



Ashe County School System
Procurement (P-Card) Card Manual

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Introduction

General Overview

Procurement Cards (also known as Purchasing Cards) enable schools and departments to make small purchases more quickly and efficiently by minimizing paperwork and processing time. Similar to familiar VISA, MasterCard, etc. formats, procurement cards can be processed by vendors just like personal charge cards. Rather than making multiple payments to many vendors, ACS writes one check to the card provider.

Users, Accounts Payable and Purchasing can all benefit from the cards' streamlined process. Vendors receive payment from the card processor within a few days, without extra paperwork, thus encouraging small local businesses to do business with ACS.

Benefits to the Cardholder

- Eliminates the need to use personal funds and obtain reimbursements.
- Provides convenience, security, and flexibility to make small dollar purchases.
- Empowers cardholders with choices and immediate access to goods.

Benefits to Ashe County School System

- Increased expense analysis power.
- Increased ability to provide value-added services.

Corporate Liability

Ashe County School System's Procurement Card is a Visa credit card with corporate liability. Corporate liability is defined as follows:

- The school system is liable for all charges made by ACS employees.
- The school system is not held liable for charges made by a terminated employee once notice of termination is provided to First Citizens Bank
- The school system is not liable for charges made with the Procurement Card resulting from card theft or other fraudulent use by third parties not employed by the school system.

The Procurement Card (p-card) is a corporate Visa credit card, issued to Ashe County School System through First Citizens Bank. The card is to be used for Ashe County School System transactions only. Personal use of the Visa card by an employee is strictly prohibited.

Payment of Charges: Monthly Procurement Card charges are paid to First Citizens Bank by the school system. School System funds and expense accounts assigned by the Cardholder or Coordinator during the reconciliation process are charged weekly. The Procurement Card program provides the school system with full dispute rights and corporate liability coverage for all purchases.

Card Usage

Your p-card can be used for any allowable Ashe County School System official business expense with vendors that accept Visa credit cards. The card can be used to facilitate in-store purchases as well as purchases placed by phone, internet, or mail. Personal use of the card is not allowed and will be considered as terms for card revocation as well as employee disciplinary action.

Charges to the card are limited by daily, weekly, and monthly transaction dollar amounts as defined below. In addition, some vendors are blocked based on their Merchant Category Code (MCC). Transaction dollar limits and allowable merchant categories are established for each card account.

*The card is for
business use only.
Personal use is not
allowed.*

Transaction Dollar Limits: Standard transaction limits are set at \$1,000 per transaction with a daily limit and monthly limit set by the Finance Director. The Cardholder should be aware that splitting transactions in order to remain within the transaction limit, daily limit, or monthly limit is prohibited.

Merchant Category Blocking: Merchant category blocking utilizes MCCs to limit purchases from specific vendors. If a particular merchant category is blocked (e.g. jewelry stores) and a purchase is attempted, the purchase will be declined. Management has made an effort to ensure that vendors used during the normal course of business are not restricted.

Card Security

As a Cardholder you assume personal responsibility for the protection and proper use of the card while the card is checked out to you. Follow the points below to assure card security.

- While in your possession, always keep the card in a secure place, just as one would a personal credit card. Treat the card like cash.
- A p-card can only be used by the person to whom the card has been issued to. Never lend the card to another person or use a card that is not yours.
- Convey the card number to the vendor only through a secure web site, telephone, or in person. Never include your card number in an email or fax.
- Maintain receipts and invoices in a safe place until they are submitted to the Finance Department as documentation. The receipts and invoices should be returned to the Finance Department as soon as the purchase is made – but no later than 24 hours after the purchase was made during the week, or end of day Monday if purchase was made over the weekend.
- If your Procurement Card is lost or stolen, promptly follow the instructions under “Lost or Stolen Card.”

Roles and Responsibilities

ACS employees and management play key roles to support the Procurement Card program. A summary of roles and responsibilities follow.

Cardholder

- Ensures compliant use of the p-card according to ACS purchasing guidelines, the Procurement Card Manual, and State Purchasing and Contract guidelines.
- Maintain the card in a secure location while not in use. **Return the receipts and invoices to the Finance Department as soon as possible after the transaction is made to ensure proper documentation trail exists for the purchase but no later than 24 hours after the purchase was made during the week, or end of day Monday if purchase was made over the weekend.**
- Never allow anyone else to use the p-card in your name.
- Ensures spending limits and allotted operating budget are not exceeded on any transaction.
- Ensures transactions are not split to circumvent spending limits or ACS guidelines.
- Obtains a valid receipt / invoice for each purchase which includes the vendor name, date of purchase, item description, and total amount of purchase. Packing slips are not acceptable.
- Provides reason / proof of purchase for each item purchased with P-Card.
- Submits original receipts / invoices to the Finance Department.
- Ensures all receipts / invoices are signed legibly (if not legible – please print name on receipt / invoice).
- Assists the Finance Department with resolution of billing discrepancies, disputes, and credits.

- Contacts First Citizens Bank and the Procurement Card Manager immediately if your card has been lost or stolen.

Coordinator

The accounts payable specialist will serve as the Coordinator for specific procurement card transactions. The Coordinator is not necessarily the cardholder for all transactions. This allows the program to best meet the department or school's needs.

- Ensures the cardholder has not exceeded the spending limits or fund budget on any transaction.
- Ensures compliant use of the P-Card by all cardholders assigned to your location by reviewing the purchases on a weekly basis during reconciliation.
- Receives original receipts from the cardholder.
- Compares receipts with the electronic transactions recorded in *360*, the procurement card transaction management system.
- Reviews and approves each transaction in *360* and ensures that the:
 - Item purchased, amount charged, and the vendor name match the receipt
 - NC Sales and Use Tax is properly broken out
 - Description of the expense is clear
 - Business purpose of the expense is provided for each expenditure
 - Correct budget code is used
 - Each receipt / invoice signed legibly and uploaded into *360*.
- Resolves discrepancies with the cardholder when necessary.
- Assembles the reconciliation packet for the approver's review
 - Prints the monthly P-Card Reconciliation Report
 - Arranges the original receipts in the same order as the report for easy review by the finance officer
 - Submits the report and corresponding receipts (reconciliation packet) to the department head / principal for final departmental review

- Ensures that the p-card is used in compliance with ACS purchasing guidelines, the Procurement Card Manual, and State Purchasing and Contract guidelines.
- Reviews that the cardholder has not split any transactions to circumvent spending limits or the university guidelines.
- Approves transactions in *360* and provides final review and approval of the reconciliation packet.
- Sends all reconciliation packets for the month no later than the 10th of the following month to finance for review.

Finance Officer

- Provides fiscal oversight and management of business operations within his or her department or school.
- Selects department or school employees for participation in the ACS Procurement Card Program based upon need and the ability to fulfill program requirements.
- Accounts for the use of the procurement card, taking appropriate action with departmental or school staff when required.

Procurement Card Manager (Finance)

- Provides program management and oversight.
- Develops and delivers effective training for users.
- Ensures program compliance and quality assurance.
- Promotes an accurate P-Card program by working with departments and schools to minimize violations and infractions of card usage.

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General Card Processes

How to Obtain a Card

The finance officer must approve all Purchasing Cards. Submit a request for P-Card to the finance officer, if an individual does not currently have a card, but you would like them to have one. Requests must be made by a

principal or director. The Card Holder, must attend one of the scheduled P-Card training sessions before the card will be provided.

Card Changes - Employee Name Change, Organization and Fund Code Changes, and Approver Change

The Procurement Card Manager maintains cardholder applications, and agreements. To change fund codes assigned to the card, card user must notify the Procurement Card Manager. The Procurement Card Manager will notify the Coordinator of the effective date of the change.

Card Renewal

P-cards are issued with a three (4) year expiration date. Renewal cards will be mailed from the bank to ACS and distributed by the Procurement Card Manager to the Coordinator's. You should receive your new card approximately thirty (30) days before the expiration date.

Coordinator Employment Changes

If the coordinator leave the school system, or transfers to a different position, please notify the Procurement Card Manager immediately.

Card Inactivity

In the event a card is inactive for six months, the card will be reviewed for possible cancellation by the Procurement Card Manager.

Lost or Stolen Card

If you believe you have lost your card or that it has been stolen, immediately report the problem to First Citizens Bank at 1-888-514-6849. Customer assistance is available 24 hours a day. Immediately after reporting to First Citizens Bank, notify your Procurement Card Manager of the event. It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.

If it is a normal work day, and between the hours of 8 am and 5 pm, please contact the Finance Department and we will be able to assist you with getting the account closed and a new card issued.

You will no longer be able to use the account number after notifying the bank. First Citizens Bank will automatically reissue a new card. The

Procurement Card Manager will notify you as soon as the new card is received. A card that is subsequently found after being reported lost should be sent to the Procurement Card Manager.

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General Purchasing Guidelines

The p-card represents Ashe County School System's trust in you as a responsible employee who will safeguard and protect agency assets. As a cardholder, you assume the responsibility for proper use of your card. **Card purchasing does not change or alter current purchasing policies and departmental approval processes. Your card serves only as an optional method of payment.**

Allowable and Non-Allowable Card Purchases

The Ashe County School System Procurement Card is intended for operating supplies and other low value purchases needed during the course of business, or for purchases from vendors that do not accept ACS Purchase Orders.

Two charts are listed on the next pages as a **guide** for allowable and unallowable expenses. It does not encompass all allowable or non-allowable expenses. Also, all cost should be reasonable, necessary, allocable. If you should have any questions, please contact Finance for assistance.

Allowable Expenses on the Ashe County School System Procurement Card

- Express Mail Service and Freight
- Supplies purchased from vendors who do not accept purchase orders. A requisition/purchase order will still be required for pre-approval of purchase.
- Food Items (if professional development or parent engagement please provide an agenda and sign-in sheet)
- Professional Development Registration (Require signed staff development form to be attached)
- Recurring Charges (a purchase that automatically re-bills the card on a monthly / annual basis) -**LIMIT THESE IF AT ALL POSSIBLE.**
- Gift certificates and cards – **HAVE TO BE PREAPPROVED BY COUNTY FINANCE OFFICER**

Non-Allowable Expenses on the Ashe County School System Procurement Card

- Alcohol or Tobacco Products
- Cash or Cash Advances
- Cell phones or plan expense
- Contractual Services (Professional, Independent Contractor Services or any type of Maintenance Agreement where we enter into a contract with the vendor to support purchased equipment – such as AppleCare)
- Hazardous Materials (cylinder gases, radioactive materials)

Split Transactions

A split transaction occurs when you split a purchase to stay within the dollar limits of your card (per transaction, day, or month), or to avoid bid processes. Splitting transactions is strictly prohibited. Care should be taken by the Cardholder and Coordinator to avoid the appearance of such.

Examples of split transactions are noted below. If you are uncertain as to if a transaction would be considered “split,” contact the Procurement Card Manager.

- A cardholder purchases similar or complementing items that cost a total of \$2750. The sale is divided into separate transactions of \$1500 and \$1250. This is considered a split transaction to avoid exceeding the transaction limit of \$2500 and is not allowed.
- A cardholder purchases an item on Monday which costs \$2625 and pays the vendor \$2000. The remaining \$625 is paid on Friday. The \$2625 purchase has been divided into two transactions. This is considered a split transaction to avoid exceeding the transaction limit of \$2500 and is not allowed. A Purchase Order must be completed for the full order.
- Two cardholders within the same department use their cards to purchase an item or complementing items that cost \$3000. Two transactions occur (one on each card) for the purchase. This is considered a split transaction to avoid exceeding the transaction limit of \$2500 and is not allowed. A Purchase Order must be completed for the full order.

Sales Tax

Ashe County School system is NOT a tax-exempt entity and is required to pay North Carolina sales and use tax on goods, unless goods are purchased for resale.

Coordinators are responsible for ensuring that sales tax is properly broken down in the system to match the receipt.

This section addresses the application of the general procurement guidelines to Procurement Card transactions. This section will address procurement with the Procurement Card, purchases by fax, purchases by internet, purchases by email, and return of goods.

Card Purchase Steps

To make a card purchase, follow the steps below. If in doubt about any part of the process, contact your Coordinator or Procurement Card Manager for clarification. **P-Cards do not supersede any part of the Budget and Fiscal Control Act. ALL expenses must be pre-approved by the Finance Officer. Requisitions/POs will be submitted for the purchases or maybe set-up based on the budget code and amount in code.**

1. Follow the internal procedures of your department to determine if a purchase is required and authorized.
2. Determine if the price quoted is the best price you can obtain by knowing your merchandise and comparing different vendor pricing.
3. Determine if there is an available budget. Requisitions/PO's may be setup for the card limit on the default card budget code. If another code is to be used, ensure there are available funds in that code, including any purchases made that have not been recorded.
4. Determine if there is an adequate available balance on the card.
5. Provide payment with your P-Card.
6. Obtain an itemized receipt / invoice (must list item description, quantity, price, and total purchase) from the vendor. Packing slips are not acceptable.
7. If goods are to be delivered, provide the vendor your name, department, phone number, and complete delivery instructions. Items must be shipped directly to an ACS site.
8. Turn in the P-Card to the coordinator within 24 hours of making a purchase (or end of the day Monday for weekend purchases) along with a copy of the receipt.

9. When goods are delivered, provide the P-Card coordinator with the packing slip to keep with the original receipt.

Purchases by Fax

Retain a copy of the fax, as well as the fax confirmation for your records. To avoid duplicating the order, it is recommended that you do not mail a copy of the faxed order to the vendor. If the vendor requires the original, be sure to clearly mark it “Confirmation of Fax Order, Do Not Duplicate.”

For security purposes, call the vendor with your p-card number instead of including it on your fax. Fax numbers can change and fax machines are often located in open areas within offices. Should your order be misdirected, your p-card number will be also.

Purchases by Internet

On-line purchases must be made with vendors who use a Secure Sockets Layer (SSL) browser session to minimize the risk of credit card fraud. To confirm that a secure area has been accessed, look for “https” (denoting a secure site) in the web address. A closed lock usually appears to the right of the web address or at the bottom right-hand side of the screen when you are asked to enter your card number.



If a secure browser site is not readily apparent to you, do not utilize the internet to make the purchase as the security of your card could be jeopardized.

Website Receipts

Websites that present an on-line receipt, which reflects the items purchased and cost with a company logo or name, will serve as proper documentation. Simply print the on-screen document.

Websites that reflect the billing amount only will serve as proper documentation by printing the email confirmation or order acknowledgement.

Websites that do not present an on-line receipt can still be utilized. The customer should print screens that reflect the items being purchased and the

amount, and then ensure the email confirmation or order acknowledgement is attached.

Return of Goods Purchased

Items purchased with the p-card may need to be returned. When this occurs, a vendor issues a credit invoice upon receipt of the goods. Make certain to turn the credit invoice into the Coordinator to use in the reconciliation process at the end of the billing cycle.

When receiving goods that you may need to return, consider the items below.

- ▶ Always retain boxes, containers, special packaging, and packing slips, until certain that you are going to keep the items. Items that are fragile or computer-related generally cannot be returned without the original packing materials.
- ▶ Read all enclosed documents carefully. Often a critical phone number and other instructions about how to return items are included.
- ▶ To facilitate the return of goods, follow vendor shipping instructions, if applicable.

Documentation and Reconciliation (Coordinator Responsibilities)

Overview

- ▶ P-Card Transactions must be coded, a receipt uploaded, and signed off on / approved in First Citizens Bank (360) within 5 business days of the transaction.
- ▶ If the primary coordinator is not available, the secondary coordinator must take the responsibility of completing and submitting the reconciliation packet.
- ▶ Reconciliation Packets are due to the P-Card Manager on the 10th of each month for the previous month, unless otherwise instructed on the Reconciliation Calendar.

On-Line Transaction Review and Statement Reconciliation

Transactions can be reviewed as soon as they are processed through 360. Specific instructions to view, reconcile, enter comments about transactions, edit general ledger fund and account selections, and reconcile monthly statements can be found in the Procurement Card Coordinators User's Guide.

Disputed or Fraudulent Charges

If there is a discrepancy on your statement, it is imperative that the issue is addressed immediately with the vendor and/or the Procurement Card Manager. Depending on the type of discrepancy, you will need to contact either the vendor or the Procurement Card Manager to resolve the disputed transaction.

If you believe the vendor has charged you incorrectly or there are problems with your order, you must first contact the vendor and try to resolve the error or problem. If you are able to resolve the matter directly with the vendor, and the error involved an overcharge, a credit adjustment should be requested.

If the vendor disagrees that an adjustment is necessary, immediately contact your Procurement Card Manager who will work with you and First Citizens

Bank to resolve the dispute. First Citizens Bank will request complete details of the dispute in writing in order to research the item in question.

First Citizens Bank must receive any charge dispute within sixty (60) days of the transaction date. Ashe County School System pays all charges as billed on each statement (regardless of a transaction being in dispute status). Once the dispute status has been declared by First Citizens Bank, the bank will issue a credit until the dispute is resolved. Although First Citizens Bank acts as the arbitrator in any dispute, you should never assume that a dispute would be resolved in your favor.

A fraudulent charge (e.g., a charge which was not initiated by you) must be reported immediately to your Procurement Card Manager. Prompt reporting of any such charge will help to prevent Ashe County School System from being held responsible.

Transaction Sweep and Payment Process

The Procurement Card Manager will be reviewing card transactions to ensure program integrity. The Procurement Card Manager will be monitoring approvals as they occur. Once the final approval time (5 days after the transaction is posted) has passed, the Procurement Card Manager will e-mail a request for the item to be approved, if after 24 hours the item is not approved with all documentation, the Finance Officer will be notified, and a warning may be issued.

After the 10th of the month, the transactions in 360 will be reviewed and download into LINQ.

After the general ledger feed, charges can only be reallocated by processing a 202.

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Compliance Assurance

In order to ensure compliance with the policies procedures of the program, the actions listed in the below chart will be taken by Financial Services when infractions occur. Infractions are classified as Minor Infractions, Major Infractions, and Criminal Activity. General descriptions and discipline measure are listed below.

The Finance Department and Procurement Card Administrator reserve the right to revoke and cancel any P-Card(s), as well as departmental cards, for failure to comply with policies and procedures of the program at any time.

Minor Infractions

- ▶ Late P-Card Reconciliation Packets without notice to Procurement Card Manager
- ▶ Missing or inadequate receipt
- ▶ Missing Signature or Purpose on Receipt or Invoice
- ▶ Paying Invoices after Goods / Services have been received
- ▶ NSF
- ▶ Inaccurate completion of P-Card Reconciliation Packet
- ▶ Other infractions deemed as minor by the Director of Finance.

First Offense	P-Card Coordinator / End-User will be notified by the Finance Department via telephone / email and alerted to the infraction. This will be considered a “verbal warning”
Second Offense	P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator and Department Head / Principal must sign written warning and return it to Procurement Card Manager.
Third Offense	Card suspended for 30 days.
Fourth Offense	Card revoked or loss of P-Card Coordinator responsibilities. Cardholder blocked from new card for twelve (12) months.

Major Infractions

- ▶ Split transactions (to circumvent single transaction limit)
- ▶ Non-allowable purchases
- ▶ Allowing another individual to use your P-Card or number.
- ▶ Personal purchase that is made in error
- ▶ Other infractions deemed as major by the Director of Finance.

First Offense	P-Card Coordinator / End-User will be notified by the Finance Department via telephone / email and alerted to the infraction. This will be considered a “verbal warning”
Second Offense	P-Card Coordinator receives Violation Report via email. Cardholder, Coordinator and Department Head / Principal must sign this report and return it to Procurement Card Manager. P-Card privileges revoked until retraining occurs.
Third Offense	Card is revoked. Cardholder is not eligible for future p-card use.

Criminal Activity

- ▶ Personal purchase that is intentional

If you intentionally make a personal purchase, a theft of state property has occurred. Immediate card revocation will occur. Your division head or principal, Finance Officer, Superintendent, and Police will be notified. Appropriate disciplinary action will be taken. The cardholder will not be eligible for future p-card use.

Appendix II: Procurement Card Contact List

First Citizens Bank (First Citizens Bank)

To contact First Citizens Bank, call the number on the back of your card.
Any time First Citizens Bank is contacted, you should also contact the
Procurement Card Manager.