

PROCUREMENT CARD PROGRAM

Policy and Procedures Manual



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Overview of the District Procurement Card System

The Iowa Community School District has contracted with BMO Bank of Montreal through the Iowa Association of School Business Officials (IASBO) for our District Procurement Card (P-card) Program.

The purpose of this manual is to acquaint you with information about the P-card program's policies and procedures. It describes many of your responsibilities as a cardholder and outlines the processes and procedures to facilitate timely and accurate purchasing transactions. It also includes helpful information and instructions for documentation, reconciliation, and review.

All procedures must be adhered to as outlined in this manual. All School Board and Business Department purchasing policies, regulations and procedures apply. Failure to comply can result in the suspension from the P-card program and also include disciplinary action that may result in termination of employment. The P-card issued to the cardholder is the property of the Iowa City Community School District and can be cancelled at any time. Please keep in mind that it is a privilege to be issued a District P-card and you are using taxpayer dollars when making a purchase.

As the district's needs change and usage continues to grow, it may become necessary to revise or supplement a portion of the manual from time to time as deemed appropriate. If questions arise in the meantime, please contact the Chief Financial Officer.

Code of Conduct

The Code of Conduct for Iowa City Community School District's Procurement Card Program is designed to provide the cardholder with a general philosophy and set of guidelines to follow regarding the use of the P-card.

- Authorization – The P-card received by the cardholder may have his/her name embossed and shall only be used by the cardholder. **No other person is authorized to use the card or account number.** The cardholder may make transactions on behalf of others in the department, but the cardholder is responsible for all use of his/her P-card.
- Purchases – P-card purchases should be made so that the district gains the maximum value and quality for each purchase.
- Limitations on Vendors – Cardholders must not make P-card purchases from friends or relatives where the cardholder has a financial interest.
- Vendor Gifts – Decline all personal supplier gifts offered. Cardholders must not accept any gift from any source if offered, or appears to be offered, to influence decision-making regarding P-card purchases.
- P-card Agreement – The issuance and/or use of a P-card is strictly prohibited prior to receipt of a signed agreement from the cardholder (Attachment A).
- Personal Use of P-card – Only authorized District business purchases may be completed with the P-card. Any personal purchases are strictly prohibited. If a personal purchase is inadvertently made, contact a District P-card administrator immediately. The cardholder will be required to submit personal payment along with all other itemized receipts for purchases made in the period. If personal payment is not received the card will be cancelled or suspended.
- P-card Security – The P-card is the property of the Iowa Community School District and as such must be kept in a secure location at all times.
- Vendor Selection – Vendors used should meet the same requirements as vendors used for purchase orders
- Vendor Disagreements/Disputes – If a disagreement occurs with a vendor, the cardholder should make every effort to reach a reasonable and equitable settlement to the dispute. If it is not possible to settle the disagreement under reasonable circumstances, contact the P-card administrator.
- Documentation – All purchases using the P-card must be properly documented for business purposes by submitting itemized receipts. Any altered or forged documentation is prohibited.
- Purchase Limits – All dollar value purchase limits will be adhered to under the program and any splitting of transactions to avoid Board policy is prohibited.
- Returning P-cards – The P-card is the property of the Iowa City Community School District. Upon separation of employment, the P-card must be surrendered to the P-card administrator.

Purchasing Guidelines & Approvals

P-Card Usage Policy/Procedure

Before using any P-card for any purchase, a requisition must be created in the district's accounting system.

Information required at the time of request:

- Date purchase needs to be made (you will need to plan ahead). Approval can take up to a week for all parties to approve.
- Cost or estimated cost of purchase.
- Budget code that will be used to pay for the purchase.
- Reason for purchase.
- Failure to get prior approval before using a P-card will result in cancellation of the card.

In the event of a P-card request, a requisition will be submitted, the approval tree will follow the same process or may include other parties depending on the item or cost of the request, and then once purchase is fully approved, the requestor will be notified via email with a copy of the purchase order.

When the P-card is reconciled at the end of the billing cycle, a copy of the purchase order will be required to be attached along with a copy of the purchase receipt in the BMO/Spend Dynamics P-card system.

It is preferred that P-Cards should only be used in extreme emergencies, for travel, or when a vendor does not accept purchase orders. If a vendor accepts purchase orders, an attempt should be made to get them approved and entered into the accounting system.

In case of an emergency, an administrator or the Chief Financial Officer should be contacted immediately.

Sales Tax

Iowa City Community School District is tax exempt. The cardholder must make the vendor aware of the district's tax-exempt status. Tax-exempt letters are available from the district business office.

How Can I Use the P-card?

The P-card may be used for the following types of transactions:

- Telephone orders
- Fax/mail orders
- Online purchases
- Over the counter

To Place a Telephone Order

- Have your P-card ready before placing the call
- Inform the vendor of tax-exempt status
- Confirm shipping costs
- Specify the shipping address

To Place a Fax/Mail Order

- Complete all information needed on the order form and keep a copy for your records. For subscriptions this may be the only receipt provided.
- Confirm shipping address

To Purchase Online

- Print out completed registration forms, confirmations, and itemized invoices to be used as supporting documentation.
- Ensure that no sales tax is charged. *If tax is charged, it is the cardholder's responsibility to contact the vendor to have it removed and credited on the next statement.*
- Card information should never be saved to online sites.

To Purchase Over the Counter

- Remind cashier that the district is tax-exempt
- Obtain itemized receipt at time of purchase

Recordkeeping & Reconciliation

The cardholder is responsible for maintaining receipts for all purchases made with the P-card. The documentation retained should include itemized sales receipts, packing lists (if applicable) and credit card transaction receipts.

ALL original itemized receipts must be attached in the order listed on the P-card Expense Form Summary. Scanned copies of cash register tape receipts may also be provided. Submit to supervisor for review, approval and signature (stamped signatures are not acceptable). Return to the Business Office by the required date.

Examples of Receipt Documentation

- Original or scanned cash register itemized receipt
- Airline itinerary and sales receipt (if "e-ticket" attach the email documentation)
- Itemized hotel bill
- Itemized restaurant bill. Gratuities should not exceed 20% of your bill.

Sales Tax

- It is the cardholder's responsibility to request a sales tax refund if the vendor charged in error.
- Cardholder will be held responsible for inappropriate charges, including sales tax.

Billing and Payment Schedule

The P-card billing cycle ends on the 5th of each month. **P-card Expense Record and supporting documentation must be submitted to the Business Office by the 10th of each month.**

A P-card Expense Record missing the proper approvals and/or documentation will be returned to the cardholder's supervisor to be resubmitted appropriately. If a cardholder is delinquent in submitting their summary and documentation to the Business Office, it will be considered a violation. Missing receipts are the responsibility of the cardholder who must contact the vendor to request a duplicate receipt. If no receipt is produced, it will be considered a violation and use of the card may be suspended or cancelled.

Travel

Travel Tips and Reminders

- The P-card must not be used for gasoline for your personal vehicle when it is used for business purposes. Business travel incurred when using your personal vehicle will be reimbursed by claiming mileage on your expense reimbursement form. If you are traveling with a rental car, then gasoline may be purchased using the P-card, noting the rental car description and license plate on the receipt.
- The P-card may be used to pay for qualified purchases on itemized hotel bills. Itemized meal receipts are required, even when charged on a hotel room account.
- The district does not provide ATM or Cash Advance privileges with the P-card program.

Audits

All cardholder accounts are subject to periodic audits to ensure compliance with district policies. If there is a policy violation, the cardholder and their supervisor will be contacted by a P-card Administrator. Disciplinary action may be assessed based on the type of violation. If three violations occur within a fiscal year, the P-card will be revoked as determined by the Business Office.

Violations

- Unauthorized purchases
- Purchase of prohibited products, service, or merchandise
- Intentional splitting of transactions to circumvent Board policy
- Personal use
- Allowing unauthorized person/s to use the P-card
- Fraudulent transaction with a vendor
- Violation of the district's purchasing policies
- Missing original itemized receipt when documents sent to Business Office
- The approved P-card Expense Record Summary and documentation are not submitted to the Business Office by the required due date

Lost or Stolen Cards

If the P-card is lost or stolen, the cardholder must immediately contact a P-card Administrator and BMO. Upon notification, the P-card will be suspended immediately and any charges posted to the account after the “missing date” will be denied. A replacement P-card will be issued by BMO.

Card Security Tips

- P-card should be retained in a secure location at all times.
- Sign the back of your P-card using “See ID” to remind the vendor to look at your personal identification to authenticate the transaction.
- A cancelled P-card should be returned as soon as possible to a P-card Administrator for disposal.
- Do not provide your card account number to unsolicited marketing calls.

Important Contact Information

Bank of Montreal (BMO) 800-361-3361
P-card Administrator
Chief Financial Officer 319-688-1000 ext. 2541

Cardholder Set-up and Activation

When the P-card arrives, the cardholder will be contacted to come to the Business Office where the Policy and Procedures Manual will be reviewed.

Cardholder will sign the P-card Use Agreement (Attachment A) and Statement of Authority (Attachment B) before receiving the P-card.

Activation of Account

- The new card will be activated by the Business Office

Inventory

The Director of Budget and Finance or designee will maintain an inventory of all District credit cards/P-cards.

Credit cards will only be issued in the name of the school District and will be numbered for control purposes. District credit cards may only be used for valid expenditures.

The numbered P-card will be issued in the name of the school district and controlled by the Business office. All purchases with the District P-card **labeled Administration Office Iowa City Comm Sch Dist** will be reviewed monthly by a member of the Board of Education. All other P-cards will be issued in the name of the employee and numbered for control purchases. P-cards may only be used for valid District expenditures. Employees must sign the Individual Procurement Use Agreement and Statement of Authority indicating they have read and understand the Procurement Card Program Policy and Procedures Manual. Supervisors must also review and sign each monthly statement for their building, department and/or employees.