-P8 Gift Card Procedure
7320-F1 PCard Missing Receipt Form

Legal References:

Procedure History:

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