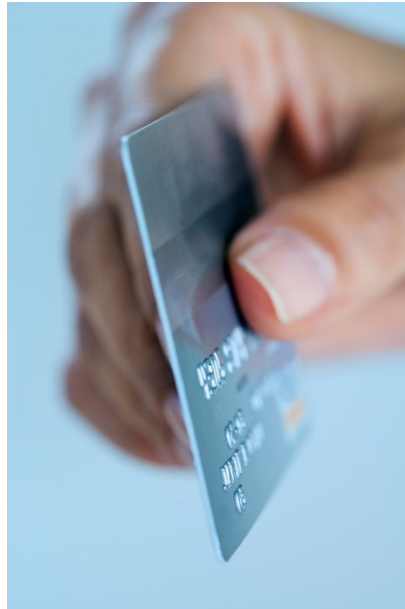


Midland Independent School District

Policies and Procedures

For the

TEXAS PAYMENT CARD CONSORTIUM P-CARD PROGRAM



PURCHASING CARD POLICIES AND PROCEDURES

Introduction

The purpose of the purchasing card program (P-CARD) is to establish a more efficient, cost-effective method of purchasing and paying for small dollar transactions as well as high volume, repetitive purchases. The program was designed as an alternative to the traditional purchasing process (requisition process) for professional travel; district purchases with selected vendors and a card check out program for approved purchases. The purchasing card can be used with any supplier that accepts Wells Fargo as a form of payment and is an approved vendor by their Merchant Category Code (MCC).

Effective July 2017 the P-CARD program was expanded so that principals, selected assistant principals, campus secretaries could also make small dollar purchases for their campuses using their campus discretionary funds or student activity funds. Student travel purchased by the staff was included in this group.

The purchasing card program was also expanded to include a single-use and multi-use travel card. The travel card was implemented to reduce the volume of individual checks for conference registrations and individual advance travel. Rather than issuing a check to the conference, individual and travel agency, we will assign a travel card to the traveler for the estimated charges. Upon return from the conference and/or training, the traveler will submit their travel card, if single-use, and receipts and reconciliation to the supervisor. The supervisor will then submit all documents to Financial Services.

If used to its potential, the purchasing card program will result in a significant reduction in the volume of purchase orders and related documentation including invoices and checks. In addition, corresponding work processes associated with ordering and check writing will be eliminated.

General Information

These policies and procedures provide the general guidelines for using the purchasing card. Please read it carefully. Your signature on the Cardholder Agreement shows that you understand the intent of the program and agree to follow the established guidelines. The following important points should be reviewed before using the purchasing card:

- Your purchasing card is issued in your name and/or Midland ISD. All purchases made on the purchasing card must be only your purchase for authorized expenses.

- You are responsible for the security of the purchasing card and the transactions made with it. If you do not follow these guidelines when using the purchasing card, you will receive disciplinary action, including termination.
- You can use the purchasing card at any vendor or service provider that accepts Wells Fargo and is not on the restricted list. It may only be used for in store purchases, not Internet (exception: travel-related purchases), mail, telephone, nor fax orders.
- The purchasing card may only be used to purchase items that included in a currently approved budget line item or activity fund.
- You may use the purchasing card to purchase supplies less than the single transaction limit that has been established.
- Use must not exceed the credit limit assigned to your card in a given month/year.
- All receipts for purchases must be submitted within a week of each purchase.
- You will be responsible for reconciling the statement you received from the bank to ensure all charges are accurate. The statement will be reconciled using your receipts, so it is critical that all receipts submitted on a timely basis.
- The purchasing card is not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or the Midland ISD Purchasing Manual.

Customer Service

The purchasing card program is serviced using a team approach with the Bank's Customer Service Center. This center is available 24 hours a day, 7 days a week to assist the cardholder with general questions about the purchasing card account. The bank phone number is listed on the back of your P-Card. If a card is lost or stolen, Customer Service should be notified immediately and then the MISD Program Administrator.

Credit Rating & Liability

The program does not affect your credit rating in any way. The purchasing card program carries corporate, not individual liability.

Purchasing Card Controls & Procedures

Credit Limits

All purchasing cards have cardholder spending limits. Limits may vary for each cardholder and will be established by the District.

Each cardholder will be given information on the limits of his/her card upon signing up for the program. In order to change limits on any card, a principal or administrator should forward a request in writing (via email is acceptable) to the Program Administrator. Upon approval, the Program Administrator will then forward the request to the bank for processing. You must allow 5 days to process any changes.

Transaction Limits

Your purchasing card may have a single transaction limit. This is the amount available on the purchasing card for a single purchase. Cardholders should not attempt to make a purchase greater than his/her approved amount.

Restricted Vendors

The purchasing card program will be restricted for use with certain types of suppliers and merchants. If you present your purchasing card for payment to restricted vendors, the authorization request will be declined. Requests to change authorized suppliers of merchants shall be forwarded in writing (via e-mail is acceptable) by the Administrator to the program administrator.

Issuance of Purchasing Card

Purchasing cards will be centrally distributed through the Purchasing Department. When a new card is issued, the bank will send it to the Program Administrator for distribution to the cardholder. Cards will be released to cardholders after training and receipt of a signed cardholder agreement.

Purchasing Card Activation

The cardholder must call Customer Service to activate the purchasing card before using it. Upon receipt of the card, the cardholder should sign the back of the purchasing card and always keep the card in a secure place. For privacy reasons, we have opted to use pin #'s, rather than the last four digits of our social security number.

Purchasing Card Receipts

It is every cardholder's responsibility to ensure there is a receipt for each purchase. Detail (itemized) receipts must be presented for purchases – the credit card charge slip is not considered adequate documentation.

These receipts will be each cardholder's documentation for the monthly purchasing card charges. After approval by the administrator, the receipts and purchase log will be sent to the Purchasing Department. All receipts will be filed for audit purposes. If a receipt is lost or stolen, the cardholder must obtain duplicate copies of the receipts. If unable to obtain a receipt, the charges will become the personal responsibility of the cardholder and due within 10 days of the purchase.

Sales and Use Tax

The district is a tax-exempt entity and does not pay sales tax for school-related purchase. The cardholder should present a sales tax exemption form when make a school-related (not fundraising) purchase. If the cardholder fails to present a sales tax exemption form at the time of purchase and the purchase was eligible for tax exemption, the cardholder may be held personally responsible for the tax charged.

Returns, Credits, and Disputed Charges

Should a problem arise with a purchased item, every attempt should be made to first resolve the issue directly with the supplier. All returns must be reimbursed by credit to the account; cash refunds are prohibited. Credits slips must be submitted to the Purchasing department.

Security of the Purchasing Card

The cardholder is responsible for the security of the card. Guard the purchasing card account number carefully. It should not be posted in a work area or left in a conspicuous place. It should be kept in a secure location.

Violations and Consequences

The only person authorized to use the purchasing card is the cardholder whose name appears on the card. The card is to be used for business purposes only. The card is not intended for personal use. Personal purchases will be considered misappropriation of District funds, a criminal offense, and will be reported to the proper authorities.

Inappropriate use of the card or failure to abide by the Purchasing Card Policies and Procedures will result in revocation of the card and appropriate disciplinary action, including termination of employment.

Employee Resignation or Termination

The purchasing card must be returned to the program Administrator upon resignation or termination from employment with Midland Independent School

District. Do not put cards in interoffice mail. The account will be inactivated and the card destroyed.

Examples of Acceptable Purchases

Food Items

Hotel

Air fare

Rental Cars & Taxi Fares

Student Meals

Supplies needed for campus use

Examples of Unacceptable Purchases

Services that require payment of prevailing wage

Computer Hardware or Software

Equipment

Personal Items

Cash Advances

Alcoholic Beverages

Public Works

Petty cash reimbursements

Tenant Reimbursements and payments related to leases

Personal Professional Services

Donations

Gambling

Use of P-card to avoid other established competitive thresholds and procurement procedures

Transactions which are deemed to be fraudulent or outside the purchasing policy.

These examples are for illustration only. If you have a question, please contact the P-Card Administrator.