Berrien Springs Public Schools Purchasing Card

Cardholder Guide
Cardholder Agreement

Revised 4-19-2016

OVERVIEW

The Board of Education recognizes the convenience and efficiency afforded by the use of District credit cards, however, shall not be used in order to circumvent the general purchasing procedures established by State law and Board policy. As such, staff and approved contracted personnel are required to abide by the following guidelines when using a District credit card.

The Purchasing Card Program is intended to streamline and simplify the Purchasing and Accounts Payable functions. The Purchasing Card is a tool that reduces transaction costs, facilitates timely acquisition of materials and supplies, automates data flow for accounting purposes and offers flexible controls to help ensure proper usage. The Purchasing Card Program is designed as an alternative to a variety of processes including petty cash, check requests, and low dollar purchase orders. The Purchasing Card Program is not intended to avoid or bypass current payment procedures. Rather, the Program complements the existing processes. Some minimal record keeping is essential to ensure the successful use of the Purchasing Card. This is not an extraordinary requirement; standard payment policies require retention of receipts, etc.

This Cardholder Guide provides information about the process, the types of purchases that can and cannot be made, records that must be maintained and reconciled for each cycle, and a variety of other Program information.

PLEASE REMEMBER THAT YOU ARE COMMITTING DISTRICT FUNDS EACH TIME YOU USE THE PURCHASING CARD. You are the person responsible for all charges made to the card, which has been issued to you. Intentional misuse or fraudulent abuse may result in disciplinary action up to and including dismissal.

The card will have no impact on your personal credit. Although the card lists an individual's name, the card is actually issued to the School District.

OBTAINING A CARD

Employees of the School District are eligible to receive a Purchasing Card. Contracted personnel are eligible to receive a Purchasing Card with the approval of the Superintendent. You are responsible for the security of the card and all transactions made against the card. You will be required to sign a Purchasing Card Cardholder Agreement as part of the Purchasing Card application.

When you receive your Purchasing Card, IMMEDIATELY SIGN the back of the card and always keep it in a secure place. Although the card is issued in your name, it is the property of the School District and is only to be used for district purchases as defined in this guide.

PURCHASING CARD RESTRICTIONS

The Purchasing Card IS NOT to be used for personal purchases, cash transactions such as money orders, ATM, travelers checks, wire transfers, or any travel and entertainment expenses such as airline tickets, hotel accommodations, car rentals or meals that is not for the purpose of school-related activities.

If a purchase limit is enforced, DO NOT SPLIT A TRANSACTION into separate receipts to bypass your single purchase limit. Contact your supervisor if you find that your single purchase limit is set too low.

USING THE CARD:

YOU MUST HAVE A RECEIPT FOR ALL ITEMS YOU PURCHASE.

Purchases, with necessary approval, are initiated using your assigned card. Be sure your purchases are within your budget. You may use the credit card wherever it is accepted. It is required at the time of purchase that you receive a receipt. You may also order by phone or mail using your credit card. When you place your order, ask that a receipt be included with the goods when the product is shipped to you. This receipt is the only original documentation. You may also purchase on-line. After you send the order, print off the e-mail confirmation as proof of purchase for reconciliation purposes. Receipts must be signed or initialed by the cardholder as approval of the purchase along with an explanation of the purchase and a budget number to charge the expense if possible. Receipts for meals must be the itemized receipt showing the items that were purchased. Alcoholic beverages are expressly prohibited from being purchased with district funds.

SALES TAX

Sales tax SHOULD NOT be paid on any purchases made with the Purchasing Card. The School District is tax-exempt. The tax-exempt identification number appears on the face of your card. A blanket tax-exempt certificate, issued by the Michigan Department of Treasury, is available from the Business Office. The federal tax id number is printed on the front of the purchase card. While we do not have reciprocal agreements with other states, it is always good to ask for the tax-exempt status. Many times your request will be honored.

RECONCILING YOUR ACCOUNT

Every month you will receive a Statement of Account. The statement will identify each transaction made against the Purchasing Card during the billing cycle. This statement must be immediately reconciled against your receipts for accuracy. Sign the statement, staple all receipts to the back of the statement, and forward to your supervisor for approval. After review/approval your supervisor will forward to Central Office.

If you make telephone purchases, it is helpful to keep a Transaction Log as a tool to help maintain purchase information and to help reconcile your account. If the Statement of Account arrives before you receive the invoice, you can use the following as evidence of purchase: 1) the packing list to verify receipt of goods and 2) the catalog order form to verify purchase price.

RESOLVING ERRORS AND DISPUTES

In case of an error, contact the supplier to reach an agreement. Most disputes can be resolved between you and the supplier directly. If you are unable to reach an agreement with the supplier, call the Business Offce. You will be asked to complete a Statement of Questioned Item Form. The bank will flag your account pending an investigation. ALL

DISPUTES MUST BE SUBMITTED IN WRITING TO THE BANK WITHIN 60 DAYS OF THE STATEMENT DATE.

PAYING THE BILL

The Purchasing Card is a corporate pay arrangement. Account balances will be paid in full every month by ACH. Your purchases will be charged directly to your general ledger account. DO NOT send your Statement to Accounts payable with a check request!

LOST OR STOLEN CARDS

Your Purchasing Card must be secured, just as you would secure your personal credit cards. If your card is lost or stolen, immediately contact the bank via their toll free number. Also notify the School District Purchasing Card Program Administrator.

REFUSAL OF CARD OR ACCOUNT

If your purchase is declined, the vendor will not know why the sale did not go through. Turn your card over and call the customer service number. The representative will tell you why the sale was declined.

DEPARTMENTAL CHANGES

If you transfer or resign your position, IMMEDIATELY RETURN YOUR CARD TO EITHER YOUR SUPERVISOR OR TO THE PROGRAM ADMINISTRATOR.

PURCHASING CARD AUDIT ACTIVITY

Your purchasing card activity is subject to random audits by the Business Office and/or the district auditing firm to help ensure adherence to the program's policies and procedures.

MERCHANTS THAT DO NOT ACCEPT THE CARD

Merchants are encouraged to become involved in the Purchasing Card Program so that you can use the Program most effectively. Merchants may contact their local bank or financial institution to become credit card capable. For those merchants that are unwilling to participate in the Program, alternative sources should be found.