

ELBERT COUNTY SCHOOL DISTRICT



PROCUREMENT CARD PROCEDURES

Elbert County School District

Purchasing Card Procedures

PURCHASING CARD POLICY

All purchases made using the Purchasing Card must be for official school business and in accordance with the District procurement code. The card must not be used for personal expenditures regardless of the reason. Unauthorized purchases or misuse of the card may render the individual purchaser liable for the goods or services and corrective action up to and including termination and/or possible criminal charges.

Failure to provide adequate documentation for a purchase will constitute misuse of the card. Adequate documentation consists of at least one of the following documents (referred to hereafter in these guidelines as the receipt) signed by the cardholder:

- Original itemized invoice on company letterhead
- Cash register receipt (itemized)
- Printed on-line order form (itemized)
- Facsimiles of itemized order form (faxed from company)
- Handwritten itemized voucher from vendor describing items purchased and including original signature, phone number, address and tax identification number

Note: The customer copy of the charge slip showing only the total charge is not sufficient documentation. The receipt MUST list specific items purchased.

If an original sales slip/invoice is not available at the time of statement reconciliation, then the District is not liable for the purchase and will ask for personal reimbursement for the charge.

Purchasing cards will be issued to an individual's name and/or one card per school or department in the department's or school's name. When a charge on an account is questioned by an individual, the charge can be placed in dispute with the Bank. This means that the District is not liable for the charge until the issue is settled. When a charge is questioned on a department or school card, then the person who procured the item(s) will be responsible. Ultimately, the principal or department head is responsible for all cards issued to the department or school and anyone under his/her supervision.

When the purchasing card is issued, the cardholder must sign the Agreement Form. This form states that the cardholder accepts the responsibility for the protection and proper use of the card. If procedures are not followed leading to unauthorized use of the card, the cardholder will be held responsible for any cost to the district.

The single transaction limit is \$1,000 during a 24 hour period. Purchases above this amount require the issuance of a District purchase order. If a purchase is needed that exceeds the \$1,000 limit, the purchase will be declined unless the Financial Services Consultant approves the purchase and authorizes the bank to accept the card. **UNDER NO CIRCUMSTANCES SHOULD A TRANSACTION BE SPLIT INTO SEPARATE RECEIPTS TO BYPASS THE SINGLE TRANSACTION DOLLAR LIMIT ESTABLISHED FOR THE CARD.**

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The card is for incidental small dollar purchases. For large dollar amounts, departments should still issue blanket and regular purchase orders to District suppliers. For information regarding contracts or the bid process, please contact the Purchasing Department.

UNALLOWABLE PURCHASES

The Purchasing Card **must not** be used for personal expenditures, regardless of the reason.

The card cannot be used for ATM (Automatic Teller Machine) withdrawals or cash advances.

Other specific items not allowed for purchase with the card are:

- Capitalized equipment
- Controlled substances (including alcohol and tobacco)
- Gasoline (other than for a rented or ECBOE owned vehicle)
- Meals (on an individual basis or during travel for which you will be receiving per diem)
- Payments for reportable purchased services (1099's)
- Telecommunications services and personal calls

It should be noted that each card will be able to be accepted by appropriate vendors only. If a vendor is not appropriate, then the card will be declined and the purchase will not be allowed.

REMINDER: FRAUDULENT USE OR MISUSE OF A DISTRICT PURCHASING CARD WILL RESULT IN REVOCATION OF THE CARD. THE DISTRICT WILL SEEK RESTITUTION FOR ANY INAPPROPRIATE CHARGES MADE TO THE ACCOUNT.

ALLOWABLE PURCHASES

General

All purchases for official school business are allowable if they meet District procurement code guidelines and unless specifically unallowed therein. Every effort should be made to obtain the best pricing possible for the District. Supplies on hand in the District warehouse should be used before outside purchase.

Travel Expense

The Purchasing Card may be used for certain authorized travel expenses which are consistent with the District's travel policy.

1. **Overnight lodging at a commercial facility:** Allowable charges include room and tax. Hotel parking charges may also be charged to the card when itemized on the original lodging receipt. *Required documentation: Itemized original lodging receipt. Copy of professional leave form and copy of agenda. NOTE: Unauthorized charges on the bill such as movies, meals or personal calls must be balanced out before charging*

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the remainder to the card. The lodging can only be for the individual whose name appears on the card and should not be for a group of rooms unless a District Travel card is used.

2. **Rental cars and related gasoline charges:** Allowable charges include actual and reasonable rental charges and gasoline costs (not to exceed the cost of using a personal car at the District's mileage rate). *Required documentation: Original rental car and gasoline receipt. NOTE: As a rule, gasoline cannot be charged on your card except for rental and district vehicles.*
3. **Transportation:** Allowable charges include actual charges for airline, train or other public carriers. Tickets must be issued in the name of the individual traveling.

NOTE: Care should be taken to make advance reservations only with a firm commitment that the trip will in fact be made.

Any abuse of the card related to travel expense by an individual will immediately terminate the cards ability to be used for travel.

Internet Purchases

The card may be used on the internet. When purchasing via the internet, know your merchant, be sure that you are using a "secured" site, print your order form before and after making payment, print any confirmation email, and always obtain receipts for your purchases.

Budgets & Accounts

Before any procurement card activity is authorized, the individual must ensure that there is sufficient budget remaining in the accounts to be charged. If there is not a sufficient budget, the person, school or department may be held responsible for the purchase.

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STATEMENT RECONCILIATION PROCEDURE

Billing Information

Your monthly cardholder statement will include transactions posted up through the end of each month. Your statement will then be created and sent to you within ten business days.

Processing the Statement

1. Match each charge appearing on the statement to the original receipt.
2. Attach the original receipts to the statement in order as they appear on the statement. Please attach smaller receipts to an 8 ½ x 11 sheet of paper. You may attach more than one receipt to a sheet.
3. Enter the account number to be charged on each receipt. School activity accounts may be used as well as district accounts.
4. Include any back up documentation required for purchases. (The same documentation that is required for AP applies to the Purchasing Card. Example: charges associated with travel require a professional leave form and agenda.)
5. Summarize all charges by account and list them on the Purchasing Card Reconciliation Form. The total of expenditures listed must equal the statement total.
6. If the total receipts sent with the statement do not equal the statement total, the bottom section of the Purchasing Card Reconciliation Form must be completed showing refunds for undocumented charges.
7. Send the Reconciliation Form with the statement and all required documentation attached to Finance for processing within seven days of receipt.

POTENTIAL PROBLEMS

Declined Sales

If your purchase is declined at the point of sale and you believe that an error might have occurred, you should call the toll-free number on the back of the card. The customer service representative will advise you if you have exceeded the monthly or individual transaction dollar limits assigned to your card. Occasionally the decline may be the result of a system error at the bank. In that case, request the vendor to contact the Bank using the 1-800 number on the back of your card. A Bank representative can authorize the transaction verbally or by phone. If the purchase is an emergency and is needed immediately, contact the Finance Department to authorize the transaction immediately with the bank. Once the Finance Department has authorized the purchase, then the card can be run again.

Card Refusal

Occasionally you may want to make a purchase from a supplier who does not accept VISA. Although the District cannot require a supplier to accept the District's card, you may wish to advise the Finance Department. They can contact the supplier and provide them with

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information regarding our card program and encourage the supplier to consider accepting our card for payment of our small dollar purchases.

Returns for Credit

Credits to your card must be issued through the bank. When you return goods that were originally purchased on a District card, a credit slip must be processed by the supplier to credit your card. This process insures that your monthly statement will not be paid "short" by Accounts Payable.

Note: If a purchase is made using the card and you return goods to the supplier, you must not accept cash or a due bill for the credit amount. All credits issued for purchases previously made on the card MUST be credited back to the account by the supplier.

Duplicate Payments

Inevitably, situations will arise which result in a duplicate payment of a transaction. Due care exercised by every employee involved in a procurement card transaction should help insure this occurs as infrequently as possible.

Make sure travel related expenses that were paid with the card are not turned in for personal reimbursement. They should be listed on the travel reimbursement form as expenses incurred by Elbert County School District. A copy of the Professional Leave Form should be included with your statement if travel related charges have been made. An employee must NEVER request reimbursement for an expense they did not pay personally. Doing so can result in disciplinary action.

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DISPUTE RESOLUTION

Cardholder

If the cardholder validates a charge on your statement for which you have no documentation, make an attempt to have the vendor provide a duplicate receipt. If none can be obtained, the cardholder is required to refund the charge to the District. The payment must accompany the Reconciliation Form.

Vendor

If the cardholder does not validate the charge, contact the vendor and try to obtain copies of the basis for the charge. If the vendor agrees to issue a credit, this must be as a transaction to be processed on your card account for your next monthly statement. You must obtain documentation of this credit from the vendor. You may not request that your monthly statement be paid "short" by Accounts Payable, nor can you process your own credit against your card account.

Note: If a purchase is made using the card and you return goods to the supplier, you must not accept cash or a due bill for the credit amount as this constitutes fraud against the District. All credits issued for purchases previously made on the card MUST be credited back to the account by the supplier.

Finance Department

If you are unable to resolve the discrepancy with the vendor, you should contact someone in the Finance Department to assist you in resolving the dispute. You may be requested to complete a Transaction Dispute Form which the Finance Department will send to the Bank on your behalf. It is important for you to keep a copy of the complete dispute form for your records.

Bank

Items in dispute must be reported, in writing, to the Bank within 60 days through the finance department.

Remember! Fraudulent use or misuse of the card will result in revocation of the card. The District will seek restitution for any inappropriate charges made to the account.

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ACCOUNT MAINTENANCE

Internal Audit

All cardholder accounts are subject to random audits by appropriate personnel, (e.g., chief financial officer, external auditors, procurement officer, and others).

Employee Termination

If a cardholder's employment with the District is terminated, their card must be returned to the Finance Department and their account must be canceled. If the card is not turned in, the school/department must immediately notify the Finance Department.

Lost or Stolen Card

If a card is lost or stolen the cardholder must immediately notify the bank and Suann Baker or Keith Martin in the finance department. Taking the following steps will help reduce any loss for the District as well as the Bank:

1. Contact the Bank at the number provided when the card was issued. This number can be called 24 hours a day, 365 days a year.
2. Notify Mrs. Baker at (706)213-4016/ (706)988-9160, or Mr. Martin at (706)213-4052.

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PURCHASING CARD CARDHOLDER AGREEMENT

The District is pleased to provide you with the Purchasing Card. The card represents the District's trust in you and your empowerment as a responsible employee to safeguard and protect its assets. Your signature below indicates your acceptance of this responsibility.

I hereby agree to comply with the terms and conditions of this Agreement and the Purchasing Card Policy. I acknowledge receipt of the Policy and confirm that I have read and understand its provisions. I will comply with the terms and conditions and those of any subsequent revisions. I understand that the District is liable to Regions Bank, NA for all card charges made by me.

As a holder of a Purchasing Card, I agree to accept responsibility for the protection and proper use of the card as outlined in this Agreement and the Policy. I will protect the card at all times to prevent its unauthorized use. I understand that the District will audit the use of this card and that I may not use it for personal purchases or other prohibited items. Should the card be lost, stolen or compromised in any manner, I shall immediately advise Regions Bank, NA, and Mrs. Baker/Mr. Martin in the finance department.

I understand that the card is the property of the District, assigned to me for use in my department and that, in the event of willful or negligent default of these obligations, the District will take any recovery action deemed appropriate that is permitted by law. Furthermore, upon transfer from the department or termination of employment with the District, I agree to return this card to the Finance Department/Procurement Department for immediate cancellation.

Signed _____ Date _____

Type of Card Issued:

- Individual
- Department
- School