



Richland County School District One

**Purchasing Card Program  
Internal Operating Procedures (IOP)**

***Disclaimer: The State PCard Policy Guideline references the following:***

***“Counties & Local Political Subdivisions (Group C entities) include cities, counties, school districts, special purpose districts, and other local government entities. Group C entities make payments from their own checking accounts. These entities shall determine supply/service purchases and develop their own purchasing limitations consistent with applicable law”.***

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## **PROGRAM OVERVIEW**

Richland County School District One (RCSD1) Purchasing Card (PCard) Program streamlines payments by eliminating the administrative burdens, reduces the number purchase orders and checks involved associated with traditional procurement procedures.

The PCard Program uses a VISA purchasing card (PCard) issued by Bank of America (BOA Bank) pursuant to the **South Carolina Statewide Contract No. 4400026963** to BOA Bank. The PCard simplifies the procurement process by enabling users to purchase goods or service directly from the merchant.

The overall success of the PCard Program and its continued use depends on your participation and cooperation. The concluding RCSD1 PCard Program Internal Operating Procedures shall be reviewed and utilized daily by all program participants.

The Procurement Services Department is responsible for the complete oversight of the PCard Program. The success of the PCard program and its continued use depends on each stakeholder's adherence, participation and cooperation.

## **PURPOSE**

The PCard Program is designed to help manage small dollar (\$2,500.00 and under) purchases.

The PCard is a supplement to the purchase order (PO) and can be used as a replacement to merchants who do not accept purchase orders.

## **INTENT**

The intent of the District PCard is to be used for official business/educational related purchase of goods and service by telephone or in person, directly from the vendors/suppliers.

Each PCard has a predetermined per transaction and cumulative monthly limit.

## **STAKEHOLDERS**

**Richland County School District One (RCSD1):** Pursuant with the SC State Contract No. 4400026963 arranges with the card issuer Bank of America, to have PCards issued to approved employees and agrees to accept liability for the employee's use of the cards.

**Card Issuer:** Bank of America whose services includes issuing PCards to district employees, providing electronic transaction systems which are BOA WORKS and Payment Center, and billing RCSD1 monthly for all purchase.

**PCard Administrator:** An employee of RCSD1 assigned by the Director of Procurement Services to provide daily program oversight of processes and support to all cardholders. Coordinates with the card issuer to resolve cardholder discrepancies and ensure industry best practices. If required, the Director of Procurement Services has provided the authority to the PCard Administrator to suspend or revoke any procurement card when circumstances arise to mitigate financial exposure.

**Cardholder:** An employee of RCSD1 who has been approved to procure goods and services not exceeding \$2,500.00\* per transaction.

**Liaison-** An employee of the district designated by the principal or department head to oversee daily use of the PCard and to ensure transactions are properly classified, allocated, and signed off.

**Accountant** - A designated employee of the Office of Financial Services to monitor reconciliation procedures by Liaison, identify use tax owed, batch and upload transactions into accounting software, and ensure timely payment of the monthly PCard billing statement.

**Merchant** - A person or company who accepts a VISA credit card.

## **INTERNAL OPERATING PROCEDURES**

### **Eligibility & Acceptance**

The participants of the RCSD1 PCard program must be a full-time district employee who is assigned to execute purchase transactions on behalf of the district. A Request for PCard Form must be completed and signed by the employee's supervisor, principal, and or department head. The signed request must be submitted and approved by the Chief Financial Officer (CFO).

All participants involved will be provided mandatory PCard training and complete the Certificate of Acceptance prior to receiving the card. The PCard will have the cardholder name, District name/logo, account number and the expiration date embossed on the face of the card.

### **THE PCARD IS FOR OFFICIAL DISTRICT USE ONLY**

#### **Use of PCard**

The cardholders name embossed on the card, and in accordance with, state and District guidelines, may only be used by that individual. The PCard is only to be used for District related purchases of goods and services. PCard will be used for purchases not exceeding \$2,500 for goods and services where not otherwise restricted.

Use of the PCard by a Cardholder for a personal purchase and/or a purchase of supplies or services that the Cardholder had no authority to make, and/or use of the PCard by a person other than the Cardholder are unauthorized and strictly forbidden.

Unauthorized use of the PCard for personal purchases or use of the PCard by a person other than the Cardholder may result in disciplinary action, up to and including termination from employment and criminal prosecution.

Shipping of purchases to other than a District business address for District use is strictly prohibited.

Supervisors or other approving officials who knowingly, or through willful neglect, approve or allow personal or fraudulent purchases or misuse of the PCard are subject to the same disciplinary actions as Cardholders.

Purchases from open market sources should be distributed equitably among suppliers.

#### **Use of Temporary or One-Time Use Cards**

Temporary or One-Time Use cards will be issued to District employees to make specific purchases (i.e., abroad or annual field studies). Card privileges will be approved for the specific time the field studies occur. Cardholders will adhere to all the guidelines outlined in the IOP. For these specific events, all documentation pertaining to the purchase must be submitted to document the purchase. Card(s) will be deactivated once all statements are reconciled. Card(s) will need to be returned to Procurement for safekeeping.

## Card Security

The Cardholder is responsible for the security of the PCard and any transactions made. PCard must be kept in a secured location when not in use.

## Cardholder Credit/Spending Limits

Cardholder spending limits are determined based on the individual needs of the schools/departments with the final approval of the District's CFO.

## Terminated Employees

Department Liaison shall secure Purchasing Cards from terminated employees. The Department liaison will immediately notify the Purchasing Card Administrator of the termination.

A request for closing the Cardholder account will be submitted to Bank of America by the Purchasing Card Administrator. All Purchasing Cards are to be returned to the Purchasing Card Administrator.

## MERCHANT CATEGORY CODE (MCC)

The PCard is prohibited from used with certain non-business related established and non-institutional type expenditures. The Merchant Category Code (MCC) is used to correspond with the types of business or services that are purchased. The MCCs does not provide complete protection against unauthorized use of the PCard but acts as a deterrent for certain expenditures. If an attempt to use the PCard for unauthorized expenditures occurs, the transaction may be declined.

***Exceptions:** MCCs are restricted per individual card holder roles and responsibilities of the District. Based on transaction trends, cardholders have been reclassified into Tiers in the Bank of America (BOA) systems in accordance with their perspective roles and/or responsibilities in the District. Allowable educational type good and services may be excluded from the blocked MCCS, however will be documented with the "Deviation Form" to justify the transaction.*

| <b>PROHIBITED PURCHASES</b>  |  |
|--|--|
| The following list is an example of potential items and services which may or may not be charged to the District Purchasing Card.<br><i>This list is not all inclusive</i> |  |
| <b>ALLOWABLE</b>   | <b>PROHIBITED CHARGES</b>  |
| <i>Goods and supplies cannot be shipped to personal residence, District address only</i>   | <i>The following purchases are strictly prohibited unless otherwise noted:</i>   |
| Office supplies for district purposes only   | Personal purchases of any kind (Personal purchases are defined as purchases of goods or services intended for non-work-related use or use other than official District business).  |
| Conference registration fees, virtual conference, webinars<br><i>*Approved Request to Attend (RTA) required for each transaction*</i>                                      | Split transactions to avoid the Single Transaction Limit (STL) of \$2,500. Splitting transactions is strictly prohibited and doing so may result in suspension or removal of card privileges.                                    |
| Books for instructional purchases (classroom or office)  | Cash advances in any form, including use of the card or card number at Automated Teller Machines (ATMs), inside bank branches or at cash advance, quasi-cash and money transfer locations such as Western Union, Telecheck, etc. |

|   |   |
|---|---|
| Maintenance Supplies for use by Building Services, pre-approval required  | Gift cards, gift certificates, stored value cards, calling cards, pre-paid cards or similar products.   |
| Approved Food/meal for consumption by employees i.e., District professional development related ( <i>*Meal Justification form required</i> )          | Employee travel expenses, including lodging, transportation, (except airline tickets and rental cars), and meals (see travel purchases) ( <i>*exception registration fees only</i> )  |
| Light refreshments (snacks) i.e donuts, juice, muffins, biscuits, chips, snacks District related PD ( <i>**Meal Justification form not required</i> ) |   |
| Fuel for District-owned vehicles ( <i>vehicle of Superintendent, Activity Buses only</i> )  | Entertainment, including in-room movies.  |
| Acceptable District related Professional District memberships   | Alcoholic beverages.  |
|   | Tobacco products.   |
|   | Professional services.  |
|   | Sensitive equipment to include but not limited to printers, computers, furniture, smart tablets, iPads, laptops, calculators computers or equipment that must be inventoried and tagged and valued over \$100 are prohibited. <i>Refer to District Fixed Asset Manual for any clarification</i> |
|   | Breakroom Supplies - Microwaves, Refrigerators, Utensils, Food containers, etc.   |
|   | Purchases using a PCard from a vendor with a blocked Merchant Category Code ( <i>see Appendix Exceptions: District Role, and/or responsibilities of the cardholder determines the allowable purchase from a blocked MCC</i> )   |
|   | To make payment on “open” accounts maintained with vendors. The PCard shall only be used to pay one transaction at a time and cannot be used to pay the accumulated balance of an account.  |
|   | Payment of State and local taxes to the Department of Revenue.  |
|   | Catered Meals for Professional Development ( <i>Meals must be procurement by Purchase order only ) with approved Meal Justification Form</i> )  |
|   | Personal or Individual memberships, personal items, weapons, ammunition, hospitality services   |

## Split of Purchases

The Single Limit Transaction amount is \$2,500.00 per transaction. Splitting transactions is strictly prohibited. Use of the card outside the stated guidelines may result in immediate suspension or removal of card privileges.

## Emergency Purchases

In the event of an emergency, such as a natural disaster (i.e pandemic, hurricane, flood, etc.), the PCard Administrator may request authorization from the Chief Financial Officer (CFO) to temporarily unblock designated MCCs, temporarily raise the transaction limits for specific P-Cards, or both. Requests must be made in writing to the CFO with the use of the Determination for Deviation Form.

## Travel Purchases

The PCard shall not be used for travel expenses, including lodging, transportation and meals unless cardholder is classified in the exceptions outlined as follows:

**Travel Transactions Exceptions:** The following are exceptions for travel purchases and allowable in accordance based on specific District roles and responsibilities as noted below:

*Individual or group conference registration fees only, with approved Request to Attend (RTA) form*

- a. *Travel and/or Lodging expenses for **Superintendent***
- b. *Travel and/or Lodging expenses for **Board of School Commissioners***
- c. *Travel and/or Lodging expenses for designated **HR personnel for District recruitment purposes***
  - ✓ *\*HR personnel may be subject to securing job fair booth registrations prior to RTA approval for recruitment purposes only*
- d. *Travel and/or Lodging expenses for **Activity Bus Drivers***
  - ✓ *\*Activity Bus Drivers may be subject to secure lodging when field study activities require overnight stay and no prior arrangements are secured by the Administration.*
- e. *Approved Cardholders are required to attach:*
  - ✓ *Approved Request to Attend (RTA)*
  - ✓ *invoice/receipt to the monthly statement for verification of such fees.*
  - ✓ *a conference agenda with a detailed purchase receipt.*

*End-users must follow the current District Travel procedures regarding regulations for travel and lodging.*

- f. *All other travel allowances would be deemed for emergency basis only and subject to prior approval by the Chief Finance Officer or designee.*
- g. *Reservations for lodging must be made at the **lowest available single rate** in accordance with the District travel procedures and policy AR DJD-R Expense (Travel) Reimbursement.*

## Registration Transactions

The PCard may be used to secure **registration fees only** for conferences, professional memberships, and educational materials as it pertains to District professional development. The Request to Attend (RTA) must be approved before fees are paid with registration.

**Job Fair Booth registration is not classified as Travel.**

## Food Purchases

*Disclaimer: Richland One is classified as Group C, therefore the District has developed its own purchasing limitations in accordance with District guidelines for food and/restaurants purchase. Prior approval is documented accordingly to comply with exceptions.*

**Exceptions:** The PCard may be used for the purchase of food for District related professional development only. The purchase must have the preapproved PCard Meal Purchase form (see appendix) completed and approved by the school/departments Supervisor and Executive Team Level Supervisor **prior** to the transaction. Meal purchase form must validate in detail, the legitimate purpose for the meal.

The PCard shall **not** be used for the payment of tips, service fees and/or gratuities.

All Food purchases shall comply with the established per diem amount in accordance with the District guidelines. (see Appendix, Financial Services Meal memo)

Light refreshments (snacks) are not considered a meal; examples of light refreshments include but not limited to a la carte single items such a fruit, donuts, juice, muffins, pastries, or chips.

### **Fuel Purchases**

The PCard may be used to purchase fuel for District activity buses and Superintendent District vehicle in use for Richland One sanctioned activities, also, if applicable, fuel for approved rental cars use. (*see travel procedure*)

### **Determination for Deviation of PCard Policy**

Any purchase over the \$2,500.01 Single Daily Transaction (SDL) and/or any other transactions deemed for District purposes where as a PCard is acceptable as opposed to a Purchase order shall require the Determination of Deviation form to be completed and approved by the Procurement Director and CFO. The Determination of Deviation form must be completed and approved prior to making the purchase.

### **Internal Controls, Fraud and Detection**

Internal controls play an important role in the prevention and detection of fraud. Controls relating to fraud prevention are designed to minimize opportunities. Controls designed to detect potentially fraudulent activity identify issues, patterns and problems.

An annual review shall periodically assess the internal controls to determine the effectiveness. The basic principles for a properly designed system of internal controls includes:

- (1) segregation of duties;
- (2) adequate oversight and supervision;
- (3) safeguarding of assets;
- (4) proper authorization;
- (5) proper documentation; and
- (6) independent validations.

Segregation of duties is the concept of having more than one person required to complete a task. Segregation of duties is generally associated with the procurement/payment cycle or the revenue cycle. In segregating duties of the procurement/ payment cycle no one individual should be able to purchase (approve), receive, and pay for goods and services. The spending Unit P-Card Administrative shall not handle all aspects of the P-Card process. The purchasing (approving), receiving and review and reconciliation processes shall be performed by different individuals.



## **ROLES & RESPONSIBILITIES**

### **CARDHOLDER**

The documentation requirements will be the same as those required for any other type of acquisition or purchase in accordance with the Richland One Procurement Code for compliance.

*To place the order and accept delivery the following procedures **must** be followed:*

1. Confirm the vendor accepts the District PCard.
2. Merchants may charge a “premium” for the use of the PCard but must “disclose the surcharge as a merchant fee and clearly alert the consumer of the practice at the point of sale.” If the vendor charges a premium, ask the vendor to waive the premium.
3. If a telephone order is placed for pick-up at a merchant’s facility, the Cardholder may designate a staff member to pick up the order. If anyone other than the Cardholder picks up the order, the designated person will have to verify receipt of the item(s). Signature quantifies the receipt of the goods.
4. The PCard may be used online at the time of check out. The PCard information must be entered for each online order processed. *The PCard number **cannot** be saved for future orders under any circumstances.* The receipt must be sent to the cardholders or liaison District email immediately. Cardholders found saving card numbers on accounts will be subject to immediate card suspension.
5. The PCard can be used to purchase items at Amazon Business. The liaison must contact the PCard Administrator to set up a District Amazon Business account. The use of personal accounts and shipping to personal residence is strictly **prohibited**.

### **MONTHLY BANK STATEMENTS**

The Bank of America Payment Center portal is utilized by liaisons to review the cardholder’s bank statement. The statement can be reviewed and downloaded on the 28<sup>th</sup> of each month. The cardholder and the immediate supervisor, approver or designee must sign and date the bank statement attesting to the accuracy and completeness. All signatures must be original signatures. Acceptable forms of signature includes a certified Adobe Signature with date and time stamp. **Rubber stamps Signatures are prohibited**. The signed statement must be sent to the PCard Administrator via inter office mail, no later than the 10<sup>th</sup> of each month. *Failure to provide statements to the PCard Administrator by the 10<sup>th</sup> of each month may result in card suspension on the 11<sup>th</sup> of the month.*

*In the event of illness, bereavement, or vacation during the statement reconciliation period, statements may be submitted 5 business days after the liaison, cardholder or approvers return to work. An email notification must be submitted to notify the PCard Administrator that the statement will be submitted after the 10<sup>th</sup> of the month.*

## **PURCHASING CARD ADMINISTRATOR RESPONSIBILITIES**

The Procurement Services Department will assign a Purchasing Card Administrator to be responsible for the overall Purchasing Card program.

**PCard Administrator:** Yolanda Cuttino

**Contact Information:** [Yolanda.cuttino@richlandone.org](mailto:Yolanda.cuttino@richlandone.org)

**Phone Number:** 803-231-7029

*The responsibilities of the PCard Administrator include but not limited to the following:*

1. RCSD1 liaison with Bank of America.
2. Utilizing the Bank of America WORKS and Payment Center portals.
3. Reviewing Department approved applications for completeness of required information.
4. Submitting completed application to Bank of America via WORKS and receiving Purchasing Card from Bank of America.
5. Training Departmental Liaisons before releasing Purchasing Cards.
6. Training Cardholder before releasing Purchasing Card. Annual retraining will be required of each cardholder.
7. Having Cardholder sign Cardholder Agreement (see Appendix), signifying agreement with the terms of the Purchasing Card program.
8. Conduct annual or as needed, PCard recertification training.
9. Handling disputed charges/discrepancies not resolved by Cardholder or Departmental Liaison.
10. Initiating change of default accounting codes upon request of Department Liaisons as approved by the Department Head.
11. Securing revoked Purchasing Cards and deactivating accounts in the WORKS System.
12. Maintains a list of active and deactivated cards.
13. Ongoing review of transactions, receipts, and statements for appropriateness.
14. Reviewing Account Summary then submitting to accounting for payment.
15. Reconciling Bank of America's bill to Bank of America's electronic file and to the transaction totals posted to the RCSD1 accounting system.
16. Reviewing usage of Purchasing Card data for appropriateness.
17. Deactivate cardholder privileges on the 11<sup>th</sup> of the month for those statements that have not been submitted for review to the PCard Administrator by the 10<sup>th</sup> of the month. Deactivated cards will be tracked by a reporting spreadsheet documenting occurrence.
18. Ensuring that lost or stolen cards have been blocked by Bank of America.
19. Assisting the Departmental Liaison with erroneous declines and emergency transactions.
20. Reviews monthly statements and the transactions in WORKS for accuracy throughout the billing cycle and close all transactions at the end of the billing cycle.

21. Within 5 days of receipt of the Bank of America bill, the payment process will begin in order for the payment to reach Bank of America no later than 25 calendar days after the close of the billing cycle of the previous month.
22. Reviews all transactions and prepare the Purchasing Card Statement Certification Form for each monthly statement certifying completeness and compliance of transactions.
23. Publish and review with a monthly report of routine usage to include but not limited to transactions per card, amount per transaction and number of active and inactive cards per school or department.
24. Upon notice of cardholder being out of office, suspended or other, the card shall be rendered as suspended and/or inactive.

### **ACCOUNTS PAYABLE**

The monthly PCard Summary statement payment will be paid by accounts payable in accordance with Bank of America instructions either by check or ACH.

### **CARDHOLDER RESPONSIBILITIES**

The Cardholder must use the Purchasing Card for legitimate business purposes only. The Purchasing Card may not be used for travel, entertainment, cash and other categories as outlined in the Listing of Blocked Vendors. Misuse of the card will subject Cardholder to disciplinary action in accordance with RCSD1 policies and procedures relating to disciplinary action and termination for cause.

The Cardholder will receive training **before** a Purchasing Card is issued and annual training each year.

The Cardholder must:

1. Ensure the Purchasing Card is used for legitimate business purposes only.
2. Complete the PCard Receipt Form for each PCard transaction.
3. Complete the PCard Monthly Certification Checklist certifying each transaction is complying.
4. Always maintain the Purchasing Card in a secure location.
5. Not allow other individuals to use their Purchasing Card.
6. Adhere to the purchase limits and restrictions of the Purchasing Card and ensure the total transaction amount of any single transaction does not exceed \$2,500.00.
7. Obtain and reconcile all sales invoices, register receipts, and/or Purchasing Card transaction support documents to Bank of America's Cardholder statement and provide same to Departmental Liaison for reconciliation, approval, and allocation of transactions.
8. Provide Liaison with the appropriate accounting code for the individual transaction.
9. Attempt to resolve disputes or billing errors directly with the vendor and notify Bank of America if the dispute or billing error is not satisfactorily resolved by faxing Bank of America the required Dispute Form.
10. Ensure that an appropriate credit for the reported disputed item or billing error appears on a subsequent Cardholder statement.
11. Cardholders will not accept cash in lieu of a credit to the Purchasing Card account.
- 12. Immediately report a lost or stolen card to Bank of America at 1-888-449-2273 (24 hours a day, 365 days a year).**

13. Immediately notify PCard Administrator and Departmental Liaison of a lost or stolen Purchasing Card at the first opportunity during normal business hours.
14. Return the Purchasing Card to Departmental Liaison upon terminating employment with RCSD1 or transferring departments within RCSD1.
15. If a vendor does not accept Visa, contact the Departmental Liaison.
16. Report erroneous and emergency transaction needs to the Departmental Liaison during normal business hours.

### **LIAISON RESPONSIBILITIES**

Each Department Head must designate one or more Departmental Liaisons for each department or school. The Department Head will assign a Departmental Liaison for each Purchasing Card application approved for the employee.

The Departmental Liaison must receive training **before** any employee in the department may receive a Purchasing Card and recertification annually.

#### ***The responsibilities of the liaison include but are not limited to:***

1. Review vendor receipts attached to the Bank of America Cardholder statements. Ensure each transaction has a completed PCard Receipt Form.
2. Complete the PCard Monthly Certification Checklist certifying each transaction is in compliance. To include but not limited to items outlined in the PCard procedures i.e. prohibited transactions, no split transactions, deliveries to other than business address, no blocked MCCs.
3. Retain all Cardholder charge receipts/record for audit by internal and external auditors. Department shall retain all documents; annually prepare for storage through records management.
4. Review Cardholder transactions on the monthly Department report accessible via the BOA Payment Center.
5. Enter the appropriate accounting codes for individual transactions monthly department reports in advance of the monthly cut-off date established by the Purchasing Card Administrator.
6. Attempt to resolve any disputes with vendor and/or Bank of America not resolved by Cardholder.
7. At the close of the monthly billing cycle, retrieve monthly statements by accessing the Bank of America Payment Center portal. Each department liaison is tasked to download statement(s) from the Payment Center portal.
8. The liaison reconciles charges to the Cardholder Statement. The total of Cardholder charges/credits should balance to the "Transaction" amount shown in the account summary section of the statement.
9. If there is any charge in dispute or in error, complete the "Charge Dispute Form." (See form in Appendix)
10. If all charges are billed correctly, the charges will be approved through the WORKS portal.
11. If only one Budget Code applies to all charges, the Code will appear in the WORKS system.
12. If there is more than one Code, the liaison will enter the appropriate fund code for those specific transactions in the WORKS portal.
13. If any charges were incurred on behalf of another department, liaison must obtain the following:

- a. The receipt or some form of proof of purchase to document the charge.
  - b. The Budget Code, with proper authorization to assign the charge.
14. Submit approved and coded statements to the Purchasing Card Administrator for concurrence signature no later than the **10<sup>th</sup>** of each month.
  15. Liaison must complete a Statement of Disputed Items form for all disputed and/or credit transactions and submit with monthly statement.
  16. Notice of leave or extended leave shall be reported to the Liaison and the P-Card Administrator within three (3) business days of occurrence.

#### **RECONCILIATION IN THE ABSENCE OF THE LIAISON**

1. If the Liaison is absent from his/her office for more than four days after the statement is received, he/she should notify the PCard Administrator if no system delegation has been made to another employee to reconcile the account. The PCard System is set-up to enable daily reconciliation by the Liaison. The System allows delegation to another employee for reconciliation purposes as well.
2. If the absence is extensive and no delegation has been made, the Cardholder's Supervisor shall review the receipts/documentation and sign the statement with an explanation as to why the Cardholder could not process the statement in a timely manner.
3. The statement with receipts/documentation will be forwarded to the PCard Administrator for processing the reconciliation.
4. The PCard Administrator shall provide training for an administrative alternate in the program area. Failure to review and/or process the statement in a timely manner will be grounds to suspend and/or terminate the PCard.

## **RECORDS RETENTION**

All documentation must be kept for a minimum of **three (3) years** from the end of the fiscal year in which the last transaction was completed and/or a program evaluation has been completed by the Auditor.

These records must be available to the District Internal Auditor upon request.

Liaisons must upload files into Bank of America Works database each month as a requirement in meeting records retention. All PCard documents to include but not limited to complete copies of all statements, receipts, justifications must be kept for a period of three (3) years after the end of each fiscal year.

## **APPROVER RESPONSIBILITIES**

The Approver will be required to complete annual recertification training on the PCard procedures.

*The responsibilities of the approver include but are not limited to:*

1. Review each cardholder transaction to ensure compliance with PCard Procedures.
2. Review all documentation to ensure:
  - Invoices/receipts have the required information.
  - State sales or use tax is applied if necessary.
  - Purchases are for legitimate District business use.
  - Cardholder Monthly bank statement must contain the original signature Cardholder or designee. Signatures made with rubber stamps are prohibited. Adobe certified signature with date and time stamp is acceptable.
3. Document any violations identified with the use of Violations Form.
4. Review vendor receipts attached to the Bank of America Cardholder statements.
5. Ensure each transaction has a completed PCard Receipt Form.
6. Complete the PCard Monthly Certification Checklist with statements certifying each transaction is complying.
7. Complete a Monthly Certification Checklist Memo, if applicable to document unauthorized purchases.

## **ALLOCATION OF PURCHASING CARD CHARGES**

A default accounting code will be assigned to each Purchasing Card issued. Bank of America will submit an electronic reporting file to RCSD1 which will be used to charge all Cardholder transactions to the default accounting code unless adjustments are made as follows:

1. Departmental Liaisons will access monthly statement(s) on the **28<sup>th</sup> of each month** from the Payment Center portal. Once downloaded, the liaisons will review statement and confirm each Cardholder transaction with a valid receipt, ensure the coding in BOA WORKS is a valid code.
2. Purchasing Card Administrator will notify Departmental Liaisons of the monthly default cut-off date for approvals.
3. Departmental Liaisons will **change** default accounting codes and upload receipts into WORKS.

4. Departmental Liaisons will approve report in advance of the monthly default cut-off date for approvals established by the Purchasing Card Administrator.
5. Departmental Liaisons will assemble and retain Cardholders statements, charge slips and receipts for audit by internal and external auditors. Receipts for purchases must be maintained for 3 years after the Fiscal year period.
6. Purchasing Card Administrator reserves the right to change default codes at the request of the Departmental Liaison to comply with type of goods that was procured.
7. The total amount billed by Bank of America will be charged to the individual departmental accounts. Credits for disputed transactions will be posted to departmental accounts when credit appears on the Bank of America statement.
8. Notifying Purchasing Card Administrator in 3 to 5 days of any unresolved disputes, noting the reason for dispute.
9. Identifying and notifying Purchasing Card Administrator of transactions which require the submission of use tax to the Department of Revenue.
10. Notifying Purchasing Card Administrator of lost or stolen cards.
11. Requesting Purchasing Card Administrator to cancel a Cardholder's card (e.g. terminated employees, transferring departments, loss of purchasing card privileges) as approved by Department Head.
12. Collecting canceled cards from Cardholders and forwarding to Purchasing Card Administrator.
13. Notifying the Purchasing Card Administrator of Cardholder request(s) to have Bank of America set up a vendor to accept Visa.
14. Assisting Cardholders with erroneous declines and emergency transactions.

## **AUDIT**

### ***The responsibilities of the liaison auditing statements include but are not limited to:***

1. Reconcile vendor receipts to Cardholder statement.
2. Submit vendor receipt and Cardholder statement to Department Liaison if order is either by telephone or fax. The Cardholder should provide a copy of the emailed receipt or a description of the order to Departmental Liaison.
3. Indicate alternate account number and/or cost share account number for purchases to be charged if different than the default account number assigned to the Purchasing Card.
4. Review and maintain Cardholder receipts and statements.
5. Enter alternate default codes on the monthly Departmental reports, with the approval of the Department Head, which are distributed by the Purchasing Card Administrator.
6. Approve charges to departments in advance of the monthly default cut-off date for approvals established by the Purchasing Card Administrator.
7. Retain all receipts and vouchers for audit by internal and external auditors. Receipts for purchases are to be maintained for 3 years or until an audit has been completed. Originals to be secured and stored off-site annually through document management protocols.

**Purchasing Card Administrator will:**

1. Establish and notify Departmental Liaisons of monthly cut-off date for approvals.
2. Audit monthly master statement for appropriateness of card use.
3. Conduct yearly PCard Recertification Training.
4. Process uploads of departmental charges to accounting for charging individual departments.
5. Reconcile monthly billing statement to the electronic reporting file.
6. Conduct monthly audits of card use and charges for appropriateness using Bank of America WORKS and Payment Center online reporting systems. Areas to be monitored include, but not limited, to compliance with Purchasing Card regulations, compliance with RCSD1 regulations, and sales and use tax charges. Non-use of card by cardholders will also be monitored.



## **VOLIATIONS & PENALTIES**

It is the responsibility of each Cardholder to ensure the PCard is used within the stated guidelines.

Guidelines consist of the **Richland County School District One Procurement Code** and **PCard Internal Operating Procedures**. If a Cardholder, Liaison, or Approving Official becomes aware of a violation during the reconciliation or statement review process, it is the responsibility of that person to document the issue in accordance with written guidelines and report to the Purchasing Card Administrator **immediately**.

Richland County School District One reserves the right to investigate and document any incidents that results in a failure to comply with the PCard Procedures with possible results of suspension or revocation of PCard privileges. The Pcard Administrator will monitor purchases and issue warnings or violations where applicable. Penalties will be categorized as warnings, minor or major violations.

Any violations involving criminal conduct will be reported to law enforcement for investigation and possible prosecution. Violations are based on a four (4) tier offense:

| <b>PENALTIES FOR VIOLATIONS</b><br><i>During the audit process, the PCard Administrator will review each transaction and issue Violation Warnings where required; *Violations are cumulative</i>                  |   |   |
|---|---|---|
| Tier 1 –<br>Written Warning   | Tier 2 –Violation   | Tier 3 – Violation  |
| <ul style="list-style-type: none"> <li>➤ Failure to sign or date statement</li> <li>➤ Incomplete support/ justification</li> <li>➤ Delivery of goods to a non-District address, 1<sup>st</sup> offense</li> </ul> | <ul style="list-style-type: none"> <li>➤ Failure to provide proper documentation for transactions.</li> <li>➤ Failure to reconcile transaction by the monthly deadline.</li> <li>➤ Paying an invoice via Pcard</li> <li>➤ Buying vehicle fuel other than those specific persons designated.</li> <li>➤ Purchasing food without prior approval</li> <li>➤ Purchasing items/services listed as prohibited <i>*some purchases may qualify for Tier 3 Violation</i></li> <li>➤ Obtaining free personal gifts with purchase</li> <li>➤ Delivery of goods to a non-District address, 2nd offense</li> </ul> | <ul style="list-style-type: none"> <li>➤ Failure to report lost or stolen card.</li> <li>➤ Use of Pcard for personal use</li> <li>➤ Purchase of weapons</li> <li>➤ Purchase of alcohol or any substances that violates RCSD1 policy.</li> <li>➤ Failure to follow restrictions and limitation of Pcard Policy</li> <li>➤ Accepting cash in lieu of credit on the Pcard</li> <li>➤ Failure to secure Pcard while not in use</li> <li>➤ More than three (3) violations in a single calendar year</li> </ul> |
| <p><b>Tier 4 – OFFENSE (MINOR OR MAJOR)</b><br/> <b>Third cumulative offense violating any PCard procedures will result in the immediate termination of the cardholder due to noncompliance.</b></p>              |   |   |

*Cardholder subject to reimburse the District in full for the total spend amount in accordance with violation.*

**CONSEQUENCES**

**The following actions will occur for each violation.**

*Director of Procurement Services and/or the Chief Financial Officer (CFO) reserves the right to terminate cardholder's privileges due to noncompliance at any given time due to the violation(s)*

| OFFENSE            | PENALTIES*  |
|--------------------|---|
| TIER 1 - VIOLATION | <ul style="list-style-type: none"> <li>✓ Email notification to Cardholder, Liaison and Approver;</li> <li>✓ Document in Violation Log</li> </ul>  |
| TIER 2 - VIOLATION | <ul style="list-style-type: none"> <li>✓ PCard Administrator contacts cardholder via email with written violation notice.</li> <li>✓ Card Suspended immediately.</li> <li>✓ Prepare written Violation Form to detailing purchase, date of expenditure, vendor/supplier name, the description of good and services, amount of expenditure and an explanation of violation. Document will be emailed and returned with signature acknowledgement.</li> <li>✓ Violation will be for all parties applicable to include but not limited to the <b><u>cardholder, liaison and/or approver</u></b>.</li> <li>✓ Document in Violation Log.</li> <li>✓ The cardholder, liaison and approver will complete MANADATORY PCard refresher training within 10 business days of notification to ensure understanding of policy and procedures. Training must be complete before card will be restored as active.</li> <li>✓ Cardholder will be administered a PCard questionnaire exam; Must pass with a score of 80 or above to be certified with card privilege restored.</li> <li>✓ If necessary, PCard is subject to suspension up to 20 days or card revoked.</li> </ul> |
| TIER 3 - VIOLATION | <ul style="list-style-type: none"> <li>✓ Card Suspended immediately for 30 days.</li> <li>✓ Written Violation prepared and sent to cardholder, immediate Supervisor, and the Executive Team level supervisor.</li> <li>✓ Document in Violation Log and personnel file.</li> <li>✓ The cardholder and liaison will schedule MANDATORY PCard refresher training within 10 calendar days of the infractions.</li> <li>✓ Upon completion of training, Cardholder will be administered a PCard questionnaire exam; Must pass with a score of 90 or above to be certified with card privilege restored.</li> </ul>  |

**TIER 4  
OFFENSE  
(MINOR OR MAJOR)**

Third cumulative offense violating any PCard procedures will result in the immediate termination of the cardholder due to noncompliance.

*\*Violations are subject to review for possible criminal conduct and referral to law enforcement, to include but not limited to Breach of Trust with Fraudulent Intent; Embezzlement of Public Fund; presumption on proof of failure to account for receipts.*

***The subject penalties may be superseded by the Administration of Richland County School District One at any given time if so, deemed necessary according to the violation.***

***Failure to comply with the policies and procedures.*** Cardholders or supervisors/approving officials who knowingly, or through willful neglect, fail to comply with the following may be subject to suspension or termination of card privileges or other disciplinary action, up to and including termination of employment and criminal prosecution to the fullest extent of the law:

- Richland County School District One Procurement Code
- Internal Operating Procedures governing the PCard program

## **APPENDIX**

The documents outlined below may be found online at the following link:

<https://www.richlandone.org/Page/653>

- PCard Monthly Certification Checklist (Revised May, 2024)
- PCard Request and Maintenance Form (Revised September, 2023)
- PCard Transaction Form (Revised September, 2023)
- Cardholder Agreement Form
- Lost Receipt or Invoice Affidavit
- PCard Meal Justification Form
- Memo, Financial Services Food Per Diem
- Determination of Deviation of PCard Policy
- Statement of Disputed Item(s)
- Purchasing Card Violation Form
- Purchasing Card Statement Certification Form
- Master Merchant Category Codes (MCC) (state issued)